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DEVELOPMENT**



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I. DEVELOPMENT ASSISTANCE PROGRAM FOR INDONESIA

The principal themes and broad development issues concerning Indonesian social and economic growth were identified in the February 1974 Indonesian DAP submission. The revised Summary Narrative Statement which follows discusses changes which have occurred since early 1974 in the Indonesian development situation, examines Indonesia's economic prospects and presents a rationale and strategy for U. S. economic assistance.

ECONOMIC SITUATION AND PROSPECTS

The most recent assessment of income distribution in Indonesia took place at the end of 1969. Using these data, the World Bank estimated in its April 1975 report that about 75 percent of Java's population and 48 percent of the population of the outer islands had standards of living insufficient to provide them with a minimally adequate level of nutrition. Between 1969 and the present, great increases in both GDP and price levels have occurred. Also, the portion of GDP available for personal consumption has decreased as public consumption and investment and non-government investment have increased. The net impact of these developments on private consumption are shown in the following table:

Allocation of Available Resources

	<u>1969</u>	<u>1975 (est.)</u>
Gross Investment	11%	22%
Central Government	4%	9%
Other	7%	13%
Public Consumption	7%	13%
Private Consumption	<u>82%</u>	<u>65%</u>
Total	100%	100%
Available Resources (GDP plus net imports)	Rp. 2,880 billion	Rp. 12,350 billion
Private Consumption	Rp. 2,362 billion	Rp. 8,028 billion
Population	115 million	138 million
Average per capita Private Consumption	Rp. 20,500	Rp. 58,200
Median per capita Private Consumption	Rp. 16,400	Rp. 46,500

Based on the above, average per capita private consumption increased 184% between 1969 and 1975. However, prices increased by nearly the same amount as can be seen in the following table:

1969-1975 Price Increases

Java rural food prices	183% increase
Java non-food prices	145% increase
Jakarta cost-of-living	170% increase

A weighted average of the above shows that the cost of living increased about 170% while average per capita private consumption was increasing 184%. This indicates that, in real terms, per capita consumption increased 8.2% in total or about 1.3% annually. It must be emphasized that the statistical base for these calculations is limited, and the results must be considered indicative only. In addition to uncertainty regarding the aggregate data it is unlikely that increases in income have been distributed evenly among all strata of the population. For example, food consumption makes up 75% to 80% of the expenditures of the bottom 50% of society. Available statistics show that, on a caloric basis, per capita food availabilities in Indonesia now are at about the same level they were in 1960. This coupled with the small increase in average consumption calculated above would indicate that very little of the benefits of development have reached the bottom half of society as yet.

It is informative to outline the characteristics of a typical Indonesian family. On a per capita basis the median annual level of consumption is Rp. 46,500 (US\$112). The median rural family consumes about 13% less than this while the median urban family's consumption is 33% higher. Price differences between urban and rural areas offset some but not all of this disparity. It is important to note that a minimum annual income of \$100 is needed to provide a minimally adequate level of nutrition.

Since two-thirds of the Indonesian population live on Java, 82% of the Javanese population is rural, and 63% of the labor force is employed in agriculture, it is appropriate to consider a typical Indonesian family head to be a Javanese farmer. The median Javanese farmer farms about 0.5 hectares and owns his own home. His home has three rooms, a dirt floor, the outer walls are bamboo, and the source of light is kerosene. The water source for the typical farmer is a well located outside his yard. Toilet facilities are a rice paddy, irrigation canal, or stream.

The typical head of household is 40 to 44 years old, did not finish elementary school, speaks a local dialect rather than the Indonesian language, and has between 3 and 4 children. He is unable to support his family from farming alone and seeks whatever limited off-farm employment that may exist during the slack season.

The weight of the above discussion is that improvements in the well-being of the typical Indonesian and his children will require a development program with high priority assigned to investments that create employment of a type and in a quantity suitable to the evolving Indonesian labor force. Programs must be developed to improve the productivity of the existing and future labor force. The capabilities of Indonesian institutions and government agencies must be upgraded and properly oriented to enable them to support the development process that is required.

-- Indonesian Development Goals: The stated goals of the Second Five-Year Plan (April 1, 1974 to March 31, 1979) were to raise the living standards of all the people and to lay a strong foundation for the next stage of Indonesia's development. While the First Plan dealt mainly with the problems of stabilization and rehabilitation under conditions of great scarcity of resources, the language of the Second Plan assigned much more priority to employment, equitable distribution of the benefits of development, regional growth, and education.

-- Patterns of Development: The changes in the sectoral composition of GDP since the beginning of the First Plan are shown in the following table:

COMPOSITION OF GDP AND EMPLOYMENT
(Current Prices - Rp. Billions)

Sector	1969	1975	Increase	Percent Distribution	
				of GDP Growth	of Employment
Agriculture	Rp. 1,339	Rp. 4,208	Rp. 2,869	30	63.2
Food Crops	(823)	(2,531)	(1,708)	(18)	n.a.
Others	(516)	(1,677)	(1,161)	(12)	n.a.
Mining	129	1,471	1,342	14	0.2
Manufacturing	251	1,322	1,071	11	7.5
Electricity, Gas and Water	13	77	64	1	0.1
Construction	75	594	519	5	1.9
Transport and Communication	77	589	512	5	2.3
Trade & Services	<u>834</u>	<u>3,980</u>	<u>1,146</u>	<u>33</u>	<u>24.8</u>
Total GDP	2,718	12,241	9,523	100%	100%
(1975 constant prices)	8,185	12,241			
(\$ billions - 1975 prices)	\$21.5	\$29.5			

Comparing the origins of growth since the beginning of the First Plan with the sectorial composition of employment shows that, although nearly two-thirds of the labor force is associated with agriculture, only one-third of economic growth came from this sector. This underlines the importance of labor intensive approaches to development in all sectors.

The first two years of the Second Plan are now past and the government budget for the third year has been issued. It is appropriate to assess how actual performance compares with the stated objectives of the Second Plan prior to discussing future development prospects.

The following table compares actual GOI expenditures with the projections in the Second Plan for the period 1974/75-1976/77. All data are converted to 1975 prices and fertilizer subsidies are eliminated from the data for the agricultural sector.

BUDGETED GOI DEVELOPMENT EXPENDITURES
1974/75-1976/77*
(Rp. Billion - 1975 prices)

<u>Sector</u>	<u>Second Plan (%)</u>	<u>Actual (%)</u>	<u>Actual as a Percent of Plan</u>
Agriculture and Irrigation	Rp. 410 (13%)	Rp. 406 (11%)	99%
Industry and Mining	118 (4%)	330 (9%)	280
Electric Power	247 (8%))	1,174 (32%)	151
Transport and Communication	529 (17%))		
Regional Development	591 (19%)		
Education	335 (11%)	271 (7%)	81
Health and Family Planning	122 (4%))	154 (4%)	82
Public Housing, Water Supply	65 (2%))		
Government Capital Participation	358 (11%)		
Other	<u>335 (11%)</u>	<u>423 (11%)</u>	<u>127</u>
Total	Rp. 3,110 (100%) (\$7.5 billion)	3,684 (100%) (\$8.9 billion)	119%

* (Budget data only are available for 1976/77)

Two conclusions are immediately obvious from the above table. The first is that, contrary to the general belief that the GOI has been able to allocate vastly greater resources to the development effort than envisaged in the Second Plan, in real terms actual development expenditures were only 19% greater than projected for the first three years of the Second Plan. The second conclusion is that the sectorial composition of actual expenditures differs significantly from that envisaged in the Second Plan. In real terms, the socially-oriented development sectors (education, health and family planning, public housing and water supply) actually had about one-fifth less spent on them than projected in the Second Plan.

Regional development also received less financing than anticipated, while agriculture (exclusive of fertilizer subsidies) received about what was projected in the Plan. At the opposite extreme, the capital intensive physical infrastructure sectors received allocations greatly in excess of those anticipated in the Second Plan, with industry and mining receiving financing equal to 280% of what was planned. If the data were available so that the great increase in heavy industry investments by public enterprises could be included, the concentration on capital intensive investment by the public sector would be even more marked. Additionally, what sketchy information is available would indicate that private sector investments have been constrained by the application of credit controls.

Since it is thought that private sector investments, on the whole, create more employment per dollar invested than public investments, this further accentuates the capital intensive nature of overall investment.

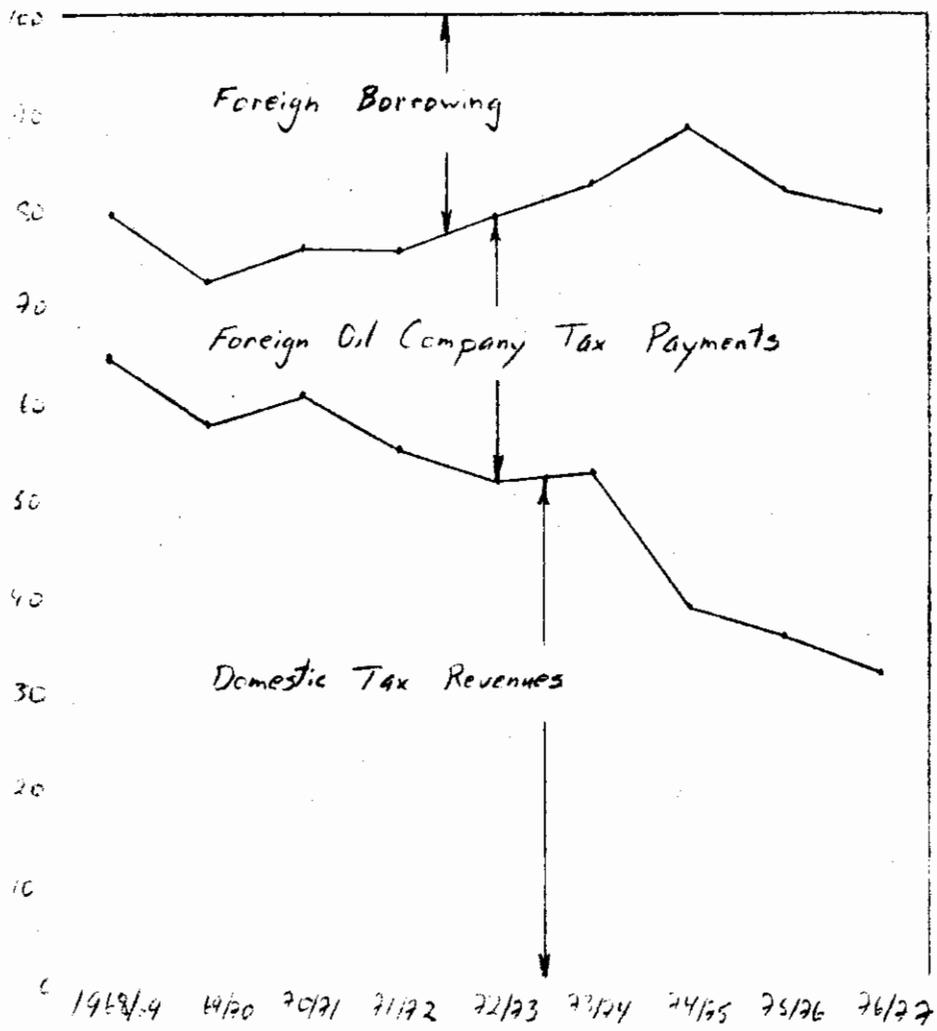
The April 1975 World Bank report on the economy concluded that Indonesia's development program would have to be even more employment-oriented than the projections in the Second Plan and the capital intensity of new investments would have to be carefully monitored, if employment creation in the coming years were going to keep pace with population growth. The shift of public sector investment towards capital intensive activities and the restrictions on private sector investments are matters for concern for that reason.

The causal factors for the shift in GOI allocation are complex and include political, financial, and managerial considerations. Some of the concentration may have arisen from politically-oriented maneuvering by Pertamina-related officials and technocrats who were anxious to demonstrate their capability to achieve quick development results. Although this particular struggle seems to have been resolved at least temporarily in favor of the technocrats and presumably will reduce future new capital intensive commitments, the need to implement and pay for past commitments will probably insure a certain degree of capital intensity in public sector investments for the balance of the Second Plan.

In addition, it is clearly more difficult to develop, implement, and monitor programs in the "soft" sector of education, health, agriculture, and rural development than it is to invest in turnkey heavy industrial and infrastructure projects. Given the very thin layer of capable, well-trained Indonesian officials, a tendency to concentrate on the managerially "easy" capital intensive investments is to be expected. It is in this area that foreign donors in general and the USAID program in particular can play a major beneficial role by supporting the development and implementation of the types of projects and programs that, while more difficult, impact more directly on the fundamental development needs of the country and can point the way for future expanded programs in priority areas. Needless to say, training and technical assistance directed toward upgrading the capabilities of Indonesian agencies and institutions can be of critical importance in this regard.

A certain portion of the concentration on capital intensive investments by the public sector is due to the evolving nature of the financing available to the Indonesian government. The following chart illustrates the relative importance of foreign borrowings, foreign oil contractor payments, and domestic taxation as financing sources for the totality of the GOI's current and capital expenditures.

Source of Central government Financing



As can be seen from the above chart, the origin of GOI revenues has shifted dramatically from being two-thirds of domestic origin in 1968/69 to only one-third of domestic origin in 1976/77. The most rapid period of change coincided with the Second Plan. The causal factors for the increased portion of revenues coming from foreign sources are 1) major increases in the price of oil; 2) recent substantial increases in foreign borrowing, and 3) stagnation in domestic tax revenues relative to the increases in GDP that have occurred.

One impact of this shift in origin of GOI finances has been to encourage GOI officials to give priority to projects that primarily involve foreign exchange expenditures. Such projects are almost invariably of a capital intensive nature. In addition, the sharp increase in revenues from oil in 1974 led to the conclusion that Indonesia could now afford to borrow on harder terms than in the past. A limited amount of supplier credit and export credit financing for the public sector was considered manageable. It now appears clear that opening the door to such financing occurred before the GOI established effective controls on the quantity and quality of such borrowings by public enterprises and government agencies. A significantly greater amount of such financing has been used by the public sector than was anticipated a year ago. It is now thought that such borrowing is under effective control. With regard to the future, it seems reasonably clear that the foreign debt payment implications of past borrowings as well as the better controls now in existence will limit the level of future borrowings.

Employment Needs

It is useful to relate the above trends in resource allocations and development priorities to the social and demographic situation in Indonesia. At the beginning of the Second Plan, the labor force was estimated at about 48 million. Although statistics on unemployment are very weak and those on underemployment nonexistent, it was thought that unemployment was something of the order of 2.5 million and that in total there was perhaps something of the order of a 20% underutilization of the labor force. During the five-year period of the Second Plan it was estimated that a net additional 5.7 million persons would enter the labor force. Given even the most optimistic population projections for the future, the net annual additions to the labor force will increase steadily through the balance of the century. In reviewing these data the World Bank concluded in its April 1975 report that "assuming to the extent possible labor intensive execution of essential infrastructure works and only a modest shift in capital intensity of the industrial investment program compared to the past....the assumed rates and levels of investment could yield a satisfactory growth and distribution of work opportunities and incomes. On the other hand, with a more capital intensive pattern of investments the outcome would be much less satisfactory. Thus...the appropriate mix of investment is crucial. Not only will a more capital intensive pattern of investment have less room for direct creation of work opportunities but the income effects might also limit secondary job creation."

The actual allocations of investment resources by the public sector reviewed above coupled with the negative impact of credit restraint policies on private sector investment make it highly probable that employment creation is not progressing as well as hoped by the IBRD or as projected by the GOI. Thus, as was the case with the First Plan, one cannot be confident that the employment situation improved during the first three years of the Second Plan. For this to change will require a reorientation of public sector investment towards the goals that were originally specified in the Second Plan. As discussed below, the GOI has apparently decided to institute the policy and program changes necessary to accomplish this reconstruction.

Government Finances

The following paragraphs discuss the quantity and origin of financing available to the Indonesian government. The following table shows GOI revenues (in current prices) for the last year of the First Plan and the first three years of the Second Plan.

GOI BUDGETARY RECEIPTS
(Rp. Billions - Current Prices)

	<u>1973/74</u>	<u>1974/75</u>	<u>1975/76</u>	<u>1976/77</u>	<u>Annual Percent Increase</u>	
					<u>Current Prices</u>	<u>Constant Prices</u>
Foreign Borrowing	206	232	492	717	52%	33%
Foreign Oil Company Taxes	347	973	1249	1656	68%	43%
Domestic Taxes	611	761	959	1112	22%	0.2%
Total	1164	1966	2700	3485	44%	21%

In real terms total government revenues have grown by 21% annually so far during the Second Plan. It is clear that all of this growth was due to increases in foreign oil company taxes and foreign borrowing. Since foreign borrowing is unlikely to increase--and may even decrease--and since the period of extremely rapid growth in oil sector earnings is over--with a 10% real rate of growth probable for the future--it is clear that any substantial future growth in government revenues must come from non-oil, domestic taxation. For the past three years, domestic taxation has only kept pace with inflation. Changing this situation to one where domestic revenues grow substantially in real terms will require a major change in the GOI's performance in this area. Fortunately, there is considerable potential for significant increases in domestic taxation. Domestic taxation in other countries at Indonesia's level of development averages about 15% of GDP. Indonesia's domestic taxation has varied between 8.0% and 8.5% of GDP since the early seventies. Thus, increases in domestic taxation appear feasible (given the proper commitment on the part of the government); are necessary if financing is to be available for an expanding development program; and, as discussed earlier, would be supportive of a shift toward a more employment-oriented development program. The GOI has recently stated that a major effort will be made to accelerate the growth of real resources.

Balance of Payments

Statistics on the balance of payments are shown in the following table:

INDONESIAN BALANCE OF PAYMENTS*

(\$ millions - Current Prices)

	1973/74	1974/75	1975/76	1976/77	
				GOI Budget	USAID
I. <u>Uses of Foreign Exchange</u>					
Commodity Imports	2,938	4,341	5,751	5,868	6,773
Capital Goods	(774)	(1182)	(2200)	(3000)	(3000)
Fertilizer	(236)	(1036)	(80)	(100)	(0)
Rice	(548)	(439)	(150)	(120)	(120)
Other Consumption & Raw Materials	(1380)	(1684)	(3321)	(2648)	(3653)
Net Service Imports	364	468	708	1,107	1,107
Debt Servicing	81	771	2,176	830	960
Pertamina related	(-)	(682)	(2068)	(660)	(790)
Other Public Sector	(81)	(89)	(108)	(170)	(170)
Total Uses	3,383	5,580	8,635	7,805	8,840
II. <u>Sources of Foreign Exchange</u>					
Exports	2,546	4,671	4,843	5,455	5,910
Oil Exports (net)	(641)	(2638)	(2872)	(3400)	(3855)
Non-oil Exports	(1905)	(2033)	(1971)	(2055)	(2055)
Direct Investment	331	538	580	600	600
Other Private Financing	218	13	745	630	630
Public Capital	643	660	2,067	1,700	1,700
IGGI	(556)	(513)	(867)	(1365)	(1365)
Other	(87)	(147)	(150)	(335)	(335)
Cash Loan	(-)	(-)	(1050)	(-)	(-)
Total Sources	3,738	5,882	8,235	8,385	8,840
III. <u>Balancing Items</u>					
	+ 355	+ 302	- 400	+ 500	0
Errors & Omissions	- 5	+ 311	---	---	---
Reserve Changes	+ 360	- 9	- 400	+ 500	0

* Based on revisions to the GOI 1976/77 budget. Revised IBRD estimates were not available at the time this table was prepared.

Only preliminary projections or partially complete data are available for 1975/76 and 1976/77. The statistics for these years must be considered tentative at this time. With regard to the uses of foreign exchange, although the GOI appears to be projecting an end to the rapid growth in non-capital imports in 1976/77, this would appear unlikely in the absence of significantly changed GOI policies (e.g., a sharp decrease in the current 20% rate of inflation, increased controls on imports, or a devaluation). Capital imports should increase sharply in 1976/77 as the multitude of capital intensive public sector investments reach peak rates of implementation. Whether these imports continue to grow rapidly in the future will depend largely on whether public sector investment programs continue to be as capital intensive as in the recent past. Public sector debt servicing increased enormously in 1975/76 as past Pertamina commitments were dealt with. Although debt servicing will decrease substantially in 1976/77, it will increase in future years as payments come due on recent heavy borrowings by the public sector.

With regard to sources of financing, foreign borrowing from official sources (IGGI-related) is expected to continue to grow steadily as disbursements rise to current levels of commitment. Export and supplier credit financing is likely to decrease as a result of concern about future debt servicing problems. In total, for the next few years, at least, foreign borrowing is likely to be less than its 1975/76 level.

Oil exports earnings grew very rapidly in 1973/74 and 1974/75 as a result of price increases, stagnated in 1975/76 as decreased sales offset marginal price increases, and are projected to grow by 34% in 1976/77 due to increased production and a greater GOI profit take. Real earnings growth in the future will depend primarily on production increases--which are unlikely to exceed 10% a year--and will be reduced by what are expected to be rapid increases in domestic oil consumption.

Since future increases in oil earnings will be moderate and growth in foreign borrowing will be limited by debt servicing constraints, growth in non-oil export earnings represents the main possible source for increased foreign exchange earnings. Non-oil export earnings have stagnated since 1973/74. Although GOI officials have recently stated that increased priority will be given to expanding non-traditional exports, it is too early to know whether the policy changes that are necessary to make these statements meaningful will really occur.

Foreign exchange reserves remained constant in 1974/75, declined about \$400 million in 1975/76, and according to the revised projection shown above should remain approximately at their current level of about \$500 million during 1976/77.

Future Development Projects

During May 1976 the Indonesian government completed an assessment of the problems and issues discussed above. Based on this assessment the government decided to institute major changes in several policy areas and in the composition of the development program. In particular (to summarize from the IBRD May 1976 report), the government has decided to (1) cut back sharply on foreign borrowing (mainly least concessional borrowings); (2) revise existing tax policies and increase domestic revenues much faster than originally contemplated; (3) increase the share of available financing going to the private sector; (4) reduce selectively the aggregate size of the planned public sector investment program; and (5) shift the balance of the total public sector investment program back towards greater emphasis on directly improving the income earning opportunities, productivity, and living conditions of the mass of the population. The implementation of these decisions will greatly improve Indonesia's development prospects.

U. S. ECONOMIC ASSISTANCE STRATEGY

The United States economic assistance program is designed to strengthen Indonesian development programs concerned with improvement of the well-being of the two-thirds of the population (90 million people) who, in 1975, were subsisting on incomes of less than \$140 per capita, an amount insufficient to provide a minimally adequate level of nutrition. It is in the interests of both Indonesia and the United States that mass poverty and attendant unrest be avoided if at all possible. Fundamental objectives of current Indonesian development plans are more equitable distribution of wealth, which at least nominally accords priority to employment creation and the rural poor, and increased concentration on social sector goals for health and education. A.I.D. priorities as established by the Congress in December 1973 closely parallel these Indonesian development goals. There is, therefore, a strong formal base for cooperation on programs of rural development, agriculture, health and education for the poor. There is also a climate for effective working relationships between individual Indonesians and Americans on development programs when carried out with sensitivity to Indonesian culture and values.

Although there is a virtual identity between AID priorities and fundamental Indonesian development goals, the Indonesian government--like many governments--finds it operationally very difficult to translate general goals into specific action programs and projects. There are many factors that contribute to this: severe shortages of qualified technical and managerial personnel in the government, in the education sector, and in the private sector; the relatively greater ease with which traditional heavy industry and infrastructure projects can be planned and implemented in comparison with projects directed toward human resources, institutional, or rural development; government uncertainty and internal disagreement regarding how best to address either social sector goals or questions of decentralization, administrative reform, and accelerated employment creation; hesitancy on the part of government officials to propose (or approve) new approaches to solving development problems; the perceived greater ease by which tax revenues can be increased through investments in heavy industry rather than through greater efforts at increased revenues from the general domestic tax base. In addition to these general factors, during the past few years there has been the impact of Pertamina-related mismanagement and the demands of major public sector projects for financial and human resources.

All of these factors lead to an allocation of government resources somewhat at variance with Indonesia's development goals. In principle, by addressing these factors and problems with technical and financial assistance, foreign donors can play a tremendously important catalytic and supporting role in the conceptualization and development of Indonesian social and economic development programs and projects that effectively address fundamental development goals.

The \$60-\$70 million a year proposed for United States economic aid over the next several years exclusive of food aid, while less than 10% of anticipated official development aid and miniscule in proportion to total resources available, can nevertheless have a disproportionately large and possibly strategic impact upon the use to which other donor assistance is put as well as upon the use of domestic resources, including oil revenue. This assumes, of course, a unique role for U.S. assistance and extraordinary flexibility in its administration.

Evidence of the potential impact of such a unique, strategic-- and flexible--role for U.S. assistance is found in the establishment and accomplishments over the past five years of family planning programs in Indonesia and elsewhere. Current users of modern family planning methods have reached 20% compared to 5% five to six years ago. Expansion from municipal clinics to village service centers over the next five years would see current user rates rise to 30% or higher with profound impact on future population levels.

The positive impact upon Indonesia of AID's investment of \$30 million in family planning vastly exceeds the amount of money involved. Of critical importance in realizing the potential that existed for our assistance program was AID's flexibility in administration and its creative programming from month to month in response to emerging opportunity in contrast to preconceived plans and schedules. The Government of Indonesia now has a sound program which was made in Indonesia and of which it is proud and is supporting as a national priority. No other donor or U.N. agency was prepared or able to play the role that AID played. Nor could AID have played its role successfully in the absence of a dedicated, innovative and sensitive field population staff working on a day-to-day, sustained basis with Indonesian family planning program staff. AID funding is planned for phaseout over the next five years, completing a 10 to 12 year pilot and program development phase.

AID's role in Indonesian development should also recognize that progress in Indonesia is impeded by the lack of planning and managerial talent to match the capital resources which have become available. An important development contribution will be made over the next several years by providing foreign technical help for selected institution building and training efforts designed to improve Indonesia's capacity to manage and carry out its own affairs.

With these purposes in mind, it is proposed that the pilot study, experimental design approach and first-phase financing of strategic new programs be extended beyond family planning to problems in other areas of AID's mandate. The principal elements of this undertaking would be a series of complementary grants and technical assistance loans in the following areas: manpower training; agricultural/rural development; the development of permanent linkages to transfer scientific and technological knowledge between Indonesian and American public and private institutions. Another candidate for similar funding is experimental rural development in perhaps three pilot provinces per year. All of these relatively small projects would operate on the basic principle of the longstanding feasibility study loans; i.e., they would be a line of credit to the Indonesian government to use for jointly agreed upon sub-projects.

It is hoped that small requests could be approved jointly by the GOI operating ministry concerned and the USAID Mission, while large proposals would be referred to BAPPENAS and Washington. These programs, which parallel key sections of the Foreign Assistance Act, open to Indonesia easy and expanded access to American technology, training and consulting services---public and private. Operationally, it would be possible to respond expeditiously to many assistance re-

quirements. Such programs would also strengthen relationships between Indonesian and American institutions and specialists and help create a foundation for long-term cooperation and exchange of knowledge.

Grant funds will be needed to finance U.S. project advisors, research and testing in support of loan-funded pilot projects, training programs, consultant services and technical assistance. This combination, which emphasizes extensive technical aid, should enable AID to undertake a program-building and manpower development role in the other sectors of AID's mandate, as was done in the population area. This could have a disproportionately large and possibly strategic impact upon the extent to which other donor assistance and domestic resources, including oil revenue, are used to help improve the well-being of vast numbers of poor Indonesians.

Capital project loans will be reserved for those carefully selected activities which hold promise of maturing into national programs to improve productivity and well-being of the poor majority and which combine institution building goals and basic reforms with physical accomplishments. Examples are Indonesia's small scale irrigation program now assisted by AID and rural electrification.

Capital project loans will normally follow and be extensions or complements to programs initiated with technical assistance activities.

A critical aspect of this new program initiative is the built-in flexibility it provides to respond to unexpected opportunities. Moreover, it permits new and innovative ideas to evolve through the use of pilot testing and experimental work and then to pioneer in the early stage of program implementation. In retrospect, it is clear that AID's principal success in Indonesia was its financial support for and role in the financial stabilization program from 1968 to 1973. In terms of major project development, however, the overall effort has been hampered by the cumbersome and often tedious requirements in AID's regulations and institutional inadequacies on the Indonesian side. The main issue is not better project design and selection but rather the timely response to critical openings which offer the potential of an institutional development impact vastly in excess of the discreet project inputs provided by AID.

The Indonesian Government has publicly reaffirmed its commitment to the employment creation and income distribution goals of the Second Five Year Plan. At the government's request, the World

Bank has arranged for assistance under a technical assistance credit to help set up a monitoring and control system which it is hoped will lead to better project administration and fewer delays in implementation.

The following pages present summary discussions of USAID assistance plans for four sectors where U.S. aid will be concentrated in support of Indonesian development goals.

AGRICULTURE AND RURAL DEVELOPMENT

The Setting

With the rural sector having fully 82% of the national population, agriculture production equalling 39% of GDP, and with overall Indonesian population expected to increase by at least 50% by the end of the century, the critical need for accelerating food production increases and rural development is clear. In keeping with this, the current Indonesian National Five-Year Development Plan (REPELITA II) places significant emphasis on development of the rural areas. Basic national goals have been established regarding the improvement of the general economic and social welfare of the rural community. The GOI philosophy for achieving these goals takes the form of central government guidance, technical advice, logistic support and financial resources to promote a broad-based community development effort and to create the physical and institutional infrastructure necessary to support this effort. Within this framework, agricultural production goals are based on programs focused on maximum participation by the poor majority, concentrated on making the development processes self-sustaining and directed toward the three basic sources of increased agricultural productivity and production that are available to Indonesia: (a) increased productivity due to new technology evolved through research, (b) increased water use efficiency, and (c) expansion of cultivated area.

The Problem

The purpose of what follows is to explain how the Mission in keeping with the 1973 FAA mandate to focus on the poor majority in developing countries intends to contribute to rural development in Indonesia over the next five years. For background information on the rural sector the reader is referred to the opening statement in this volume, the agricultural sector assessment in the FY 1975 Development Assistance Program and the 1973 four-volume IBRD Agricultural Sector Survey.

In terms of characterizing the rural sector the salient points made in these documents can be summarized as follows:

- The average farm size is about .5 hectares on Java and below 2 hectares in the outer islands. The large Indonesian farmer, owning between 2 and 5 hectares, would be a small farmer in many developing countries.
- The productivity of land and labor is low. Even in areas where the man/land ratio is highly unfavorable, land frequently lies idle for one quarter of the year and the average farmer works no more than 200 days per year on his farm.
- Many farm units are net buyers of food and sellers of labor. Roughly one-third of the villagers on Java own no land. Tenancy and sharecropping are widespread.
- Indices of health care, education, and community organization are among the lowest in the world. In the crowded and impoverished countryside, the population growth rate of 2.5%

is acting to further fragment landholdings, rupture traditional distributive mechanisms, and dilute per capita consumption.

When the USAID confronts the staggering problems of the 117 million people in the rural areas, 67 million of whom are packed into the small space occupied by the mountainous islands of Java and Bali, and contrasts this situation with its roughly \$60-\$70 million in projected yearly development assistance, one is immediately seized with the question, how can AID play a role in the development of Indonesia's rural areas which is both short- and long-term effective and cooperatively responsive to the Government of Indonesia's needs and requests. Two requirements immediately become apparent. First, the USAID's approach must be highly strategic; it must identify the key development constraints. Second, once this is done, the Mission must be able to range as freely as possible in using the tools and opportunities which can be seized to deal with the problem.

On the basis of the above introduction the remainder of this discussion will consist of two parts: identifying the key development bottlenecks and suggesting how the Mission's program over the next five years might attack them with a maximum of flexibility and innovation.

The Target

Development constraints are usually identified on the basis of indices of social and material welfare. For example, levels of nutrition, production, schooling, income, infant mortality are seen both as problems and as the object of development efforts. There is an obvious logic in this approach: development cannot be said to occur unless these indices rise. This approach, however, is too general. It identifies necessary outputs but it does not isolate those points where intervention by AID would have greatest impact in terms of increasing outputs. The USAID has adopted what it considers a more strategic and selective approach. This approach identifies key intervention points for rural development, which, if ignored, will block any rural development initiative in Indonesia or, if properly addressed, would be likely to make any program succeed. We discuss eight here. We may in further discussions of our strategy identify others.

Rural Development Intervention Points

1. Utilization of the Natural Endowment: The May 24, 1976 World Bank report on the Indonesian economy states that the aims of agricultural investment can be summarized as follows:

"...increase rice production at an annual rate of about 4.5 percent, so as to progress towards self-sufficiency; this in turn requires further rehabilitation of irrigation networks, the extension of irrigation to about 240,000 ha. of new areas, and opening up substantial new areas of rainfed wet paddy through swamp development and conversion of upland into paddy fields. Output of other food crops is to grow even faster; in both cases, most new areas would be in the outer islands...The inner islands will still contribute the bulk of the increase in food production, not so much through new tangible investment as through better cultivation methods, the application of additional fertilizer and more labor. That is where the bulk of the population and of agricultural production (particularly of food crops) are now located. The high density of rural population in the inner islands does not reduce their ability to use productively further investments of man-made capital; on the contrary, precisely because of the presence of dense populations, there are many regions where the marginal productivity of investment will be high. Therefore, it seems quite certain that, thanks to intensified cultivation methods and some investment, substantial additional labor can still be absorbed in agriculture in Java, Bali, and Madura.

"Yet about two-thirds of the area to be newly irrigated, and most of the extension of food crop cultivation, will take place in the outer islands, mainly Sumatra. More generally, for Indonesia as a whole, an even more productive line of action than combining additional capital with the abundant labor and scarce land of Java is to transfer both population and capital to parts of the outer islands devoid of both, but endowed with yet unused natural resources. These resources, though, are in forms unsuitable to the immediate application of the cultivation methods used in the inner islands. Hence the need to make haste slowly, and to combine considerable capital investment with much investigation, research and technical and management assistance to the new settlers. Because of this large investigative component, in its early days the process must be relatively slow and costly."

One of the most optimistic factors for the future of Indonesia, and a subject often raised by foreign observers at the end of gloomy predictions about overpopulation, crowding and human misery is the rich and grossly underutilized natural endowment in agriculture. Even on crowded Java there are thousands of hectares of estates abandoned since the 1930s and hundreds of thousands of hectares of eroded hillsides destructively planted in cabbage and cassava which could produce large recurrent crops of timber, fruit, nuts, spices, legumes, coffee, tea and small ruminants. In Indramayu and Banten, respectively east and west of Jakarta, hundreds of thousands of farmers leave productive agricultural land idle during the summer months. Putting this land into production would be equivalent to increasing arable land in those areas by 25 percent. Off Java there are millions of hectares of unused or sparsely cultivated podzolic soils. USAID-sponsored multiple cropping research in these soils indicates that farmers can obtain incomes equivalent to the returns from an equal hectareage of the best paddy land in East Java. Throughout Indonesia cropping intensity is low; yields are low; farm labor man-days per year are low, and good agricultural land lies unused. There are numerous examples of how quickly Indonesia's agronomic assets can be brought into production. During the period from 1890 to 1920, some million hectares of virgin land was brought under cultivation by Dutch-owned estates. During the 1930s, it is estimated that the

estate sector contained one million hectares more than the estate sector today. Closely following this development and based upon markets opened on the estates, smallholder rubber production increased rapidly to the point where it exceeded estate production. During the last seven years the province of Lampung, starting from an insignificant base, has become a major supplier of cassava animal feed for the European market. There are no technical reasons why such extraordinary surges of production cannot occur in at least twenty different commodities. In almost every agricultural sector from food crops to fish to rattan Indonesia has natural assets superior to those in Japan and Taiwan and the Indonesian peasant works as hard much of the year as his counterparts to the North--yet he barely subsists. Thus, any rural development project should try to capture the large payoff possible from fully utilizing the natural endowment, particularly through multiple cropping.

2. Management of Government Services: Without changing objectives, funding or personnel the effectiveness of most government programs could be greatly improved by more attention to basic management, particularly at the provincial level and below: setting implementation subtargets, allocating appropriate means, following up on performance, retargeting, etc. For example, most extension

agents do not have a specific geographic area, target number of visits per week, input or yield targets, or farmer performance data targets. There is no system by which they can succeed or fail. We recognize that the motivation of government personnel is also crucial to the success of government-inspired projects. Unfortunately, this is an area to which foreign assistance and advisors generally have little "access," though it must be taken into account in our program.

These considerations also apply to the management of other government programs in the rural sector such as credit for small scale industry, O&M of irrigation canals, fertilizer distribution, and the formation and operation of cooperatives. The potential yield from relatively small and conventional inputs into basic management given properly motivated civil servants is very great and presents an opportunity for rural development similar in magnitude to that of using the available resources as #1 above.

3. Spontaneous Community Organization: This is rare in Indonesia but could take place and be a force for rural development.

Indeed, if we accept that rural development is a process which seeks to assist the rural poor majority to improve its living standards on a self-sustaining basis, and to maximize the potential of the whole society, there must be some room for "spontaneous community organization." Key requirements are: (a) that the villages have hope that they will benefit from their efforts;

(b) trust in the policies and agencies which dominate the world beyond the village; and (c) acceptance of and encouragement for the development of local organizations, institutions and independent leadership by the larger central government polity. For example, villagers might become convinced that buying a pump would allow a second rice crop. Based on this conviction or hope, they might form an organization, collect dues, apply for credit and even send a promising student to a district motor repair course. Spontaneous organizations of this kind could develop around common grain storage, paddy consolidation, village sanitation, or a new mosque, bridge or clinic. However, if the village learned it had to register its organization with the central government and accept official inspections or outside leadership, give a kickback for the bank loan, pay an import fee on the pump and that due to government inaction, the market road would not be made passable during the rainy season, the organization would probably wither away and the surge of hope subside in favor of the traditional cynicism. A rural development project must seek or create conditions favorable to such hope and trust. It is the third "requirement" which requires further study by this Mission and, if possible, discussion with key GOI personnel regarding their current perspectives on the development of potential centers of power outside the direct control of the governing polity.

4. Local Feedback: This is a different and more modest requirement than under #3 above. Most development projects in Indonesia have no local feedback either in planning or implementation. At a minimum a USAID-sponsored rural development project which seeks to be innovative and explore all alternative means and build commitment should provide for feedback during implementation. This can be done by involving the local community or at least by delegating a university or contractor to regularly evaluate the project.

5. Multidisciplinary Problem-Solving: This relates not only to cooperation between ministries and between the center and the district but also within ministries and within subministerial agencies. Many projects in Indonesia have been weakened due to a failure to see the problem as multifaceted and requiring a joint approach both for definition and solution. Rural development problems are particularly of this character. Any rural development project which lacks a coordinated multidisciplinary approach combining such factors as credit, production technology, local public administration, traditional community leadership, etc., is likely to fail. Here again we need to be cognizant of exactly how the GOI defines the nature and scope of "participation" by the people. Certain development projects may be possible under one form of popular participation that are not so under others; i.e., government vs. locally-inspired and led participation.

6. Marketing: The production surges mentioned under #1 above took place where there were no constraints with respect to incentive prices, storage, processing and collection. With most of the products from the rural sector each of these factors acts as a major constraint to production. A break-through in marketing would greatly facilitate almost any rural development project. The disparity between world prices on the one hand and the excellent resource base and extremely low wages on the other hand makes marketing a very attractive intervention point.

7. Counterpart Competence: As indicated earlier the opportunities listed above will not be exploited unless USAID's project counterparts are motivated and competent. In any pioneering activity where new methods must be developed, the quality of the people and agencies involved is especially important. In Indonesia where the quality of counterpart agencies is quite variable it might make sense to reject an area where agronomic marketing or community organization opportunities are theoretically great and select a less promising area if it came with an effective counterpart agency.

8. Amenability to Intimate USAID Involvement: The GOI is ambivalent about the role of foreign experts. On the one hand it recognizes their utility given the shortage of skilled manpower and relative abundance of investment resources. There are thousands of foreign experts throughout the country, many of them intimately involved in government operations. On the other hand most of the foreigners do not speak the language, depart after two or three

years, bring their own bureaucratic requirements, require special housing, food and transport conditions and rarely fully understand or adapt to the unique Indonesian culture. Thus, USAID is necessarily restricted to those projects where it is allowed sufficient access to make a contribution. We also need, of course, to be sure that our advisors are not merely tolerated because they mean greater access to foreign resources.

Once the intervention points rather than the indices of social and material welfare are seen as the target, the definition of a development project changes. The standard definition of a development project is a structured activity which transforms discrete inputs into discrete outputs. The USAID defines a rural development project in Indonesia as a vehicle for grouping one or more key intervention points where local leadership is promising in order to attack them in a complementary manner. Once these key factors are brought together and the requirements of each are seen in their complementary interrelationship, then the choice and modulation of inputs can be more exact than under the current project approach and the prospect of the outputs actually materializing greatly improves. To clarify this viewpoint an analogy can be made with the modern conception of soil. In the past, agriculturalists tended to view agricultural production as a function of the quality of soil--its fertility, depth and composition. Now soil is seen as little more than a vehicle for holding together a highly variable

package of nutrients, water and roots while agricultural production is a function primarily of various prices, social policies and historical conditions. In modern agriculture the emphasis has shifted from the land to the social system. In Indonesia for rural development the viewpoint of the USAID has shifted from the highly structured project familiar to bankers and businessmen to a more dynamic concept which links the Mission's capabilities to certain strategic interventions in agriculture/rural development.

This approach is particularly well suited to the proposed program funding level in the future which is roughly one-third of that in past years and to development projects which are far more complicated and difficult than the highways, power plants and commodity transfers which until several years ago dominated US assistance to Indonesia. Limiting ourselves to looking for projects in the rural sector which combine the largest number of the eight intervention points listed above applies a degree of selectivity appropriate to the roughly \$30 to \$40 million a year which is likely to be available for rural development. However, these criteria allow enough latitude both to spend our money and spend it strategically.

To gain perspective on this approach, the very different situation faced by the World Bank with its yearly program level of \$500 to \$600 million can be noted. The World Bank and several bilateral donors such as the Japanese are effectively meeting the requirement

for investment in agriculture/rural development infrastructure. Moreover, the amount of funds is too massive and the resident staff too small to allow the kind of strategic selectivity and detailed implementation being proposed here for USAID. It might also be argued that, notwithstanding the impressive funding level, the World Bank does not have sufficient policy leverage to effect a significant improvement in gross investment allocation in Indonesia.

It is obvious that U.S. economic aid to Indonesia must be qualitative rather than quantitative. With this in mind, the USAID's approach might be described as being oriented to the process rather than the product or output. By focusing on key intervention points for rural development, by maintaining maximum flexibility of means, and by getting intimately involved in project implementation, the USAID hopes to sponsor successful projects whose procedures, assumptions, administrative relationships and policies can be replicated in other projects and by their centrality and proven effectiveness in various pilot projects will help transform the development process in Indonesia.

The flexibility required by this approach is to some extent incompatible with the highly centralized character of AID programming in Indonesia and around the world. Rural development is a vast and complicated field of development assistance involving some major historical departure on the part of a society from

its traditional way of life. AID/W requirements for project planning and forecasting not only before implementation begins but often two years before money is spent and one year before a loan is negotiated are inappropriately rigid. Either the mandate for rural development and perhaps the reality of the problem which the mandate reflects must change or AID programming procedures must change.

The issue must be faced that the new mandate requires greater delegation of programming and financial authority to AID field staff which is responsible for obtaining the results the agency espouses. This is not only logically necessary, but in the Philippines, Indonesia and other countries there are precedents demonstrating the practical effectiveness of such delegation. In the Philippines the Masagana 99 project grew out of the flood rehabilitation program where financial and program controls on the Mission were relaxed in the interest of quick results. In Indonesia the population program, one of the most successful in the agency and in the developing world, started without a blueprint and evolved effective procedures on a flexible grant-funded trial and error basis.

Another implication resulting from the inherent difficulty of rural development projects and the greater line executive responsibility desired by the Mission is an enlargement of the AID profile in Indonesia. Operating at the key intervention points

and experimenting with new techniques will require not only more involvement on the part of Indonesian officials and project participants but also of Mission staff. This will be reflected in increased staff in Jakarta and new assignments in three to four regional capitals which serve as contact points for various projects.

The Program

In the above presentation of the Mission's strategy for assisting rural development the interdependency of the eight intervention points was stressed. Due to this functional interdependence, it is to some extent conceptually valid and clarifying to view each of the Mission's actual and proposed projects in the rural sector as representing a different facet of the rural development strategy. For example, one project may emphasize infrastructure because this is functionally the first step before the other opportunities can be exploited. Another project where the physical conditions are adequate may emphasize institutional development or the management of government services. Finally, other projects may meet certain physical, institutional and commodity pre-conditions but require a more flexible and intensive access of US technical manpower.

Whatever their particular focus, we believe all USAID/I programs in rural development are simultaneously responsive to both the AID Congressional Mandate and the GOI priorities as outlined in REPELITA II. These activities include both loan and grant

financing for project implementation as well as for new project development. USAID/RD activities have been subdivided into four areas of concentration: Agriculture and Fisheries, Irrigation and Rural Works, Area Development, and Local Public Administration, Planning and Management.

Components of several USAID projects address the basic sources of increased agricultural production. Among these are the Sederhana Irrigation and Land Development loan, the Luwu Area and Transmigration Development loan, and the Citanduy Basin Irrigation and Flood Control loan. The U.S. is also supporting upgrading of basic rural infrastructure through the Aceh Road project and the Rural Works loan.

In addition, two projects have been initiated in brackish water fisheries production which will increase inland fisheries production and improve the income of the lower segment of the rural population. The potential for entering into other forms of assistance in fisheries on Java and the outer islands is vast, and embraces fresh water ponds, marine fishing, and caged fish culture in rivers. As a direct attack on problems of rice productivity the USAID successfully developed an assistance program with the International Rice Research Institute (IRRI). This project is national in scope and is designed to increase the research capability of the Central Research Institute for Agricultural Research (CRIA) in rice and rice-based cropping systems. The initial stages of this program of assistance have been successfully completed and the IBRD will ^{expanded} provide/financial support in the future.

The ability to organize and manage development projects is of overriding concern. To assist the GOI to decentralize and improve planning and implementation of economic development plans is the goal of an Area Development Project Planning program. The direction of the program is to assist eight provincial planning units (BAPPEDAS), over a three-year period, to formulate implementable plans for projects of benefit to rural poor, and to provide staff training. The USAID is also developing additional projects that will support pilot assistance activities in government administration and management at regency and subprovincial levels.

A catalytic program-building role was performed by AID in the case of rural electrification in the Philippines. There, a combination of U.S. financed grant and local funds and excess property valued at some \$100 million, augmented by Philippine resources, funded pilot projects, extensive technical assistance and materials to establish 70 rural electric cooperatives and a strong national administration body comparable to the REA in the United States. This targeted and sustained investment over a 10-12 year period is now and will continue to make an important contribution to increased rural production and employment and promises to attract much larger funding over the next 20 years as electrification expands to provide full coverage. Our strategy includes study of this and other project possibilities to determine if such comprehensive undertakings are feasible in Indonesia.

A primary tool for responding to Indonesia's general development needs in this sector will be the proposed grants and loans for Agricultural Technical Assistance, Training, Pilot Projects, and Consulting Services. This will permit us to support with the necessary flexibility a variety of pilot projects which will be of critical importance in shaping future Indonesian rural development programs. Along these same lines is the experimental Integrated Rural Development project being planned for two selected provinces in FY 1977 and these additional projects in FY 1978. This activity will be both "process" and "output"-oriented as related to integral, quick yield development activities within the existing frameworks currently operational through the Provincial Governors and their Provincial Development Planning Units (BAPPEDA).

The Mission believes it can make a contribution to rural development in Indonesia. It has a sense of those strategic areas where progress is likely to be most disproportional to the effort expended. The projects presented above are not as precisely on target as we would like but they are the fruit of only two years of program re-orientation in a system where the interval between conception and disbursement is at least two years. With more time, effort and more flexibility to develop and adapt our rural strategies to the requirements of the Indonesia situation, as well as addressing the kinds and varieties of RD concepts and models which have been sought under the Congressional Mandate and approved by AID/W, it is anticipated there will be qualitative improvement in USAID's contribution to Indonesia's rural development.

POPULATION

Introduction

Indonesia is the fifth largest country in the world with an estimated 1976 population of 138,000,000. The population is unevenly distributed with 63% of the people on Java, which accounts for only 6.6% of the nation's land. The population is characterized by its young age structure with 45% of the population under the age of 15 and 62% under the age of 25. Indonesia's population contains the potential for explosive population growth with continued high birth rates (38 to 40 per 1,000 population) and falling death rates. Even with a 50% decline in the birth rate by 1995-2,000, the population will increase to about 210-220 million in the year 2,000. The reader is referred to the Population Sector Assessment in the FY 1975 DAP for further information.

Indonesian National Family Planning Program

The national family planning program on Java and Bali is currently evolving from a clinic-based into a village-based program with backup clinical services in some 2,700 family planning clinics. During the first phase of the program, emphasis was placed on consolidating government support; winning local formal and informal leader backing; introducing services into the public health clinic system, and, of critical importance, building a viable administrative organization in the being of the National Family Planning Coordinating Board (BKKBN). In the second phase the goal of the program has been quantified--a 50% reduction in the crude

birth rate by the year 2,000; emphasis has been placed on continued contraceptive use; the program has been broadened to include the participation of various governmental and non-governmental groups; a commercial condom program has gotten underway in the private sector; a major research and development program to eliminate obstacles has been undertaken; a start has been made in establishing sterilization centers throughout the country; and a major effort has begun on Java and Bali to integrate family planning into village development activities. This latter effort has included the establishing of some 16,000-20,000 village re-supply points across Java and Bali and numerous family planning acceptor groups in subvillages.

Currently some 21% of the married women of reproductive age on Java and Bali are using contraceptive services. Use by province ranges from 32% in East Java and Bali to 13% in Jakarta. On the Outer Islands, where the national program has been active for two years, only 4% of the married women of reproductive age are using contraception through the national program.

The immediate goal of the BKKBN is to increase family planning usage in the lagging areas of Java and Bali and to devise a strategy for the effective offering of services on the Outer Islands in order to accelerate family planning in these areas. Current BKKBN thinking is to allow the Outer Island Provinces latitude in advancing family planning in their respective areas.

USAID Assistance to the GOI Family Planning Program

The Population Sector Assessment in the FY 1975 DAP continues to be a valid working document. USAID population assistance will focus on the acceleration of village and subvillage contraceptive distribution systems in Java and Bali. Also, major support will be provided--within the Indonesian context--to rapid acceleration of the availability of surgical contraceptive services (sterilization) throughout the country. Assistance with family planning research and development activities will continue with increasing concentration on the identification of appropriate strategies and elimination of program obstacles in the Outer Islands. R&D emphasis will be on "outreach" efforts to rural areas and expansion of surgical contraception services.

Of special concern will be our cooperation with Indonesian counterparts to assure continuing ample supplies of contraceptives. Plans to fill the oral contraceptive pipeline in FY 1978 through the use of a \$10.0 million AID loan are progressing. However, BKKBN has a mandate from President Suharto to start producing OCs locally as soon as possible. USAID will cooperate with BKKBN in its efforts to be responsive to this mandate. At the same time we shall endeavor to assure that loan-funded OCs will continue to flow into the country until in-country production has been established and adequately tested. A condom manufacturing capability is being arranged in cooperation with the London Rubber Co. of England.

In early 1977, it is expected that the data from the USAID-assisted 1976 Intercensal Survey will be available. These data should enable an in-depth evaluation and analysis of the impact of the family planning program on Java and Bali. The evaluation process could independently confirm the BKKBN's contraceptive-use figures; provide updated estimates of fertility rates, and attempt to link reductions in fertility with family planning program activities and outputs as well as socioeconomic change. USAID expects to provide additional modest assistance to facilitate this evaluation of the national family planning program.

As indicated, USAID assistance has focused on provision of contraceptives, manpower development, research and evaluation, and institutional support to the BKKBN, the Department of Health, and the Faculty of Public Health at the University of Indonesia. A significant component of the program has been the funding of pilot studies and experimental projects for target developmental activities. One of the opportunities which AID supported was the pilot testing of a village distribution scheme which offers the potential of greatly increasing contraceptive coverage in Indonesia.

AID's flexible and timely response to new opportunities resulted in a positive impact which greatly exceeds the \$30 million of AID funding provided over the past six years. Indonesia now has a family planning program which is internationally recognized as one of the most successful population control efforts in the developing world. The USAID proposes to apply this successful methodology to other sectors in FYs 1977 and 1978.

EDUCATION

Introduction

Background information and assessment of GOI plans and policies for the Education Sector may be found in the FY 1975 DAP. Here, too, may be found some analyses of manpower requirements and strengths and weaknesses of the sector overall. A greater abundance of information is set forth in the three-volume IBRD report, Indonesia, Education Sector Survey Report, May 10, 1974. Recently, the Indonesian Institute of Sciences (LIPI) has published the first of a two-volume collection of scholarly articles, The Social Sciences in Indonesia, 1975, edited by Professor Koentjaraningrat. What follows is a statement of the AID strategy to assist the GOI in meeting some of its most pressing needs in the education sector.

Technology transfer of university training and research skills is relatively easy, and USAID has had a long history of success in this field of assistance to Indonesia. Future efforts in this area seem justified, although several improvements should be made. Less than 1% of the Indonesian population attains a university education; therefore, involvement in manpower training and higher education cannot be justified on short-term equity grounds. It must instead be justified in terms of spread effects for long-term equitable development. Indeed, the poorer sections of the rural population can be most effectively helped by helping Indonesia develop a com-

petency to deal with its own development problems through the training of competent Indonesians at institutions of higher learning. To help insure that maximum spread effect from training, high-level Indonesian officials chosen for overseas training must fill the positions needed for implementation of public or private development projects. Candidates for faculty upgrading of universities must teach in disciplines which have been identified as priority fields for support of national development. This requires that manpower supply surveys be undertaken within the bureaucracies and within the communities (e.g., provinces) where the universities are located. USAID should encourage the GOI to establish systems for periodic manpower surveys within these areas.

The Ministry of Education and Culture is also increasing its planning activities in preparation for Repelita III, the launching of the communications satellite in August, 1976 and possible financing by the World Bank in the area of community education and teacher training. PENMAS, the implementing agency for community education is just finishing its seven-year development plan calling for in-country training of most of the PENMAS staff, and the BP3K has also finished a proposal for in-service teacher training for World Bank consideration. These plans will generate projects at the local school or community level which will require technical assistance from local institutions and universities as well as coordination among several agencies at various levels of government. Since good

administration is one of the absolute prerequisites for developing a combined formal and out-of-school system of education, the implementation of pilot projects should provide the Ministry of Education and Culture needed experience to develop and improve the system.

In order for BP3K to undertake some of these local development activities, local currency support may be required. The Ministry of Education and Culture lacks sufficient development support from the central government, however. The central government budget for education and training expenditures of all ministries has been roughly 13.5% (slightly under 20% for the routine budget and almost 5% for the development budget, which is low by international standards).

Sector Strategy

U.S. assistance in the education sector has as its underlying objective the creation of a large and more diverse body of trained manpower capable of planning, managing, and implementing programs essential to sound social and economic development. U.S. assistance is tied to Indonesia's national Second Five-Year Plan to upgrade the country's total educational structure and to spread the benefits of education among all segments of society.

Although USAID projects are directed at selected, priority development needs, the long-run benefits of their successful implementation should accrue to Indonesia's population at large, the majority of

whom comprise the underprivileged poor in thousands of rural communities. In the past, USAID's assistance to the Indonesian educational system at the primary and secondary levels and for out-of-school education has been given in response to specific, discrete GOI requests, in contrast to the program approach of UNESCO and UNICEF. This would seem legitimate in terms of AID's policy vis-a-vis other donor involvement and should probably continue in the future, although recent cutbacks in UNESCO funding may call for USAID expansion of programming in some other areas.

At present we are participating in two projects whose purpose is to find better ways to extend the benefits of education to greater numbers of people in the rural communities. One of these, Educational Finance, has as its goal the expansion of the educational system so that it will effectively reach 80% of the children of primary school age by 1980. In order to reach this goal, education planners must have a better understanding and awareness of the costs of establishing and maintaining schools, the source and amounts of local revenue flows, and the various kinds of school operations that are best suited to the widely divergent cultural patterns encountered in Indonesia. U.S. assistance is aimed at finding ways to gather these kinds of data so that the school expansion program will effectively reduce the awesome dropout rate in the primary

grades and subsequently offer more children the opportunity to enter the secondary school system where useful job skills are taught.

A second project, Nonformal Education, also is designed to find ways to effectively reach a target group that is largely rural and deprived. The Government's Second Five-Year Plan carries a mandate for the Department of Education to develop a program to reach out-of-school youth between the ages of 10 and 24. U.S. assistance is sharply focused on two pilot projects, through which we hope to help devise methods and materials to enable existing activities (e.g., the agricultural extension service, the scouting movement, etc.) to carry out programs that will be of direct benefit to young people who are not enrolled in the formal education system. The data gathered from the project will provide the basis for formulating a national non-formal education program.

In still another attempt to reach the people in the outer islands and rural communities of Indonesia, the Department of Education has proposed to the Planning Bureau (BAPPENAS) that a request be made for \$800,000 under the Technical Assistance and Consultancy Loan to assist a project for developing radio software. This software would be transmitted via the communications satellite that is scheduled for launching in July, 1976. If the proposal is approved by BAPPENAS, U.S. assistance will be provided to develop the institutional capability and prototype materials for an extensive in-class teacher training project at the primary school level.

Another proposal is under study within the Department of Education which, if approved, will require a \$600,000 loan for a project to study the problem of school dropouts. The research should provide the basis for educational policy and remedial procedures for reducing the numbers of out-of-school children.

A continuing project, and one that focuses broadly on Indonesia's manpower needs, is the General Participant Training Project (GPT). This project provides funds for training in the United States and a few selected third countries. In FY 1977 some 275 participants will go abroad to receive training in subjects ranging across the academic spectrum; yet, for all of its diversity there is a strong common denominator that runs through the project---each participant is selected on the strength of his or her potential for participation in and contribution to Indonesia's development programs.

On the loan side, \$5.5 million have been authorized for building and strengthening agricultural universities to give them the institutional capability to develop meaningful curricula, perform practical research, and expand extension and related services to the farm community. As most of Indonesia's population is directly or indirectly engaged in agricultural production and marketing, the benefits of improved technology and better practices will be widespread.

A second loan (\$5 million) has been proposed for FY 1976. Proceeds of this loan will support one component of a comprehensive plan to upgrade the nation's system of higher education. Because the quality of U.S. training is held in high esteem throughout Indonesia (and because English is the only required foreign language taught in the public schools), U.S. assistance will be directed at upgrading faculty and staff members of universities, colleges and teacher-training centers. The economic benefit to the country will be an increase in the numbers and quality of university graduates, improved planning, more effective development activities at the national and local levels, and increased application among university personnel of their professional skills to economic and social change.

In FY 1977 we anticipate a request for a general Manpower Development Loan (\$5.9 million). This loan would differ significantly from the two previous training loans in that it would fund both degree and non-degree training in almost any field where manpower shortages are retarding the development growth rate. Determination of manpower needs will be based on analyses of relevant employment requirements, and the selection and training of personnel will be scheduled on the basis of national development priorities.

Projected for FY 1978 are two new projects: a small grant (\$500,000) for funding preliminary surveys, feasibility studies and for designing innovative and productive approaches to education; and a loan

(\$5 million) for implementing those new approaches that contain a high potential for strengthening the base of trained manpower.

Accompanying the increase in activity in the education sector will be a requirement for a change in USAID organization. During CY 1977 we plan to add two education officers to the staff, one of whom will head a new Education and Human Resources Division.

HEALTH

Introduction

Indonesia's health problems are similar to those of other developing countries. Infectious diseases linked with impure drinking water and malnutrition are the primary killers for both young and old. Death rates are high with about 15-17 deaths per 1,000 population. Forty-five to 50% of these deaths are among pre-school children. The infant mortality rate is estimated to be 125-135 per 1,000 live births. In terms of morbidity, it is thought that 25% of all illnesses occur in preschool age children an additional 20% in the 5-19 age group and 22% in the 50 or more age group. A review of selected morbidity analyses from clinics and hospitals indicates that respiratory illnesses (colds), skin diseases, parasites and other gastrointestinal diseases are the most common diseases of rural Indonesians.

Indonesian Health Program

The GOI health program at this time is directed toward the improvement of family welfare with emphasis on MCH/family planning; increased availability of health services; reduction of the incidence and prevalence of malaria, TB and gastrointestinal diseases; improved nutrition, and the increase of environmental sanitation facilities, particularly potable water. The emphasis of the GOI's health program is on preventive services and rural health care. These objectives

are to be reached through the expansion of comprehensive rural health care facilities; programmatic emphasis on ambulatory treatment; emphasis on providing services to children, youth and labor force; and increasing emphasis on preventive medicine efforts in contrast to curative treatment. keystones in this process will be continued efforts to decentralize direct control of health activities while strengthening the Department of Health capacity to provide technical advice and general supervision, and emphasis on the development of a health care system which serves rural areas through the PUSKESMAS (community health center) and satellite primary health care centers.

USAID Health Assistance

The Health Sector Assessment remains a valid working document. USAID health assistance will continue to focus on health research and development (R&D) to provide program administrators with tested health policies and programs for utilization on a province or national basis. The project will also assist in improving the institutional strength of GOI health research and development institutions. USAID plans to expand this process in FY 78 by significantly increasing the grant funds available for the R&D program and providing funds for technical assistance and commodities. This health project will enable the GOI to draw upon U.S. resources in support of health development activities. USAID will continue to pursue the development

of a loan-financed community immunization scheme directed toward the inoculation of children in rural areas against childhood diseases. In addition, USAID will assist the GOI with its malaria control program through implementation of the FY 1974 malaria loan. The increase of environmental sanitation services will be facilitated through the USAID FY 1976 Rural Sanitation Manpower Development loan. We will also examine how the USAID can be more helpful in improving local potable water supplies.

SCIENCE AND TECHNOLOGY

USAID proposes to assist Indonesia under Section 106 of the Foreign Assistance Act in addressing selected aspects of the problem of technological transfer and adaptation through the establishment of permanent linkages between Indonesian and American public and private institutions. U. S. assistance in this area is designed as a supplement to AID's priority programs in Agriculture, Population and Health, and Education and will concentrate on the transfer of U. S. scientific and technological achievements which offer the greatest potential for contributing to the improvement of the lives of the poor majority.

Indonesia is aware of the need for adaptive technologies which fit its particular situation, and stress in the U. S. assistance effort will be placed on the general problems of technological choice-- how Indonesia can best adapt and utilize U. S. technology while encouraging indigenous technological development. In order to meet these objectives it is planned to add a U.S. science and technology advisor to the USAID staff. His responsibilities will include developing liaison with the personnel of the Ministry of State for Research and LIPI while expanding contacts with such U. S. institutions as the National Science Foundation, the National Academy of Science and the Smithsonian Institution.

USAID is also proposing consideration of a \$5 million loan to help Indonesia build its capability for using science and technology more effectively in support of development. Loan funding would be available to support personnel and research exchanges between Indonesian and U. S. institutions, pilot studies and research efforts, and facilitate the flow of scientific and technological publications from the United States to Indonesia. Manpower development will be stressed wherever possible, not only in education and training in the usual sense but also in the areas of research management, science and technology policy and program development, resource planning, evaluation techniques, environmental impact assessment methodology and support service skills.

Specific areas which have been identified for possible U.S. assistance include (1) aquatic resources, including biological resources, marine geology, and geophysics; (2) evaluation of other natural resources (specifically, the continuation of the successful Geological Survey of Indonesia/USGS collaborative program which terminated in 1974); (3) food processing and quality control, and (4) establishment of long-term R & D management training relationships between LIPI and the Denver Research Institute.

USAID also proposes to assist Indonesia under Section 107 of the Foreign Assistance Act with a \$250,000 grant in support of expanded efforts to identify and promote appropriate, intermediate technology in Indonesia. One opportunity might be to enter into a grant agreement with the Institute of Technology, Bandung to explore such areas as alternative energy sources including solar energy (through the greenhouse effort), wind-power and biogas (from waste products) to provide energy for isolated communities, to relieve pressures on fossil fuel and on decimation of forests for firewood.

II. CENTRALLY FUNDED RESEARCH

AINTO Circular A-257 dated 4/27/76 took note of several of the priority areas which the Mission identified in its FY 77 Annual Budget Submission as possible foci for centrally funded research. In the following list we reiterate our interest in several of the more important problem areas identified earlier. Additionally, we are expanding this list to include several other research opportunities directly related to our increased concern for the delineation of effective rural development strategies and programs. A number of these latter possible projects were drawn from a list of research opportunities that were identified during the SEADAG Indonesia Panel Seminar on Rural Development held in Bandung on August 11-13, 1975.

It must be recognized that the GOI continues to have reservations regarding foreign involvement in social/political and economic research in rural areas. There appears to be greater opportunity for research when carried out in collaboration with an Indonesian institution. The GOI, moreover, will probably be more receptive to research which relates directly to Indonesia's development problems and less receptive to research that is aimed at increasing the world's knowledge about a certain subject or developing theoretical global solutions to such country-specific problems as low-cost health delivery systems. We hope in the months ahead to identify Indonesian

social scientists and appropriate institutions with which we might work. As specific field research or other types of inquiry are developed, we also will need to look to programs such as RED/EARP or NSF/SEED for assistance.

A. Previously Identified, of Continuing Concern

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?).
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 the attitudes of the local population towards development and life in general?).
4. Identification of new areas within the country for both inland and sea fisheries development, including constraints thereto. (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?)
5. The organizational structure of various types of cooperatives (as they affect the co-op system's capacity to support development goals?).

6. 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.

B. Toward Effective Rural Development Strategies

1. Leadership. Is there an effective way to measure the capacity of local leadership to initiate and/or implement development projects? What kinds of training best expand or further develop capacity in individual leaders or groups of leaders? Who can most effectively provide such training?

How is the lack or abundance and nature of leadership at the local level related to or affected by the nature of the central political/administrative process and structure, i.e., the type and nature of local leadership process and structure the central government will permit? We recognize that research related to some of these and following questions and problem areas may have limited support on the GOI side (if they are not rejected entirely).

2. Participation. What type of administrative/political system seems to best stimulate flexible and effective local development, particularly including participation by the local people?

What types of organizations (social, economic, political, religious) best motivate and enable rural people to participate in development? How are such organizations best formed and what skills are needed?

What is the role of non-governmental personnel and programs in rural development?

3. Implementation. Is it possible to candidly and precisely define the administrative and social/cultural values, attitudes, and patterns of action that are obstacles to effective coordination and implementation of development programs at all levels of government in Indonesia? (This particular issue may not require much new research. It may rather be appropriate for an informal seminar, if possible including Indonesian and USAID personnel.)

A related question for such a seminar: How is the role of the development agent, whether located in a regional market town or a village, made more attractive to dedicated and competent people?

4. Transmigration. In addition to identifying the most serious constraints to development of transmigration areas, particularly as viewed by the transmigrants themselves, is it possible to determine whether or not transmigrants have a stimulating effect on development in the region to which they migrate?

Country/Program INDONESIA

III. SUMMARY FUNDING TABLE I

(\$ 000)

	<u>FY 1976</u>	<u>TRANSI- TION QUARTER</u>	<u>FY 1977</u>	<u>FY 1978</u>
Food/Nutrition				
Grants	1,223	451	3,640	7,275
Loans	26,700	-	39,000	53,000
Population/Health				
Grants	8,097	1,950	3,405	4,000
Loans	6,800	14,100	-	10,000
(Population)				
(Grants)	7,801	1,950	2,905	3,000
(Loans)	-	7,300	-	10,000
(Health)				
(Grants)	296	-	500	1,000
(Loans)	6,800	6,800	-	-
Education				
(Grants)	1,680	150	1,900	2,000
(Loans)	5,000	-	6,000	5,000
Section 106				
(Grants)	-	-	300	550
(Loans)	-	-	5,000	-
TOTAL	49,500	16,651	59,245	81,825
PL 480				
Title I	59,600	-	35,000	40,000
Title II	3,600	800	3,200	5,216
Manpower Requirements				
Direct Hire - U.S.	59	59	66	66
Local	72	72	103	103
PASA/Contract	11	13	11	23

SUMMARY FUNDING NARRATIVE

Due to a one year delay in AID involvement in the Sederhana irrigation program (see JAKARTA 8049), it is now apparent that the high-priority follow-on loan in this area will not be needed until FY 1978 rather than FY 1977 as set forth in the FY 77 Congressional Presentation. The Annual Budget Submission reflects this change in authorization planning for the Sederhana project and proposes that three new projects (Agriculture/Rural Development TA, Research and Training; Rural Electrification I; and Science & Technology TA, Research and Training) be advanced to FY 1977 to fill the large hole in the overall program created by the change in scheduling for the Sederhana project.

As in prior years, the Mission is submitting more PIDs for FY 1978 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.

PIDs for all new FY 1977 and FY 1978 projects, except those for which PIDs and/or PRPs have already been submitted, are included in Annex A to this ABS. The PID for the Rural Electrification project was submitted by telegram in JAKARTA 14905 dated 12/5/75. PRPs for Luwu II and Provincial Area Development Project I were submitted on 12/1/75 and 5/28/76 respectively.

ANNUAL BUDGET SUBMISSION
(\$ 000)

	FY 76		TQ		FY 77		FY 78	
	GRANT	LOAN	GRANT	LOAN	GRANT	LOAN	GRANT	LOAN
FOOD & NUTRITION								
Assistance to Agr.	49		140		316			
Agriculture Research	100							
Aquaculture	389				217			
Area Dev. (BAPPEDA)	216		35		81			
VolAg Co-Financing	241		276		426		400	
Citanduy Basin Dev.		12,500						
TA/Consulting Services		5,000						
Ag.Educ. for Development	228	5,500						
Kabupaten Plng. & Mgt.					250		225	
RD/Agr.TA, Research & Trg.					750	5,000	1,000	
Prov. Area Dev. Program I					600	6,000	800	
Prov. Area Dev. Program II							900	9,000
Rural Electrification					1,000	25,000	1,000	-
Simple Irrigation		3,700						25,000
Maringgai Fisheries Dev. (Sumatra)							650	4,000
Outer Islands Rice & Up- land Crops Research							800	5,000
Luwu II Area Development Brackish Water Fish Ponds (Lampung)						3,000	1,500	10,000
Sub-Totals	1,223	26,700	451	-	3,640	39,000	7,275	53,000
POPULATION PLANNING & HEALTH								
Rural Sanitation Manpower		6,800						
Surakarta Water				6,800				
Health Research & Dev.	296				500			
Health TA, Research&Trg.							1,000	
Family Plng.Assistance	7,801 ^{1/}		1,950 ^{1/}		2,905		3,000	
Family Plng. Contracept.				7,300				10,000
Sub-Totals	8,097	6,800	1,950	14,100	3,405	-	4,000	10,000
EDUCATION & HUMAN RESOURCES								
General Participant Trg.	955		100		1,800		1,500	
Educational Finance	175		50		100			
Nonformal Education	550							
Educ. Develop. Trg.		5,000						
Manpower Develop. Trg.						6,000	500	5,000
Sub-Totals	1,680	5,000	150	-	1,900	6,000	2,000	5,000
SELECTED DEVELOPMENT PROBLEMS								
Science Technology TA Research & Trg.					300	5,000	300	
Intermediate Technology							250	
Sub-Totals	-	-	-	-	300	5,000	550	-
GRAND TOTALS	11,000	38,500	2,551	14,100	9,245	50,000	13,825	68,000

^{1/} Includes AID/W funded OCs
FY 76-\$7,025; TQ-\$1,776

IV. SUMMARY FUNDING TABLES II

AGENCY FOR INTERNATIONAL DEVELOPMENT					1. TRANSACTION CODE			2. ABS/CP					
ABS/CP SUMMARY					A A = ADD C = CHANGE D = DELETE			DOCUMENT CODE 6					
3. COUNTRY/ENTITY			4. DOCUMENT REVISION NO.		5. OPERATIONAL YEAR FY		6. BUREAU/OFFICE		7. GEOGRAPHIC CODE				
INDONESIA			□		[77]		A. SYMBOL ASIA		B. CODE [04]				
8. TYPE DATA					9. TYPE ASSISTANCE								
1 = ABS 2 = ABS REVISION 3 = CP 4 = CP NOTIFICATION					1 = PROJECT 2 = PROGRAM								
10. PROJECT SEQUENCE NO.	11. PROJECT TITLE (40 CHARACTERS MAXIMUM)			12. QTR. FOR OBLIG.	13. EST. FY AUTH. OBLIG. FINAL	14. APPRO. PRIA. TION	15. PRIMARY PURPOSE CODE	16. LOAN CATEGORY	17. BUDGETS (IN \$000)				
									AY	TQ	OY	BY	LOP
	<u>FOOD AND NUTRITION</u>												
0237	Kabupaten Planning and Management			1	78	FN	B280	GN	-	-	250	225	475
0243	Brackish Water Ponds/ Lampung			2	77	FN	B101	L	-	-	3,000	-	3,000
0252	Simple Irrigation II				78	FN	B201	L	-	-	-	25,000	25,000
0263	Outer Island Rice and Upland Crops Research			2	78	FN	B121	L-GN	-	-	-	5,800	6,800
0265	RD Agr. TA, Trg., & Consulting Services			4	80	FN	B191	L	-	-	5,750	1,000	7,750
0264	Provincial Area Development Program I			3	79	FN	B200	L-GN	-	-	6,600	800	8,000
0267	Rural Electrification			3	78	FN	B200	L	-	-	26,000	1,000	27,000
0272	Maringgai/Sekampung Fishery Expansion			2	79	FN	B100	L-GN	-	-	-	4,650	5,000
0274	Luwu II Area Development			3	78	FN	B201	L-GN	-	-	-	11,500	13,000
0276	Provincial Area Development Program II			2	80	FN	B200	L-GN	-	-	-	9,900	12,000
0242	Simple Irrigation I			IQ	76	FN	B201	L	3,700	-	-	-	23,700
0245	Citanduy Basin Development			2	76	FN	B110	L	12,500	-	-	-	12,500
0249	TA Consulting Services			2	76	FN	B190	L	5,000	-	-	-	5,000
0260	Agr. Education for Development			3	76	FN	B110	L	5,500	-	-	-	5,500
0189	Assistance to Agr.			3	77	FN	B110	GC	438*	140	316	-	2,687
0190	Higher Agr. Education			4	76	FN	B110	GC	228	-	-	-	7,392
0198	Agriculture Research			4	76	FN	B121	GC	100	-	-	-	1,301
0225	Volag Co-financing			1	80	FN	B210	GC	241	276	426	400	1,500
0236	Brackish Water Fishery Production (Aquaculture)			2	77	FN	B101	GC	-	-	217	-	606
0238	Area Development Project Planning			1	77	FN	B180	GC	216	35	81	-	443
* Includes Brackish Water Fishery Production (Aquaculture) Sub-project of \$389													
									18. DATE DOCUMENT RECEIVED IN AID/W				
									MM	DD	YY		

AGENCY FOR INTERNATIONAL DEVELOPMENT				11. TRANSACTION CODE <input type="checkbox"/> A = ADD <input type="checkbox"/> C = CHANGE <input type="checkbox"/> D = DELETE				2. ABS/CP DOCUMENT CODE 6						
ABS/CP SUMMARY														
3. COUNTRY/ENTITY INDONESIA				4. DOCUMENT REVISION NO. <input type="checkbox"/>		5. OPERATIONAL YEAR FY 77		6. BUREAU/OFFICE A. SYMBOL PHA B. CODE [07]		7. GEOGRAPHIC CODE [497]				
8. TYPE DATA <input type="checkbox"/> 1 = ABS 2 = ABS REVISION <input type="checkbox"/> 3 = CP 4 = CP NOTIFICATION						9. TYPE ASSISTANCE <input type="checkbox"/> 1 = PROJECT <input type="checkbox"/> 2 = PROGRAM								
10. PROJECT SEQUENCE NO.	11. PROJECT TITLE (40 CHARACTERS MAXIMUM)	12. QTR. FOR OBLIG.	13. EST. FY AUTH. OBLIG. FINAL	14. APPROPRIATION	15. PRIMARY PURPOSE CODE	16. LOAN/GRANT INDICATOR	17. BUDGETS (IN \$000)							
							AY	TQ	OY	BY	LOP			
	<u>POPULATION PLANNING AND HEALTH</u>													
0269	Family Planning Assistance Services	3	80	PH	B 400	GN	-	-	-	2,300	6,500			
0270	Population Research and Development	3	80	PH	B 400	GN	-	-	-	700	2,500			
0271	Family Planning Contraceptives	2	82	PH	B 400	L		7,300	-	10,000	55,538			
0273	Health TA, Research and Trg. Project	3	80	PH	B 530	GN	-	-	-	1,000	3,000			
0188	Family Planning Assistance	3	77	PH	B 400	GC	7,801	1,950	2,905	-	37,971			
0230	Health Research and Development	4	77	PH	B 500	GC	296	-	500	-	956			
0247	Rural Sanitation Manpower Development	4	76	PH	B 500	L	6,800	-	-	-	6,800			
0262	Surakarta Water	IQ	76	PH	B 500	L	-	6,800	-	-	6,800			
							18. DATE DOCUMENT RECEIVED IN AID/W					MM	DD	YY

AGENCY FOR INTERNATIONAL DEVELOPMENT					1. TRANSACTION CODE			2. ABS/CP			
ABS/CP SUMMARY					<input type="checkbox"/> A <input type="checkbox"/> C = CHANGE <input type="checkbox"/> D = DELETE			DOCUMENT CODE 6			
3. COUNTRY/ENTITY			4. DOCUMENT REVISION NO.		5. OPERATIONAL YEAR FY		6. BUREAU/OFFICE		7. GEOGRAPHIC CODE		
INDONESIA			<input type="checkbox"/>		77		A. SYMBOL ASIA B. CODE <input type="checkbox"/> 01		<input type="checkbox"/> 497		
8. TYPE DATA					9. TYPE ASSISTANCE						
<input type="checkbox"/> 1 = ABS 2 = ABS REVISION <input type="checkbox"/> 3 = CP 4 = CP NOTIFICATION					<input type="checkbox"/> 1 = PROJECT <input type="checkbox"/> 2 = PROGRAM						
10. PROJECT SEQUENCE NO.	11. PROJECT TITLE (40 CHARACTERS MAXIMUM)	12. QTR. FOR OBLI.	13. EST. FY AUTH. OBLI. FINAL	14. APPROPRIATION	15. PRIMARY PURPOSE CODE	16. LOAN/GRANT INDICATOR	17. BUDGETS (IN \$000)				
							AY	TQ	OY	BY	LOP
	EDUCATION AND HUMAN RESOURCES										
0261	Manpower Development Training	4	77	EH	B601	L/G	-	-	6,000	-	6,000
0275	Manpower Development Training	4	78	EH	B601	L/G	-	-	-	5,500	5,500
0248	Higher Education Development Training	4	76	EH	B601	L	5,000	-	-	-	5,000
0183	General Participant Training	1-4	81	EH	B601	GC	955	100	1,800	1,500	13,675
0229	Educational Finance	1	77	EH	B680	GC	175	50	100	-	526
0234	Nonformal Education	4	76	EH	B613	GC	550	-	-	-	550
							18. DATE DOCUMENT RECEIVED IN AID/W				
							MM	DD	YY		

AGENCY FOR INTERNATIONAL DEVELOPMENT		1. TRANSACTION CODE A A = ADD C = CHANGE D = DELETE		2. ABS/CP DOCUMENT CODE 6	
ABS/CP SUMMARY					
3. COUNTRY/ENTITY INDONESIA		4. DOCUMENT REVISION NO. <input type="checkbox"/>	5. OPERATIONAL YEAR FY 77	6. BUREAU/OFFICE SYMBOL TAB B. CODE [08]	7. GEOGRAPHIC CODE <input type="checkbox"/> 497 <input type="checkbox"/>

8. TYPE DATA 1 1 = ABS 2 = ABS REVISION 3 = CP 4 = CP NOTIFICATION		9. TYPE ASSISTANCE 1 1 = PROJECT 2 = PROGRAM	
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10. PROJECT SEQUENCE NO.	11. PROJECT TITLE (40 CHARACTERS MAXIMUM)	12. QTR. FOR OBL.	13. EST. FY AUTH. OBL. FINAL	14. APPROPRIATION	15. PRIMARY PURPOSE CODE	16. LOAN GRANT INDICATOR	17. BUDGETS (IN \$000)				
							AY	TQ	OY	BY	LOP
	<u>SELECTED DEVELOPMENT ACTIVITIES</u>										
0266	Science and Technology	2	79	ST	B750	LG	-	-	5,300	300	5,900
0268	Intermediate Technology	2	79	ST	B750	GN	-	-	-	250	500

18. DATE DOCUMENT RECEIVED IN AID/W	MM	DD	YY
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V. NARRATIVE STATEMENTS ON DEVIATIONS IN FUNDING LEVELS FROM CP FOR
FY 77 PROJECTS

This ABS proposes no deviation in funding levels for FY 77 projects from funding levels proposed for the same projects in the FY 77 Congressional Presentation. However, four new projects which did not appear in the FY 77 Congressional Presentation are being proposed in this submission for financing in FY 1977. The rationale behind the introduction of these new projects is set forth in the ABS transmittal letter as well as the narrative statement for Summary Table 1. Descriptions of the new projects, which involve both grant and loan financing, can be found in the PID's included as Attachment A to this document and/or PRP's submitted earlier this year.

VI. PROGRESS STATEMENTS FOR ONGOING GRANT ACTIVITIES

A. Food and Nutrition

-- Assistance to Agriculture (497-11-110-189.0): This project was designed to help improve the capability of the Ministry of Agriculture to identify policies and to plan and implement programs aimed at increasing food production and, in turn, the welfare of small farmers. During the past several years the project has focused on staff upgrading at the Ministry of Agriculture; initiating new project starts in the area of fisheries; providing technical services on a supportive basis for the Luwu Area Development and Citanduy Flood Control and Irrigation projects; and providing non-funded Mission support for the centrally funded Benchmark Soils Network Project being carried out by the University of Hawaii and the Soils Research Institute in Bogor.

During 1973 and 1974, USAID provided critically needed technical assistance when the Ministry of Agriculture was attempting to deal with early problems in its national rice production program. U.S. advisors helped define shortcomings in GOI domestic procurement operations, and corrective actions were taken. In 1975, project funded TVA advisors assisted the GOI in fertilizer marketing and provided training in this area for Indonesian officials. Additionally, four agriculture planners were sent to the U.S. for graduate degrees, and several short-term consultants assisted in the reorganization of the Ministry's Planning Bureau. Two survey teams assisted the Ministry of Agriculture

in determining the feasibility of proposals to increase small farmer productivity through secondary crop intensification and fisheries expansion. In 1976, \$388,000 of project funds were utilized for brackish water fisheries expansion in northern Sumatra. This aquaculture activity will be funded as a separate project in FY 1977.

The project is on schedule in all aspects. The FY 77 Congressional Presentation requests \$316,000 to continue the Assistance to Agriculture Project through that year. The bulk of the funds will be used to provide U.S. technical services in support of the loan funded Lampung Brackish Water Pond Development project. Approximately \$50,000 will be used to complete ongoing participant training and for funding short term training courses and seminars.

-- Aquaculture (497-0236): This project is on schedule, except for a slight delay in the signing of the Technical Assistance contract with Auburn University, which slipped from April to late May. However, due to tight scheduling of language classes for the technicians, they should still be able to arrive in country by the first of September, the programmed arrival date.

It is not anticipated that there will be any deviation from the project schedule. No change in the level of financing or composition of outputs, inputs, or purpose is expected.

Area Development Project Planning (497-11-199-238): The purpose of this assistance is to improve development planning at the provincial level and thereby support the GOI policy of decentralizing development planning and administration. Provincial planning units submit project development proposals based on the likelihood of implementation and benefit to the rural poor. Then U.S. consultants are provided to help the selected planning units transform the proposal into a realistic action plan. Within this "concrete results" oriented context the consultants also advise on general planning techniques and management. Training is also provided under which promising staff members are seconded for practical work experience to progressive regional planning units in neighboring countries.

Notwithstanding delays in recruiting U.S. consultants, the project is generally on target. The fundamental project purpose, inputs to be furnished and outputs to be achieved, are as set forth in the Project Paper.

-- Voluntary Agency Co-Financing (497-13-899-225): This project was designed in response to AID's new directions guidelines. Under the project, the Mission collaborates with Private and Voluntary Organizations (PVOs) in supporting socio-economic development at the

grass roots level. Funding is provided to 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 28 sub-projects to six American PVOs encompassing such fields as nutrition, rural public works, rural and community development, public health, agriculture, education, irrigation, vocational training, animal husbandry, credit union and cooperative development, transmigration, and appropriate technology. Ten sub-projects have been completed. The project paper contemplated the granting of \$300,000 to PVOs in FY 1976; actual grants during this period reached \$483,220. The life of project budget is \$1 million and obligations to date total \$937,220. A revision requesting the life of project budget be increased to \$1.5 million will be submitted to accommodate Transitional Quarter and FY 1977 programmed requirements of \$100,000 and \$426,000 respectively. The PVOs have completed self-evaluations on all ongoing and completed sub-projects and USAID has scheduled a full review and evaluation for November, 1976. A PID to continue this project for three more years is included as an Annex to this ABS.

B. Population and Health

-- Family Planning Assistance Services (497-15-580-188.0): The planned outputs are being achieved and the project is moving ahead in accordance with the schedule set forth in the PROP. As we approach the end of FY 1976, the output indicators targeted for July 1, 1977 (end of project) have all already been achieved with one exception: probably only one-third of the 300 planned sterilization centers have been established. However, this activity, which is not directly supported under the project, is rapidly growing, and the target may be reached on schedule. The other output indicators targeted for July 1, 1977 have been surpassed as follows:

	<u>Planned for</u> <u>7/1/77</u>	<u>Achieved as</u> <u>of 6/1/76</u>
Clinics	3,215	3,275
Village Distribution Centers	20,000	26,000
Commercial Distribution Centers	±30,000	±30,000

The most notable success of this project during the past year has been the progress in expanding contraceptive coverage via village distribution centers (see JAKARTA 3483, dated March 16, 1976, "Success Stories for Congressional Testimony").

Progress in this and other delivery experiments has led to a raising of our sights for FY 1977 by requesting an increase in FY 77 funds from \$290,000 to \$2 million. The general composition of projects will remain

the same, only the size of the portfolio will increase with special emphasis on the "outer islands." This expanded assistance will be continued into FY 1978 (see PIDs for 188.0 and oral contraceptive loan projects).

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 1976 it is estimated that contraceptive prevalence (as a % of married women, ages 15-44) on Java/Bali increased from 18% to 21.1% (as of March 1976) as follows:

	<u>Start FY 76</u>	<u>End FY 76</u>
Pill	10.1%	13.2%
Condom	1.4%	1.0%
IUD	6.5%	6.9%

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

This project is on schedule and proceeding as planned. During FY 1976 ten R&D projects were funded for a total of \$233,000. The most noteworthy project has been the pilot testing in selected areas of West Java of a combined fieldworker/healthworker team distributing the first cycle of oral contraceptives in the village. This demonstration project has been well received and appears to be an effective and efficient means of more widely making family planning services available.

In FY 77, this project will be expanded from a planned obligation of \$579,000 to \$1,000,000. The additional funds will permit an extension of the STMK project in West Java and to the other provinces of Central and East Java. Increased R&D activities will also be undertaken on the Outer Islands to stimulate the lagging Outer Island program.

It is expected that this project will be expanded in FY 78 to include population policy research at the central and regional level as well as modest institutional development.

-- Health Research and Development (497-11-599-230): This project has, in general, moved more slowly than planned. Only six research sub-projects have been funded during FYs 75 and 76, although it was assumed that 7-12 sub-projects would be funded each fiscal year.

These delays reflect the administrative, managerial and technical difficulties being faced by the Institute for Research and Development of the Ministry of Health -- the lack of technical expertise in research and survey methods among its staff, the excessive workload given competent personnel and the lack of sufficient delegation of responsibility within the Institute. It is hoped that future Letters of Agreement can contain covenants which will ameliorate this situation for future sub-projects, e.g., that the principal investigator of the research study work full time on the study until completed; that only personnel experienced in social science surveying and research can be designated principal or co-investigators.

During the Interim Quarter it is planned that project identification and implementation will be accelerated. The Institute for Health Research and Development has submitted or is preparing several proposals in the following areas:

1. More efficient manpower staffing of funded PUSKESMAS.
2. Health center information and management data systems.
3. Delivery of primary health care at the village level through the support of the PUSKESMAS community development projects.
4. The improvement of the referral system within the GOI health system.

More technical assistance and in-service training is also being planned for FY 77, including one health research planner, one health-economist, and one social science research advisor/instructor. The progress made in this coming year will be instrumental in determining the advisability of continuing support for health research and development activities in FY 78.

C. Education and Human Resources

-- General Participant Training (497-11-690-183): This project continues to progress on schedule. Since its inception in 1967, there have been 1400 Indonesians trained in the United States and third countries. Less than 1% of these participants has failed to return upon completion of programs, and virtually all have assumed positions of responsibility and fulfilled obligations incurred by accepting U.S. sponsored training.

In FY 78 the total requested funding is \$1,500,000 to train approximately 250 persons, of whom 130 will be new participants. The fields of study will be rural development, food and nutrition, health, economics and general public and fiscal administration in order to upgrade GOI management capabilities. (This grant project will complement, not duplicate, the FY 76 Higher Education Development Training Loan and will not provide duplicate support to such GOI agencies as receive training under the proposed FY 77 Manpower Development Training Loan.) Approximately 120 persons will be extended to continue their education in the U.S. or third countries. An additional \$10,000 is requested to fund the costs of texts for English language training and to maintain the computer bank of participant records which will be used to monitor both grand and loan training programs.

-- Educational Finance (497-11-680-229): Although there has been no change in project strategy, due to delays in recruitment for this project, implementation did not get under way until late CY 75, some six months later than scheduled. Progress to date includes the collection and coding of 6,000 samples of financial data from primary and secondary schools and making computer tabulations to provide a base for: (1) analyzing school finance and building costs; (2) assessing the extent of data coverage and reliability; and (3) demonstrating how data can be processed and analyzed to provide policy-oriented results. Cross tabulation of data was completed in May, and an analysis of the findings is expected to provide practical insights into the financial characteristics of Indonesian public schools, the locations and kinds of "problem" schools and an indication of remedial action that is possible. Through this and similar undertakings, the Department of Education will develop the institutional capability for establishing allocation criteria for education funds to provide equitable educational opportunities.

VII. FISCAL TABLES FOR ONGOING GRANT PROJECTS

FORMAT FOR FISCAL DATA
ONGOING GRANT PROJECTS FOR THE ANNUAL BUDGET SUBMISSION (\$000)

PROJECT NAME Assistance to Agriculture INITIAL OBLIGATION FY1969 DATE PROP/REVISION 12/31/74
 PROJECT NUMBER 497-11-110-189 FINAL OBLIGATION FY1977 DATE LAST PAR 9/30/75
 APPROPRIATION 72-11X1023 TOTAL COST \$2,687 DATE NEXT PAR 1/77

U.S. DOLLAR COST (IN THOUSANDS)

	FY Obligations	FY Expenditures	Unliquidated as of:		FY 1977 and FY 1978 Obligations by Cost Component/MOI					
			6/30/76 inc. prior yr.funds	9/30/76	9/30/77	9/30/78	Contract	PASA	Total	
Actual FY 1976	438 *	104	337	300	77	77	77	77	77	78
Estimated Interim Qtr.	140	40	300	300	-	100	-	180	-	280
Estimated FY 1977	316	250	365	365	36	-	-	-	-	36
Proposed FY 1978	-	250	365	365	-	-	-	-	-	-
					36	100	-	180	-	316

Contract/PASA Funding Periods

Name of Contractor	FY 1976 Obligations		Int. Qtr. Obligations		FY 1977 Obligations		FY 1978 Obligations		On Board Personnel				
	from mo/yr-5/75	to mo/yr-6/76	from mo/yr-7/76	to mo/yr-9/76	from mo/yr-10/76	to mo/yr-9/77	from mo/yr-10/77	to mo/yr-9/78	6/30 1976	9/30 1976	9/30 1977	9/30 1978	No.
Period									Direct Hire	Contract	Participants		
Amount	205	-	280	-	-	-	-	-	No. 2	No. 2	No. 1	No. 1	No.
Period													
Amount													

* Includes Brackish Water Fishery Production Sub-project of \$389.

Country/Program Indonesia

Attachment 3.

FORMAT FOR FISCAL DATA
ONGOING GRANT PROJECTS FOR THE ANNUAL BUDGET SUBMISSION

(\$000)

PROJECT NAME Brackish Water Fishery Production INITIAL OBLIGATION FY1976 DATE PROP/REVISION NA
 PROJECT NUMBER 497-11-110-189.2 (Aquaculture) FINAL OBLIGATION FY1977 DATE LAST PAR NA
 APPROPRIATION 72-11X1023 TOTAL COST \$606 DATE NEXT PAR 5/77

U.S. DOLLAR COST (IN THOUSANDS)

	FY Obligations	FY Expenditures	Unliquidated as of:	FY 1977 and FY 1978 Obligations by Cost Component/MOI			
				Direct Aid	Contract	PASA	Total
Actual FY 1976	389.0 *	3.9	6/30/76 inc. prior yr. funds	77	77	77	77
Estimated Interim Qtr.	-0-	76.5	9/30/76	190	-	-	190
Estimated FY 1977	217.0 **	316.6	9/30/77	27	-	-	27
Proposed FY 1978	-0-	201.0	9/30/78	-	-	-	-
				217	-	-	217

Contract/PASA Funding Periods

Name of Contractor	FY 1976 Obligations		Int. Qtr. Obligations		FY 1977 Obligations		FY 1978 Obligations	
	from mo/yr-	to mo/yr-	from mo/yr-	to mo/yr-	from mo/yr-	to mo/yr-	from mo/yr-	to mo/yr-
Period	5/76	6/76	7/76	10/76	11/76	10/77		
Amount	\$000	205	\$000	-0-	\$000	190	\$000	-0-
Period	mo/yr-	mo/yr-	mo/yr-	mo/yr-	mo/yr-	mo/yr-	mo/yr-	mo/yr-
Amount								

On Board Personnel

Direct Hire	6/30 1976		9/30 1976		9/30 1977		9/30 1978	
	No.	"	No.	"	No.	"	No.	"
PASA	"	"	"	"	"	"	"	"
Contract	"	2	"	3	"	3	"	0
Participants	"	4	"	2	"	2	"	0

* A subproject under Assistance to Agriculture, Proj. # 497-11-110-189
 Brackish Water Fishery Production becomes an integral project, No.497-0236, in FY1977.

**FORMAT FOR FISCAL DATA
ONGOING GRANT PROJECTS FOR THE ANNUAL BUDGET SUBMISSION**

PROJECT NAME Area Development Proj. Planning INITIAL OBLIGATION FY1975 DATE PROP/REVISION 12/23/75
 PROJECT NUMBER 497-11-199-238 FINAL OBLIGATION FY1977 DATE LAST PAR _____
 APPROPRIATION 72-11X1023 TOTAL COST \$443 DATE NEXT PAR 11/76

U.S. DOLLAR COST (IN THOUSANDS)

	FY Obligations		FY Expenditures	Unliquidated as of:	FY 1977 and FY 1978 Obligations by Cost Component/MCI					
					6/30/76 inc. prior yr.funds	9/30/76	9/30/77	9/30/78	Total	
Actual FY 1976	216	65	168		77	77	77	77	78	78
Estimated Interim Qtr.	35	70	181				53			53
Estimated FY 1977	81	262					23	1		23
Proposed FY 1978	-0-			9/30/78						4
								4		4
								4		81

Contract/PASA Funding Periods

Name of Contractor	FY 1976 Obligations		Int. Qtr. Obligations		FY 1977 Obligations		FY 1978 Obligations	
	from	to	from	to	from	to	from	to
USDA/ERS	5/76	6/76	7/76	9/76	11/76	2/77		
Period	mo/yr-mo/yr	mo/yr-mo/yr	mo/yr-mo/yr	mo/yr-mo/yr	mo/yr-mo/yr	mo/yr-mo/yr	mo/yr-mo/yr	mo/yr-mo/yr
Amount	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
	22	68	152					
	(90 x .25)	(90 x .75)						
Period	mo/yr-mo/yr	mo/yr-mo/yr	mo/yr-mo/yr	mo/yr-mo/yr	mo/yr-mo/yr	mo/yr-mo/yr	mo/yr-mo/yr	mo/yr-mo/yr
Amount								

	On Board Personnel			
	6/30 1976	9/30 1976	9/30 1977	9/30 1978
Direct Hire	No.	No.	No.	No.
PASA	" 4	" "	" "	" "
Contract	" "	" "	" "	" "
Participants	" "	" "	" "	" "

FORMAT FOR FISCAL DATA
ONGOING GRANT PROJECTS FOR THE ANNUAL BUDGET SUBMISSION

PROJECT NAME Volag Co-financing INITIAL OBLIGATION FY1974 DATE PROP/REVISION *
 PROJECT NUMBER 497-13-899-225 FINAL OBLIGATION FY1977 ** DATE LAST PAR -
 APPROPRIATION 72-11X1023 TOTAL COST \$1,500 DATE NEXT PAR 11/1976

	FY 1977 and FY 1978		U.S. DOLLAR COST (IN THOUSANDS)	
	FY Obligations	FY Expenditures	Unliquidated as of:	Obligations by Cost Component/MOI
Actual FY 1976	241	32.6	6/30/76 inc. prior yr.funds 384.3	Cost Component 77 78 77 78 77 78 Total 77 78
Estimated Interim Qtr.	276	-	9/30/76	U.S. Tech. - - - - -
Estimated FY 1977	426	-	9/30/77	Local & TCN. - - - - -
Proposed FY 1978	400	-	9/30/78	Participants - - - - -
				Commodities - - - - -
				Other Costs 426 400 426 400
				Total 426 400 426 400

Name of Contractor	Contract/PASA Funding Periods		FY 1978 Obligations		FY 1977 Obligations		FY 1976 Obligations		On Board Personnel	
	FY 1976 Obligations	Int. Qtr. Obligations	FY 1978 Obligations	FY 1977 Obligations	FY 1976 Obligations	FY 1977 Obligations	FY 1978 Obligations	6/30 1976	9/30 1977	9/30 1978
CRS No. 76/1	6/76-6/77 \$10.2	-	-	-	-	-	-	6/30 1976	9/30 1977	9/30 1978
CWS No. 76/2	5/76-5/77 \$12.3	-	-	-	-	-	-	Direct Hire No. 1	No. 1	No. 1
CWS No. 76/3	5/76-5/77 \$10.0	-	-	-	-	-	-	PASA " "	" "	" "
CARE No. 76/1	6/76-6/78 \$208.6	-	-	1/78-6/78 \$66.2	-	-	-	Contract " "	" "	" "
CDF	-	7/76-12/77 \$175.7	-	-	-	-	-	Participants " "	" "	" "
3 sub-projects (est)	-	\$100.0	-	-	-	-	-			
8-10 sub-projects (est)	-	-	-	\$359.8	-	-	-			
8-10 sub-projects (est)	-	-	\$400.0	-	-	-	-			

* Revision increasing funding to \$1.5 mil. to be submitted during Interim Quarter.
 ** Revision extending project FY 78 - FY 80 to be submitted during first quarter of FY1977.

FORMAT FOR FISCAL DATA
ONGOING ORANT PROJECTS FOR THE ANNUAL BUDGET SUBMISSION
(\$000)

PROJECT NAME Family Planning Assistance INITIAL OBLIGATION FY1975 DATE PROP/REVISION 6/10/75
 PROJECT NUMBER 497-15-580-188 FINAL OBLIGATION FY1977 DATE LAST PAR 9/75
 APPROPRIATION 72-11X1024 TOTAL COST \$5,062 DATE NEXT PAR 10/76

U.S. DOLLAR COST (IN THOUSANDS)

	FY Obligations	FY Expenditures	Unliquidated as of:	FY 1977 and FY 1978 Obligations by Cost Component/MOI		
				Direct Aid	Contract	PASA Total
Actual FY 1976	7,801*	1,798	6/30/76 inc. prior yr. funds 400	77	77	77
Estimated Interim Qtr.	1,950*	330	9/30/76 402.2	50	25	75
Estimated FY 1977	2,905	2,155	9/30/77 1,214.9	80	-	80
Proposed FY 1978	2,300**	2,000	9/30/78 1,014.9	860	-	860
				1295	-	1295
				2300	25	2300
				2880		2905
				2300		2300

Contract/PASA Funding Periods

Name of Contractor	FY 1976		Int. Qtr.		FY 1977		FY 1978		On Board Personnel			
	from mo/yr	to mo/yr	6/30 1976	9/30 1976	9/30 1977	9/30 1978						
2 technicians	\$000	-	\$000	-	1/77-3/77				No. 1	No. 1	No. 1	No. 1
Amount					25.0				"	"	"	"
Period	mo/yr	mo/yr	mo/yr	mo/yr	mo/yr	mo/yr	mo/yr	mo/yr	"	"	"	"
Amount									15	12	15	14

* Includes AID/W-funded contraceptives. ** A PID has been prepared for continuation of this project beyond FY77, see PID Proj.#0269; and separate POP Research & Development, see PID Proj.#0270.

Country/Program Indonesia

Attachment 3.

FORMAT FOR FISCAL DATA
ONGOING GRANT PROJECTS FOR THE ANNUAL BUDGET SUBMISSION

PROJECT NAME Health Research & Development INITIAL OBLIGATION FY1975 DATE PROP/REVISION 6/24/74
 PROJECT NUMBER 497-11-599-230 FINAL OBLIGATION FY1977 DATE LAST PAR None
 APPROPRIATION 72-11X1024 TOTAL COST \$956 DATE NEXT PAR 12/76

U.S. DOLLAR COST (IN THOUSANDS)

	FY Obligations	FY Expenditures	Unliquidated as of:	FY 1977 and FY 1978 Obligations by Cost Component/MOI					
				Cost Component	Direct Aid	Contract	PASA	Total	
Actual FY 1976	296	100	6/30/76 inc. prior yr. funds	77	78	77	78	77	78
Estimated Interim Qtr.	-0-	124	9/30/76	-	76	-	-	-	76
Estimated FY 1977	500	289	9/30/77	63	-	-	-	63	-
Proposed FY 1978	-0-	133	9/30/78	51	-	-	-	51	-
				310	-	-	-	310	-
				Total	424	76			500

Contract/PASA Funding Periods

Name of Contractor	FY 1976 Obligations	Int. Qtr. Obligations	FY 1977 Obligations	FY 1978 Obligations
	(See continuation sheet)			
Period	from to mo/yr-mo/yr	from to mo/yr-mo/yr	from to mo/yr-mo/yr	from to mo/yr-mo/yr
Amount	\$000	\$000	\$000	\$000
Period	mo/yr-mo/yr	mo/yr-mo/yr	mo/yr-mo/yr	mo/yr-mo/yr
Amount				

	On Board Personnel			
	6/30 1976	9/30 1976	9/30 1977	9/30 1978
Direct Hire	No. 1	No. 2	No. 2	No.
PASA	"	"	"	"
Contract	"	"	"	"
Participants	2	2	5	"

Contract/PASA Funding Periods

Name of Contractor	FY 1976		Int. Qtr.		FY 1977		FY 1978	
	<u>Period</u>	<u>Amount</u>	<u>Period</u>	<u>Amount</u>	<u>Period</u>	<u>Amount</u>	<u>Period</u>	<u>Amount</u>
1. NA (to be determined)	7/76-9/76	\$14	8/76-10/76	\$15	11/76-1/77	\$15		
	10/76-12/76	15	8/76-9/76	7.5	11/76-1/77	15		
2.								
3.			8/76- 9/76	7.5	10/76-11/76	7.5		
4.			8/76- 9/76	7.5	10/76-11/76	7.5		
5.					10/76-11/76	7.5		
6.					10/76-11/76	7.5		
7.					1/76- 2/76	7.5		
8.					10/76-12/76	15		
9.					3/76- 5/76	15		

Country/Program Indonesia

Attachment 3.

FORMAT FOR FISCAL DATA
ONGOING GRANT PROJECTS FOR THE ANNUAL BUDGET SUBMISSION

PROJECT NAME General Participant Training INITIAL OBLIGATION FY1967 DATE PROP/REVISION 12/15/70
 PROJECT NUMBER 497-11-690-183 FINAL OBLIGATION FY1981 DATE LAST PAR. 4/11/75
 APPROPRIATION 72-11X1025 TOTAL COST \$13,675 DATE NEXT PAR. 9/28/76

		U.S. DOLLAR COST (IN THOUSANDS)								
Actual FY 1976	FY Obligations	FY Expenditures	Unliquidated as of:		FY 1977 and FY 1978 Obligations by Cost Component/MOI					
			6/30/76 Inc. prior yr.funds	838	Cost Component	Direct Aid	Contract	PASA	Total	
Estimated Interim Qtr.	100	191	9/30/76	792	U.S. Tech.	-	-	-	-	-
Estimated FY 1977	1,800	922	9/30/77	1,670	Local & TCN.	-	-	-	-	-
Proposed FY 1978	1,500	1,317	9/30/78	1,853	Participants	1790	1490			1790
					Commodities	3	3			3
					Other Costs	7	7			7
					Total	1800	1500			1800

Name of Contractor	Contract/PASA Funding Periods			FY 1978 Obligations
	FY 1976 Obligations	Int. Qtr. Obligations	FY 1977 Obligations	
Period	NA from to mo/yr-mo/yr	NA from to mo/yr-mo/yr	NA from to mo/yr-mo/yr	NA from to mo/yr-mo/yr
Amount	\$000	\$000	\$000	\$000
Period	mo/yr-mo/yr	mo/yr-mo/yr	mo/yr-mo/yr	mo/yr-mo/yr
Amount				

Direct Hire	On Board Personnel		
	6/30 1976	9/30 1976	9/30 1978
Participants	115	102	261
Contract			
PASA			
Direct Hire			

FORMAT FOR FISCAL DATA
ONGOING GRANT PROJECTS FOR THE ANNUAL BUDGET SUBMISSION
(\$000)

PROJECT NAME Educational Finance INITIAL OBLIGATION FY1975 DATE PROP/REVISION None
 PROJECT NUMBER 497-11-680-229 FINAL OBLIGATION FY1977 DATE LAST PAR None
 APPROPRIATION 72-11X1025 TOTAL COST \$526 DATE NEXT PAR 1/77

	U.S. DOLLAR COST (IN THOUSANDS)		FY 1977 and FY 1978				
	FY Obligations	FY Expenditures	Unliquidated as of:	Direct Aid	Contract	PASA	Total
Actual FY 1976	175	221	6/30/76 inc. prior yr.funds	77	78	77	78
Estimated Interim Qtr.	50	60	9/30/76	-	50	-	50
Estimated FY 1977	100	230	9/30/77	25	-	-	25
Proposed FY 1978	-	15	9/30/78	-	15	-	15
				25	75		100

Name of Contractor	Contract/PASA Funding Periods			On Board Personnel			
	FY 1976 Obligations	Int. Qtr. Obligations	FY 1977 Obligations	6/30 1976	9/30 1976	9/30 1977	9/30 1978
(R. Daroesman PSC)	from 6/76 to 8/77 \$000 100	from 9/76 to 8/77 \$000 40	from 8/77 to 6/78 \$000 55	No. 1	No. 2	No. 1	No. 1
Period	mo/yr-mo/yr 6/76-8/77	mo/yr-mo/yr 9/76-8/77	mo/yr-mo/yr 8/77-6/78	Participants 1	Participants 1	Participants 1	Participants 1
Amount PSC (not known)	50	-	20				
Period	mo/yr-mo/yr 6/76-7/76	mo/yr-mo/yr 7/76-11/76	mo/yr-mo/yr 11/76-11/77				
Amount	50	-	20				

Country/Program INDONESIA

VIII. PROPOSED NEW PROJECTS - FY 1978 ALTERNATIVE FUNDING LEVELS
(\$ 000)

PROJECT	(Alternative A)		(Alternative B)		(Alternative C)	
	Full Funding Level		Forward Funding		Mission Alternative if	
	Dollars	Months from Date of Obligations	According to A-368	Dollars	Grant Resources Curtailed	Months from Date of Obligations
<u>FOOD & NUTRITION</u>						
Volag Co-Financing	1,400	(36)	400	200	(N.A.)	
Maringgal Fisheries Dev. (Sumatra)	1,000	(12)	650	400	(12)	
Outer Island Rice & Upland Crops Research	1,800	(36)	800	500	(12)	
Luwu II Area Development	1,500	(12)	1,500	1,000	(12)	
Provincial Area Development II	3,000	(36)	900	700	(12)	
<u>POPULATION PLANNING AND HEALTH</u>						
Family Planning Services	6,500	(36)	2,300	1,800	(9)	100
Population R&D	2,500	(36)	700	700	(12)	
Health TA Trng/Cons. Services	3,000	(36)	1,000	700	(12)	
<u>EDUCATION AND HUMAN RESOURCES</u>						
Manpower Development Training	1,500	(36)	500	500	(12)	
<u>SELECTED DEVELOPMENT PROBLEMS</u>						
Intermediate Technology	500	(24)	250	150	(12)	
New Project Funding Level	22,700		9,000	6,650		

NEW PROJECTS FOR WHICH PRIOR CONGRESSIONAL NOTIFICATION TO BE SUBMITTED
TO PERMIT INITIAL FUNDING IN FY 1977

RD/AGR TA, Research, Training (750)
 Provincial Area Development I (600)
 Rural Electrification (1,000)
 Science & Technology TA, Research, Training (250)

IX. FY 78 NEW PROJECT LISTING NARRATIVE SUPPORT FOR ALTERNATIVE FUNDING LEVELS

FOOD AND NUTRITION

VolAg Co-Financing - Alternative A is the life-of-project cost. It is feasible that full funding would permit greatly accelerated obligations and project implementation given the increasing capability and number of VolAgs operating in Indonesia and the backlog of sound grant proposals available to the Mission. Alternative B will permit good progress to continue under the project at a pace which is consistent with yearly funding allocations. Alternative C would retard progress, leaving unfunded many appropriate activities and slowing the growth of VolAg programs in Indonesian development.

Maringgai Fisheries Development (Sumatra) - Alternative A would provide 36 months of funding of technical assistance and training. Although engineering and feasibility studies could be financed early, the pace of project implementation would probably not be enhanced by initial full funding. Alternative B permits initial project work to begin with technical assistance in production and marketing and related training. Alternative C would slow the project (and thereby the realization of benefits in rural development) by reducing the technical assistance available for fundamental design and planning work.

Outer Island Rice and Upland Crops Research - Alternative A represents 36 months of funding which would permit great flexibility in introducing the initial program and reducing the period of time needed before benefits of research could begin to have impact. Alternative B will permit a qualified team to begin work and will mean early training of a group of highly skilled professionals. Alternative C would mean only technical assistance could be provided at the expense of staff development.

Luwu II Area Development - The grant portion of the Luwu project is a critical requirement for addressing the organization of cooperatives, farm service centers, marketing channels and various experimental aspects of integrating the program. Alternatives A and B are the same since they represent no more than 12 months of funding to begin a full program of technical assistance, training and commodity support in all project areas. A reduced figure (Alternative C) would mean basic modifications in the project implementation plan since some initial groundwork and "gearing up" would have to await funds.

Provincial Area Development II - Alternative A represents 36 months of funding which would provide \$1.0 million in grant funds to each of three provinces. Alternative A has no special advantage over Alternative B, on the assumption that yearly funding requirements will be covered by new infusions of grant money. However, Alternative C would slow the development of new local projects by limiting technical assistance funding.

POPULATION PLANNING & HEALTH

Family Planning Services - Alternative A, providing 36 months of funding, would permit some flexibility in deciding on early obligations. However, Alternative B, designed for 12 months of obligations, is adequate for an ambitious expansion of FP services to outer islands and to present program populations where the pressing requirement is to sustain the project's momentum and high degree of acceptance. Alternative C stands to jeopardize some of this program momentum and would certainly not realize the full potential of the GOI to expand services.

Population Research and Development - Alternative A would mean a number of R&D projects could be activated early. The commitment to 36 months of funding would permit immediate attention to a number of problems and bottlenecks and ideas for promoting and expanding the FP program. Alternative B will permit a good beginning in this area and represents the minimum commitment that should be made to this important project given the backlog of issues that require immediate attention. Thus, Alternative C is the same as Alternative D.

Health TA Research and Training - Alternative A would not provide additional program impact since the absorptive capacity of the Ministry of Health would limit opportunities for speeding project implementation beyond the rate permitted by Alternative B. Alternative B is a good, workable level of funding which will mean expanded technical assistance in the health sector and a solid program of training in skills-shortage categories. Training being the most critical need at present, Alternative C would mean limiting needed consultant services.

EDUCATION AND HUMAN RESOURCES

Manpower Development Training - Alternative A represents 36 months of funding. There would be some advantage in full funding of this important grant activity because it would permit an accelerated program in concert with loan funding which would make much needed skills available to the GOI at the earliest possible time, assuming the GOI decides to avail itself of this assistance at an accelerated pace. Shortages in trained manpower constitute a major bottleneck in the Indonesian development process. The capacity of this planned activity to absorb all the funds programmed under Alternative B is very great. It should therefore be considered the minimum grant level acceptable for solid benefits to be achieved. Alternative C is thus identical to Alternative B.

SELECTED DEVELOPMENT PROBLEMS

Intermediate Technology - This project represents a fair degree of ground breaking for USAID. With a new science and technology advisor assigned to the Mission, feasible activities in appropriate technology are expected to be identified in a host of areas. Twelve months of modest initial funding appears in keeping with the experimental nature of the project. Therefore no special advantage is seen in full funding. Alternative C, however, would not permit the Mission to get maximum mileage from the interest being shown in the GOI or the obvious opportunities already identified in important areas such as food production.

Country/Program: INDONESIA

X. LONG RANGE PROGRAM PLAN

(\$ millions)

	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>
Food/Nutrition					
Grants	7.3	8.0	8.0	6.0	5.0
Loans	83.0	50.0	50.0	45.0	40.0
Population/Health					
Grants	4.0	3.0	2.5	2.0	1.0
Loans	10.0	21.0	21.0	12.0	10.0
(Population)					
(Grants)	3.0	2.0	2.0	1.5	1.0
(Loans)	10.0	11.0	11.0	12.0	10.0
(Health)					
(Grants)	1.0	1.0	.5	.5	-
(Loans)	-	10.0	10.0	-	-
Education					
Grants	2.0	2.0	2.0	2.0	2.0
Loans	5.0	5.0	3.0	3.0	-
Section 106					
Grants	.6	-	-	-	-
Loans	-	5.0	-	-	-
TOTAL					
Grants	13.9	13.0	12.5	10.0	8.0
Loans	68.0	81.0	74.0	72.0	50.0
PL 480 (non-add)					
Title I	40.0	40.0	40.0	40.0	40.0
Title II	5.2	5.0	5.0	5.0	5.0

X. LONG RANGE PROGRAM PLAN NARRATIVE

The U.S. economic assistance program during Indonesia's First Plan period was designed to help meet the Plan's objectives within the constraints imposed by the U.S. Government's low profile policy. Relatively large individual projects and programs were concentrated in a few sectors. Activities were selected for AID financing which transferred large amounts of resources (program loans and infrastructure development) with a minimum of staff involvement in Indonesian affairs.

AID's new emphasis on assisting those who have not benefited from Indonesia's recent growth coupled with Indonesia's own concerns for development of the social sectors should, in principle, require greater amounts of AID technical involvement in Indonesian development. The concerns among Indonesian planners about the distribution effects of the development program fit well with AID's priorities and new legislative directions. USAID project identification will concentrate on programs which combine U.S. technical assistance contributions for longer range institutional development with outlays, as needed, for the pilot testing, construction or improvement of physical systems in areas of priority interest -- population, health, agriculture, nutrition, and education -- which offer the possibility of leading to more effective transfers of assistance to lower income groups.

In addition to developmental interests, there are important political and general economic considerations for the continuation of appreciable concessionary aid to Indonesia during the next five to six years. Indonesia's geographic location, significant natural resources, broadly favorable disposition toward the U.S., and potentially major role within the ASEAN region are important factors in evaluating our relationship with the GOI. Indonesia's future stability is important to the United States and a good case can be made on these grounds that it is in our interests to continue to help the Indonesian development process.

Indonesia's technocrats gained international respect for their skillful management of the Indonesian economy during the early years of President Suharto's tenure. Notwithstanding some setbacks in recent years, particularly the Pertamina financial crisis, the Indonesian Government is continuing to take self-help measures which are generally recognized as critical to future economic and social growth. For example, controls have been established over foreign borrowing and the Ministry of Finance has recently announced that domestic revenues, particularly taxes, will be increased during the coming years at a rate greatly in excess of that contemplated in the past. Moreover, Indonesian development planning has been reexamined to ensure that the public sector investment program supports to the maximum extent

possible the GOI's goal of improving income opportunities, productivity, and living conditions of the mass of the population. World Bank analyses of the Indonesian economy argue that Indonesia will require concessionary assistance over the coming decade in order to support an investment program aimed at creating sufficient jobs for new entrants into the labor force.

A U.S. economic assistance program of around \$100 million a year over the next 3 to 5 year period should enable the U.S. to pursue effectively its development, economic and political interests in Indonesia.

XI. INDONESIA PROGRAM EVALUATION SCHEDULE
FY 1977/78

The Mission has not in the past strictly adhered to AID/W devised evaluation forms or processes. This fact is readily apparent from a cursory glance at the column marked LAST EVALUATION in the attached evaluation schedule. The primary reason for this situation has been the lack of a Mission Evaluation Officer, a situation which has now been rectified.

The evaluation schedule for the next two years as outlined in the attached form reflects the fact that we now have on board an officer whose primary responsibility will be developing and managing an evaluation process. We fully expect, perhaps with only marginal adjustments of one month or so in a few of the evaluation dates submitted here, to adhere to this schedule. We have not at this time, however, determined which of these evaluations would benefit from or require additional assistance from Washington.

There are 21 projects which are not included in this evaluation schedule. We will submit a supplement to this evaluation schedule by September 30, 1976 outlining our intentions regarding these projects.

The Mission is also engaged in an attempt to identify a core of at least 5-6 Indonesian Government officials interested in or responsible for evaluation. We intend to invite these officials to participate with USAID officers in a two-week evaluation workshop which we hope AID/W will be able to provide assistance to, possibly through a training team from Syracuse University. We will make a formal request for such assistance as soon as we have firm indications of interest therein from these officials. We currently expect to schedule this workshop for sometime in September, 1976, if not sooner.

INDONESIA MISSION EVALUATION PLAN FOR FY 1977 AND FY 1978

RURAL DEVELOPMENT SECTOR

PERIOD COVERED: FY 77 and FY 78

<u>Project Title & Number</u>	<u>Date of Last Evaluation</u>	<u>Date of Submission FY 77 &/or FY 78 Evaluation</u>	<u>Period Covered Next Evaluation (in months)</u>	<u>Remarks</u>
G-0189 Assistance to Agriculture	9/30/75	Jan 77 Feb 78	14 12	
G-0256 Brackish Water Fishery Prod.	-	May 77 May 78	14 11	Final Evaluation
G-0238 Area Dev. Project Planning	-	Nov 76 Nov 77	17 12	Final Evaluation
G-0265 RD Project Dev. and Testing (new)	-	Mar 78	12	
G-0235 Kabupaten Planning & Mgt.	-	Jul 77 Apr 78	7 10	
L-035 Rural Works	-	Jul 76 Sep 77	24	Grant Funded Evaluations of Loan
L-037 Sederhana Irrigation	-	Nov 76 Jan 78	24	Grant Funded Evaluations of Loan
L-038 Luwu Area Development	-	Oct 76 Nov 77	24	Grant Funded Evaluations of Loan
L-039 Citanduy River Basin Development	-	Apr 77 May 78	12	Grant Funded Evaluations of Loan
<u>Loans New (FY 77)</u>				
Provincial Area Dev. Program	-	Apr 78	12	
Agr. TA, Training & Cons. Serv.	-	May 78	12	

INDONESIA MISSION EVALUATION SCHEDULE FOR FY 1977 AND FY 1978

EDUCATION SECTOR

PERIOD COVERED: FY 77 - FY 78

<u>Project Title & Number</u>	<u>Date of Last Evaluation</u>	<u>Number of Last PAR</u>	<u>Date of Submission FY 77 &/or FY 78 Evaluation</u>	<u>Period Covered Next Evaluation (in months)</u>	<u>Remarks</u>
0234 Nonformal Education	-	-	Apr 77	12	
0229 Education Finance	-	-	Jan 77	12	
L-T-041 Agr. Educ. for Dev.	Mar 76	-	Mar 77	12	Same as Proj. 0190-Shift from Grant to Loan
L-Higher Educ. for Dev.	-	-	Summer 78	12	Loan not yet signed
L-Manpower Development	-	-	FY 79		PP not yet written
General Participant Training, 497-11-690-183	4/11/75	75-4 ^{1/}	9/23/76	17	

1/ Interim Evaluation Report 5/76

INDONESIA MISSION EVALUATION SCHEDULE FOR FY 1977 AND FY 1978

POWER/TRANSPORTATION/ENGINEERING SECTOR

<u>PERIOD COVERED: FY 72 - 78</u>	<u>Date of Last Evaluation</u>	<u>Date of Submission FY 77 &/or FY 78 Evaluation</u>	<u>Period Covered Next Evaluation (in months)</u>	<u>Remarks</u>
L-497-H-024 Semarang Steam Power Plant	-	Mar 77	48	
L-497-H-025 Ketenger Transmission Distri.	-	Sep 76	48	
L-497-T-036 Aceh Road Betterment	-	Mar 77	18	
L-497-T-038 Luwu Area Development (Road Betterment)	-	Nov 77	24	Loan signed but project in earliest stage. Neither consultant nor contractors selected. Submission date noted is earliest possible date for useful evaluation.
L-497-H-026 Tin Dredge "RIAU" Rehabilitation	-	No evaluation scheduled - (see attached)	N.A.	See attached Supplement

SUPPLEMENT TO MISSION EVALUATION SCHEDULE
FORMAT FOR FY 1977 AND FY 1978

Title: Tin Dredge "RIAU" Rehabilitation

Project No.: Loan 497-H-026 Subproject

Purpose: To provide FX for the procurement of spare parts and equipment needed for the rehabilitation of the Tin Dredge "RIAU" which was imported from the U.S. in 1946. Dredge is owned by P. N. Timah (State Tin Company). PA/PR 026 - 15 for \$2,130,000 was issued October 6, 1972. TDD is June 30, 1976.

Progress: P. N. Timah has received all parts and equipment with the exception of four line items which are scheduled for delivery by end of May, 1976. This will complete AID's input as the rehabilitation work is being undertaken entirely by P.N. Timah at their own facilities. The work should be completed about July, 1976.

Conclusion: The project was developed under the older capital project format which did not include a logical framework or any project evaluation plans. In USAID's judgement, no useful purpose would be served in attempting to develop a formal evaluation plan at this stage of the project nor would AID benefit from an evaluation of such a type project as we do not anticipate AID participation in similar projects in the future.

INDONESIA MISSION EVALUATION SCHEDULE FOR FY 1977 AND FY 1978

HEALTH AND FAMILY PLANNING SECTOR

PERIOD COVERED: FY 75 - FY 77

<u>Project Title & Number</u>	<u>Date of Last Evaluation</u>	<u>Number of Last PAR</u>	<u>Date of Submission FY 77 &/or FY 78 Evaluation</u>	<u>Period Covered Next Evaluation (in months)</u>	<u>Remarks</u>
188.0 Family Planning Assistance Services	9/3/75	76-1	Oct 76 Oct 77	12	
188.2 MCH/FP/POP Manpower Development	2/5/75	75-3	N.A.	16	Final Project Eval. Scheduled for 6/76
188.3 Population Research & Dev.	N.A.	N.A.	Nov 76 Nov 77	12	
497-U-034 Malaria Control Loan	2/20/76 (Dir's Proj. Review)	N.A.	Jul 76 Jul 77	12	Evaluation Scheduled for Jul 76
497-11-599-230 Health Research and Development	None	N.A.	Dec 76 Dec 77	24	*See below

* Supplementary Information - Project 497-11-599-230
 Although the original ProAg for this project was signed December 18, 1974, sub-obligating Letters of Agreement for FY 75 funding were not signed until March, May and December of 1975. An evaluation had been scheduled for February, 1976, but its postponement until December, 1976 seems advisable given the current preliminary status of most of the subprojects, the departure of the project manager in December, 1975, and the expected arrival of the public health advisor in late June, 1976. By December, 1976 the public health advisor will have had an opportunity to become familiar with these subprojects and can be a participant in the evaluation. In addition, three out of the five subprojects currently funded under this grant should be finished, which will provide a basis for evaluation.

INDONESIA MISSION EVALUATION PLAN FOR FY 1977 AND FY 1978

VOLUNTARY AGENCY CO-FINANCING/PL 480 TITLE II

PERIOD COVERED: FY 74 - 78

<u>Project Title & Number</u>	<u>Date of Last Evaluation</u>	<u>Date of Submission FY 77 &/or FY 78 Evaluation</u>	<u>Period Covered Next Evaluation (in months)</u>	<u>Remarks</u>
Voluntary Agency Co-Financing No. 497-13-899-225	-	Nov 76 Jan 78	28 12	Reference sub-projects in attachment, evaluation will include review of VolAG self-evaluations and reports, USAID/VolAG/GOI field trips, and a formal evaluation of 2 sub-projects as outlined in the PROP.
PL 480, Title II	-	Sep 76 Jan 78 Jan 79	30 16 12	An annual evaluation by the Mission Controller is required based on self-audits and other reports per M.O. 796.3. CRS, CARE and CWS have been requested to submit delinquent audits by August 15, 1976.

COUNTRY: INDONESIA

EVALUATION SCHEDULE FOR PRIVATE AND VOLUNTARY ORGANIZATION'S (PVO) CO-FINANCING SUR-PROJECTS

DATE: June 4, 1976

PERIOD COVERED: FY 1974 - 1978

PROJECT: Voluntary Agencies Co-Financing Project, No. 497-13-899-225

Page No. 1

FY & PVO	SUB-PROJECT TITLE, LOCATION, NUMBER FUNDS, AND LENGTH OF TIME	LAST OR NEXT SELF-EVALUATION SUB-MISSION DATE	DATE OF SUB-MISSION FY 77 AND FY 78 SELF-EVALUATION	PERIOD COVERED NEXT SELF-EVALUATION	REMARKS
1974 CRS	Transmigration Development - Lampung - 73/14 - \$15,000 - 3 years	6/30/76	9/30/77	7/1/76 - 9/30/77	
CRS	Anti-Erosion Campaign - Maumere - 73/15 - \$22,000 - 1 year	1/22/76	N/A	N/A	Project completed
CAPE	Integrated Nutrition - West Java - 74/1 - \$50,000 - 1 year	6/4/76	N/A	N/A	Project completed
CMS	Kasipute Community Development - SW Sulawesi - 74/4 - \$10,000 - 6 months	1/15/76	N/A	N/A	Project completed
1975 CRS	Mixed Farming Tangeb - Bali - 75/1 \$3,125 - 1 year	1/15/76	N/A	N/A	Project completed
CRS	Demonstration & Training Gardens - Raturaja, S. Sumatra - 75/2 - \$16,560 2 years	12/16/75	12/15/76	12/17/75-12/15/76	
CRS	Raising Cattle for Beef Production and Work - Palembang - 75/3 - \$7,858-3 years	12/16/75	1/15/77 1/15/78	12/17/76-1/15/77 1/11/77-1/15/78	
CRS	Credit Union Development Program in Indonesia - Jakarta - 75/4 - \$16,565-2 years	1/28/76	1/15/77	1/29/76-1/15/77	

FY & PVO	SUB-PROJECT TITLE, LOCATION, NUMBER FUNDS, AND LENGTH OF TIME	LAST OR NEXT SELF-EVALUATION SUB-MISSION DATE	DATE OF SUB-MISSION FY 77 AND FY 78 SELF-EVALUATION	PERIOD COVERED NEXT SELF-EVALUATION	REMARKS
1975 CRS	Nutrition Education Program - Jakarta - 75/5 - \$16,573 - 2 years	1/22/76	1/22/76	1/1/76 - 1/15/77	
CRS	Farmer's Progress - Banjarmasin - 75/6 - \$10,670 - 1 year	4/27/76	1/15/77	4/28/76 - 1/15/77	
CRS	Nutrition Education - Javapura - 75/7 - \$13,985 - 1 year	4/26/76	1/15/77	4/27/76 - 1/15/77	
CRS	Combination Digester & Animal Program - Jogjakarta - 75/8 - \$3,761 - 1 year	3/8/76	N/A	N/A	Project completed
SAMS	Public Health Care - East Kalimantan - 75/9 - \$39,500 - 2 years	6/30/76	3/15/77	7/1/76 - 3/15/77	
CMS	Selomerto Irrigation - Wonosoho - 75/10 - \$17,217 - 1 year	11/3/75	N/A	N/A	Project completed
YMCA	Vocational Training - Jakarta - 75/11 - \$13,300 - 1 year	7/13/76	N/A	N/A	Project ends 8/13/76
YMCA	Model Village Development - Prapat, Sumatra - 75/12 - \$16,386 - 1 year	7/20/76	N/A	N/A	Project ends 8/20/76
CRS	Sluice Gate for Irrigation System - Waipona, Flores - 75/13 - \$2,921 - 1 year	5/19/76	N/A	N/A	Project completed
CRS	Quack-quack Program (duck-raising) - Cilacap - 75/14 - \$2,413 - 2 years	9/11/76	8/11/77	9/10/76-8/11/77	
CRS	Demonstration & Chicken Farm Project - Ujung Pandang - 75/15 - \$4,819 - 1 year	8/11/76	N/A	N/A	Project ends 9/11/76

FY & PVO	SUR-PROJECT TITLE, LOCATION, NUMBER, FUNDS, AND LENGTH OF TIME	LAST OR NEXT SELF-EVALUATION SUR- MISSION DATE	DATE OF SUB MISSION FY 77 AND FY 78 SELF-EVALUATION	PERIOD COVERED NEXT SELF-EVALUATION	REMARKS
1975 CRS	Intensive Nutrition Program - East Java-75/16 - \$22,341 - 3 years	9/11/76	9/11/77	9/12/76-9/11/77 9/11/77-8/11/78	
CMS	SI Kendil Bridge and Access Road - Monosobo - 75/17 - \$7,566 - 1 year	6/30/76	N/A	N/A	Project completed
CRS	SPMA (Senior Agricultural School) Scholarships for Luvu Students - Makale, S. Sulawesi - 75/18 - \$33,100 - 3 years	9/11/76	9/11/77 8/11/78	9/12/76-9/11/77 9/11/77-8/11/78	
CRS	Radio Nutrition Program Sanggar Prathivi - Jakarta - 75/19 - \$11,180 - 1 year	6/30/76	3/15/77	7/1/76-3/15/77	
1976 CRS	Agriculture Training & Extension - Kabanjaho, N. Sumatra - 76/1 - \$10,230 - 1 year		5/30/77	6/30/76 - 5/20/77	
CMS	Development Technical Center Rural Technology Transfer - Institute of Technology/Bandung, West Java - 76/2 - \$12,390 - 1 year	--	4/1/77	5/1/76 - 4/1/77	
CMS	Production of Coconut Oil by Fermentation-Institute of Technology/Bandung, West Java-76/3 - \$10,000 - 1 year	--	4/1/77	5/1/76 - 4/1/77	
CARE	Rodent Control - Luvu - 76/4 - \$208,600 2 years	--	5/18/77 4/18/78	5/18/76 - 5/18/77 5/19/77 - 4/18/78	Agreement to be executed by 6/2/76
CDF	Model Village Integrated Rural Development - Aceh, N. Sumatra - 76/5 - \$242,000 - 2 years	--			

INDONESIA MISSION EVALUATION PLAN FOR FY 1977 AND FY 1978

RESEARCH - SEADAG/EARP

PERIOD COVERED: FY 74 - 77

<u>Project Title & Number</u>	<u>Date of Last Evaluation</u>	<u>Date of Submission FY 77 &/or FY 78 Evaluation</u>	<u>Period Covered Next Evaluation (in months)</u>	<u>Remarks</u>
498-11-995-208.7 Rural-Urban Migration in Indonesia	-	Jul 76	24	Final study completed.
498-11-995-208.10 Labor Utilization on Java	-	Jan 77	10	Final PAR upon completion of study.
498-11-995-208.9 Vitamin A Deficiency Evaluation	-	Sep 76	17	Final PAR after Project Officer returns to Post from Home Leave.

INDONESIA MISSION EVALUATION PLAN FOR FY 1977 AND FY 1978

PROJECTS NOT YET SCHEDULED FOR EVALUATION

<u>Project No.</u>	<u>Project Title</u>
497-H-018	Gresik Cement Plant
497-H-019	Central Java Electric Power Rehabilitation
497-H-020	Pusri Fertilizer Plant
497-H-022	Medan Electric Power Distribution & Rehabilitation
497-H-026*	Surabaya Gas Turbine Generators
497-H-027**	Jragung Dam Pre Design
497-H-027**	Surabaya Water Supply Study
497-H-027**	Semarang & Solo Water Supplies Study/Design
497-H-028	West Java Transmission & Distribution - I
497-H-030	Jakarta Electric Power Interim Generation
497-H-031	Jagorawi Highway Construction
497-H-032	West Java Transmission & Distribution - II
497-H-033	Jakarta Electric Power Interim Generation
(FY 76)	Rural Sanitation
(FY 76)	Solo Water System (Construction)
TA Grant	Rural Electrification Studies
497-T-040	TA Consultant Services Loan
498-II-995-249(G)	Project Development Support
497-H-026	Program Loan
497-H-027	Project Development Loan
497-H-029	Program Loan

* Financed under Project Development Loan

** Financed under Program Loan

XII. PL 480 TITLE I AS A DEVELOPMENT RESOURCE

USAID generally supports the effort outlined in recent AID/W guidance to increase the development impact of Title I. We have tentatively concluded, however, that there is insufficient justification at this time for proposing Indonesia as a participant in the "core" program for FY 78. The U.S. delegation at the recent IGGI meeting announced that the U.S. hopes to provide \$35 million in PL 480 Title I to Indonesia during FY 77. This anticipated Title I program for Indonesia will provide only a small fraction of annual foreign exchange inflows to the public sector and constitutes less than 10% of the food commodities imported by the Indonesian Government. Given these magnitudes, it is clearly unreasonable to consider using Title I as a tool to influence Indonesian policies relevant to expanded food production. Nor does it appear to us useful to attempt to analyse who benefits from the provision of food commodities and to assess the impact of the PL 480 program on the nutritional status of the rural poor.

Fact that PL 480 commodities do not in themselves constitute a major bargaining tool in food policy area does not mean PL 480 not valuable element of U.S. participation in IGGI's annual package or to U.S. foreign policy objectives. In view of the recent downturn in the Indonesian financial situation, Indonesia's low per capita income, and recommendations in the World Bank analysis on the Indonesian economy for continued substantial soft lending, we believe that the PL 480 Title I program should be offered on more concessionary terms than is currently the case. The USAID has already gone on record in support of linking the

softening of terms with GOI agreement to establish a special account or earmarking to finance the local costs of AID projects.

In our view the most important decisions concerning the PL 480 program at this time relate to terms and the possible establishment of a special account. Once these issues are resolved, we will explore the possibility of proposing Indonesia for participation in the FY 79 "core" program. Justification will be based on the use of generated local currency revenues for development purposes. However, it is unlikely that the U.S. will be able to use the PL 480 Title I generated local currency anyway unless we obtain approval to establish a special account mechanism including joint agreement on uses.

Another factor in our reluctance to propose Indonesia as a core country concerns the feasibility of reaching agreement on the core program eight months before the supply period begins for a climate determined import such as rice (unless core program were very small---which of course would significantly reduce potential local currency use). It would seem that advance programming is potentially useful only for wheat and cotton in Indonesia for which the magnitude of future imports are not primarily climate determined and can therefore be more accurately projected.

Based on the above discussion we believe the foreseeable magnitude of the PL 480 Title I program in Indonesia restricts potential direct developmental use of Title I to the use of jointly controlled local currencies. There also appears to be a significant potential for the use of the loan forgiveness provision to support key aid programs and we look forward to the receipt of guidelines on this opportunity.

Country/Program INDONESIA

PL 480 TITLE I AGREEMENTS AND SHIPMENTS

FY 1976 and Transition Quarter Estimate

<u>Commodity</u>	<u>Agreements</u> (MT)	<u>Shipments</u> (MT)	<u>Carryover</u> <u>to FY 77</u> (MT)
Rice	150,000	150,000	-
Wheat	100,000	100,000	-

FY 1977 Request

<u>Commodity</u>	<u>Agreements</u>		<u>Shipments</u>		<u>Carryover</u> <u>to FY 78</u>
	(\$)	(MT)	(\$)	(MT)	
Rice	35.0	109,000*	35.0	109,000	-
Wheat	-	-	-	-	-

FY 1978 Request

<u>Commodity</u>	<u>Agreements</u>		<u>Shipments</u>		<u>Carryover</u> <u>to FY 79</u>
	(\$)	(MT)	(\$)	(MT)	
Rice/Wheat	40.0	To be determined			

* Note: GOI has requested 150,000 MT rice.

XIII. PL 480 TITLE II

A major review of this program was made by the office of the Inspector General of Foreign Assistance during FY 76. In response to the report, much information regarding the program-progress and problems-has been submitted to AID/W in numerous telegrams and official correspondence. The latest summary was provided in JAKARTA 2469. In addition, the Area Auditor General's office recently conducted a follow-up review on the IGA's recommendation. The complete record should be reviewed in considering the proposed Title II plans in this ABS.

The PL-480 Title II program relates directly to GOI and AID priorities. The Mission and the Voluntary Agencies believe that the program is playing an important role in the overall development effort in Indonesia and there is potential for expanding the use of the food to support development-related activities among the poorest majority in rural areas. This is reflected in the CRS, CWS and CARE five-year plans which provide for significant increases in their FFW programs. MCH programs will be continued although it is recognized that there are some inherent implementation weaknesses; improvements in the monitoring and administration of these programs have been and are continuing to be made.

The GOI officials at higher levels are acquiring a better understanding of the basic nature of VolAgs and their relationship with USAID. As a result, the prospects for increased GOI support for the Title II

programs are much brighter. The VolAgs are seeking GOI financing for inland handling costs which are currently recipient supported and are optimistic for eventual commitment of central budget funds.

The Mission plans to explore the possibilities for providing additional resources for nutrition and FFW programs. The VolAgs have indicated they need funding for technical support of FFW and other small development project, and there are indications that the GOI Interministerial Committee on Nutrition is beginning to function and will require technical backstopping and resources.

Although the five-year plans of the VolAgs will have to be refined, multi-year planning is welcomed by the Mission and VolAgs. The VolAgs would be able to commit additional personnel and other resources, if they were assured that commodities would be available for the life of the projects.

The total proposed program in Title II for FY 1978 for Indonesia is \$5,215,600 consisting of the three VolAg programs. The total projected five-year plan for these programs is estimated at \$42,359,900, beginning with FY 1978

MISSION REVIEW OF CRS/INDONESIA FY 78-82 TITLE II PROGRAM PLAN
(Attachment B-1 per AIDTO CIRC A-201)

The CRS five-year plan proposes that the MCH program remain at 72,000 recipients and that the FFW program expand significantly from 50,000 in FY 77 to 70,000 in FY 78 and to 100,000 in FY 80 where it would level off.

The FY 78 plan calls for 13,927,000 kgs. with a commodity mix of CSM and bulgur at an estimated cost of \$3,529,800. The total five-year plan would require 82,361,000 kgs. of commodities at an estimated cost of \$20,343,900.

The objective of the MCH program is reduction of dietary deficiencies among the poorest Indonesian families. In conjunction with food distribution, CRS and its extensive system of cooperating agencies conduct nutrition education courses for mothers and provide rehabilitation and treatment services for malnourished children. Furthermore, training for nutrition center operators and volunteer workers is undertaken. During FY 76, the CRS counterpart agencies employed 40 nutrition aids to assist with these activities.

Faced with a malnutrition situation well in excess of its ability to respond, the CRS program maintains relatively strict criteria for eligibility and duration of participation in the MCH feeding program. Eligibility includes infants who are 90% or less of normal weight, and pregnant and lactating mothers principally feeding undernourished

children. Duration of participation is commonly 18-24 months, and longer if the recipient has failed to reach the proper nutritional level. Recipients are selected through weight surveys which apply accepted international standards for evaluation of nutritional status. Monthly checks are made on progress.

Although the Food for Work program is considered a valuable nutritional contribution, its chief objective in the CRS program is an incentive to volunteer efforts in development projects at the community level. The projects are carried out with the cooperation of local district and sub-district government offices and are chosen and implemented in line with the GOI Five Year Development Plan.

The Mission considers that the CRS program and related activities contribute to the development goals of the GOI and AID and therefore endorses CRS's planned uses of Title II commodities. They reflect only essential requirements.

Country: INDONESIA

FY 78

Sponsor: CRS - USCC

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>(Thousands)</u>	
		<u>Kilograms</u>	<u>Dollars</u>
A. <u>Maternal and Child Health</u> - Total Recipients 72,000			
72,000	C S M	2,592	\$1,218.3
72,000	S.F. BULGUR	<u>2,851</u>	<u>581.4</u>
TOTAL MCH		5,443	1,799.7
B. <u>Food for Work</u> - Total Recipients 70,000			
70,000	S.F. BULGUR	<u>8,484</u>	<u>\$1,730.1</u>
TOTAL FFW		8,484	\$1,730.1

Country: INDONESIA

FY 79

Sponsor: CRS - USCC

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>(Thousands) Kilograms</u>	<u>Dollars</u>
A. <u>Maternal and Child Health</u> - Total Recipients 72,000			
72,000	C S M	2,592	\$1,218.3
72,000	S.F. BULGUR	<u>2,851</u>	<u>581.4</u>
TOTAL MCH		5,443	1,799.7
B. <u>Food for Work</u> - Total Recipients 85,000			
85,000	S.F. BULGUR	<u>10,302</u>	<u>\$2,100.8</u>
TOTAL FFW		10,302	\$2,100.8

Country: INDONESIA

FY 80

Sponsor: CRS - USCC

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	(Thousands) <u>Kilograms</u>	<u>Dollars</u>
A. <u>Maternal and Child Health</u> - Total Recipients 72,000			
72,000	C S M	2,592	\$1,218.3
72,000	S.F. BULGUR	<u>2,851</u>	<u>581.4</u>
TOTAL MCH		5,443	1,799.7
B. <u>Food for Work</u> - Total Recipients 100,000			
100,000	S.F. BULGUR	<u>12,120</u>	<u>\$2,471.5</u>
TOTAL FFW		12,120	\$2,471.5

Country: INDONESIA

FY 81

Sponsor: CRS - USCC

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>(Thousands)</u>	
		<u>Kilograms</u>	<u>Dollars</u>
A. <u>Maternal and Child Health</u> - Total Recipients 72,000			
72,000	C S M	2,592	\$1,218.3
72,000	S.F. BULGUR	<u>2,851</u>	<u>581.4</u>
TOTAL MCH		5,443	1,799.7
B. <u>Food for Work</u> - Total Recipients 100,000			
100,000	S.F. BULGUR	<u>12,120</u>	<u>\$2,471.5</u>
TOTAL FFW		12,120	\$2,471.5

Country: INDONESIA

FY 82

Sponsor: CRS - USCC

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	(Thousands) <u>Kilograms</u>	<u>Dollars</u>
A. <u>Maternal and Child Health</u> - Total Recipients 72,000			
72,000	C S M	2,592	\$1,218.3
72,000	S.F. BULGUR	<u>2,851</u>	<u>581.4</u>
TOTAL MCH		5,443	1,799.7
B. <u>Food for Work</u> - Total Recipients 100,000			
100,000	S.F. BULGUR	<u>12,120</u>	<u>\$2,471.5</u>
TOTAL FFW		12,120	\$2,471.5

MISSION REVIEW OF CARE/INDONESIA FY 78-82 TITLE II PROGRAM PLAN
(Attachment B-2 per AIDTO CIRC A-201)

This five-year program plan proposes a gradual expansion of CARE's MCH program from 150,000 recipients in FY 78 to 225,000 in FY 82, and the initiation of an FFW program in FY 79 beginning with 100,000 recipients and ending with 175,000 in FY 82. It anticipates that the GOI will be able to assume complete responsibility for the programs in FY 82. The plan also proposes a special FY 78 Other Child Feeding program for 5,000 recipients requiring 537,000 kgs. of bagged corn, sorghum, dried peas and lentils to be used for the continuing development of multi-mixes using the Brady Crop Cooker.

The FY 78 plan calls for 3,903,000 kgs. with a commodity mix of WSB, WSD and SFSG at a cost of \$1,233,300 for the MCH program and 537 kgs., costing \$84,700 for the special Other Child Feeding program. The total five year plan would require 75,317 kgs. of commodities at an estimated cost of \$20,266,000.

The rationale behind the plan is that although the GNP of Indonesia is rising, there is evidence that the real income of many Indonesians has increased little, if at all. Improvements in the social sectors, including health and nutrition, will take time. CARE's plan is to use the PL 480 Title II and other nutrition action programs to find pragmatic and realistic solutions to nutritional problems for the most vulnerable

groups. The implementation of integrated nutrition programs and the development of indigenous and semi-indigenous multi-mixes remain CARE's prime objectives in their nutrition/feeding programs.

The Mission endorses CARE's planned uses of Title II commodities and considers that they reflect only essential requirements. In the past two years CARE has initiated an Integrated Nutrition Project which will serve as a model for expansion and replication in other areas in the coming years. The development of multi-mixes with the Polytechnical Institute of Bogor utilizing the Brady Crop Cooker shows promise; Colorado State College is assisting with this endeavor. The commodities requested under Other Child Feeding, therefore, are important to the success of the project and should be provided if they are available.

Regarding the CARE recommendations in the FY 79-FY 82 plan, USAID plans to (1) continue to support CARE's efforts with the GOI and others concerned regarding the problems of moving commodities through Indonesian ports and the payment of support costs for the administration and implementation of Voluntary Agency PL 480 Title II programs; (2) explore the possibilities of AID funding for FFW activities; and (3) agrees that a commitment by AID to provide commodities for life of projects is desirable.

Country: INDONESIA

NY 75

Sponsor: CARE

A. Maternal and Child Health - Total Recipients 150,000

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>(Thousands)</u>	
		<u>KGS</u>	<u>Dollars</u>
150,000	WSB	2,124	584
150,000	WSD	545	346
150,000	SFSG	1,234	253.3
	TOTAL MCH	3,903	1,233.3

B. Other Child Feeding - Total Recipients (1)

5,000	Grain Corn (Bagged)	227	28.80
5,000	Grain Sorghum	227	25.90
	(Bagged)		
5,000	Dried Peas & lentils	90	30.00
	(a)		
	TOTAL OCF	537	34.70

(1) NOTE: The following commodities will be used in a local development and testing program aimed at developing local multi-mixes for use in child nutrition supplementation programs.

(a) (requested if available)

Country: INDONESIA

IV 79

Sponsor: CARE

A. Maternal and Child Health - Total Recipients 165.000

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	(Thousands)	
		<u>KGS</u>	<u>Dollars</u>
165.000	WSB	2,240 @ 275	618
165.000	WSD	764 @ 770	588
165.000	SFSG	1,394 @ 198	276
	TOTAL MCH	4.407	1.482

B. Food for Work - Total Recipients 20.000 (Families)

100.000 individuals*	WSE	4,436 @ 275	1.219
100.000 individuals*	SFSG	4,436 @ 198	878
	TOTAL FFW	8,872	2.097

* Assumption: Each family 1 worker 1 spouse 3 children

Country: INDONESIA

FY 80

Sponsor: CARE

A. Maternal and Child Health - Total Recipients 210,000

(Thousands)

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
210,000	MSB	2,569 @ 275	706
210,000	MSD	904 @ 770	696
210,000	SFSG	1,775 @ 198	351
	TOTAL MCH	5,248	1.753

B. Food for Work - Total Recipients 25,000 (Families)

125,000 Individual	MSB	5,545 @ 275	1.524
125,000 Individual	SFSG	5,545 @ 198	1.097
	TOTAL FFW	11,090	2.621

Country: INDONESIA FY 81
Sponsor: CARE

A. Maternal and Child Health - Total Recipients 225.000

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	(Thousands)	
		<u>KGS</u>	<u>Dollars</u>
225.000	WSB	3,068 @ 275	843
225.000	WSD	1,043 @ 770	803
225.000	SFSG	1,902 @ 198	376
	TOTAL MCH	6,013	2.022

B. Food for Work - Total Recipients 30.000 (Families)

150.000 individual	WSB	6,654 @ 275	1.829
150.000 individual	SFSG	6,654 @ 198	1.317
	TOTAL FFW	13,308	3.146

Country: INDONESIA

FY 82

Sponsor: CARE

A. Maternal and Child Health - Total Recipients 240.000

(Thousands)

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
240.000	WSB	3,272 @ 275	399
240.000	WSD	1,112 @ 770	856
240.000	SFSG	2,029 @ 198	401
	TOTAL MCH	6,413	2.156

B. Food for Work - Total Recipients 35.000 (Families)

175.000 individual	WSB	7,763 @ 275	2.134
175.000 individual	SFSG	7,763 @ 198	1.537
	TOTAL FFW	15,526	3.671

MISSION REVIEW OF CWS/INDONESIA FY 78-82 TITLE II PROGRAM PLAN
(Attachment B-3 per AIDTO CIRC A-201)

This five year program plan proposes gradual decreases in MCH recipients from 16,900 in FY 78 to 10,000 in FY 82, a phase-out of the 4,000 recipients in the Other Child Feeding category, and increases in FFW recipients from 25,000 in FY 78 to a level of 40,000 in FYs 81 and 82. The proposed decreases in MCH and Other Child Feeding programs and increases in FFW relate to the ability of CWS to administer and support these programs and not to the actual need. They also reflect CWS's belief that FFW is the most beneficial use of PL 480 Title II. In all three programs, project requests greatly exceed CWS's ability to respond.

The FY 78 plan calls for 1,837,700 kgs. of bulgur wheat, SFR oats, SF flour and SF sorghum grits, at an estimated cost of \$367,800. The five year plan would require 9,515,700 kgs. of the same commodity mix at an estimated \$1,850,000.

CWS believes that "the main benefit of PL 480 commodity programs in Indonesia is not to fill a food gap per se but rather to serve as a uniquely effective catalyst for self-development. In institutional feeding (OCF, MCH) for example, commodities often serve as an incentive which brings people to centers where they then may receive training in

such areas as health, nutrition, and family planning. It is especially through food-for-work, however, that food performs this vital catalytic function, because, as described above, the goods become a direct incentive for people to involve themselves in self-help community building projects. And the results of those projects themselves become the incentive for further indigenous development activity. Working within the framework of the GOI priorities and in concentrating on assisting the poorest majority in Indonesia (essentially the rural poor), CWS's plan utilizes the commodities to support and emphasize increased food production, family planning involvement, improved nutrition and appropriate technology transfer.

The Mission endorses CWS's planned uses of Title II commodities and considers that they reflect only essential requirements. There have been significant improvements in the CWS program in the past year, and the Mission believes that CWS's program and role contribute much to overall development efforts. The Mission has noted and will follow up with CWS on the problems outlined in CWS's multi-year programming annex: (1) uncertainties over USAID policy vis-a-vis Title II use in Indonesia make long range programming difficult and create the risk of problems that outweigh program benefits, and (2) time consumed dealing with reports, audits and other requirements of the program are becoming disproportionate to their value in the context of overall CWS priorities and resources.

Country: INDONESIA

FY 78

Sponsor: CWS

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>(Thousands)</u>	
		<u>Kilograms</u>	<u>Dollars</u>
A. <u>Maternal and Child Health</u> - Total Recipients 16.9 (12 months basis, 0.9 Kg per month)			
16.9	BULGUR WHEAT	184.5	\$ 33.9
16.9	S.F.R. OATS	<u>184.5</u>	<u>46.7</u>
TOTAL MSH	-	369.0	80.6
B. <u>Other Child Feeding</u> - Total Recipients 6.1 (12 months basis, 3.0 Kg per month)			
4.0	BULGUR WHEAT	144.1	\$ 26.5
3.0	S.F. FLOUR	108.2	26.8
3.0	S.F.R. OATS	108.2	27.3
3.0	S.F. SORGH. GRITS	<u>108.2</u>	<u>22.9</u>
TOTAL OCF	-	468.7	103.5
C. <u>Food for Work</u> - Total Recipients 25.0 (8 months basis, 5.0 Kg per month)			
25.0	BULGUR	<u>1000.0</u>	<u>\$183.7</u>
TOTAL FFW	-	1000.0	183.7

Note: To the above amounts we will add in the AER 15% for reserve and emergency use.

Country: INDONESIA

FY 79

Sponsor: CWS

PROJECTED P.L. 480 COMMODITY USAGE

Name of Commodity	(Thousands)	
	<u>Kilograms</u>	<u>Dollars</u>
A. <u>Maternal and Child Health</u> - Total Recipients 15,000		
BULGUR WHEAT	162	
S.F. ROLLED OATS	<u>162</u>	
TOTAL MCH	-	324
B. <u>Other Child Feeding</u> - Total Recipients 5,000		
BULGUR WHEAT	144	
S.F. ROLLED OATS	144	
S.F. SOGHUM GRITS	<u>144</u>	
TOTAL OCF	-	432
C. <u>Food for work</u> - Total Recipients 30,000		
BULGUR WHEAT	<u>1200</u>	
TOTAL FFW	-	1200

Country: INDONESIA

FY 80

Sponsor: CWS

PROJECTED P.L. 480 COMMODITY USAGE

<u>Name of Commodity</u>	<u>(Thousands)</u>	
	<u>Kilograms</u>	<u>Dollars</u>
A. <u>Maternal and Child Health</u> - Total Recipients 12,000		
BULGUR WHEAT	129	
S.F. ROLLED OATS	<u>129</u>	
TOTAL MCH	258	
B. <u>Other Child Feeding</u> - Total Recipients 3,000		
BULGUR WHEAT	108	
S.F. ROLLED OATS	108	
S.F. SORGHUM GRITS	<u>108</u>	
TOTAL OCY	324	
C. <u>Food for Work</u> - Total Recipients 35,000		
BULGUR WHEAT	<u>1400</u>	
TOTAL FY PROJECTED REQUIREMENTS	1982	

Country: INDONESIA

FY 81

Sponsor: CWS

PROJECTED P.L. 480 COMMODITY USAGE

<u>Name of Commodity</u>	<u>Kilograms</u>	(Thousands)
		<u>Dollars</u>
A. <u>Maternal and Child Health</u> - Total Recipients 10,000		
BULGUR WHEAT	108	
S.F. ROLLED OATS	108	
S.F. SOGHUM GRITS	<u>-</u>	
TOTAL MCH	-	216
B. <u>Other Child Feeding</u> - Total Recipients 1,500		
BULGUR WHEAT	54	
S.F. ROLLED OATS	54	
S.F. SORGHUM GRITS	<u>-</u>	
TOTAL OCF	-	108
C. <u>Food for Work</u> - Total Recipients 40,000		
BULGUR WHEAT	<u>1600</u>	
TOTAL FY PROJECTED REQUIREMENTS		1924

Country: INDONESIA

FY 82

Sponsor: CWS

PROJECTED P.L. 480 COMMODITY USAGE

<u>Name of Commodity</u>	<u>(Thousands)</u>	
	<u>Kilograms</u>	<u>Dollars</u>
A. <u>Maternal and Child Health</u> - Total Recipients 10,000		
BULGUR WHEAT	108	
S.F. ROLLED OATS	<u>108</u>	
TOTAL MCH	216	
B. <u>Other Child Feeding</u> - Total Recipients 0		
BULGUR WHEAT		
S.F. ROLLED OATS		
S.F. SORGHUM GRITS		
TOTAL OCF	0	
C. <u>Food for Work</u> - Total Recipients 40,000		
BULGUR WHEAT	<u>1600</u>	
TOTAL FY PROJECTED REQUIREMENTS	1816	

XIV. ASSISTANCE TO PVOs AND COOPERATIVES TABLE

SUPPORT TO PRIVATE VOLUNTARY ORGANIZATIONS TO DEVELOPING COUNTRY COOPERATIVES

	<u>IQ</u>	<u>FY 1977</u>	<u>FY 1978</u>	<u>Functional Account</u>
<u>ONGOING</u>				
A. Ongoing OPGs				
ASIA Regional PVO	0	0	110	
Sub-total	0	0	110	
of which				
cooperatives (non-add)	(0)	(0)	(110)	(F&N)
B. Non-OPGs	0	0	0	
Sub-total	0	0	0	
of which				
cooperatives	(0)	(0)	(0)	(-)
<u>NEW</u>				
A. OPGs				
ASIA Regional PVO	155	750	750	
Sub-total	155	750	750	
of which				
cooperatives	(0)	(250)	(250)	(-)
B. Non-OPGs				
VolAg Co-Financing Project	100	417	400	
Sub-total	100	417	400	
of which				
cooperatives	(0)	(100)	(100)	(F&N)
<u>LOANS</u>				
Sub-total	0	0	0	
of which				
cooperatives	(0)	(0)	(0)	(-)

XV. CONTRACEPTIVE FUNDING TABLES

Table 1

INDONESIA

Program Analysis for Orals and Condoms to Achieve Replacement Level of Population Growth
(in thousands)

	1975	1976	1977	1978	1979	1980
A. "Full Supply" Analysis						
1. Women (15 - 49) - (See Annex A)	26,384	26,938	27,504	28,081	28,671	29,273
2. 65% of line A1 (Contracepting women required to achieve replacement level)	17,150	17,510	17,878	18,253	18,636	19,027
3. 50% of line A1 (Contracepting women utilizing orals and condoms)	13,192	13,469	13,752	14,041	14,336	14,637
4. Annual stock requirements for "full supply" ^{1/}						
a. Orals-3/4 of line A3 x 13 monthly cycles ^{1/}	128,622	131,322	134,082	136,900	139,776	142,711
b. Condoms-1/4 of line A3 x 100 units ^{1/}	329,800	336,725	343,800	351,025	358,400	365,925
B. Annual New Supply from non-AID Bilateral Sources						
1. Private Commercial Sector:						
a. Orals	2,000	3,000	4,000	4,000	4,000	4,000
b. Condoms	13,000	14,000	16,000	25,000	28,000	30,000
2. Other Donors:						
a. Orals	-	5,000	-	-	-	-
b. Condoms	-	28,000	-	-	-	-
3. Host Country Government Procurement:	700	-	-	-	6,800	12,500
a. Orals	-	-	-	-	14,400	28,800
b. Condoms	-	-	-	-	-	-
4. Total In-Country Stock:						
a. Orals	2,700	8,000	4,000	4,000	10,800	16,500
b. Condoms	13,000	42,000	16,000	39,400	56,800	66,000
C. Gap to be filled to Achieve "Full Supply"						
1. Orals (line A4a less line B4a)	125,922	123,322	130,082	132,900	128,976	126,211
2. Condoms (line A4b less line B4b)	316,800	294,725	327,800	311,625	301,600	299,925
D. AID Bilateral Supply Objectives						
1. Orals	26,861	29,800	47,021	42,000 ^{3/}	58,400 ^{3/}	62,300 ^{3/}
2. Condoms	44,148	0	0 ^{2/}	0	0	0
E. Total New Supply						
1. Orals (line B4a plus line D1)	29,561	37,800	51,021	46,000	65,200	78,800
2. Condoms (line B4b plus line D2)	57,148	42,000	16,000	39,400	56,800	66,000
F. Remaining Supply Gap						
1. Orals (line A4a less line E1)	99,061	93,522	83,061	90,900	74,576	63,911
2. Condoms (line 4Ab less line E2)	272,652	294,725	327,800	311,625	301,600	299,925
G. People Gap						
1. Orals (line F1 divided by 13)	7,620	7,194	6,389	6,992	5,737	4,916
2. Condoms (line F2 divided by 100)	2,727	2,947	3,278	3,116	3,016	2,999
3. Total (line G1 plus line G2)	10,347	10,141	9,667	10,108	8,753	7,915

1/ Revised to 3/4 orals and 1/4 condoms based on approximate present contraceptive mix among new acceptors.

2/ See JAKARTA 7017

3/ Includes following MC equivalent that may be provided either in raw materials for local production or in finished goods: 1978, 18 million MCs; 1979, 28.4 million MCs; 1980, 42.3 million MCs.

TABLE 2

AID Bilateral Logistic and Financial Analysis of Orals
(in thousands)

A. AID Inventory Analysis	Calendar Year				
	1976	1977	1978	1979	1980
1. Beginning of year stock	18,861	20,760	32,981	33,381	43,381
2. Add: Scheduled deliveries (See Annex B)	29,799	47,021	42,000 ^{1/}	58,400 ^{2/}	62,300 ^{3/}
3. Less: Expected Use	27,900	34,800	41,600	48,400	55,500
4. End of Year Stock	20,760	32,981	33,381	43,381	50,181

^{1/} May include 18.0 million MC equivalent of raw materials to be locally produced.

^{2/} May include 28.4 million MC equivalent of raw materials to be locally produced.

^{3/} May include 42.3 million MC equivalent of raw materials to be locally produced.

TABLE 3^{1/}

AID Bilateral Logistic and Financial Analysis of Condoms
(in thousands)

A. AID Inventory Analysis	Calendar Year				
	1976	1977	1978	1979	1980
1. Beginning of year stock	48,459	33,253	14,058	(9,126)	(37,206)
2. Add: Scheduled deliveries (See Annex B)	-	^{2/}	-	-	-
3. Less: Expected Use	15,206	19,195	23,184	28,080	33,120
4. End of year stock	33,253	14,058	(9,126)	(37,206)	(70,326)

^{1/} See Table 4^{2/} See JAKARTA 7017

TABLE 4

Logistic Analysis of Condoms from all Sources*
(in thousands)

A. AID Inventory Analysis	Calendar Year				
	1976	1977	1978	1979	1980
1. Beginning of year stock	48,459	62,053	42,858	34,074	34,794
2. Deliveries*	28,800	-	14,400	28,800	36,000
3. Expected Use	15,206	19,195	23,184	28,080	33,120
4. End of year stock	62,053	42,858	34,074	34,794	37,674

* AID, other donors and host country procurement or production. AID supply objective set independently of other donors and GOI.

AGENCY FOR INTERNATIONAL DEVELOPMENT
PROJECT IDENTIFICATION DOCUMENT FACESHEET
 TO BE COMPLETED BY ORIGINATING OFFICE

1. TRANSACTION CODE

A A = ADD
 C = CHANGE
 D = DELETE

PID

2. DOCUMENT CODE

3. COUNTRY/ENTITY

INDONESIA

4. DOCUMENT REVISION NUMBER

5. PROJECT NUMBER (7 DIGITS)

497-0265

6. BUREAU/OFFICE

A. SYMBOL ASIA B. CODE 04

7. PROJECT TITLE (MAXIMUM 40 CHARACTERS)

RURAL DEVELOPMENT/AGRICULTURE, TA, RESEARCH AND TRAINING

8. PROPOSED NEXT DOCUMENT

A. **2** 2 = PRP
 3 = PP

B. DATE MM YY
 10 7 16

10. ESTIMATED COSTS

(\$000 OR EQUIVALENT, \$1 Rp. 414.5)

FUNDING SOURCE		LIFE OF SUBJECT
A. AID APPROPRIATED		7750
B. OTHER U.S.	1.	
	2.	
C. HOST COUNTRY		4250
D. OTHER DONOR(S)		2000
TOTAL		13000

9. ESTIMATED FY OF AUTHORIZATION/OBLIGATION

a. INITIAL FY 77

b. FINAL FY 79

11. PROPOSED BUDGET AID APPROPRIATED FUNDS (\$000)

A. APPRO- PRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE		E. FIRST FY 77		LIFE OF PROJECT	
		C. GRANT	D. LOAN	F. GRANT	G. LOAN	H. GRANT	I. LOAN
(1) FN	B 191	054	054	750	5000	2750	5000
(2)							
(3)							
(4)							
TOTAL				750	5000	2750	5000

12. SECONDARY TECHNICAL CODES (maximum six codes of three positions each)

010 020 030 040 050 070

13. SPECIAL CONCERNS CODES (MAXIMUM SIX CODES OF FOUR POSITIONS EACH)

BR BS TECH TNG

14. SECONDARY PURPOSE CODE

184

15. PROJECT GOAL (MAXIMUM 240 CHARACTERS)

To increase agricultural production, rural income and employment opportunities through the extension of improved GOI programs in the rural areas.

16. PROJECT PURPOSE (MAXIMUM 480 CHARACTERS)

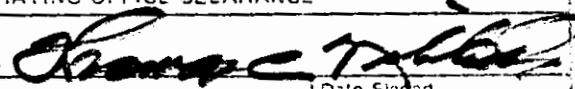
To improve the development programs of the Ministries of Agriculture, Manpower-Transmigration-Cooperatives, Home Affairs (AGRARIA), and Public Works, as well as other Rural and Agriculture Development-related agencies and institutions through the provision of U.S. technical assistance, training in country and abroad, and carrying out pilot and experimental projects; the emphasis to be placed on extensive technical and training assistance, with only limited commodities.

17. PLANNING RESOURCE REQUIREMENTS (staff/funds)

18. ORIGINATING OFFICE CLEARANCE

Signature

Thomas C. Niblock



Title

Director, USAID/Indonesia

Date Signed

MM DD YY

19. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION

MM DD YY

PID

RURAL DEVELOPMENT/AGRICULTURE, TA, RESEARCH AND TRAINING

I. SUMMARY OF THE PROBLEM AND PROPOSED RESPONSE

The purpose of this proposal is to significantly accelerate the development of solutions to some of Indonesia's problems in agriculture and rural development. U.S. knowledge and skills would be used under the project to help selected institutions and activities. Complementary grant funds will be provided, as needed, to finance U.S. project advisors, research, and testing in support of loan-funded pilot projects, training programs, consultant services, and technical assistance. Such combinations, emphasizing technical aid, should enable USAID to undertake a program-building and manpower-development role which will have a large and possibly strategic impact on the extent to which other donors and domestic resources are used to help improve the well being of vast numbers of poor people.

This loan would operate on the basic principle of USAID's feasibility study loans, providing funds on a timely basis for sub-projects mutually agreed to as proposals mature. Some of the uses to which the loan might be put are:

- A. Technical assistance for development of cropping systems research in South Sumatra transmigration areas;
- B. Floating fish cage culture;
- C. Pilot ice plants for fish preservation;
- D. Application of ferrocement technology related to the construction of small fishing boats;
- E. Research and pilot project testing related to the production, storage, and marketing of small farmer sugar cane or other smallholder estate crop production;
- F. Short-term technical advisory services to assist university of Indonesia Rural Development Plan for Kabupaten Tangerang;
- G. Consultancies for various land-use studies/surveys in potential transmigration areas or in provinces selected for provincial area development programs;

- H. City/community planning studies in various regions focused on systematic small market town/economic planning to mutually benefit urban settlements and agricultural hinterlands (UDKP concept);
- I. Provincial feasibility studies on upgrading potentialities for provincial public works road construction/maintenance capabilities. Primary focus would be on the system and infrastructure for planning, rehabilitating, constructing, and maintaining kabupaten and village farm-to-market feeder roads.

Sub-projects A, B, and C, for initiation in FY 1977 grant funded, are described in Attachment A.

Project Goal:

To increase agricultural production, rural income and employment opportunities through the extension of improved GOI programs in the rural areas.

Project Purpose:

To improve the development programs of the Ministries of Agriculture, Manpower-Transmigration-Cooperatives, Home Affairs (AGRARIA), and Public Works, as well as other Rural and Agriculture Development-related agencies and institutions through the provision of U.S. technical assistance, training in country and abroad, and carrying out pilot and experimental projects; the emphasis to be placed on extensive technical and training assistance, with only limited commodities.

Project Outputs:

- A. Increased access to U.S. technical assistance services and training.
- B. A series of completed pilot and experimental projects leading to development projects in selected areas.
- C. Increased agricultural production and employment.

Project Inputs:

- A. \$5 million in loan funding for U.S. technical assistance services, training, and pilot projects.
- B. Complementary grant funds of \$2,750,000 over three years to finance advisors, research, training and technical assistance.

Disbursement Period:

FY 1977 through FY 1980

Major Assumptions:

The GOI will continue its interest in improving agricultural production and the standard of living for the rural poor.

Other Donor Activities:

The project does not conflict with any other donor activity and, with the evolution of more effective national agriculture development policies and through testing of pilot efforts, investment funds for major follow-on programs will come from Indonesia's greater capital resources and the multilateral lending institutions.

Alternatives:

Alternatives to the proposed project would include the continued slow pace of developing specific action programs, unless other donors with other proposals can be found.

Beneficiaries:

At the outset, participating GOI ministries will be the primary beneficiaries of the project in terms of program building, technological transfer, and manpower development. This, in turn, will improve the capacity of the GOI to improve the well being of vast numbers of poor Indonesians. The project should also have a positive impact upon the extent to which other donor assistance and domestic resources are utilized to help the rural poor.

II. FINANCIAL REQUIREMENTS AND PLANS

The life of this project will be four years. Loan funds, in the amount of \$5 million together with grant funding in the amount of \$2,750,000 are proposed. The following table provides an estimate of project costs and type of inputs under grant funding:

<u>Input</u>	<u>Contribution (000)</u>
Technical Assistance (including support)	\$ 1,775
Commodities	500
Training	475

III. DEVELOPMENT OF THE PROJECT

There are a number of possible project areas which might be pursued, as described under the uses to which the loan might be put. Many of the possibilities reflect suggestions made by Indonesian counterparts. If the project concept is adopted, ideas for sub-projects will be mutually agreed to by the line GOI agency and USAID.

A PRP will be prepared in October, 1976, and the PP, in March, 1977.

POSSIBLE SUB-PROJECTS

- A. The Directorate General of Transmigration (DGT) is presently developing transmigration projects in the provinces of South Sumatra and Lampung. In each of these provinces, it is necessary to develop cropping systems which will allow the transmigrants to produce their own subsistence requirements at an early date, maintain the fertility of the soil over the long term, and, within these limits, obtain maximum production. Development of such cropping systems involves choosing and testing particular crops, fertilizer requirements, and agronomic practices, and fitting these factors together into a cropping system which fits the rainfall pattern and the soil characteristics. Once appropriate cropping systems have been established for the particular area, it will be necessary to describe these in terms that will be understood by the transmigrants, and to give the transmigrants a cropping calendar stating the times each crop should be planted.

For the purpose of carrying out the required scientific tests and presenting the results in a form which can be understood by the transmigrants, the DGT has requested the assistance of Lembaga Pusat Penelitian Pertanian (LP3)/Central Research Institute of Agriculture (CRIA) to manage this activity in all of its details. The DGT will provide the funds necessary for salaries and honoraria, transportation and expenses of personnel, and supporting equipment and supplies. Housing, offices, and work areas in the field will be furnished in kind. A list of requirements and expected costs have been formulated, and the amount of Rp. 26,280,000 (U.S. \$66,000) for each of the four areas is being budgeted. LP3 will supply all scientific personnel required, will hire the laborers in the field, and will manage all the particulars of scientific testing and presentation of results.

Cropping systems research to date has been supported under the IRRI contract, which terminates in February, 1977. Under the IBRD loan, Secondary Crops research will be conducted at the National Research Center (Sukamandi), starting about December, 1978. This leaves a gap in cropping systems research of approximately two years, during which the present success and momentum may be lost. Additionally, cropping systems research is but one of five project areas under Secondary Crops research, and TA and participant training are very minimal. What is needed is not only filling the gap in the transition period of February, 1977 to December, 1978, but funding for a National Program which would include continued support for site-specific research in selected agroclimatic zones, such as is being conducted in West Java and Lampung. CRIA reasons that TA is needed over the next four years, as the activities at the National Research Center develop and the site-specific research continues; there will be a greater need for TA while CRIA staff are abroad earning degrees. If the present cropping systems research can continue, the payoff from such applied research on outreach sites should be large, fast, and highly visible. CRIA has expressed its need for continued USAID funding over this period to provide one cropping systems agronomist and one plant breeder, and participant training. Estimated costs are \$180,000.

B. Floating Fish Cage/Enclosure Production

The Government of Indonesia (GOI), in its current year developmental plans, places a high priority on increased fish production through assistance to aquaculture. USAID is assisting the GOI in its fisheries developmental efforts by providing technical assistance and participant training in selected fisheries disciplines.

GOI efforts in aquaculture to date have concentrated primarily on the development of brackish water ponds (tambak), with a lesser effort on fresh water ponds (empang). New areas are being opened for settlement and tambak production, and USAID and other donors have contributed technical assistance projects to increase production on existing tambak.

The aforementioned attention to tambak has resulted in a general increase in brackish water production per unit of tambak, and it is expected that production will continue to rise as new technology is adopted and new lands are brought into production. The increased production, albeit welcome, will still fall far short of satisfying Indonesia's need for additional animal protein. With a population of 135 million, Indonesia must produce 135,000 metric tons of fish to raise the annual per capita availability by one kg. This is approximately equal to the current national annual production from all types of aquaculture, and illuminates the scope of the problem. If Indonesia wishes to materially increase its per capita fish availability, it must exploit every production technique.

The Indo-Chinese countries of Cambodia and Vietnam have developed a method of floating fish cage culture that is highly productive, and is suitable for application in Indonesia. As practiced in Indo-China, the method essentially consists of building a floating cage of approximately 3x5x15 meters with living quarters on board for the owner. The cage is stocked with fingerlings at a density of 75 to 100 per cubic meter of water. Growth periods vary according to the species of fish being raised. In the case of carp, the growing period is ten months and the carp reach an average weight of 1.3 kg. for a total yearly cage output of 22 MT of fish, live weight. This is the most intensive culture presently being practiced, at the farmer level, anywhere in the world. It is theoretically possible to assemble about 120 cages on a surface area of one ha of water, for an annual output of 2,640 tons. This far exceeds the output of fresh water pond culture, even in the most advanced experimental stations.

The Directorate General of Fisheries (DGF) has proposed that a cage/enclosure culture project be instituted in Southern Sumatra, in the area of Palembang. There are many rivers in the area that combine the depth, current flow, and water quality necessary for cage culture.

The project would involve the construction of three demonstration cages, with GOI funds, and 36 man/months of technical assistance. Technical assistance would concentrate on floating cage design and construction; comparative suitability and profitability of locally available species

as well as imported carp; preparation of an outline for an exhaustive extension program. A similar program in Vietnam enjoyed resounding success. More than 8,000 cages were built in two years, with private and Ag loan funds, and a thriving grain sorghum business evolved to supply the necessary fish feed.

It is expected that the GOI would arrange with the Bank Rakyat Indonesia (BRI) for necessary loan funds to enable interested farmers to build fish cages.

C. Maringgai Pilot Ice Plant

The marine fishing sector of the Indonesian fisheries is under-exploited, with current annual catches of about 16% of the renewable resource, or less than one million tons of the 5.8 million tons available for harvest.

Although the annual marine catch is slowly increasing, the increases are partially negated by decreases in inland fisheries production, so that total annual fish availability is just barely keeping pace with population increases.

The two major deterrents to increased marine production are 1) lack of ice for the preservation of fish from catching point to consumer, and 2) lack of powered boats. Only 4% of Indonesian fishing boats are powered, the remainder being unpowered or sail propelled.

Of the two deterrents cited above, lack of ice is considered to be the most serious. Without ice, fishboat working radii are reduced to a distance no greater than four hours from port. As a result, fishing captains fish the same areas year after year until they are overfished, while more promising areas beyond the boats' radii are underfished or not fished at all.

The DGF has proposed that a program of ice plant construction be undertaken, to provide ice at economically feasible prices to fishermen in selected areas of Indonesia. As a first step in that direction, it is suggested that a pilot plant be constructed in an area so situated that it will be possible to accurately measure the increases in production and decreases in spoilage directly attributable to the availability of ice. It is further desired that the pilot plant be locally constructed to the extent possible, utilizing items of local manufacture when they are available. This will have the twofold effect of supplying an invaluable training experience for the builders, while saving badly needed foreign exchange for the GOI.

The area chosen for the pilot plant is the fishing village of Labuhan Maringgai, on the eastern coast of Lampung Province, in Sumatra. Maringgai is served by an adequate network of provincial roads that will supply access to markets throughout the province and beyond. Approximately 200 fishing boats of shallow draft are homeported there and up to 100 additional boats utilize the fishing harbor as a market site from time to time. There is no electricity and no ice available, but there is plenty of fresh water suitable for making ice and providing cooling water, and electric power can be supplied by a generator. A seasoned and knowledgeable DGF fisheries technician is stationed in the village and can be expected to supply timely and accurate data on changes in fish catch, spoilage, and processing data. It is expected that the plant will be operated by a consortium of DGF managers and fisheries cooperative labor, and profit margins held to a level sufficient to provide funds for operation, upkeep, and maintenance only.

AGENCY FOR INTERNATIONAL DEVELOPMENT
PROJECT IDENTIFICATION DOCUMENT FACESHEET
 TO BE COMPLETED BY ORIGINATING OFFICE

1. TRANSACTION CODE
 A A = ADD
 C C = CHANGE
 D D = DELETE

PID
 2. DOCUMENT CODE
 1

3. COUNTRY/ENTITY
 Indonesia

4. DOCUMENT REVISION NUMBER

5. PROJECT NUMBER (7 DIGITS)
 497-0264

6. BUREAU/OFFICE
 A. SYMBOL ASIA B. CODE 04

7. PROJECT TITLE (MAXIMUM 40 CHARACTERS)
 Provincial Area Development Program

8. PROPOSED NEXT DOCUMENT
 A. 2 = PRP B. DATE 1 2 7 6
 3 = PP

10. ESTIMATED COSTS (\$000 OR EQUIVALENT, \$1 = 414.50)

FUNDING SOURCE		LIFE OF PROJECT
A. AID APPROPRIATED		12,000
B. OTHER U.S.	1.	
	2.	
C. HOST COUNTRY		8,250
D. OTHER DONOR(S)		
TOTAL		20,250

9. ESTIMATED FY OF AUTHORIZATION/OBLIGATION
 a. INITIAL FY 7 8 b. FINAL FY 8 1

11. PROPOSED BUDGET AID APPROPRIATED FUNDS (\$000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE		E. FIRST FY 78		LIFE OF PROJECT	
		C. GRANT	D. LOAN	F. GRANT	G. LOAN	H. GRANT	I. LOAN
(1) FN	B200	033	033	900	9,000	3,000	9,000
(2)							
(3)							
(4)							
TOTAL				900	9,000	3,000	9,000

12. SECONDARY TECHNICAL CODES (maximum six codes of three positions each)
 200

13. SPECIAL CONCERNS CODES (MAXIMUM SIX CODES OF FOUR POSITIONS EACH)
 BR

14. SECONDARY PURPOSE CODE
 280

15. PROJECT GOAL (MAXIMUM 240 CHARACTERS)
 To improve the well-being of the rural poor

16. PROJECT PURPOSE (MAXIMUM 480 CHARACTERS)
 To assist selected Provinces in improving their institutional capability to plan, coordinate, construct, implement, manage and maintain agricultural, health, education, and other rural development programs to meet their varying needs and requirements.

17. PLANNING RESOURCE REQUIREMENTS (staff/funds)
 Several manmonths of short-term consultancies, most of which will come from AID/Washington and other Missions.

18. ORIGINATING OFFICE CLEARANCE

Signature
 Thomas C. Niblock *Thomas C. Niblock*

Title
 Director, USAID/Indonesia

Date Signed
 MM DD YY

19. DATE DOCUMENT RECEIVED BY AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION
 MM DD YY

PID

PROVINCIAL AREA DEVELOPMENT PROGRAM

I. Summary of the Problem and the Proposed Response

A. The Problem. Prior to the First Five-Year Development Plan (Repelita I) in 1969, the Government of Indonesia's administrative structure was primarily concerned with executing routine and political activities; the nation's goals at that time being national integration, stability and security. With the commencement of Repelita I, however, the government administration was given the additional task of "promoting and directing society toward development." The economic development objectives of this First Five-Year Development Plan were spectacularly achieved. This helped stimulate the reexamination of many developmental issues including the degree of local autonomy to be permitted in the development of the nation.

The success of Repelita I coupled with the demand for greater participation in development by Indonesia's 26 Provinces (all of which are well aware of their particular developmental requirements and priorities) resulted in an opening of development to the Provinces for a much stronger direct involvement in national development as perhaps the most significant change of emphasis discernible between Repelita I (1969/70-1974/75) and Repelita II (1975/76-1980/81). The most visible signs of this conscious national shift to provincial development can be seen with the very substantial increases in provincial development budgets allocated by the central government and Presidential Decree No. 15 dated March 18, 1974 establishing provincial development planning boards (BAPPEDAS) at this increasingly important level of government. In short, Provinces are now called upon to bear a major and increasing responsibility for planning, managing and implementing the development of the nation.

See pages 267-294 of the FY 1975 DAP for a discussion of the importance of strengthening the institutional capability to carry out expanded programs of regional/rural development in Indonesia.

B. The Proposed Project. The purpose of this Project, then, is to assist selected Provinces in improving their institutional capability to plan, coordinate, construct, implement, manage and maintain agricultural, health, education and other rural development programs to meet their varying needs and requirements. Emphasis will be placed on working with the existing infrastructure, programs and activities; identifying bottlenecks and constraints; and providing appropriate assistance in a timely manner to overcome these obstacles. Achievement of the Project's purpose will contribute significantly to the sector goal of improving the well-being of the rural poor.

Outputs of the Provincial Area Development Program will vary by Province and type of constraint being addressed. All of these outputs (or subprojects) will, however, be relatively small-scale in nature and consequently have shorter development and implementation periods than the larger-scale area development activities the Mission is presently undertaking (i.e. Luwu Area Development and Citanduy River Basin Development Projects). All subprojects designed into the Project will seek to overcome constraints in existing programs and activities with the provision of a modest level of outside resources. Several of the subprojects are likely to identify major capital investments and could assist in preparation of proposals for financing by other foreign donors. The benefits deriving from individual subprojects will be quicker to realize than in the case of large capital projects with more immediate benefit to the Province and its rural poor. It should also be added that since individual subprojects will be identified and acted upon by the local level of government, it is expected that the specific activities undertaken will by their very nature be most responsive to local needs and initiatives.

This three-year program for each participating Province will be implemented with the provision of technical assistance; training both overseas and in-country; select commodities, equipment and materials; Indonesian contractors and manpower for small-scale construction works; and Indonesian technicians. AID will provide loan and grant financial assistance for all these categories of inputs in a manner which will stress flexibility, quick response, and appropriateness.

The major assumptions pertinent to project success are that: (1) participating provincial governments are willing to and capable of improving the planning, management and implementation of their rural development programs; (2) the central government in Jakarta permits the participating Provinces the degree of local-level initiative and decentralization necessary to execute the Project; and (3) AID has the flexibility in its rules and regulations to be responsive to provincial needs in a timely and appropriate basis.

The Provincial Area Development Program will be undertaken on a pilot basis in FY 1977 in two Provinces: Aceh (in northern Sumatra) and Central Java. This PID is submitted to expand the Provincial Area Development Program into three yet-to-be-determined Provinces in FY 1978.

The spread effects of the Project are expected to be substantial. Within the participating Provinces themselves, it is felt that the improved institutional capabilities left behind as a result of the Project will result in better functioning local programs. Thus, for

example, the benefits of a technical assistance and training subproject which builds up provincial capabilities in growing a particular crop in one district should show pay offs in all other districts throughout the Province. Spread effects between Provinces may also be produced as certain innovative and successful activities initiated in the participating Provinces are disseminated and initiated by other Provinces with similar problems and in search of workable solutions. Thus, for an example here, the successful introduction of an intermediate technology in one Province for any particular process should show benefits throughout those regions of Indonesia under similar conditions.

Illustrative lists of subprojects are already being developed for the FY 1977 Program in Aceh and Central Java as the result of extended field trips and extensive conversations with provincial officials. It is evident from these efforts that there are a tremendous number and variety of development activities at the more local levels of government which could substantially improve local programs and conditions with a relatively modest input of outside technical and financial assistance provided in a timely manner. It is also evident from these illustrative subprojects that: (i) it will not be possible, nor would it be desirable, to have a definitive and detailed list of all subprojects to be undertaken in the Province at the time of loan authorization; and (ii) if this Project is to succeed, there must be a great degree of decentralization and flexibility designed into it, both with the Government of Indonesia in its relationships with the Provinces and AID/Washington in its relationship with the Mission.

There are no realistic alternatives to the proposed Project in terms of resolving the stated problem and achieving its purpose. USAID and other foreign donors, however, are involved in area development activities which are peripherally related to the Provincial Area Development Program and these are reviewed and compared below.

C. The Beneficiaries. The direct and indirect beneficiaries of the Provincial Area Development Program will vary by Province and nature of the specific subprojects undertaken. Some will involve training of local officials and the direct benefits will thereby accrue to them. Others will deal more directly with the rural poor (e.g. the reforestation of hills bordering an irrigation system which is serving small farmers). In all cases, however, the rural poor will be the beneficiaries, directly or indirectly. This will be one of the most important criteria established for the selection of subprojects.

D. The Implementation Plan. The overall program for each individual Province will be managed by its respective BAPPEDA. Thus the provincial planning boards will be responsible for identification of the area's bottlenecks and constraints; the design of subprojects

to remove these obstacles; and the overall monitoring of the execution of subprojects. Individual technical ministries and agencies operating at the provincial level will be assigned responsibility for managing the implementation of individual subprojects. In those cases where a multi-disciplinary and technical agency approach is required, a committee will be formed to assure proper subproject implementation. One full-time Provincial Project Coordinator will be assigned to each BAPPEDA to assist the Province with these efforts.

Typically, subproject proposals will be generated by the BAPPEDA, Governor or technical agencies operating in the participating Province. These subproject proposals will then be reviewed by both the Province and USAID to assure that the subproject meets criteria for subproject selection mutually agreed to prior to Project initiation (as noted earlier, this will ensure that subprojects benefit the intended beneficiaries - the rural poor). At this point, assuming USAID contributions are below \$250,000, implementation will begin. Should costs exceed these levels, concurrence from BAPPENAS and AID/Washington will be sought. (See Section IV below - Issues of a Policy or Programmatic Nature).

E. Related USAID and Other Donor Programs. As stated earlier, the FY 1978 Provincial Area Development Program represents an expansion of the proposed FY 1977 pilot program into three additional Provinces. The Mission expects to have one year of project operations experience before commencing with the FY 1978 Program. Naturally, the knowledge gained from the FY 1977 program will be designed into the FY 1978 expansion.

Other Mission activities most closely related to the Provincial Area Development Project include the Luwu Area and Transmigration Development Loan (No. 497-T-038), the Citanduy River Basin Development Loan (No. 497-T-039), the Area Development Agricultural Resource Assessment Grant (No. 497-11-199-238) and the proposed Kabupaten (District) Planning and Management Grant. The first two loans differ from the proposed Project in that: (i) planning and, to a great extent, execution are directed from Jakarta; (ii) they involve the infusion of large scale capital assistance in amounts which more local levels of government can never replicate without external aid from one source or another; (iii) they focus on new infrastructure rather than on improving existing facilities and programs; (iv) they are characterized by a very long design period (at least two years) and an even longer implementation period (four years being an optimistic estimate); and (v) the local populace will not begin to realize the benefits for many years to come.

The two grant projects cited above come closer to the Provincial Area Development Project's concept. The Area Development Agricultural Resource Assessment Project which provides technical assistance to select BAPPEDAS for short-term problem-solving exercises is more

academically oriented and concentrates on BAPPEDA planning while the subject proposal also supplies assistance to implementing provincial programs and does so in a more concentrated effort for a much longer period of time. The proposed Kabupaten Planning and Management Project focuses on a level of government one step lower than the Province. Since the five districts chosen as project sites are in the Province of Central Java (one of the two areas selected for participation in the FY 77 Provincial Area Development Project), care will be taken to see that both projects are well integrated.

Most foreign donor assistance to provincial development in Indonesia to date has taken one of two approaches: the infusion of large amounts of capital for expensive infrastructure development (as Luwu and Citanduy) or the provision of large amounts of foreign technical assistance for comprehensive feasibility studies. None as far as is known at this time have approached provincial development as proposed in this document.

Looking at the proposed Provincial Area Development Program from a strictly administrative point of view, it is very similar to the VolAg Co-Financing Grant No. 497-13-899-225 in terms of its flexibility and decentralized nature.

II. Financial Requirements and Plans. The following table provides a notional estimate of project costs broken down by AID and GOI contributions and type of input for each selected Province. Naturally since actual subprojects or outputs have not yet been decided upon, the mix of inputs is not yet known with much certainty and the financial table will vary accordingly. Also since each participating Province will have its own particular program, the financial tables will also differ for each Province. The only figures which will remain fixed then is the AID contribution which will be set at \$4,000,000 per Province.

Financial Plan per Province
(US \$000)

Input	AID Contribution	GOI Contribution	Total Project Costs
1. Technical Assistance			
a. Expatriate	1,000 ^{a/}	100	1,100
b. Local	300	30	330
2. Training			
a. Abroad	400	40	440
b. In-country	200	20	220
3. Commodities			
a. Overseas	500	50	550
b. Local	100	10	110
4. Construction	1,500	1,500	3,000
5. Operations/Administration	-	1,000	1,000
TOTALS	4,000	2,750	6,750

(Footnote: a/ Grant Element)

The AID contribution of \$4,000,000 will include \$3,000,000 of loan financing and \$1,000,000 of grant assistance for each Province. The inclusion of a grant element is proposed in order to build in a greater degree of flexibility and ability to respond quickly to local needs than would be available if it were all loan funds. This kind of loan/grant mix, likewise, more clearly demonstrates to the GOI AID's commitment to and involvement with the Project; relieves the GOI of the support cost and many problems associated with the support of technicians that AID is in a better position to handle; and to some extent addresses the recurring LDC objection to "tied and earmarked" loan funds by complementing those funds with a grant input. Since three Provinces will be included in FY 1978, \$9,000,000 of loans and \$3,000,000 of grants will be required.

III. Development of the Project. A PRP for the FY 1978 Provincial Area Development Program will be prepared by December of 1976. The major task in developing this PRP will be selecting the three Provinces for the FY 1978 Program and developing preliminary illustrative lists of subprojects for inclusion. Some short-term expertise in sectors of priority interest to the selected Provinces may be required.

The major task in development of the Project Paper, scheduled for submission to Washington in December of 1977 for FY 1978 authorization will be to refine the illustrative list of subprojects to the point that as much of the Project is programmed as is possible. (Such programming, however, will be in relatively broad terms and require further refinement in terms of subproject inputs and outputs as implementation of the Project progresses.) In order to proceed with this aspect of the Provincial Area Development Project, USAID may also require the services of AID/W or other Missions' (or IQC or personal services contractor) expertise for approximately one-month durations during CY 1977 to complement USAID skills.

Another major task in finalizing this proposal will be establishing organizational relationships and standard operating procedures within the Government of Indonesia at the central and provincial levels to identify, review, approve and finance subprojects. This will require extensive discussions with BAPPENAS, the primary technical agencies at the Jakarta level (e.g. Ministry of Public Works and Electric Power and the Ministry of Agriculture) and of course the Provinces. It is expected, however, that the Mission can draw heavily on the relationships and procedures developed for the FY 1977 pilot program, while making appropriate improvements to facilitate this aspect of project development.

IV. Issues of a Policy or Programmatic Nature. As has been described above, the thrust of this Project is to be responsive to local level needs and produce results in a reasonable time frame. The Mission would therefore like to be in a position to streamline its administration and implementation of the Project. Therefore, it is contemplated that subprojects of less than \$250,000 U.S. contribution would be selected and administered by USAID whereas subprojects exceeding this size in U.S. contributions would require AID/W approval. It is assumed that the flexibility, decentralization and delegation of authority now given for PWO/OPG's means that AID/Washington could support this arrangement.

AGENCY FOR INTERNATIONAL DEVELOPMENT
PROJECT IDENTIFICATION DOCUMENT FACESHEET
 TO BE COMPLETED BY ORIGINATING OFFICE

1. TRANSACTION CODE
 A A = ADD
 C C = CHANGE
 D D = DELETE

PID
 2. DOCUMENT CODE 1

3. COUNTRY/ENTITY
 INDONESIA

4. DOCUMENT REVISION NUMBER

5. PROJECT NUMBER (7 DIGITS) 497-0-0263

6. BUREAU/OFFICE
 A. SYMBOL ASIA B. CODE 04

7. PROJECT TITLE (MAXIMUM 40 CHARACTERS)
 OUTER ISLAND RICE AND UPLAND CROPS RESEARCH

8. PROPOSED NEXT DOCUMENT
 A. 2 = PRP 3 = PP B. DATE 10 76

10. ESTIMATED COSTS (\$000 OR EQUIVALENT, \$1 = 414.5)
 FUNDING SOURCE BASE

9. ESTIMATED FY OF AUTHORIZATION/OBLIGATION
 a. INITIAL FY 78 b. FINAL FY 80

A. AID APPROPRIATED 6800
 B. OTHER U.S. 1. 2. C. HOST COUNTRY D. OTHER DONOR(S) TOTAL 6800

11. PROPOSED BUDGET AID APPROPRIATED FUNDS (\$000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE		E. FIRST FY 78		LIFE OF PROJECT	
		C. GRANT	D. LOAN	F. GRANT	G. LOAN	H. GRANT	I. LOAN
(1) FN	B 121	080	080	800	5000	1800	5000
(2)							
(3)							
(4)							
TOTAL							

12. SECONDARY TECHNICAL CODES (maximum six codes of three positions each)
 012 | 021 | 070 | 093 | 312

13. SPECIAL CONCERNS CODES (MAXIMUM SIX CODES OF FOUR POSITIONS EACH)
 BR | BS | R/AG | TECH

14. SECONDARY PURPOSE CODE 141

15. PROJECT GOAL (MAXIMUM 240 CHARACTERS)
 Increased agricultural production through the development of area-specific crops tailored to fit precise farming situations.

16. PROJECT PURPOSE (MAXIMUM 480 CHARACTERS)
 Physical and manpower development of one or more regional research stations in the Outer Islands for rice and secondary crops research, working together with the Central Research Institute for Agriculture.

17. PLANNING RESOURCE REQUIREMENTS (staff/funds)

18. ORIGINATING OFFICE CLEARANCE
 Signature: Thomas C. Niblock *Thomas C. Niblock*
 Title: Director, USAID/Indonesia
 Date Signed: MM DD YY

19. DATE DOCUMENT RECEIVED 1: AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION
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OUTER ISLAND RICE AND UPLAND CROPS RESEARCH

I. SUMMARY OF PROBLEM AND PROPOSED RESPONSE

Since 1972, the AID-financed contract with the International Rice Research Institute (IRRI) has provided the full time services of scientists in plant breeding and research for rice and secondary crops, working together with the Central Research Institute for Agriculture (CRIA), in coordination with the National Rice Research Program, under the Ministry of Agriculture. The project also provides for staff training abroad and the provision of special equipment. Project accomplishments have been significant.

The IRRI contract will be terminated in February, 1977, at which time an IBRD agricultural research and extension loan will fund activities at a National Center for rice and secondary crops research at Sukamandi, West Java; vegetable research near Bandung, West Java; and rubber research in North Sumatra. The IBRD does not plan to take into consideration rice or secondary crops research outside of Sukamandi Station, although this is representative of only 20% of the rice growing area of Java. At issue is the need for rice and secondary crops research in the Outer Islands to develop area-specific rice varieties, more or less tailored to fit precise farming situations of pest and disease resistance, cold tolerance, deep water tolerance, drought tolerance, problem soil tolerance, and cropping systems in the uplands. The need for regional station development remains. Decentralization of research was a prime recommendation of the Joint Agricultural Research Survey Team (1969), which stated, in part:

"The decentralization of agricultural research is recommended . . . by establishing and energizing a chain of experiment stations to cover adequately the regional and provincial needs of agricultural research. While these regional and provincial stations will be administered by the respective provincial governments . . . they will be technically woven into national programs of research.

"The forging of strong links between research, education, and extension at the central as well as provincial level to insure a two-way traffic for the achievement of high levels of agricultural production. . .

"Encouragement of university faculty members to make use of research facilities to work on projects of importance to agricultural development."

The recommendations of the Team were accepted by the GOI (1971), and began by establishing a regional research station at Maros, South Sulawesi. Subsequent to developing the Maros Station program, IRRI staff developed "master plans" for additional regional centers at Majosari, East Java; Padang, West Sumatra; Central Sumatra; and Banjar Baru, Kalimantan. With emphasis being put on Sukamandi Station development, there may be little opportunity for regional station development since many of the critical resources, namely trained and experienced manpower, will be shifted to Sukamandi or retained for strengthening the CRIA headquarters at Bogor. With the exception of Maros Station, all are underdeveloped and understaffed; all possess a potential for valid research on rice and upland crops; and all receive good, if inadequate, support from the local Agriculture Inspector, the provincial universities, and the province. The Director of the Agency for Agricultural Research and Development has indicated CRIA's interest in finding support for rice and upland crops research, and station and staff development on the Outer Islands.

Two aspects of international development in which USAID excels are technical assistance and manpower development. These have been widely acclaimed in Indonesia, with particular respect to the current IRRI contract which set out to maintain ongoing research and expand research programs while Indonesian scientists went abroad for further training, younger staff for advanced training, and junior staff for special training courses.

Under this proposed project, a similar endeavor is envisaged: establishing and energizing research on one or more of the Outer Island research stations to cover regional and provincial requirements, while forging strong links between research, education and extension at the central and provincial level, and encouraging university faculty members to utilize the developing facilities.

Development of the Maros station has proceeded, assisted in the program by an IRRI team funded by the Dutch government. The Maros program might be used as a basic model. MOA planned expansions are to take place mainly on Sumatra and Kalimantan. The soils in the areas proposed are primarily old nutrient-depleted red-yellow podzolics and swampy tidal soils of the two major islands.

Project Goal:

Increased agricultural production through the development of area-specific crops tailored to fit precise farming situations.

Project Purpose:

Physical and manpower development of one or more regional research stations in the Outer Islands for rice and secondary crops research, working together with the Central Institute for Agriculture.

Project Outputs:

- A. Expansion of rice and secondary crops research.
- B. Extended network of research stations, with better facilities and staff strength.
- C. Stronger linkages with extension and education.
- D. Linkage with institutions of higher learning.
- E. Better understanding of management of problem soils.
- F. Greater area of land under cultivation, and assistance to transmigration programs.
- G. More efficient land utilization and increased productivity.
- H. Area-specific plant material with built-in resistances to unfavorable factors.

Project Inputs:

For purposes of projection, inputs are based on developing one regional station over a five-year period for which this project would contribute full costs of facilities and three years of staff development and technical assistance.

- A. Facilities (site development, buildings, equipment, vehicles, library, and salaries): Rp. 2,075,000,000 and U.S. \$5.0 million loan funds.
- B. Staff development: U.S. \$700,000 grant funds.
- C. Technical assistance (12 man years): U.S. \$1,200,000 grant funds.
- D. Experimentation costs: Rp. 62,500,000 GOI budget.

Other Donor Activities:

An IBRD loan will fund research at the National Center for rice and secondary crops at Sukamandi, West Java. The regional stations will form part of a network for such research.

Maros Station started in 1972, supported by a grant to IRRI from the Dutch government. The program is scheduled to terminate in August, 1977, but a scheduled review may decide to extend the program.

The Soils Research Institute, Bogor, and the University of Hawaii entered into a joint project titled "Benchmark Soils Network," in April, 1976, and this project will include research on podzolic soils.

Alternatives:

Much of the crop production increase in late years has been achieved by greater yields per unit area. This has been accomplished by heavier rates of fertilization and other cultural practices, along with the more productive plant type. This has created a micro-climate more favorable to insect pests and diseases. Present varieties have only moderate levels of resistance to diseases and insects. When seasonal conditions favor insects and/or diseases, the crops may be seriously damaged. The use of insecticides can be moderately effective, but experience has shown that this can be expensive, and lack of expertise in timing and use of equipment reduces this effectiveness. The alternative solution is the provision of varieties with built-in plant protection. Such varieties are absolutely essential if increases of the magnitude targeted for crop production are to be achieved. In order to obtain these new varieties, tailored to the specific area of cultivation, requires an intensified research effort. The level of research and research organization which make the initial levels of increase possible will not be sufficient to meet the new production targets. Only by rapidly changing research organization and research productivity will it be possible to meet these demands.

There appear no alternatives to continued and increased research effort.

Beneficiaries:

The project beneficiaries will be amongst all rice and secondary crop farmers, and particularly those transmigrant peoples who must confine their efforts to the poor podzolic and swamp soil areas.

II. FINANCIAL REQUIREMENTS AND PLANS

The project is predicated on a five-year duration. The cost estimate is \$10,432,557. \$7,407,557 (Rp. 3,074,136,000) of this is for site development, structures, salaries, and experimentation costs. \$3,025,000 is for staff development, vehicles, field and laboratory equipment, and technical assistance.

III. DEVELOPMENT OF THE PROJECT

The project builds on and is a continuation of the CRIA/IRRI cooperative program. CRIA will provide counterpart staff to a contractor for technical assistance. Master plans for the development of regional research stations have been developed for Sulawesi, Kalimantan, Sumatra, and East Java. These are comprehensive and agreed to by the MOA. Actual development has taken place only in Sulawesi, and this station might well serve as a model.

If the project started at the beginning of FY 78, the momentum gained under the current IRRI contract might not be lost.

A PRP will be prepared in October, 1976 and the PP in March, 1977.

AGENCY FOR INTERNATIONAL DEVELOPMENT PROJECT IDENTIFICATION DOCUMENT FACESHEET TO BE COMPLETED BY ORIGINATING OFFICE				1. TRANSACTION CODE <input type="checkbox"/> A = ADD <input type="checkbox"/> C = CHANGE <input type="checkbox"/> D = DELETE		PID 2. DOCUMENT CODE 1																					
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8. PROPOSED NEXT DOCUMENT A. <input type="checkbox"/> 2 = PRP 3 = PP B. DATE <input type="checkbox"/> 07 <input type="checkbox"/> 78				10. ESTIMATED COSTS (\$000 OR EQUIVALENT, \$1 = 414.5)																							
9. ESTIMATED FY OF AUTHORIZATION/OBLIGATION a. INITIAL FY <input type="checkbox"/> 78 b. FINAL FY <input type="checkbox"/> 80				<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th colspan="2">FUNDING SOURCE</th> <th>BASE</th> </tr> <tr> <td colspan="2">A. AID APPROPRIATED</td> <td>5000</td> </tr> <tr> <td rowspan="2">B. OTHER U.S.</td> <td>1.</td> <td></td> </tr> <tr> <td>2.</td> <td></td> </tr> <tr> <td colspan="2">C. HOST COUNTRY</td> <td>2650</td> </tr> <tr> <td colspan="2">D. OTHER DONOR(S) Farm Labor</td> <td>600</td> </tr> <tr> <td colspan="2" style="text-align: right;">TOTAL</td> <td>8250</td> </tr> </table>				FUNDING SOURCE		BASE	A. AID APPROPRIATED		5000	B. OTHER U.S.	1.		2.		C. HOST COUNTRY		2650	D. OTHER DONOR(S) Farm Labor		600	TOTAL		8250
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(2)																											
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13. SPECIAL CONCERNS CODES (MAXIMUM SIX CODES OF FOUR POSITIONS EACH)								BR																			
14. SECONDARY PURPOSE CODE								120																			
15. PROJECT GOAL (MAXIMUM 240 CHARACTERS)																											
Increased agricultural production																											
16. PROJECT PURPOSE (MAXIMUM 480 CHARACTERS)																											
a. To establish brackish water fish farms utilizing advanced culture Technology on unused coastal swampland in Lampung Province, Sumatra. b. To establish floating fish cages in the Sekampung River, Lampung Province, Sumatra.																											
17. PLANNING RESOURCE REQUIREMENTS (staff/funds)																											
Project development and support funds of \$70,050 may be utilized for seven man/months of TA to conduct a feasibility study.																											
18. ORIGINATING OFFICE CLEARANCE								19. DATE DOCUMENT RECEIVED FOR AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION																			
Signature Thomas C. Niblock <i>Thomas C. Niblock</i>								MM DD YY																			
Title Director, USAID/Indonesia								MM DD YY																			

PID

MARINGGAI/SEKAMPUNG FISHERIES EXPANSION

I. SUMMARY OF PROBLEM AND PROPOSED RESPONSE

There is a critical shortage of animal protein available for the average consumer on the island of Java. The Government of Indonesia (GOI) is addressing the problem in a number of ways. One way is to increase agricultural production through intensification and extensification projects; another way is to move people from the densely populated areas of Java to less populous outer islands where the per capita food supply is more abundant.

The GOI has designated Lampung Province, on the island of Sumatra, one of its priority targets for development. GOI plans include industrial and agricultural extensification, and transmigration of Javanese people to Lampung to build and staff the factories and to carve new farms from the swamps and jungles.

USAID is assisting the GOI in its developmental efforts in Lampung. One area of USAID assistance is the Lampung Pilot Ponds project, a 3,000 ha brackish water fish farm extensification project to be built on previously unused land adjacent to the coast and immediately to the south of the Sekampung River. Approximately 1,200 transmigrant fish farmer families will be relocated to the area, housed, supplied with basic necessities, given 2.5 ha fish farm hectareage, and instructed in methods of intensive fish farming. The fish harvest will be marketed in Java.

About 20 km to the north, in Maringgai, USAID hopes to assist in building a pilot ice plant to increase marine fish production and decrease fish spoilage. This ice plant will lend itself to future expansion and is geographically within the market radius of the Lampung Pilot Ponds project.

Both of the projects mentioned above will help to alleviate the critical shortage of animal protein on Java. However, if a significant increase in production is to take place, the brackish water fish farm hectareage throughout Indonesia must be increased significantly, along with a massive infusion of technical assistance to fish farmers.

The area of Maringgai/Sekampung River has long been recognized as a prime area for fisheries production, but development has been slow because of the lack of marketing infrastructure. With the development of the ice plant at Maringgai and the brackish water farms - including access road - at Sekampung, additional marketing infrastructure will rapidly evolve.

The area immediately to the north of the Sekampung River, and south of Maringgai, is a low coastal swamp identical in flora and fauna to the Lampung Pilot Ponds area. At least 8,000 ha of public land is suitable and available for brackish water fish pond development. Market access will be available via the Lampung Pilot Ponds access road, and markets are available both in Tandjung-Karang and Jakarta.

The Sekampung River is a deep, fast flowing stream that could support a very extensive number of floating fish cages. USAID will institute a program of fish cage culture in Palembang, in Southern Sumatra, and will utilize the lessons learned to institute the culture in Sekampung. Although Palembang is less desirable than Sekampung as a site for fish cage production, it was chosen for the site of the pilot project because of its easy access. Upon completion of the access road to Lampung Pilot Ponds, Sekampung will become a very desirable location for a floating cage production project.

The Maringgai/Sekampung Fisheries Expansion project will encompass the following:

- A. The allocation of 2,000 ha of public lands to brackish water farm production.
- B. Clearing the land and constructing main and secondary canals.
- C. Selecting and transporting 600 fish farming families from Java, and supplying housing and basic subsistence until the first harvest.
- D. Constructing 100 floating fish cages, with living quarters, to be anchored in the Sekampung River.
- E. Construction of a fish auction house and ice storage room at Kualasekampung, the village at the mouth of the Sekampung River.
- F. Construction of necessary schools, dispensaries, and water wells.

USAID proposes to provide grant funds for technical assistance, certain commodities, engineering studies, and participant training, and loan funds for the US portion of additional costs.

It is expected that the GOI would make the necessary arrangements with Bank Rakyat Indonesia (BRI) or some other lending institution to administer the loan funds. It will also be necessary for GOI to devise a plan for eventual farm or fish cage ownership, through a lease/purchase agreement or some alternative method.

Project Goal:

To increase agricultural production.

Project Purpose:

- A. To establish brackish water fish farms utilizing advanced culture technology on unused coastal swampland in Lampung Province, Sumatra.
- B. To establish floating fish cages in the Sekampung River, Lampung Province, Sumatra.

Project Outputs:

- A. 100 floating fish cages built and producing
- B. 500 intensive-culture brackish water fish farms created
- C. 600 poor fish farmer families from Java relocated
- D. An effective extension program instituted
- E. A modern fish auction house erected and staffed.

Project Inputs:

USAID

- A. Technical assistance for production, marketing, and extension
- B. Participants trained for extension
- C. Vehicles for technicians and extension personnel
- D. 61% of eligible project costs

GOI

- A. Costs of transmigration, including infrastructure
- B. In-country training of extension agents
- C. Credit to fish farmers (BRI)
- D. 32% of eligible project costs

FARMERS

Farm labor equal to 7% of eligible project costs

Disbursement Period:

FY 1978 through FY 1980

Major Assumptions:

- A. The GOI will continue to support aquaculture development.
- B. Riparian rights may be obtained on the Sekampung River for anchoring and operating floating fish cages.
- C. There will be no major construction of industrial plants, nor other water pollutants introduced into the area.
- D. Adequate fish feed at an economically feasible cost may be obtained locally.
- E. Land for fish farms may be made available at no cost.

Other Donor Activities:

There are no other donor activities in cage culture anywhere in Indonesia, and no donor activity in brackish water pond development anywhere in the south of Sumatra. USAID is involved in complementing projects in the area: Brackish water ponds in Lampung, a pilot ice plant in Maringgai, and floating fish cage production in Palembang. These projects will supplement but not compete with the proposed project.

Alternatives:

There is no viable alternative to the proposed project. The land is too swampy to lend itself to industrial development, as draining and filling costs would be prohibitive. The same statement would apply to plantation farming. The land could be utilized for rice farming, but it would be necessary to build many miles of dams to protect the land from sea encroachment and salt water intrusion, bringing the cost per hectare to an uneconomical level.

Spread Effect:

It is expected that this project will generate a considerable spread effect. Tentative tambak development in the Maringgai area is expected to intensify as marketing systems evolve to buy and distribute the output from this and other brackish water projects. The floating cage portion of the project is expected to invite duplication from many fish farmers and also fishermen, when they become aware of the profitability of the method.

II. FINANCIAL REQUIREMENTS AND PLANS

Total Project Costs (\$000) - \$8,250

USAID Grant	\$1,000
USAID Loan	4,000
GOI (\$ equivalent)	2,650
Farmers (\$ value of labor)	600

USAID will provide grant funds for 60 man/months of technical assistance, vehicles for technicians, participant training, and engineering studies.

III. DEVELOPMENT OF THE PROJECT

A feasibility study will be required. Portions of the Lampung Pilot Ponds project will be applicable and utilized, but the services of an engineer and hydrologist will be required for the fish farm portion of the project, and an aquaculturist and an engineer for the fish cages.

A Project Review Paper will be required.

The suggested implementation schedule is as follows:

- A. October 15, 1976: Project Review Paper submitted
- B. March, 1977 : Feasibility study commences
- C. May, 1977 : Feasibility study completed
- D. June, 1977 : Project Paper (PP) submitted
- E. September, 1977 : Project approved

There may be a requirement for AID/W TDY staff assistance in the preparation of the PRP and/or PP.

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5. PROJECT NUMBER (7 DIGITS) <input type="checkbox"/> 497-0225 <input type="checkbox"/>	6. BUREAU/OFFICE A. SYMBOL ASIA B. CODE <input type="checkbox"/> .04	7. PROJECT TITLE (MAXIMUM 40 CHARACTERS) <input type="checkbox"/> Voluntary Agency Co-Financing <input type="checkbox"/>
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8. PROPOSED NEXT DOCUMENT A. <input type="checkbox"/> 3 2 = PRP 3 = PP B. DATE <input type="checkbox"/> 01 <input type="checkbox"/> 77	10. ESTIMATED COSTS (\$000 OR EQUIVALENT, \$1 = Rp. 414.5)
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9. ESTIMATED FY OF AUTHORIZATION/OBLIGATION a. INITIAL FY <input type="checkbox"/> 7 <input type="checkbox"/> 8 b. FINAL FY <input type="checkbox"/> 8 <input type="checkbox"/> 0	FUNDING SOURCE A. AID APPROPRIATED 1000 B. OTHER U.S. 1. 2. C. HOST COUNTRY 250 D. OTHER DONOR(S) TOTAL 1250
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11. PROPOSED BUDGET AID APPROPRIATED FUNDS (\$000)							
A. APPROPRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE		E. FIRST FY <u>78</u>		LIFE OF PROJECT	
		C. GRANT	D. LOAN	F. GRANT	G. LOAN	H. GRANT	I. LOAN
(1) FN	B240	030		400		1000	
(2)							
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TOTAL				400		1000	

12. SECONDARY TECHNICAL CODES (maximum six codes of three positions each)

240	250				
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13. SPECIAL CONCERNS CODES (MAXIMUM SIX CODES OF FOUR POSITIONS EACH)	14. SECONDARY PURPOSE CODE
PVOU BR	200

15. PROJECT GOAL (MAXIMUM 240 CHARACTERS)

To increase economic and social development of the poor majority by expanding the number and scope of village and district level development projects that help meet basic needs.

16. PROJECT PURPOSE (MAXIMUM 480 CHARACTERS)

To multiply and improve local-level development efforts in Indonesia within the priority sectors of assistance (health and population, food and nutrition, education and human resource development) by contributing USG financial support for projects planned and implemented by U.S. and Indonesian private and voluntary organizations.

17. PLANNING RESOURCE REQUIREMENTS (staff/funds)

None anticipated

18. ORIGINATING OFFICE CLEARANCE		19. DATE DOCUMENT RECEIVED 1: AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION	
Signature Thomas C. Niblock <i>Thomas C. Niblock</i>	Date Signed MM DD YY	MM	DD YY
Title Director, USAID/Indonesia			

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VOLUNTARY AGENCY CO-FINANCING

I. SUMMARY OF THE PROBLEM AND PROPOSED RESPONSE

U.S. and Indonesian private and voluntary organizations (PVOs) in Indonesia, as in many developing countries, have become involved in the planning, funding and implementation of small-scale, socio-economic development projects, targeted at the poorest majority and mainly in the rural areas. In Indonesia, these projects are in the AID priority areas of health and population, food and nutrition, and education and human resource development. They relate directly to the identical objectives of the Government of Indonesia (GOI) and AID as contained in the Development Assistance Program (DAP) and the Indonesian development plans -- equitable distribution of wealth through increased production and job opportunities, and improved social services through expanded education and health programs for the rural poor.

While PVOs are investing their own resources (funds, personnel, commodities) in such effective small-scale development, their programs have considerable potential for expansion. Recognizing the value of these activities relative to the lives of the poorest majority in Indonesia, and in response to AID's "new directions" and desire to increase the participation of PVOs in development programs, the Voluntary Agency Co-Financing Pilot Project was established in FY 74. Total life-of-project funding approved was \$1 million, as follows: FY 74 - \$115,000; FY 75 - \$200,000; FY 76 - \$300,000; and FY 77 - \$385,000. Actual obligations reflect the success of the project in the increased involvement of PVOs: \$97,000; \$357,000; and \$417,000 for the respective fiscal years, with projections of \$100,000 in the interim quarter and \$426,000 in FY 77. A Project Paper revision increasing the life-of-project funding from \$1 million to \$1.5 million will be submitted.

During the first three years of the project, 28 sub-projects in such fields as nutrition, rural public works, rural and community development, public health, agriculture, irrigation, animal husbandry, vocational training, credit union and cooperative development, transmigration and intermediate technology have been approved. These sub-projects have been with six different PVOs and the majority of them are under \$50,000. Ten have been successfully completed and a number are near completion. All AID support to these sub-projects has been additional and not in lieu of inputs made by either the PVOs, their counterparts, the national or local government entities and/or the communities in which they work. The total value of the 28 sub-projects is \$2,116,332 while the AID input amounted to \$871,000, less than 50%. Details on the 28 sub-projects are contained in Attachment A.

Further evidence of the success and effectiveness of the Co-Financing Project is that five sub-projects are actively being considered for funding in the Transitional Quarter (Attachment B) and fourteen have already been identified by the PVOs for Fiscal Year 1977 funding. In addition, self-evaluation reports and on-site inspections of the sub-projects by USAID and the PVOs have shown in most cases that not only have the purposes been accomplished, but the sub-projects have had a ripple effect and have generated other activities in their areas. The following are representative examples of completed sub-projects:

A. CWS Selomerto/Wonosobo Irrigation Sub-Project

Six irrigation systems were constructed for a total cost of \$23,786 with an AID contribution of \$15,566 for cement, rebar and skilled labor. The village governments concerned, the District Public Works office and the people contributed all other requirements, including labor. As a result of the project, over 500 hectares of paddy are receiving irrigation allowing for second cropping and directly affecting the entire population of 11,800 persons in six village areas. The total annual income increase due solely to the initial irrigated second crop harvest amounted to roughly \$280,000 (reference: JAKARTA 3483).

B. CRS Digester and Animal Sub-Project

This was an "appropriate technology," rural development, pilot project which achieved the following: (1) the development of a simple methane gas family digester for animal waste fermentation which is used for cooking and light; (2) the establishment of chicken farms; (3) the production of compost and liquid fertilizer and algae in conjunction with agriculture plots and fish ponds; (4) the establishment of a credit system; and (5) the establishment of sensitivity training courses for students working with the poor people. As a result of the project, the village got the first prize for social and economic development from the district government. In addition, leaders from other villages have visited the project and are initiating similar projects. The project manager stated in his final report that "the most important result was that we succeeded to open the eyes of scientific people and villagers for the concrete possibilities of bettering life for poor people with simple techniques and small credits." The total cost of the project was \$8,107 with an AID input of \$3,761.

C. CARE Integrated Nutrition Sub-Project

A model integrated nutrition delivery system was established in one area which combines supplemental feeding in nurseries and day-care centers, garden plots, fish ponds, animal raising, health services, family planning, sanitation, drinking water, multi-mixes using the Brady Crop Cooker, an agricultural demonstration and extension center, nutrition education, and training of nutritionists. The AID inputs include PL-480 Title II and Co-Fi funds. This was the largest Co-Fi project undertaken in fiscal years 1974 and 1975 with a contribution of \$50,000; the total project cost is estimated at \$156,500. The project has gained the interest of the GOI and there is potential for replication in other areas. CARE plans to continue and expand the project.

This PID proposes that the Voluntary Agency Co-Financing Project be continued for three more years.

Project Purpose:

The purpose remains essentially the same: to multiply and improve local level development efforts in Indonesia within the priority sectors of assistance (health and population, food and nutrition, education and human resource development) by contributing USG financial support for projects planned and implemented by U.S. and Indonesian PVOs.

As in the first three years of the current project, there will be an average of eight to ten sub-projects per year. Each will have its own purpose but all activities will relate to the GOI and AID priority areas.

The PVOs will have the major responsibility for sub-project selection, planning and monitoring of implementation. In each year of the project, any U.S. and qualified Indonesian PVO may submit to USAID one or more sub-projects for possible co-financing.

Project Outputs:

The project's outputs may include: (1) increased production on farms as a result of small agriculture related sub-projects (irrigation, animal raising, roads, training, etc.); (2) increased incomes, either direct (workers employed on sub-projects) or indirect (farmers who can market their production as a result of local road sub-projects); (3) improved community organization for development activities (cooperatives and village government); (4) improved health and nutrition; and (5) improved education and human resource development (training, vocational education).

Project Inputs:

The project's inputs will include AID financial grants to PVOs up to 75% of the sub-project cost and PVO and other donor resources (funds, personnel, commodities) of a minimum of 25% of the sub-project cost.

Disbursement:

Project implementation and disbursement will take three years and is expected to begin October 1, 1977. Funds will be disbursed directly to the PVOs.

Major Assumptions:

The major assumptions for project success include: (1) PVO utilization of AID funds will be in accordance with grant agreements and project documentation as well as in accordance with GOI/PVO agreements; (2) PVO and other donor resource inputs will be met as programmed and scheduled for each project; and (3) project implementation schedules as established will be followed.

Beneficiaries:

The beneficiaries of the project will be mainly low-income rural people.

Spread Effect:

As experienced in the first three years of the current project, the majority of the PVO sub-projects will have a potential for replication in other areas or will assist in the initiation of other development needs in their areas.

II. FINANCIAL REQUIREMENT AND PLANS

The estimate for the total three-year project is \$1,300,000 -- \$1,000,000 to be contributed by AID and \$250,000 by the PVOs and other donors. The estimate is based on the project's guidelines which state that the AID contribution to PVO sub-projects will not exceed 75% of the total cost of it, and the PVO/Other Donor contribution must be a minimum of 25%. The record of the first three years of the current project shows that PVO/Other Donor input has surpassed the AID support and has amounted to over 50%.

III. DEVELOPMENT OF THE PROJECT

The project paper of the current project will be revised to reflect the experience of the first three years and to incorporate the basic guidelines of AID's Operational Program Grant program.

Project Development Schedule:

Revised PP submitted in January, 1977.

Required Resources for Development:

None anticipated.

FY Funding:

74 - \$ 97,000 (actual)
 75 - 259,840 (actual)
 76 - 493,220 (actual)
 IQ - 100,000 (Projected)
 77 - 426,000 (Projected)

- 186 -

STATUS OF
 PRIVATE & VOLUNTARY ORGANIZATIONS'
 CO-FINANCING GRANTS
 Project No. 497-13-899-225
 Indonesia

Page No. 1

As of: May 18, 1976

FY & PVO	SUB-PROJECT TITLE, LOCATION & LENGTH OF TIME	COST OF PROJECT (\$ Equivalent Total Resources)			S T A T U S
		A.I.D.	OTHER	TOTAL	
74 CRS	Transmigration Development - Lampung (3 yrs)	15,000	10,515	25,515	Underway 19 months
CRS	Anti-Erosion Campaign - Maumere (1 yr)	22,000	26,000	48,000	Completed
CWS	Kasipute Community Development - SW Sulawesi (6 mos)	10,000	6,733	16,733	Completed
CARE	Integrated Nutrition - West Java (1 yr)	50,000	106,500	156,500	Completed-\$80,000 requested for continuation & expansion
TOTALS: 3 PVO'S	4 Sub-Projects/4 Locations	97,000	149,748	246,748	3 Completed
75 CRS	Mixed Farming Tangeb - Bali (1 yr)	3,125	29,421	32,546	Completed
CRS	Demonstration & Training Gardens - Baturaja, S. Sumatra (2 yrs)	16,560	6,720	23,280	Underway - 15 months
CRS	Raising Cattle for Beef Production and Work - Palembang (3 yrs)	7,858	2,627	10,485	Underway - 15 months
CRS	Credit Union Development Program in Indonesia - Jakarta (2 yrs)	16,565	27,817	44,382	Underway - 15 months
CRS	Nutrition Ed. Program - Jakarta (2 yrs)	16,573	24,658	41,231	Underway - 15 months
CRS	Farmers' Progress - Banjarmasin (1 yr)	10,670	12,430	23,100	One year extension requested
CRS	Nutrition Education - Jayapura (1 yr)	13,985	47,690	61,675	One year extension requested
CRS	Combination Digester & Animal Program - Jogjakarta (1 yr)	3,761	4,346	8,107	Completed
CRS	Sluice Gate for Irrigation System - Waepena, Flores (1 yr)	2,921	7,711	10,632	Completed

FY Funding:

74 - \$ 97,000 (actual)
 75 - 259,840 (actual)
 76 - 483,220 (actual)
 IQ - 100,000 (Projected)
 77 - 426,000 (Projected)

STATUS OF
 PRIVATE & VOLUNTARY ORGANIZATIONS'
 CO-FINANCING GRANTS
 Project No. 497-13-899-225
 Indonesia

As of: May 18, 1976

FY & PVO	SUB-PROJECT TITLE, LOCATION & LENGTH OF TIME	COST OF PROJECT (\$ Equivalent Total Resources)			S T A T U S
		A. I. D.	OTHER	TOTAL	
75 CRS	Quack-quack Program (duck-raising) - Cilacap (2 yrs)	2,413	1,737	4,150	Underway - 8 months
CRS	Demonstration & Chicken Farm Project - Ung Pandang (1 yr)	4,819	1,599	6,418	Underway - 8 months
CRS	Intensive Nutrition Program East Java (3 yrs)	22,341	26,586	48,927	Underway - 8 months
CRS	S.P.M.A. (Senior Agricultural School) Scholarships for Luwu Students - Makale, S. Sulawesi (3 yrs)	33,100	-	33,100	Underway - 8 months
CRS	Radio Nutrition Program Sanggar Prathivi - Jakarta (2 yrs)	11,180	3,692	14,872	Underway - 8 months
SAWS	Public Health Care - East Kalimantan (2 yrs)	39,500	65,998	103,498	Underway - 13 months
CWS	Selomerto Irrigation - Wonosobo (1 yr)	17,217	12,075	29,292	Completed
CWS	Si Kendil Bridge and Access Road - Wonosobo (1 yr)	7,566	4,342	11,908	Completed
YMCA	Vocational Training - Jakarta (1 yr)	13,300	12,300	25,600	Underway - 9 months
YMCA	Model Village Development Prapat, N. Sumatra (1 yr)	16,386	31,500	47,886	Underway - 9 months
TOTALS: 3 PVO'S	19 Sub-Projects/15 Locations		333,249	593,089	2 Completed
76 CRS	Agriculture Training & Extension - Kabanjahe, N. Sumatra (1 yr)	10,230	3,390	13,620	Agreement signed - 12/30/75. Project initiated - (awaiting funds)
CWS	Development Technical Center Rural Technology Transfer - Institute of Technology/ Bandung, W. Java (1 yr)	12,390	13,980	26,370	Agreement signed - 12/30/75. Project initiated - 5/1/76

FY Funding:

74 - \$ 97,000 (actual)
 75 - 259,840 (actual)
 76 - 483,220 (actual)
 IQ - 100,000 (Projected)
 77 - 426,000 (Projected)

STATUS OF
 PRIVATE & VOLUNTARY ORGANIZATIONS'
 CO-FINANCING GRANTS
 Project No. 497-13-899-225
 Indonesia

As of: May 18, 1976

FY & PVO	SUB-PROJECT TITLE, LOCATION & LENGTH OF TIME	COST OF PROJECT (\$ Equivalent Total Resources)			S T A T U S
		A.I.D.	OTHER	TOTAL	
<u>76</u> CWS	Production of Coconut Oil by Fermentation - Institute of Technology/Bandung, W. Java (1 yr)	10,000	2,500	12,500	Agreement signed - 12/30/75. Project initiated 5/1/76
CARE	Rodent Control - Luwu (2 yrs)	208,600	237,245	445,845	Agreement signed - 5/18/76
CDF	Model Village Integrated Rural Development - Aceh, N. Sumatra (2 yrs)	242,000	439,000	681,000	Grant Agreement being prepared
TOTALS: 4 PVO'S	5 Sub- Projects/4 Locations	483,220	696,115	1,179,335	None Completed

PROSPECTIVE PVO PROJECTS
Co-Financing of Operational Program Grants
USAID/Indonesia

INTERIM QUARTER

PVO	TITLE AND DESCRIPTION	TOTAL (\$)	AID Funding (\$)	Non-AID Funding (\$)	STATUS/COMMENTS
CARE	Integrated Nutrition Project in Bandung (Phase II) - continuation of FY 74 on-going co-fi project and expansion to other villages in the region. (1 year)	175,325	80,000	95,325	Consultation with CARE held proposal under preparation.
CWS	Three Bridges - North Sumatra: Construction of 3 bridges and access roads to provide increased mobility and access to markets, schools and other facilities of both economic and educational/cultural benefit. (6 months)	Estimated 23,094	14,204	8,890	Proposal received 5/21/76 Being reviewed by PVO Committee members - Formal review to be held week of June 7
Mennonite Central Committee (MCC)	Agro Industrial Development Project - development and utilization of appropriate farm machinery and equipment which is both efficient and economical. (1 year)	96,120	62,000	34,120	Review held 5/7/76 - additional study necessary by USAID/ND - field trip to project testing site scheduled for June 7.
Asia Foundation	DPC to Yayasan Indonesia Sejahtera (YIS) (Foundation for a Prosperous Indonesia): Establish and develop capability of YIS, a non-profit PVO, to administer and expand its programs in health, population and community development. (3 years)	289,417	198,955	90,462	Approved for recommendation as a DPG to AID/II - JAKARTA 7063 dated 5/28/76
CWS	Nutrition & Soil Fertility - "Action Research" project to test effectiveness of useful low cost innovations in nutritional supplementation and fertilization in Malang Kabupaten, East Java and to design a practical method for dissemination of these innovations through established organizations. (3 years)	80,876	34,187	46,689	Review held 5/7/76 - questions raised communicated to CWS for further comment.
TOTALS: 4 PVO's	5 Projects - 5 locations	664,832	389,346	275,486	- 189 -

AGENCY FOR INTERNATIONAL DEVELOPMENT PROJECT IDENTIFICATION DOCUMENT FACESHEET TO BE COMPLETED BY ORIGINATING OFFICE	1. TRANSACTION CODE <input checked="" type="checkbox"/> A A = ADD <input type="checkbox"/> C C = CHANGE <input type="checkbox"/> D D = DELETE	PID 2. DOCUMENT CODE 1
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3. COUNTRY/ENTITY INDONESIA	4. DOCUMENT REVISION NUMBER <input type="checkbox"/>
--------------------------------	---

5. PROJECT NUMBER (7 DIGITS) <input type="checkbox"/> 497-0269 <input type="checkbox"/>	6. BUREAU/OFFICE A. SYMBOL PHA	B. CODE <input type="checkbox"/> 07 <input type="checkbox"/>	7. PROJECT TITLE (MAXIMUM 40 CHARACTERS) <input type="checkbox"/> FAMILY PLANNING SERVICES <input type="checkbox"/>
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8. PROPOSED NEXT DOCUMENT

A. 2 = PRP B. DATE

MM	YY

3 = PP

10. ESTIMATED COSTS (\$000 OR EQUIVALENT, \$1 = Rp. 414.5)

FUNDING SOURCE	B65E8F
A. AID APPROPRIATED	6500
B. OTHER U.S.	1.
2.	
C. HOST COUNTRY	54000
D. OTHER DONOR(S)	15000
TOTAL	75500

9. ESTIMATED FY OF AUTHORIZATION/OBLIGATION

a. INITIAL FY 7 8 b. FINAL FY 8 0

11. PROPOSED BUDGET AID APPROPRIATED FUNDS (\$000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE		E. FIRST FY <u>78</u>		LIFE OF PROJECT	
		C. GRANT	D. LOAN	F. GRANT	G. LOAN	H. GRANT	I. LOAN
(1) PH	B400	430	NA	2300		6500	
(2)							
(3)							
(4)							
TOTAL				2300		6500	

12. SECONDARY TECHNICAL CODES (maximum six codes of three positions each)

450	440				
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13. SPECIAL CONCERNS CODES (MAXIMUM SIX CODES OF FOUR POSITIONS EACH)	14. SECONDARY PURPOSE CODE
BWW TECH	443

15. PROJECT GOAL (MAXIMUM 240 CHARACTERS)

To decrease the natural rate of population growth by reducing fertility (i.e. 50% reduction of the CBR currently estimated at 38-40/1000 by year 2000)

16. PROJECT PURPOSE (MAXIMUM 480 CHARACTERS)

Increase the prevalence and improve the effectiveness of use of all legal types of contraceptive methods.

17. PLANNING RESOURCE REQUIREMENTS (staff/funds)

Possible 1 mm of TDY assistance annually.

18. ORIGINATING OFFICE CLEARANCE	19. DATE DOCUMENT RECEIVED 1: AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION
Signature Thomas C. Niblock <i>Thomas C. Niblock</i>	MM DD YY
Title Director, USAID/Indonesia	
Date Signed MM DD YY	MM DD YY

PID

FAMILY PLANNING SERVICES

SUMMARY OF PROBLEM AND PROPOSED RESPONSE

The GOI has placed a high priority on reducing Indonesia's birth rate from a currently estimated country-wide rate of 38 per 1,000 population to 20 per 1,000 population by the year 2000. This goal is to be achieved by changing the attitudes and behavior of couples over time, with the adoption of a two-child family as the norm by the turn of the century. The priority placed on the importance of reaching this goal is manifested by the continued attention the President gives the program in quarterly Cabinet reviews as well as the financial support allocated to the program by the National Development Planning Agency (BAPPENAS). During the current fiscal year 1976/77, for example, the National Family Planning Coordinating Board (BKKBN) received a 15% increase in its budget, while many other government agencies were held to the prior year's funding levels or a slight increase.

During the first phase of the family planning program (1970-1974), emphasis was placed on developing a viable administrative organization, winning formal and informal leader support and establishing a service program in the network of public health clinics on Java and Bali.

During the second phase of the program (1974-79), emphasis on Java/Bali is shifting from the clinic to establishing and integrating family planning into the life of the community. This is seen as a critical step in avoiding the "plateauing effect" that appears to have bedeviled other large national family planning programs. The objective is to attract and maintain younger, lower parity couples in the program by establishing family planning services and practices as a way of life in the village. Community support for the program coupled with easy access to services and resupply will hopefully lead to smaller family sizes. Initial experience with the newly launched Village Contraceptive Depots (VCD), which provide contraceptive resupply in the villages and sub-villages across Java and Bali, indicate this system is having an encouraging effect on attracting new acceptors. They also appear to prolong continuation in the program by making resupply easier and stimulate community and peer support for the idea of family planning.

While this second phase effort is maintaining program momentum on Java/Bali, much remains to be done, especially in the outer islands. As illustrated below, evidence of progress is just beginning to appear in the outer islands where infrastructure is generally poor and resources scarce.

<u>GOI PROGRAM SINCE</u>	<u>PROVINCE GROUP</u>	<u>APPROXIMATE POPULATION</u>	<u>APPROXIMATE POPULATION PER CLINIC</u>	<u>CURRENT USERS AS % OF MWRA^{1/}</u>
1969	6 Java/Bali	86 million	34,000	20.1
1974	10 Outer Island	35 million	63,000	3.5
Planned 1979	<u>10 Remaining</u>	<u>13 million</u>	88,000	Unknown
	26 Provinces	134 million		

The proposed project will assist the GOI to maintain the momentum of progress on Java/Bali while accelerating the development of family planning services off Java/Bali.

The programs in provinces off Java/Bali will be more difficult to develop because:

- population densities are lower and delivery efficiencies less likely achieved
- socio-economic and geopolitical circumstances are more heterogeneous
- regency level BKKBN program administration does not exist
- there are no FP fieldworkers
- transportation and communications are more difficult
- fertility is higher.

For the above reasons, program development solutions on the outer islands will likely be province specific.

The proposed project will support development projects (tested under 188.3) that will promote this project's purpose of increased contraceptive use prevalence. In addition, commodities, training and technical assistance necessary to support this process will be provided.

^{1/} MWRA - married women of reproductive age (15 - 44 years)

Outputs:

The proposed project's goal and purpose statements are presented on the face sheet of this PID. The outputs will consist of contraceptive accessibility and efficiency of practice created through the development and continuation of contraceptive products and services distribution schemes.

Outputs will be evidenced by:

- increasing number of FP service outlets
- increasing number of sterilization centers
- development of contraceptive coverage on the first group of 10 outer island provinces.
- expansion of all cost-effective delivery channels (clinical, commercial, community based, sub-clinical, villages based, etc.)
- high negative correlation between contraceptive use prevalence and fertility
- initiation of contraceptive services in the 10 remaining provinces.

Inputs:

The current plan calls for inputs of training, service support and supervision equipment, local cost development projects and limited personnel costs.

USAID Project Costs include:

1. \$0.4 million in foreign and local participant training over three years
2. \$2.0 million in commodity support
3. \$0.2 in personnel in the form of technical assistance
4. \$3.9 million in local currency development projects (primarily expanding service projects pilot tested in Project 188.3)

Disbursement:

The project funds will be obligated in three years and disbursed in 3-4 years.

Project Development:

The project will be developed by the BKKBN and USAID staff in consultation with other donors and BAPPENAS.

Clearly, the continued acceleration of the Java/Bali program and the development of the off Java/Bali program will hinge upon discrete province level (or lower) actions. Thus, primary focus will be on the local currency development projects which will be designed in close consultation with provincial officials.

Beneficiaries:

The beneficiaries of the successful implementation of this project will be rural women who will be able to gain control over their childbearing through the more effective and efficient provision of family planning services. This will free some of these women from the threat of maternal mortality (estimated to be in the range of 150-200 per 100,000 births) as well as directly relieve them from the debilitating effects of one child bearing experience after another. Such relief will allow family units to improve the health and education of their children as well as seek life style alternatives as they move away from the margin of subsistence.

The continued reduction in the age and parity for all method acceptors for Java and Bali indicate that younger women are adopting family planning at least to space their childbearing and, hopefully, to limit their family size. Such actions have well documented benefits not only for the mothers, but also for the current living children.

AGENCY FOR INTERNATIONAL DEVELOPMENT
PROJECT IDENTIFICATION DOCUMENT FACESHEET
 TO BE COMPLETED BY ORIGINATING OFFICE

1. TRANSACTION CODE
 A A = Add
 C C = CHANGE
 D D = DELETE

PID
 2. DOCUMENT CODE
 1

3. COUNTRY/ENTITY
 INDONESIA

4. DOCUMENT REVISION NUMBER

5. PROJECT NUMBER (7 DIGITS)
 497-0270

6. BUREAU/OFFICE
 A. SYMBOL PHA B. CODE 07

7. PROJECT TITLE (MAXIMUM 40 CHARACTERS)
 Population Research and Development

8. PROPOSED NEXT DOCUMENT
 A. 2 = PRP 3 = PP
 B. DATE MM YY

10. ESTIMATED COSTS (\$000 OR EQUIVALENT, \$1 = Rp. 414.5)

FUNDING SOURCE		BASE OF
A. AID APPROPRIATED		2500
B. OTHER U.S.	1.	
	2.	
C. HOST COUNTRY		5200
D. OTHER DONOR(S)		500
TOTAL		8200

9. ESTIMATED FY OF AUTHORIZATION/OBLIGATION
 a. INITIAL FY 7 8 b. FINAL FY 8 0

11. PROPOSED BUDGET AID APPROPRIATED FUNDS (\$000)

A. APPRO- PRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE		E. FIRST FY 78		LIFE OF PROJECT	
		C. GRANT	D. LOAN	F. GRANT	G. LOAN	H. GRANT	I. LOAN
(1) PH	B400	430	NA	700		2500	
(2)							
(3)							
(4)							
TOTAL		700		700		2500	

12. SECONDARY TECHNICAL CODES (maximum six codes of three positions each)
 420

13. SPECIAL CONCERNS CODES (MAXIMUM SIX CODES OF FOUR POSITIONS EACH)
 BWW RPOP

14. SECONDARY PURPOSE CODE
 421

15. PROJECT GOAL (MAXIMUM 240 CHARACTERS)
 To reduce the crude birth rate to 20 by the year 2000

16. PROJECT PURPOSE (MAXIMUM 480 CHARACTERS)
 To accelerate the effectiveness and efficiency of the GOI's national family planning program through support of discrete, action family planning R&D projects, development of population policy review and research at the national planning level and modest regional population institutional support.

17. PLANNING RESOURCE REQUIREMENTS (staff/funds)
 Possible 1 mm of TDY assistance to review population policy support alternatives.

18. ORIGINATING OFFICE CLEARANCE
 Signature: Thomas C. Niblock *Thomas C. Niblock*
 Title: Director, USAID/Indonesia
 Date Signed: MM DD YY

19. DATE DOCUMENT RECEIVED BY AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION
 MM DD YY

PID

POPULATION RESEARCH AND DEVELOPMENT

I. SUMMARY OF THE PROBLEM AND PROPOSED RESPONSE

The GOI has placed a high priority on reducing Indonesia's birth rate from a currently estimated country-wide rate of 38 per 1,000 population to 20 per 1,000 population by the year 2,000. This goal is to be achieved by changing the attitudes and behavior of couples over time, with the adoption of a 2-child family as the norm by the turn of the century. The priority placed on the importance of reaching this goal is manifested by the continued attention the President gives the program in quarterly cabinet reviews as well as the financial support allocated to the program by the National Development Planning Agency (BAPPENAS). During the current fiscal year 1976/77, for example, the National Family Planning Coordinating Board (BKKBN) received a 15% increase in its budget, while many other government agencies were held to the prior year's funding levels or a slight increase.

During the first phase of the family planning program (1970 - 1974), emphasis was placed on developing a viable administrative organization, winning formal and informal leader support and establishing a service program in the network of public health clinics first on Java and Bali, later on 10 of the Outer Island provinces.

During the second phase of the program, emphasis has shifted from the clinic to establishing and integrating family planning into the life of the community. This is seen as a critical step in avoiding the "plateauing effect" that appears to have bedeviled other large national family planning programs. The objective is to attract and maintain younger, lower parity couples in the program by establishing family planning services and practice as a way of life in the village. Initial experience with the newly launched Village Contraceptive Depots (VCDC), which provide contraceptive resupply in the village and subvillages across Java and Bali, indicate this system is having an encouraging effect on attracting new acceptors. They also appear to prolong continuation in the program by making resupply easier and stimulate community and peer support for the idea of family planning.

It is currently (March 1976) estimated that 21% of the married women of reproductive age on Java and Bali are using contraception. The proposed project will support regional action R&D projects principally aimed at accelerating the integration of family planning services into the community. In addition, R&D activities will support the increased availability of other family planning services such as sterilization

for which there is currently an unmet excess demand. This will be done in harmonization with Indonesia's cultural and religious values and with cognizance that sterilization is, as yet, not an official method of birth control embraced by the BKKBN. Emphasis will be given to the 10 outer island provinces which have just recently (1974) introduced family planning into health clinics. Currently the outer island BKKBN provincial officials are struggling to find the best way to introduce family planning into their respective communities. Sparsely populated and with poor infrastructure, it is not yet clear whether or not the Java/Bali model can or should be replicated in these provinces. Thus, this project will provide support to the Outer Island BKKBN's in order to experiment, pilot test and demonstrate alternate methods of making available and accessible family planning services.

In addition, support will be provided to initiate population policy research at the national planning level. Technical assistance will be provided to BAPPENAS - the National Planning Agency - to support population policy research in order to gain a better appreciation of how to effectively integrate GOI developmental planning programs with efforts to reduce fertility.

Finally, a modest component will be added to assist regional universities develop centers of population expertise as provincial resource centers to direct and undertake family planning R&D, and population policy research. This component will be undertaken in cooperation with the Ford Foundation.

Outputs:

Project outputs will be a series of family planning R&D action projects that will focus on improving the performance on the family planning programs with increasing emphasis on the 10 Outer Islands provinces. Such studies will undertake to test and refine alternative methods of offering services in specific regions. The emphasis will be on problem identification and resolution by local people working in local situations. Technical assistance will be provided as required from Jakarta. Successful projects with large-scale application will receive tandem support from the USAID Family Planning Services Project.

Examples of the types of studies that might be funded are:

- Testing the village depot scheme in the Outer Islands.
- Use of a health worker and family planning mobile team to offer the first cycle in the villages on the Outer Islands.
- Test the feasibility of adapting the commercial community contraceptive scheme on the Outer Island.

- Introduction of surgical contraception (sterilization) into kabupaten hospitals to test the concept of regional "mini-sterilization centers."
- Continued research and evaluation of Java and Bali (efforts) to prolong participation in the program through use of survey research and rapid resolution of "program problems".

In addition, a series of population policy research studies will be undertaken to assist the GOI in coordinating other developmental activities with family planning efforts to reduce fertility. Such studies will review agriculture, education, transmigration policies, for example, for the purpose of suggesting ways these programs can directly or indirectly support the GOI's population policy.

Finally, it is expected that at the end of this project a number of regional population centers will have been established and sufficiently strengthened so as to have become viable regional population resources centers for provincial governments.

Disbursement:

The estimated disbursement period will be approximately 3-4 years.

Assumptions:

The project assumes that the GOI will continue to place a high priority on reducing fertility and continue to be willing to intervene at the community level in order to bring about the relatively rapid adoption of a small family norm. The project also assumes that the BKKBN will continue to delegate the responsibility of offering services in the community to the provinces and will maintain its current policy of "subsidiary functions" with the BKKBN/Central providing general guidelines and coordination. In addition, the project assumes that BAPPENAS is willing to undertake meaningful population policy research and act upon relevant and significant recommendations. It also assumes there are cadres of trained faculty members in various universities throughout the country that can be activated with modest amounts of assistance to develop viable regional population research and development centers.

Activities of the Other Donors:

The IBRD/UNFPA has provided assistance to the BKKBN for research and evaluation as well as population training assistance funds. The Ford Foundation for the past 6 years has supported the training of university faculty at the University of Indonesia's Demographic Institute. Ford is currently interested in collaborating with USAID in catalyzing these trained faculty members in their various universities to develop viable regional population centers.

Alternatives:

USAID feels that, in the Indonesian setting, the quickest route to a rapid reduction in fertility is through the continued acceleration of the availability and accessibility of services. This can best be accomplished through a series of discrete, action oriented R&D projects that are largely designed in local settings.

Beneficiaries:

The beneficiaries of the successful implementation of this project will be rural women who will be able to gain control over their child-bearing through the more effective and efficient availability of family planning services. This will free some of these women from the threat of maternal mortality (estimated to be in range of 150 - 200 per 100,000 births) as well as directly relieve them from the debilitating affects of too frequent child bearing experiences. Such relief will allow family units to improve the health and education of their children as well as seek life style alternatives as they move away from the margin of subsistence living. The continued reduction in the age and parity for all method acceptors for Java and Bali indicate that younger women are adopting family planning at least to space their childbearing and, hopefully, to limit their family size. Such actions have well documented benefits not only for the mothers, but also for the living children.

II. FINANCIAL REQUIREMENTS AND PLANS

The current estimate of project costs is approximately \$8.2 million of which the GOI would provide 63%.

USAID Project Costs include:

- A. A total of \$1.5 million for family planning action R&D projects.
- B. \$700 million for equipment and participant training.
- C. \$300 million for population policy research and technical assistance.

III. DEVELOPMENT OF THE PROJECTS

The project will be developed by the BKKBN and USAID staff in consultation with BAPPENAS. Population policy TDY assistance, if needed, will be requested from AID/W.

During this phase of development the following will be accomplished:

1. Review of BKKBN R&D budgets and objectives.
2. Review with BKKBN/Ford Foundation potential for population center development in regional universities.
3. Review with BAPPENAS the need for and plans of development for a population policy unit within BAPPENAS. Compilation of a preliminary population policy agenda.

AGENCY FOR INTERNATIONAL DEVELOPMENT
PROJECT IDENTIFICATION DOCUMENT FACESHEET
 TO BE COMPLETED BY ORIGINATING OFFICE

1. TRANSACTION CODE
 A A = ADD
 C C = CHANGE
 D D = DELETE

PID
 2. DOCUMENT CODE
 1

3. COUNTRY/ENTITY
 INDONESIA

4. DOCUMENT REVISION NUMBER

5. PROJECT NUMBER (7 DIGITS)
 497-0271

6. BUREAU/OFFICE
 A. SYMBOL PHA B. CODE 07

7. PROJECT TITLE (MAXIMUM 40 CHARACTERS)
 Oral Contraceptive Loan

8. PROPOSED NEXT DOCUMENT
 A. 2 = PRP 3 = PP
 B. DATE MM YY

10. ESTIMATED COSTS (\$000 OR EQUIVALENT, \$1 = Rp. 414.5)

FUNDING SOURCE		PAGE OF
A. AID APPROPRIATED		55538
B. OTHER U.S.	1. 2.	
C. HOST COUNTRY		31598
D. OTHER DONOR(S)		
TOTAL		87126

9. ESTIMATED FY OF AUTHORIZATION/OBLIGATION
 a. INITIAL FY 7 8 b. FINAL FY 8 2

11. PROPOSED BUDGET AID APPROPRIATED FUNDS (\$000)

A. APPRO- PRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE		E. FIRST FY 78		LIFE OF PROJECT	
		C. GRANT	D. LOAN	F. GRANT	G. LOAN	H. GRANT	I. LOAN
(1) PH	B400		430		10000		10000
(2)							
(3)							
(4)							
TOTAL					10000		10000

12. SECONDARY TECHNICAL CODES (maximum six codes of three positions each)
 400

13. SPECIAL CONCERNS CODES (MAXIMUM SIX CODES OF FOUR POSITIONS EACH)
 BWW TECH

14. SECONDARY PURPOSE CODE
 401

15. PROJECT GOAL (MAXIMUM 240 CHARACTERS)
 To assist the GOI in its efforts to decrease the natural rate of increase of population by reducing fertiling (i.e. 50% reduction of the CBR currently estimated at 38-40/1000 population by the year 2000)

16. PROJECT PURPOSE (MAXIMUM 480 CHARACTERS)
 Increase the prevalence of use of oral contraceptives and achieve transition to local manufacturing and financing of oral contraceptives.

17. PLANNING RESOURCE REQUIREMENTS (staff/funds)

18. ORIGINATING OFFICE CLEARANCE
 Signature: Thomas C. Niblock
 Title: Director, USAID/Indonesia
 Date Signed: MM DD YY

19. DATE DOCUMENT RECEIVED BY AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION
 MM DD YY

PID

ORAL CONTRACEPTIVE LOAN

I. SUMMARY OF THE PROBLEM AND PROPOSED RESPONSE

Since 1968, USAID has been the major donor of oral contraceptives to the Indonesian National Family Planning Program. USAID has provided or is planning to provide, subject to the availability of funds, grant assistance for oral contraceptives (OCs) in the following amounts of monthly cycles (MCs).

<u>US FY</u>	<u>MCs</u>
1968	90,000
1969	1,100,000
1970	1,100,000
1971	2,000,000
1972	9,000,000
1973	29,000,000
1974	20,000,000
1975	34,240,000
1976	47,080,000

The liberal provision of OCs has been an important factor in the rapid increase in family planning acceptance. The high proportion of new acceptors choosing the OC is illustrated below:

<u>GOI FY</u>	<u>NEW ACCEPTORS</u>	<u>OC ACCEPTORS AS % TOTAL NEW ACCEPTORS</u>
70/71	181,276	43%
71/72	519,330	54%
72/73	1,078,889	56%
73/74	1,369,077	63%
74/75	1,475,016	69%
75/76	1,966,585	68%

The evidence available, based on limited samples, indicates that Indonesian oral contraceptive continuation rates compare favorably to world experience:

<u>Calculated by:</u>	<u>OC CONTINUATION RATES</u>	
	<u>12 months</u>	<u>24 months</u>
First Method*	61%	45%
All Methods**	67%	55%

It is estimated that approximately 2.0 million women are currently using the OC. Although the prevalence of OC usage has increased more than 30% over the last year (1975), the rate of increase in OC usage is expected to gradually taper off to about a 10% annual increase by 1980. While the rate of increase is expected to taper off, the absolute consumption levels, given historical continuation rates, will be of the following approximate order of magnitude:

<u>CY</u>	<u>OC CYCLES (millions)</u>
1976	27.6
1977	34.8
1978	41.6
1979	48.4
1980	55.5
1981	62.3
1982	69.3
1983	76.2
1984	83.0

* started and continue with OCs

** started OCs and continue with OCs or other contraceptives

Such consumption levels and the trend of the program toward village and household distribution of OCs by paramedical personnel make OCs the sine qua non of the future of the Indonesian family planning program. These facts mandate consideration of local OC production to guarantee the program's OC supply line.

USAID and BKKBN believe the best way to achieve transition of OC funding is to move sequentially as follows:

- grant financing of finished OCs
- loan financing of finished OCs
- loan financing of compounds and packaging materials for local OC production
- Indonesian financing of compounds and packaging materials for local OC production

The proposed project will assist the GOI to maintain program momentum by insuring an adequate supply of OCs while achieving transition to local financing and manufacturing of OCs. Due to the complexities of OC production, the proposed project will sequentially move through each step in transition while keeping the former step open as a fall back position (e.g., there will be an option for either finished product or raw materials so the proportion of each can annually be adjusted to production capability). The importance of the program, its continued dependence on OCs, the trend toward continued high demand for OCs among lower age/parity acceptors now entering the program, the complexities of local production, the vagaries of the steroid market, the quantity of funds required, all argue strongly for a flexible, phased, orderly transition to Indonesian OC production and financing that would be geared to local realities and responsive to changing local needs. This means that the plan for this project will be implemented by a compass rather than a road map. Backtracking, delays, accelerations and alterations in plans may be necessary to insure success. Thus, the following mix of outputs and inputs should be viewed as being illustrative only.

Outputs:

The outputs will be increasing numbers of oral contraceptive service centers and increasing numbers of cycles of locally produced OCs with theoretical effectiveness equal to that of imported pills. Although the number of projected outlets will be difficult to quantify, it is expected that contraceptive coverage at the village level: on Java and Bali (86 million population) will be increased; on 10 outer island provinces (35 million population) will be developed; and on the remaining 10 outer island provinces (13 million population) may be initiated.

These outputs should result in the following estimated end-of-year OC prevalence of use (as a % of estimated married women of reproductive age, or MWRA, on Java/Bali and the first 10 outer island provinces.

JAVA/BALI (86 million population)

<u>CY</u>	<u>Estimated End of CY OC Users</u>	<u>Estimated MWRA (millions)</u>	<u>OC Users as % MWRA</u>
1976	2,175,000	14.3	15.2
1977	2,657,000	14.6	18.2
1978	3,139,000	14.9	21.1
1979	3,621,000	15.2	23.8
1980	4,103,000	15.5	26.5
1981	4,586,000	15.8	29.0
1982	5,067,000	16.2	31.3
1983	5,550,000	16.5	33.6
1984	6,032,000	16.8	35.9

FIRST 10 OUTER ISLAND PROVINCES (35 million population)

<u>CY</u>	<u>Estimated End of CY OC Users</u>	<u>Estimated MWRA (millions)</u>	<u>OC Users as % MWRA</u>
1976	155,000	5.1	3.0
1977	235,000	5.2	4.3
1978	310,000	5.3	5.8
1979	375,000	5.5	6.8
1980	436,000	5.6	7.8
1981	501,000	5.8	8.6
1982	572,000	5.9	9.7
1983	638,000	6.1	10.5
1984	703,000	6.2	11.3

Inputs:

Assuming a \$7.3 million AID loan for 24 million cycles and 18 million cycles equivalent of compound and packaging materials is authorized and signed in FY 1976 or FY 1977, the OC consumption requirements for CY 1978 should be met. Inputs for this proposed project (FY 1978-82) will depend on the progress in establishing local production. At this point, for illustrative purposes, let us assume the following mix of finished and raw materials will be needed:

<u>CY</u>	<u>OC "Requirements" in millions MCs</u>	<u>Millions MCs Finished OCs</u>	<u>Millions MCs Compound and Packaging Material</u>	<u>Year of Purchase</u>
1979	58.4	30.0	28.4	FY 1978
1980	62.3	20.0	42.3	FY 1979
1981	69.3	10.0	59.3	FY 1980
1982	76.2	-	76.2	FY 1981
1983	83.0	-	83.0	FY 1982
1984	90.1	-	90.1	FY 1983

The cost of these finished cycles of OCs and raw materials is estimated as follows:

<u>US FY</u>	<u>Millions of Finished OCs</u>	<u>Price per MC</u>	<u>Cost of Finished OCs in \$ millions</u>	<u>Millions MCs Compound & Packaging</u>	<u>Raw Material Cost</u>	<u>Cost of materials for locally pro- duced OCs in \$ millions</u>
1978	30.0	\$0.195	5.850	28.4	\$0.146	4.146
1979	20.0	0.214	4.280	42.3	0.160	6.768
1980	10.0	0.235	2.350	59.3	0.176	10.437
1981	-	-	-	76.2	0.193	14.707
1982	-	-	-	83.0	0.212	17.596
1983	-	-	-	90.1	0.233	20.993

Thus the total cost of finished OCs and/or materials for locally produced OCs is estimated as follows:

(in \$ millions)

<u>US FY</u>	<u>FINISHED OCs</u>	<u>RAW MATERIALS</u>	<u>TOTAL COST</u>
1978	5.850	4.146	9.996
1979	4.280	6.768	11.048
1980	2.350	10.437	12.787
1981	-	14.707	14.707
1982	-	17.596	17.596
1983	-	20.993	<u>20.993</u>
		TOTAL	87.127

In order to achieve a smooth transition, it is proposed that the total cost be shared between USAID loan funds and the GOI budget on an annual basis as follows:

(in \$ millions)

<u>US FY</u>	<u>GOI FY</u>	<u>US CONTRIBUTION</u>	<u>GOI CONTRIBUTION</u>	<u>TOTAL COST</u>
1978	1977/78	9.996	-	9.996
1979	1978/79	11.048	-	11.048
1980	1979/80	11.787	1.000	12.787
1981	1980/81	12.707	2.000	14.707
1982	1981/82	10.000	7.596	17.596
1983	1982/83	<u>-</u>	<u>20.993</u>	<u>20.993</u>
TOTALS		55.538	31.589	87.127

It is anticipated that the GOI financing would procure only compound and packing materials. The GOI contribution will be phased in over 3-4 years to allow time to correct any budgeting and procurement problems that may arise.

Beneficiaries:

The beneficiaries of the successful implementation of this project will be rural women who will be able to gain control over their child-bearing through the use of oral contraceptives. This will free some of these women from the threat of maternal mortality (estimated to be in the range of 150-200 per 100,000 births) as well as directly relieve them from the debilitating effects of one child bearing experience after another. Such relief will allow family units to improve the health and education of their children as well as seek life style alternatives as they move away from the margin of subsistence.

The continued reduction in the age parity indicate that younger women are adopting family planning at least to space their childbearing and, hopefully, to limit their family size. Such actions have well documented benefits not only for the mothers, but also on the current living children.

AGENCY FOR INTERNATIONAL DEVELOPMENT
PROJECT IDENTIFICATION DOCUMENT FACESHEET
 TO BE COMPLETED BY ORIGINATING OFFICE

1. TRANSACTION CODE

A
 A = ADD
 C = CHANGE
 D = DELETE

PID

2. DOCUMENT CODE 1

3. COUNTRY/ENTITY

INDONESIA

4. DOCUMENT REVISION NUMBER

5. PROJECT NUMBER (7 DIGITS)

497-0273

6. BUREAU/OFFICE

A. SYMBOL PHA B. CODE 07

7. PROJECT TITLE (MAXIMUM 40 CHARACTERS)

Health TA Research & Training Project

8. PROPOSED NEXT DOCUMENT

A. 2 = PRP
 3 = PP

B. DATE MM YY
 10 76

10. ESTIMATED COSTS

(\$000 OR EQUIVALENT, \$1 = Rp. 414.5)

FUNDING SOURCE		465.85
A. AID APPROPRIATED		3000
B. OTHER U.S.	1. 2.	
C. HOST COUNTRY		
D. OTHER DONOR(S)		
TOTAL		3000

9. ESTIMATED FY OF AUTHORIZATION/OBLIGATION

a. INITIAL FY 7 8 b. FINAL FY 8 0

11. PROPOSED BUDGET AID APPROPRIATED FUNDS (\$000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE		E. FIRST FY 78		LIFE OF PROJECT	
		C. GRANT	D. LOAN	F. GRANT	G. LOAN	H. GRANT	I. LOAN
(1) PH	B530	510		1000		3000	
(2)							
(3)							
(4)							
TOTAL				1000		3000	

12. SECONDARY TECHNICAL CODES (maximum six codes of three positions each)

500

13. SPECIAL CONCERNS CODES (MAXIMUM SIX CODES OF FOUR POSITIONS EACH)

BR R/H DEL

14. SECONDARY PURPOSE CODE

590

15. PROJECT GOAL (MAXIMUM 240 CHARACTERS)

To improve the general health of Indonesia's population, especially the lower income groups in the rural areas, through the extension of a primary health care system.

16. PROJECT PURPOSE (MAXIMUM 480 CHARACTERS)

The improvement of the quantity and quality of health services delivery system at the lowest feasible level, through a program of research and institution building for improved planning, experimentation, evaluation, and coordination of Department of Health activities with other ministries at the provincial and local, as well as at the central level.

17. PLANNING RESOURCE REQUIREMENTS (staff/funds)

18. ORIGINATING OFFICE CLEARANCE

Signature

Thomas C. Niblock

Title

Director, USAID/Indonesia

Date Signed

MM DD YY

19. DATE DOCUMENT RECEIVED BY AID/W, or for AID/W DOCUMENTS, DATE OF DISTRIBUTION

MM DD YY

PID

HEALTH TA, RESEARCH AND TRAINING

I. SUMMARY OF THE PROBLEM AND PROPOSED RESPONSE

The acuteness of the health problem in Indonesia and the priority placed by the GOI and USAID in improving the health status of the rural populace is addressed in the Development Assistance Program (DAP), dated March, 1974. (See pp. 180-187.)

In the Second Five Year Plan, the GOI has made major efforts to improve primary health care to the rural populace as a means to combat the widespread morbidity pattern, and will continue to focus its efforts toward the basic five health priorities:

1. Improve family welfare (with primary emphasis on maternal, child health and family planning services).
2. Increase the availability of health services.
3. Reduce the incidence and prevalence of malaria, TB, and gastrointestinal diseases.
4. Improve nutrition.
5. Increase environmental sanitation facilities.

As has been 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 technological intervention, such as tuberculosis, tetanus, smallpox, diphtheria, whooping cough, typhoid, measles, and poliomyelitis. Control can be achieved through periodic immunization schemes. The other diseases carried by vectors and parasites are those which belong to the pneumonia-diarrhea complex of diseases that affect the gastrointestinal tract and/or respiratory tract, and have a high mortality among infants and children.

These two groups of diseases have no specific form of intervention, but depend either on environmental control of the vector, e.g. malaria or filariasis, or improved health status of the community. An improvement of the health status of the rural populace requires general community socio-economic development, including improvements in sanitation, nutrition, health education and accessibility to health services.

Currently the Department of Health is attempting to raise the health status of the populace through the establishment of a system of community health centers, or PUSKESMAS, based at the sub-district level. The PUSKESMAS is responsible for the areas which will provide comprehensive health care -- medical care, maternal and child health care, family planning, hygiene and sanitation, routine communicable disease control, health education, public health nursing and the collection of data for planning and evaluation, as well as for the referral of patients to the district and provincial hospitals for further treatment.

There are now 2,600 PUSKESMAS in Indonesia, and the planned target for 1979 is one per sub-district (about 3,000) or every 50-60,000 persons. The MCH and polyclinics scattered in the rural sections of each sub-district will also be developed into health centers or sub-centers.

The Department of Health is now exploring possible means of extending health services to the village and raising the health status of each community. The PUSKESMAS staff, especially the health center doctor, is being used to support community health activities, such as the training of voluntary "village health promoters." The volunteers would provide simple health services and refer patients to the PUSKESMAS. They also would play a major role in health nutrition and sanitation education, and should integrate their efforts with extension agents from other ministries at the village level for the general improvement of community and family well-being.

To assist in the development of such a health delivery system, the Department of Health has expanded its planning and research and development capacity within the last several years. In April, 1975 the Bureau of Health Planning was incorporated within the Office of the Secretariat General of the Ministry of Health to cover all the planning units within the Ministry of Health. The Bureau of Health Planning is responsible for data collection and establishment of a data bank; manpower planning; economic analyses; budget planning; and health plan information and evaluation. In the area of health research and development for the Ministry of Health, the National Institutes of Medical Research (LRKN) was established in 1972 to undertake health services research more effectively. Administratively under the Office of the Minister of Health, and servicing all the implementing divisions of the Ministry, LRKN is the overall executive agency for several health research groups which include the Central Public Health Laboratory, the Center for Operations Research, the Center for Ecological Health Management Research, the Center for Pharmaceutical Research, the Center for Research in Cancer and Radiology, the Nutrition Institute (Bogor) and the National Health Services Institute (Surabaya).

This project will seek to assist in the development of the health delivery system by providing to the various directorates of the Department of Health technical assistance and training (in country, third country, or U.S.) in planning and/or implementation of pilot field projects. Small amounts of funding could also be made available for commodity support if needed. The project will be implemented through the Office of the Secretary General of the Ministry of Health.

Funds could be used to improve health planning and coordination between the central, provincial, and local levels through the provision of technical assistance in health planning, health economics, and technical fields, and for in-service staff training programs in these areas. Highly experimental research and development efforts also could be supported through the National Institutes of Medical Research (LRKN) and its related institutes in Jakarta and in the provinces.

Funds for the development of a research and planning capability within the provinces and at the local level could also be made available. This would include pilot testing of various delivery methods at the clinic and community levels, and the collection of necessary supportive baseline data and statistical information to assess health needs and evaluate programs. For example, the project could support a very modest exploratory effort of the Department of Health to tap the technical and research capabilities of various universities whose students could be used as interviewers to lessen demands on the central LRKN staff. Also, long term consultants could be provided to the LRKN for assignment to various university faculties or search centers in the fields of medicine, public health, or rural development.

Outputs:

The outputs of this project will be:

1. Improved planning -- an illustrative list of possible areas would be:
 - a. Planning for Repelita III during FY 78 in the area of "Project Formulation" in support of village development at the central government and at the provincial and kabupaten level.
 - b. The development of health economics as an area of policy planning -- the study of the alternative opportunity costs for inputs into the system, their cost and benefits.

- c. The coordination and use of rural sanitation workers within the PUSKESMAS after graduation from schools for sanitarians.
 - d. Incorporation of nutrition planning into provincial, district, and sub-district health planning.
2. A cadre of trained manpower in health planning at the central, provincial, and district levels.
3. A small cadre of trained manpower in health and social science research and evaluation within the LRKN, its affiliates, and the provincial and local health planning staff of the Department of Health and within the Governor's Planning Unit.
4. A coordinated program between the LRKN and the faculties of selected universities for the development and implementation of government initiated policy research.
5. A series of discrete health research and pilot project activities to continue the process of defining the major components of the health delivery system at the PUSKESMAS and village levels and adapting them to local situations. An illustrative list of possible projects would be:
 - a. Multi-sector exploratory study at the village level on indigenous medical practices, and effects of efforts of extension programs of various ministries on level of family health and nutrition.
 - b. Pilot projects coordinating extension programs in health and community development at the village level through the kabupaten government, and generating community funding of village health insurance schemes.
 - c. The further development of the "village health promoter" concept -- their selection, training, and tasks, i.e. use of programmed instruction handbooks.
 - d. The evaluation of past failures to introduce health insurance schemes at the village level.
 - e. The integration of communicable disease control activities into the system of community health provided at the PUSKESMAS.

- f. The development of a delivery system of potable water at the village level.
- g. The use of satellite technology on the outer islands to initiate health education programs.

Assumptions:

The successful achievement of this project assumes that the Government of Indonesia will continue its interest in improving social welfare in general and the lives of the poor in specific. This must be demonstrated through sufficient allocation of funds to the Department of Health and to other departments working in health and community development. More specifically, the Department of Health must provide its staff with sufficient funds for adequate staff salaries at the various institutes and in the field.

It is assumed that qualified participants for short/long term training can be identified and the GOI will agree to release them for training.

The accomplishment of full project purposes will necessitate that the research and development findings from pilot testing can be communicated to appropriate GOI planners, administrators and technicians by written reports and through opportunities for direct field observations or conferences. An additional assumption is that planners and administrators will be willing to use relevant research and development findings for improving program performance.

It is assumed that some institutional and individual capability to conduct rigorous research already exists in Indonesia, and that in order for this to increase, other donors will continue their support to the various health research institutions. Further, it is assumed that local governments will approve the increased levels of field research.

Finally, it is assumed that the Institute for Health Research and development will delegate responsibility for project identification and implementation to the provincial and sub-provincial level, but will maintain its role as central planner and administrative coordinator.

Activities of Other Donors:

Indonesia receives a variety of technical assistance and health field fellowships from other governments, private foundations, the World Health Organization, UNDP, and UNICEF. Considerable technical advice and health field fellowships in Indonesia are provided by the World Health Organization. In October, 1975, WHO had 44 technical advisors and staff in Indonesia, as well as other short-term consultants and staff, and contributed funds for a limited amount of equipment. UNICEF has undertaken projects in in-service training, health staff training, an applied nutrition program, and in environmental sanitation. Other governments have put the bulk of their money into training and projects requiring large amounts of equipment and other commodities.

Alternatives to the Project:

Under the Health Research and Development Project from FY 75-77, USAID is providing research funds for pilot projects and innovations within the health delivery system.

Both the Department of Health and USAID believe that a program providing for reasonable simple and rapidly implemented rural health service pilot projects is the most appropriate mechanism to accelerate improvement of the health care system in the face of limited resources. In order to provide direction and institutional support for such improvements, this proposed expanded project contains a large component for training and technical assistance of Department of Health staff at the various levels.

Beneficiaries:

The primary beneficiaries are Indonesia's rural population at large who will have access to an improved public health system that will result from pilot testing and improvements within the Department of Health. Since the incidence of morbidity and mortality is highest among infants and children under 5 years of age, and pregnant women, these groups should receive the greatest benefit from a general improvement of the health status of the community. At present 50% of all deaths occur in pre-school children.

II. FINANCIAL REQUIREMENTS AND PLANS

The current estimate of project cost would be approximately \$5.0 million of which USAID would contribute \$3.0 million (\$1.0 million a year in FY 78 through FY 80) and the Department of Health would contribute approximately \$2.0 million.

AID assistance to the National Institute of Health Research and Development would be supported by an LRKN budget of approximately \$2.3 million over the three years of disbursement.

III. DEVELOPMENT OF THE PROJECT

This project will be developed by the Department of Health and USAID staff in consultation with BAPPENAS. Health services planning TDY assistance will not be requested from AID/W.

A PRP will be prepared by October 15, 1976.

During this phase of development the following will be accomplished:

1. Review of the Department of Health's objectives and budgets.
2. Review of the Institute for Health Research and Development's objectives and budgets.
3. Discuss with various universities and faculties the possibility of establishing institutional ties with the Institute for Health Research and Development.

It is expected that the Project Paper will be completed during the summer of 1977.

AGENCY FOR INTERNATIONAL DEVELOPMENT
PROJECT IDENTIFICATION DOCUMENT FACESHEET
 TO BE COMPLETED BY ORIGINATING OFFICE

1. TRANSACTION CODE
 A A = ADD
 C C = CHANGE
 D D = DELETE

PID
 2. DOCUMENT CODE
 1

3. COUNTRY/ENTITY
 INDONESIA

4. DOCUMENT REVISION NUMBER

5. PROJECT NUMBER (7 DIGITS)
 497-0275

6. BUREAU/OFFICE
 A. SYMBOL ASIA B. CODE 04

7. PROJECT TITLE (MAXIMUM 40 CHARACTERS)
 MANPOWER DEVELOPMENT TRAINING

8. PROPOSED NEXT DOCUMENT
 A. 2 = PRP 3 = PP
 B. DATE MM YY 1 2 7 6

10. ESTIMATED COSTS (\$000 OR EQUIVALENT, \$1 = 414.5)

FUNDING SOURCE		BASE
A. AID APPROPRIATED		5500
B. OTHER U.S.	1.	
	2.	
C. HOST COUNTRY		375
D. OTHER DONOR(S)		
TOTAL		5875

9. ESTIMATED FY OF AUTHORIZATION/OBLIGATION
 a. INITIAL FY 7 8 b. FINAL FY 7 8

11. PROPOSED BUDGET AID APPROPRIATED FUNDS (\$000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE		E. FIRST FY 78		LIFE OF PROJECT	
		C. GRANT	D. LOAN	F. GRANT	G. LOAN	H. GRANT	I. LOAN
(1) EH	B-60I	600	600	500	5000	500	5000
(2)							
(3)							
(4)							
TOTAL				500	5000	500	5000

12. SECONDARY TECHNICAL CODES (maximum six codes of three positions each)
 690

13. SPECIAL CONCERNS CODES (MAXIMUM SIX CODES OF FOUR POSITIONS EACH)
 EQTY PART TNG

14. SECONDARY PURPOSE CODE
 663

15. PROJECT GOAL (MAXIMUM 240 CHARACTERS)
 Self-sustained Indonesian economic and social growth through the development of a self-sufficient managerial and technical capability to address development problems, particularly poverty, unemployment, and income equity in rural areas.

16. PROJECT PURPOSE (MAXIMUM 480 CHARACTERS)
 Creation of a significant and growing manpower pool of skilled Indonesians effectively working in various functions and activities having a high developmental priority.

17. PLANNING RESOURCE REQUIREMENTS (staff/funds)
 None - Assuming the planned availability of an Education Officer and a Human Resources Officer.

18. ORIGINATING OFFICE CLEARANCE
 Signature: Thomas C. Niblock
 Title: Director, USAID/Indonesia
 Date Signed: MM DD YY

19. DATE DOCUMENT RECEIVED FOR AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION
 MM DD YY

PID

MANPOWER DEVELOPMENT TRAINING

I. SUMMARY OF THE PROBLEM AND PROPOSED RESPONSE

Steady growth in Indonesia's agriculture and other labor-intensive economic activities will be required to expand earnings opportunities for the existing rural and urban populations as well as the 5-6 million net increase in the labor force during the second plan period. A number of measures have been recommended to enlarge the flow of resources for smallholder agriculture, for labor-intensive industries and for expanded works and maintenance programs at the provincial, district and village levels. Increased revenues at the local level would supplement these transfers and help to provide for larger expenditures on education, health and other social programs. The transfer mechanisms, complemented by the transmigration (resettlement) program, would also contribute to a reduction of regional imbalances in resource availability and generally to the decentralization of development activity otherwise tending to concentrate in a few major centers.

However, a sound rate of employment and a more equitable distribution of income are possible only if Indonesia is able to sharply increase the availability of trained manpower at all levels. New opportunities must be found to involve greater numbers of people in the development process and provide the necessary training to prepare them to effectively pursue these opportunities.

With a more regional orientation being given to development activities, steps will be required to build a cadre of provincial and local authorities to prepare and implement decentralized works and construction programs and projects. The capacity of the public sector to implement the projects and programs which will support economic growth and health is still weak. Although much has been achieved within the present constraints, major inputs of trained manpower are still required to enable the resources available for development to be efficiently used, policies effectively implemented and the objectives of growth and equity realized.

The benefits of this project will impact on all three major mandate areas of AID interest---food and nutrition, population and health, and education and human resources development. Within each of these sectors a variety of institutions, programs, and sub-sector activities will accrue those advantages that accompany an increase in the numbers and kinds of trained manpower. Preliminary plans envisage the in-country

training of personnel to administer and to implement programs in agricultural extension, rural technical training, food manufacturing, processing and marketing, rural works planning and administration, nutrition, health extension services, and regional water and land resources development, to name only a few. Personnel who will receive training represent a broad spectrum of professional, mid-level, and sub-professional skills so sorely needed in Indonesia.

Considerable emphasis will be placed on the training of top-level administrators, mid-level managers and development planners (at all levels). This emphasis, however, will not be made at the expense of ignoring Indonesia's need for various specialized manpower---economists, demographers, intermediate technology specialists, rural development experts, food processing and marketing specialists, social welfare specialists, urban development technicians, etc. This project will provide a flexible and adaptable tool to meet a wide variety of training requirements. Many of Indonesia's manpower needs are recognized, and loan funds will be utilized immediately to confront these needs. Others will be defined in the months ahead.

II. FINANCIAL REQUIREMENTS AND PLANS

Under this project activities will be initiated to identify promising development opportunities and to train personnel to meet the ensuing manpower requirements. Conceptually, an initial grant of \$500,000 will provide funds for preliminary studies and analyses to define those areas where the U.S. might most effectively support Indonesia's multi-sector development activities through training, consultant services and limited pilot and research efforts. Accompanying the grant funds will be a \$5 million loan which will provide funding for various activities the GOI chooses to implement.

Project Outputs:

- The preparation of proposals for training projects which will seek to find solutions to some of Indonesia's development road-blocks.
- A significant number of completed in-country and foreign training programs relevant to development of manpower for economic and social growth.

Project Inputs:

- GOI: Trained professional and sub-professional staff to support project activities. Qualified personnel for training.
- AID: Financial support to finance consultants, limited commodities and training programs.

Major Assumptions:

- The Government of Indonesia will continue to assign high priority to improving the quality of education and training and providing the benefits thereof on an equitable basis.
- Regular and development budgets will increase to support new programs.
- Personnel and facilities will be assigned on a regular basis to work on activities funded under this project.

Beneficiaries:

Although the initial beneficiaries will be the personnel selected for training and to work on project activities, the major beneficiaries will be those deprived Indonesians who through a greater capacity to deal with development problems will find employment and receive a greater share of the nation's income.

III. DEVELOPMENT OF THE PROJECT

It is expected that a PRP will be submitted to AID/W by October 15, 1976 and a Project Paper by August, 1977. Should the Mission not have an Education Officer during this period, TDY assistance from AID/W may be sought.

AGENCY FOR INTERNATIONAL DEVELOPMENT
PROJECT IDENTIFICATION DOCUMENT FACESHEET
 TO BE COMPLETED BY ORIGINATING OFFICE

1. TRANSACTION CODE
 A A = ADD
 C C = CHANGE
 D D = DELETE

PID
 2. DOCUMENT CODE

3. COUNTRY/ENTITY
 INDONESIA

4. DOCUMENT REVISION NUMBER

5. PROJECT NUMBER (7 DIGITS)
 497-0266

6. BUREAU/OFFICE
 A. SYMBOL TAB B. CODE
 08

7. PROJECT TITLE (MAXIMUM 40 CHARACTERS)
 SCIENCE AND TECHNOLOGY

8. PROPOSED NEXT DOCUMENT
 A. 2 = PRP 3 = PP
 B. DATE 1 1 7 6

10. ESTIMATED COSTS (\$000 OR EQUIVALENT, \$1 = 414.5)

FUNDING SOURCE		BASE OF
A. AID APPROPRIATED		5900
B. OTHER	1.	
	U.S. 2.	
C. HOST COUNTRY		1250
D. OTHER DONOR(S)		
TOTAL		7150

9. ESTIMATED FY OF AUTHORIZATION/OBLIGATION
 a. INITIAL FY 7 7 b. FINAL FY

11. PROPOSED BUDGET AID APPROPRIATED FUNDS (\$000)

A. APPRO- PRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE		E. FIRST FY		LIFE OF PROJECT	
		C. GRANT	D. LOAN	F. GRANT	G. LOAN	H. GRANT	I. LOAN
(1) ST	B750		870	300	5000	900	5000
(2)							
(3)							
(4)							
TOTAL					5000		5000

12. SECONDARY TECHNICAL CODES (maximum six codes of three positions each)
 833 | 850 | 310

13. SPECIAL CONCERNS CODES (MAXIMUM SIX CODES OF FOUR POSITIONS EACH)
 TECH | TNG | NUTR | BR
 14. SECONDARY PURPOSE CODE
 790

15. PROJECT GOAL (MAXIMUM 240 CHARACTERS)
 Expand and improve GOI capacity to adapt and utilize U.S. technology while encouraging indigenous technological development

16. PROJECT PURPOSE (MAXIMUM 480 CHARACTERS)
 (a) Develop and raise the capacity of senior and intermediate level GOI manpower to plan, manage and implement development projects in scientific and technological areas.
 (b) Establish U.S.-Indonesian institutional and personal relationships.

17. PLANNING RESOURCE REQUIREMENTS (staff/funds)

18. ORIGINATING OFFICE CLEARANCE
 Signature: Thomas C. Niblock
 Title: Director, USAID/Indonesia
 Date Signed: MM DD YY

19. DATE DOCUMENT RECEIVED FOR AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION
 MM DD YY

PID

SCIENCE AND TECHNOLOGY

I. SUMMARY OF THE PROBLEMS AND POSSIBLE RESPONSES

A. The Problems

Indonesian development efforts in scientific and technological areas suffer from serious shortfalls in the quality and quantity of senior and intermediate level manpower capacity to plan, manage and implement development programs and projects. There is considerable need for education and training in research management, science and technology policy and program development, resource planning, evaluation techniques and environmental impact assessment. Also in short supply are support service skills in documentation and data acquisition, processing, retrieval and analysis; instrumentation maintenance; calibration and repair; surveying and monitoring techniques; communications services, quality improvement, standards development; and organization, management and operation of support service centers.

Greater emphasis in the areas of food and nutrition; health; education; and science and technology during the remaining years of REPELITA II should increase the need for technical consulting services and training. These needs in turn create opportunities in which appropriate U.S. teams and institutions can work together with their Indonesian counterparts as colleagues, with the mutual overall objective of raising Indonesian capacity and capabilities to make its own technological analyses and choices. This training and knowledge sharing process will also serve the further purpose of establishing meaningful U.S.-Indonesian institutional and personal relationships that can extend well beyond the end of any particular project.

B. Possible Projects

The general problems described cover several different sectors. Following in more specific terms, are some of the projects which currently appear most feasible, and which Indonesian government officials themselves have expressed interest in:

1. Geological Sector and Resource Exploration and Mapping:

In the field of geology, vitally important to a mineral-rich area like Indonesia, the 1969-74 U.S. Geological Survey mapping assistance program with the GSI was clearly appreciated, and found effective in upgrading Indonesian capabilities. The GOI requested continuation of USGA services, specifically, a cartographer, and a chart editor to be sure that the new charts being produced by Indonesia are up to international standards. A coal resource survey has been under informal discussion between USGS and GSI and appears well worth supporting. There are further opportunities to assist in applying remote sensing as a tool in resource exploration and mapping, including locating underground aquifers (artesian) for unpolluted drinking water.

2. Marine Geology and Geophysics:

Indonesia has practically no capacity in this important area, despite extensive continental shelf areas. (The GSI is terrestrial oriented.) In this sense, Indonesia is not able to negotiate as an equal with offshore oil companies employing foreign marine geologists and geophysicists, nor to check the veracity of data, analyses and interpretations made by these companies. Given the vital importance of offshore oil in Indonesia's economy, it would seem imperative to correct this situation. Certain U.S. government and private institutions are preeminent in this subject and a joint project to examine choices in marine geology and then to reach joint conclusions and recommendations for plugging this gap would seem a logical use of technical assistance loan funds. A follow-on S&T assistance loan might help implement some of the recommendations, as such a program is relatively long term because of manpower development and capital equipment requirements.

3. Aquatic Resources (marine, brackish and fresh water) Sector:

Indonesian waters and coastlines are a tremendous resource for food and other exports, and rural area employment. Yet Indonesian capabilities in modern oceanography, fisheries research and technology, aquaculture, coastal management, and aquatic environmental protection are very limited in both manpower, planning and equipment. Embarking on a program to gain competence in this area is a long-term and costly undertaking. It is clear that U.S. technical assistance can be of help in the areas of policies and planning, survey and research techniques, selection, operation, calibration, maintenance and repair of instrumentation and equipment, specialized on-site training in oceanology,

oceanographic and fisheries ship design, data processing and interpretation, documentation, etc. Many U.S. governmental and private institutions are expert in the oceanology field, and some stand out in specialized areas such as coastal zone management (University of Rhode Island), and aquaculture (Auburn University and University of Hawaii).

In addition, since Indonesia has one of the longest coastlines in the world, an emphasis on coastal development would seem imperative, with due emphasis on management coupled with environmental protection. It is particularly relevant to the success of transmigration schemes and rural development, as their viability may depend upon employment opportunities.

Aquaculture---the scientific farming of fish and related aquatic products, should be of high priority to develop protein sources, export commodities and new employment opportunities. As natural fish stocks world-wide are now endangered or depleted due to highly efficient capture techniques, "fish farming" has a tremendous future, particularly in tropical areas such as Indonesia.

These and other aquatic resources can provide opportunities for collaborative work under a technical assistance program.

4. Food Processing, Standards, Quality, Preservation, Packaging Distribution, and Marketing Sector:

If food is not produced, naturally it cannot provide nutrition. However, if it is produced, and then is lost somewhere between production (harvesting) and consumption, not only the potential nutritive value is lost, but also the many costs of production, i.e. capital, labor, energy, fertilizer, mineral and water resources, and time. Indonesia cannot afford this multiple loss. While not all food wastage can be avoided, the level can be reduced in economic ways by applying modern scientific and technological methods to nearly all sectors between production and consumption.

The recent rejection (due to salmonella contamination) by the U.S. Food and Drug Administration (USFDA) of a million dollar shipment of Indonesian frog legs serves as an illustration of wastage that should be prevented. If Indonesia expects to increase shrimp, frog legs and other food exports, it must earn an international reputation for high quality foods. FDA and university experts in improving food quality methods and standards could provide technical assistance of great priority to Indonesia in examining in depth the current practices, and jointly devising policies and procedures which, if pursued and enforced, would more or less guarantee that rejection would not recur.

For the local market, modern techniques in processing and handling food can also be adapted to Indonesian conditions to reduce wastage, thereby permitting better nutrition for Indonesians. A prominent Indonesian nutritionist, Prof. Dr. Purwasudarmo, noted that 30% of the total food produced is lost nutritionally (qualitatively) due to poor handling, processing, storing, distribution, etc. A U.S. university consortium team has been working with Central American republics on similar food quality and processing problems. Thailand has also been working on these problems. Facilitating transfer of experience and technology developed in these programs is certainly appropriate for a technical assistance project. Though most of these project ideas were first surfaced during the visit of a representative of the AID/W Office of Science and Technology earlier this year, none of them has been discussed in detail with appropriate Indonesian officials. It is therefore difficult to determine at this time the precise nature and scope of technical and physical resources required or the length of these projects.

One of our major assumptions at this point, however, is that since Indonesia suggested these projects they are thinking seriously about their needs in these areas. There is, moreover, in certain cases actual evidence, such as in the geological sector, that the GOI has already begun programs to try to address these problem areas.

In the initial stages of some of these projects the major intended direct beneficiaries are senior and intermediate level Indonesian officials in various institutions who are responsible for the design, management and implementation of programs in the area of Science and Technology. The very nature of activity in this particular sector almost totally precludes direct benefits to the rural poor majority. Indirectly, however, to the degree that the transfer of knowledge is successful we should begin to see actual development projects designed to turn the new knowledge into benefits for the poorer Indonesian people---who in many cases are the ultimate focus of the agencies to which we envision assistance. Included among the probable specific outputs of the projects discussed are the following:

- a. A core of Indonesian officials with specific skills in marine geology and geophysics;
- b. Established capacity to gather and analyze data on offshore marine resources, including oil;
- c. Capacity to calibrate, repair and maintain various types of resource survey instruments;
- d. Established working relationships between specific U.S. and Indonesian institutions;

- e. Food processing and packaging standards that meet USFDA standards and significantly reduce food wastage in both the export and domestic sectors.

II. FINANCING PLANS

We intend to fund these projects through a combination of loan and grant funds in accordance with Section 106 of the Foreign Assistance Act. The loan might serve as a line of credit from which to draw funds to cover pilot studies or exchanges between Indonesian and U.S. institutions. Grants would be used for costs related to USAID advisors and for many experimental activities. We cannot at this time estimate the total amount of the Indonesian contributions to these programs, although a GOI commitment to at least 25% of total project costs will be a condition to conclusion of a project paper.

III. DEVELOPMENT OF THE PROJECTS

Assuming the timely arrival of the Mission Science and Technology Officer we expect to submit a FRP by October 15, 1976 and a final PP by March, 1977. We currently see no need for outside assistance.

AGENCY FOR INTERNATIONAL DEVELOPMENT
PROJECT IDENTIFICATION DOCUMENT FACESHEET
 TO BE COMPLETED BY ORIGINATING OFFICE

1. TRANSACTION CODE

A
 A = ADD
 C = CHANGE
 D = DELETE

PID

2. DOCUMENT CODE

3. COUNTRY/ENTITY

INDONESIA

4. DOCUMENT REVISION NUMBER

5. PROJECT NUMBER (7 DIGITS)

497-0268

5. BUREAU/OFFICE

A. SYMBOL

B. CODE

.08

7. PROJECT TITLE (MAXIMUM 80 CHARACTERS)

INTERMEDIATE & LOW COST TECHNOLOGY I

8. PROPOSED NEXT DOCUMENT

A. 2 = PRP
 2 = PRP
 3 = PP

3. DATE

MM YY
11 76

10. ESTIMATED COSTS

(...) OR EQUIVALENT, \$1 = Rp414.5

FUNDING SOURCE

SAFESE

A. AID APPROPRIATED

500

B. OTHER U.S.

1.

2.

C. HOST COUNTRY

200

D. OTHER DONOR(S)

TOTAL

700

11. PROPOSED BUDGET AID APPROPRIATED FUNDS (\$000)

A. APPRO- PRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE		E. FIRST FY 78		LIFE OF PROJECT	
		C. GRANT	D. LOAN	F. GRANT	G. LOAN	H. GRANT	I. LOAN
(1) ST	B750	875		250		500	
(2)							
(3)							
(4)							
TOTAL				250		500	

12. SECONDARY TECHNICAL CODES (maximum six codes of three positions each)

112

874

333

329

13. SPECIAL CONCERNS CODES (MAXIMUM SIX CODES OF FOUR POSITIONS EACH)

TECH

BR

BL

BS

NUTR

14. SECONDARY PURPOSE CODE

790

15. PROJECT GOAL (MAXIMUM 240 CHARACTERS)

To improve nutrition, agricultural production and employment opportunities in rural Indonesia through the development, transfer and application of intermediate technology.

16. PROJECT PURPOSE (MAXIMUM 480 CHARACTERS)

To determine how AID can best contribute to development and dissemination of intermediate technology appropriate to rural development programs in Indonesia by involvement in pilot projects and working with local innovators.

17. PLANNING RESOURCE REQUIREMENTS (staff/funds)

18. ORIGINATING OFFICE CLEARANCE

Signature

[Handwritten Signature]

Title

Date Signed

MM DD YY

19. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS DATE OF DISTRIBUTION

MM DD YY

INTERMEDIATE & LOW COST TECHNOLOGY I

I. SUMMARY OF THE PROBLEM AND PROPOSED RESPONSE

USAID/Indonesia desires to be helpful in development of low investment technology which will add to employment opportunities of the rural and urban poor. Technology appropriate for the creation of additional non-farming jobs is if anything a more pressing problem in Indonesia than improving technology for food production. This project is a pioneering effort to try to learn how to be helpful. It will do this by encouragement and support of Indonesian innovators and by providing funds for pilot and demonstration projects. American institutions and technicians who have demonstrated an aptitude for this type of effort will be used to backstop Indonesian counterparts.

It is readily apparent that Rural Development in Indonesia will not succeed without considerable effort to identify and utilize appropriate, intermediate technology---particularly in areas such as construction, water, power, crop storage and processing, small-scale manufacturing, health services, and conversion of waste to useful products. In this latter problem area, for example, we understand that Indonesian fishermen often throw back considerable amounts of "trash fish." There is opportunity here. It may be possible to convert this wasted marine harvest into a useful product in an economic way, through the development of a shipboard fish meal converter or cooker. Fish meal has export potential, or may form the basis for a new rural industry, such as modern production of poultry. Technical assistance could be provided to explore these or similar potentials to increase food supplies and work opportunities.

In Indonesia, the Development Technology Center (DTC) at the Institute of Technology, Bandung, is already experimenting with biogas production and looking at other alternative energy sources, such as solar energy (through the greenhouse effect) and windpower to provide energy for isolated communities, to relieve pressures on fossil fuels and on decimation of forests for firewood, and also to provide economic and social benefits.

AID-sponsored experimentation is also under way in the U.S. to convert agricultural waste into usable energy forms, either by microbiological action to produce methane ("biogas"), or by the pyrolytic process to produce charcoal, oils and gases, the latter being used to run converters which may be fixed or mobile. These systems are light capital, intermediate technology meant for rural areas in particular. They can utilize almost any organic waste, such as sawdust, peanut hulls, cashew nut hulls, banana leaves, rice hulls and straw, manure, coconut husks, etc. As field development and testing for this AID/W sponsored research needs to be done, potentials exist for appending a field application trial in Indonesia to the results of some centrally funded R&D project.

The USAID intends, as indicated in the ABS introductory statement on Science and Technology, to assist Indonesia under Section 107 of the Foreign Assistance Act with a series of small grants up to a limit of \$500,000 in support of expanded efforts to identify and promote appropriate, intermediate technology in Indonesia. These initial grants are viewed as an experimental undertaking which would lead to a more substantial effort in FY 1979 or FY 1980. Other examples of the kinds of intermediate technology sub-activities which might be financed under the project are:

1. Small Industry Development

The Ministry of Industry and the DTC-ITB have recently begun to focus on small entrepreneur and small industry development, particularly in rural areas, for generating new employment opportunities and providing better economic and social conditions. This focus matches an AID priority. The Georgia Institute of Technology has extensive experience in all aspects of such a program, and is linked with other institutions with similar interests, world-wide. It is likely that Georgia Tech could make available its valuable experience and methodology for the benefit of Indonesian institutions involved in this sector or help in planning expansion of the sector, if desired. In this sense we would contribute directly to one of our key program objectives: the further development of Indonesian institutional capacity to carry on their own efforts to develop technology appropriate to the needs of Indonesia's rural majority.

2. Ferro Cement

Wooden pontoons used to support the ferries which provide the only means for vehicles to cross many of Aceh's rivers last less than a year. Sand mining from river bottoms in Aceh provides employment and a basic building material. The small boats used to collect the sand last about three months. Much commerce in Aceh and throughout Indonesia moves along rivers. However, quays built on log pilings are difficult to construct and deteriorate rapidly; floating quays are often preferable. These circumstances provide an opportunity for the construction and use of ferrocement hulls. The cement and wire required are available in hundreds of small pasars, but the technology, although simple and used widely in China and other developing countries, is totally unknown in Aceh and in most other areas of Indonesia.

3. Fiberglassing Wooden Hulls

In the last five years in Banda Aceh, a fleet of 91 motorized, 30-40' fishing launches has been created. Due to the presence of wood borers in the Krang River where the fleet is berthed, much of the hull planking must be replaced after three years, the remaining original planks must be replaced. This high cost maintenance might be avoided by encasing the hull in fiberglass. This technology is not used in Indonesia and, if it were introduced, resin and fiberglass strips would have to be imported, which would introduce problems of availability and cost. However, given the exorbitant cost and short asset life, the Acehnese fishermen might want to try it.

4. Smoked and Salted Fish and Meat

With the large expansion in the fleet, Aceh marine fish production is on the verge of saturating the local market. Prospects for refrigerated exports are poor due to the absence of cold storage, infrequent shipping contacts, and, for some time to come, the absence of volumes large enough to justify greatly increased capital investment in a chilled- or frozen-produce export operation. Aceh has the resources to greatly increase beef production, but is held back by the absence of cold storage and refrigerator trucks and ships. This situation suggests the use of smoking and salting for the low-cost preservation of small lot shipments and technologies for this purpose need to be adapted to the Indonesian situation.

5. Development of Small Scale Ice Production and Distribution Systems Throughout Indonesia

Considerable attention has been given to the need for large-scale food processing and refrigeration plants in Indonesia. The primary purpose of this attention, however, is to increase the export potential for Indonesian food products, particularly sea food and aquaculture products. Correspondingly little effort appears to be made to respond to more basic food preservation and distribution problems among the rural and urban poor. Considerable amounts of the daily fish catch are either lost through spoilage or of poor quality by the time of purchase because of the lack of ice.

An intermediate level technology needs to be developed for the production of ice for use in local markets, on fishing boats, for delivery to smaller nearby towns or to help preserve fish transported in small vehicles to inland villages. Several purposes could be

served by such ice production and distribution systems. Most importantly they would greatly facilitate the delivery of high protein seafood to inland areas and contribute directly to relief of one of Indonesia's major rural problems---protein malnutrition. The plants and the distribution of vehicles themselves would provide some employment opportunities and, they would also serve the interest of local entrepreneurship.

AID already has some experience with the use of solar energy for ice plants. The DTC has already developed a prototype ice production process that does not require electricity. It needs help, however, to further develop this hardware. There are probably other sources of experience that could be tapped to explore such possibilities in Indonesia and then transfer the appropriate technology.

Beneficiaries:

Virtually all of the projects mentioned above directly affect the employment, nutritional or energy requirements of the rural majority. They all seek to utilize or develop simple technology, in accordance with Section 107 of the Foreign Assistance Act, that will provide immediate improvement in the lives of the people.

Outputs and Spread Effect:

Expected specific outputs would include an expanded and higher quality staff at the DTC, actual application in villages of technology developed by DTC in energy production, (biogas, solar, water) food processing, preservation and distribution (low cost rural ice production processes, higher protein element in rural diets) and increased rural employment directly attributed to recently applied intermediate technology. The potential spread effect of some of these projects is enormous. Low cost ice production processes for example could spread rapidly as this is an area in which there is both need and opportunity for small scale private enterprise particularly in the distribution of the ice once it is produced. The spread effect will also be greatly facilitated by the current plans of DTC to establish a network of field stations throughout Java.

A key primary assumption necessary to ultimate success is that the GOI will respond energetically to successful demonstrations of applications of intermediate technology in rural areas through increased support to institutions such as the Development Technology Center in Bandung and the spread of intermediate technology beyond these initial projects and areas which AID might support.

II. FINANCIAL REQUIREMENTS AND PLANS

We hope to support a series of sub-projects with the \$500,000 in grant funds proposed for FY 1977 and FY 1978. We cannot, however, at this time make an estimate of individual sub-project cost. It is anticipated that the GOI will provide a minimum of 25% of the costs and probably more. The GOI already supports the DTC in Bandung. Virtually all of the sub-projects we have briefly discussed above could, if successfully implemented, be self-perpetuating in a relatively short time---probably less than three years.

The Grant would be used to support U.S. advisors, provide low cost financing for a given project, promote further training of Indonesian staff at U.S. institutions or visits by Indonesians to other developing countries where significant progress has been made in identifying and applying intermediate technology.

III. DEVELOPMENT OF THE PROJECT

Another key assumption affecting the ultimate successful development of any of these projects is that the USAID will soon have a full time Science and Technology officer on board. We also hope to be able to work closely with already functioning institutions such as the DTC and its able director, Dr. Felino Harahap. In addition, many of these project areas are under consideration for the Aceh Provincial Development Project for which a PRP already exists. The Governor of this province is a particularly capable and performance oriented administrator who is anxious to see rapid progress in project development and implementation.

Since this project does not exceed \$500,000 in total AID financing, we intend to omit the PRP stage per Chapter 2 of AID Handbook No. 3. It is anticipated that the PP will be completed by March, 1977, and that no outside consultants or AID/W TDY assistance will be required.

**DEVELOPMENT TECHNOLOGY CENTER
INSTITUTE OF TECHNOLOGY BANDUNG
DTC - ITB**



Mailing address : P.C. BOX 276, BANDUNG
Office address : JALAN GANESHA 10
BANDUNG
Telephone : 82051-82055 ext. 246
Telex code : --
Cable address : DTC-ITB BANDUNG

**DEVELOPMENT TECHNOLOGY CENTER
INSTITUTE OF TECHNOLOGY BANDUNG
DTC - ITB**

The Development Technology Center (DTC), an organization within the Institute of Technology Bandung (ITB), was established in 1973 by a decree of the Rector of ITB. DTC is a flexible organization, consisting of a group of ITB professors and staff members who are interested in conducting research and development programs and problems related to the development of Indonesia.

The focus of DTC activities is the application of a wide range of intermediate technologies to the needs of development including rural development. Priority concerns of DTC are the planning, selection, and development of appropriate technologies and of the specific skills necessary for integrated development.

The character of DTC programs are geared to the development missions of Indonesia and are designed to find and demonstrate new means by which modern science and technology can contribute to national development through new, simpler, and less expensive techniques. The DTC group believes that appropriate technology and strengthened economic agents can contribute significantly to meeting the challenges of unemployment and underemployment in Indonesia.

I. OBJECTIVES AND POLICIES

1. To promote ITB as a center for development technology (ITB Master Plan 1971 - 1991) and facilitate the input of ITB's scientific and technical resources to the generation of appropriate technology and programs to achieve national development goals.
2. To formulate, evaluate, and execute technological projects conforming with the following priority characteristics :
 - directly contributory to the needs of development; involve and strengthen a multidisciplinary approach to activities;
 - oriented toward action research, innovation, and development;
 - contribute to the development of indigenous skills and economic systems.

3. To stimulate the development and transfer of specific technologies needed by the development, and if necessary, manage the application of such new technology.
4. To foster collaboration with similar agencies and institutions both within Indonesia and internationally.

II. PROBLEM AREAS OF INTEREST

1. Linkages between macro planning and micro implementation for rural, regional, and national development.
2. Innovation and transfer of technology appropriate to the needs of national development.
3. Development of entrepreneurial agents and enterprise systems.
4. Productivity and the effective utilization of technology in enterprises.
5. Other topics in science and technology policy for national development.

III. ACTIVITIES

1. Rural Appropriate Development Technology : Five year Collaboration with the Netherlands TOOL (Technische Ontwikkeling Ontwikkelings Landen) Foundation. Extensive program will establish :
 - a technical information system;
 - hardware development projects;
 - a system of field stations for realistic testing and demonstration of hardware or software technologies;
 - an inquiry and extension activity complemented by publication, documentation, and training programs.
2. Entrepreneurial development and training programs with project and materials development and evaluation.
3. Development of Local Power Sources : solar energy, wind energy, bio-gas, micro-hydro, and integrated systems, mainly for the rural areas in the form of autonomous or decentralized systems.

4. Appropriate Technology Hardware Development and Testing.

Sample Projects :

- non electric ice-maker;
- agricultural product dryer;
- food processing technologies : *Kemiri* nut shelling machine, coconut processing;
- stone cutter for cottage jewelry industry.

5. Technical needs assessment, regional development, and technology transfer studies. Regionalization of technology transfer through Regional Development Technology Centers.
6. Field Station Yayasan Dian Desa. Appropriate Technology development and demonstration in and around Jogjakarta, Central Java.
7. Study with CAMS (Council for Asian Manpower Studies) on relationship between local small industries and multinational joint venture emphasizing vehicle assembly.

PROSPECTIVE PROGRAMS

1. Collaboration with TDI (Technology and Development Institute), East-West Center, Honolulu, Hawaii.
2. Collaboration with BUTSI (Indonesian Volunteers Service), KKN (Work Study Program for Students), and other Indonesian development service programs.

PAST PROJECTS

1. Survey of productivity of metalsmiths in rural and urban-rural transition areas.
2. Consultancy to develop achievement motivation training program for entrepreneur development. UNIDO sponsored.
3. Collaboration with Regional Adaptive Technology Center, University of Hassanuddin, Indonesia.

STAFF AND ORGANIZATION

DTC-ITB is a flexible, self-supporting organization based at the Institute of Technology Bandung and drawing primary staff inputs from the ITB faculty. Other individuals and institutions, such as the University of Padjadjaran, do provide valuable contributions to DTC activities.

Governing Board.

Chairman : The Rector of ITB
Prof. Dr. D. A. Tisna Amidjaja

Daily Chairman : W.J. Waworoentoe

Associate Members :

Prof. Dr. Ing. Iskandar Alisyahbana
Dr. S. Sapiie
Prof. Dr. Khu Khian Hoo
Drs. M.T. Zen
Prof. Dr. Samaun Samadikun
Ir. Hasan Purbo
Dr. Ir. Filino Harahap
Dr. Poerwo Arbianto
Dr. Hariadi Supangkat
Dr. Ir. Harsono Tarupratjeka.

Executive Staff.

Director : Dr. Ir. Filino Harahap

Deputy Directors :

1. Planning, Programming and Evaluation Unit :
Dr. Ir. Saswinadi Sasmojo
Ir. Bambang B. Soedjito
2. Hardware Development Project :
Dr. Ir. Harsono Wirjosumarto
3. Skill Level and Professional Development :
Ir. M. Halim, MSIE & OR.
4. DTC-TOOL Project Leader :
Dr. Bana Kartasasmita
5. Dian Desa Field Station Project Leader :
Ir. Anton Sudjarwo
6. Entrepreneur Development Project Leader :
Soemarto, Dipl. Psych.

Full Time Office and Program Staff :

- Ir. Bersih Tarigant, Executive Secretary
- Ir. Suryandi Sadeli, Hardware Development Projects.

Administrative and Secretarial Staff (5 persons)

EDP (Entrepreneur Development Program) Staff
(3 persons).

DTC programs have received support from various sources including Indonesian government offices and banks, international agencies and foundation, local governments and organizations, and institutions of higher learning.

The DTC considers the set of difficult and complex problems relating to development programs in Indonesia in this age of rapidly changing technology as a challenge that will have to be met by solutions which are still buried in a body of unknown science and technology. To the DTC this science and technology possesses academic and scientific values which are equivalent to the conventional academic values. Also, the DTC perceives the mastery of this unknown science and technology as promising significant potential and utility for the development of Indonesia.

CARE - INDONESIA
ANNUAL PROGRAM PLAN
FY 1978

Country : INDONESIA
Submission Date : June 8, 1976

I. ELEMENTS OF OPERATIONS

A. Identification

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 District Governments of the Provincial Government of West Java, the Directorate of Plantations of the Central Government's Department of Agriculture, and the Food and Nutrition Unit of the Department of Agriculture.
2. The functions and assigned duties of the four American CARE staff members responsible for PL480 Title II nutrition feeding programs in Indonesia are as follows:
 - a. Dallas M Vipond - 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 PO Box 2718, Jakarta.
 - b. Guy Kirkman - As the Deputy Director and Administrative Officer of CARE-Indonesia, he is responsible for general administration and spends a portion of his time supervising PL480 Title II programs. He is stationed in Jakarta.
 - c. James T Grossmann - Food Program Development and Operations Officer, is responsible for commodity, clearance, accounting, end-use checks and self-auditing procedures. In addition he is principally responsible, but assisted by other CARE Indonesia staff, for governmental liaison on food programs and for the development of new food programs involving Title II Commodities. He also works out of the CARE main office in Jakarta.
 - d. Earl J Goodyear - As the Director of CARE-west Java, he spends the majority of his time in the supervision of PL480 Title II and related applied nutrition programs. He is directly responsible for day-to-day operational supervision including commodity allocation, distribution, and end-use checks.

- d. Earl J Goodyear (continued) - In addition he is also jointly responsible with the CARE-Jakarta Staff for the long run planning and new program development of PL 480 Title II programs. The CARE-West Java office is located at Jalan Karang Tinggal 28, Bandung.

- e. 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. Tirta Sasmita	Controller/Internal Auditor
	2. Aida Nuh	Nutritionist (INP)
	3. Victor	Port Clearance
	4. Fred Widjaja	Inventory
BANDUNG:	1. Arifien Atmadjakusumah	Feeding Program Supervisor (INP)
	2. Dana Krisna	Feeding Program Assistant (INP)
	3. Athol J Kilgour	Agricultural Advisor (INP)
	4. Maman Sudirman	Agricultural Field Assistant (INP)
	5. Jantien Wisselink	Program Advisor (INP)
	6. Nanang Sadarsyah	Field Observer (INP)
	7. Maruli H Sitorus	Field Observer (INP)
	8. S u p a r m a n	Field Observer (INP)
	9. Rachmat S Wijaya	Field Observer (INP)
	10. Mimi Damamini	Field Observer (INP)
	11. Retno Harsono	Secretary (INP)
	12. Nunuk Pitoyo	Secretary (INP)
	13. Rachmat Subanda	Office Assistant (INP)
	14. Effendi	Driver (INP)
	15. Aleh Solihin	Driver (INP)
	16. U m a r	Driver (INP)
	17. Superman	Driver (INP)
	18. R.J. Soemijanto	Driver (INP)
	19. Dudung Abdurachman	Mechanic (INP)
	20. Djuenedi	Office Watchman (INP)
	21. Andi Sulaeman	Office Watchman (INP)

B. Agency Agreements

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 agreements with the Provincial Government and District Governments and also with the individual Plantation Estate Groups under the Directorate of Plantations, Department of Agriculture.
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.C. 1571.1 paragraph VI.B.1.

C. Area - Scope - Conditions of Operations

1. The PL 480 Title II Nutrition feeding programs are currently limited to the Province of West Java but we have the intention to expand to other parts of Java and other areas where needed and feasible.
2. The Distribution method to be utilized in making food available to each category of recipients is as follows:
 - a. MCH - A targeted 63,000 recipients will be provided with WSB, WSD, SFSG at the rate of 2.5 lbs., 1.5 lbs, and 1.5lbs respectively, per recipient per month for 12 months. WSB and SFSG will be interchangeable and recipients will be authorized to receive a total of 4.85 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. Locally Developed Multi-Mixes - Approximately 2,000 recipients - 500 in the MCH Category and 1,500 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 and District Governments and the Plantation Estate Groups 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 Receiving - 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/Estate 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 FFPC. A Senior Indonesian employee has been appointed as Controller/Internal Auditor.

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 Cooperating Government and the Plantation Estate Groups under the CARE annual agreements.

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 Agreements.
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 Cooperating Governments in West Java and the Plantation Estate Groups.

F. Storage Facilities.

1. The Kabupaten Government 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 hold 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 and District Governments and the Plantation Estate Groups 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 US-ID-Indonesia and CARE-Indonesia and the T./N-USDA contract with CARE - Indonesia to test the Brady Crop Cooker, a low cost cooker extrusion machine in CARE Indonesia's Integrated Nutrition Project (INP), CARE-Indonesia imported whole grain sorghum and corn (bagged). Soybeans have been requested 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 LDMs (Locally-Developed Multi-Mixes) are suitable for eventual substitution of processed PL480 Title II commodities such as WSB and WSD. It is planned that a "demi-indigenous Mix" using PL 480 grains, vegetable oil and locally grown 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 AIDTO 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 cooperating Kabupaten Governments and the Plantation Estate Groups necessary to implement this program is presented in paragraph III.
2. Local food preparations made from the PL480 Title II commodities provided by US-ID through CARE including the cost of fuel, utensils, supplementary ingredients, cook'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 can not 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 disbursement is maintained.

J. Acceptability of available foods - Computation of Food Requirements

1. We plan to import on adjusted total requirement (Line 17 of the FY78 AER) of PL480 Title II commodities as follows : 4,672,000 lbs of WSB and 1,200,000 lbs of WSD, and 2,814,500 lbs of SFSG for direct programming with an estimated 150,000 MCH and Pre-SCH recipients. 500,000 lbs each of grains of bagged grain sorghum and corn and 250,000 lbs of lentils (dried peas and lentils - if available under Title II) of SFSG 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/Pre School Nutrition Feeding Program
Target : 150,000 (63,000 MCH; 87,000 Pre-School) recipients over a period of 12 months. The average number of feeding days is 26 per months.

OVERALL RATE OF CALORIES/PROTEIN PROVIDED BY RATIONS

<u>Commodity</u>	<u>Daily Ration (grams)</u>	<u>Daily Protein (grams)</u>	<u>Daily calories</u>	<u>Total Annual Requirements</u>	<u>Lbs per month</u>
				(Line 8 of AER)	
WSD	17.44	3.5	76.10	1,530,000 lbs	.85
WSB	44	8.8	158.40	3,978,000 lbs	2.5
SFSG	30.00	4.8	107.70	2,700,000 lbs	1.5
Total	91.44	17.1	342.2	8,208,000 lbs	4.85

See Attachment A for Requirements provided by rations for each recipient category.

b. 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 dried peas and lentils (if available) complement the locally-grown and purchased foodgrains/oil seeds, and lentils to produce a semi-indigenous food mix using the extrusion cooker technology. The approximate total of grains and lentils (if available) as per Line 8 of the FY78 AER is 1,250,000 lbs.

c. Thus the grand total of PL480 Title II commodities requested is 9,458,000 lbs per Line 8 of the FY78 AER.

d. The combination of WSB and WSD should be acceptable since these commodities can be prepared separately or in combination in culturally acceptable recipes. SFSG has proven acceptable.

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 31% of the protein and 16% 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 Observer 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-Indonesia that overt and ostentatious program publicity which mentions either the US 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 has increased little if at all. Health and Nutrition at 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 demonstrate through the programming of PL480 Title II commodities and other nutrition action the need to find pragmatic and realistic solutions to nutritional problems for the most vulnerable groups. The development of indigenous and semi-indigenous LDM's through the judicious use of PL 480 Title II commodities will remain one of the prime objectives of our Nutrition/Feeding Programs.

Given the complexity of nutrition problems in Indonesia and the length of time required to effectively reach the MCH Pre-School level. 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 FY82. PL 480 Title II commodities are needed until FY82. Without effective alternatives such as are being sought through (Integrated Nutrition Project) being developed by CARE and its Indonesian counterparts having the time to prove themselves, there is little likelihood that nutrition action projects on any scale will take root in Indonesia in the immediate future. PL 480 commodities are thus vital.

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. % of total (1-3 yrs.)	Age Group vs. % of total (4-6 yrs.)	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. This study reveals very high PCM rates; others have shown averages of 44 to 50%. CARE views the PL 480 Title II Program as perhaps the only viable means of providing a synergistic programming mechanism 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 for the estimated 150,000 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 (INF) as described in the FY 75 Program Plan, with some variations to reflect changed conditions.

III. Contributions to Program

For FY 78, 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 78 AER).

1.	4,672,000 lbs. of WSB at .1250 ¢ per lb.	= \$	584,000
2.	1,200,000 lbs. of WSD at .3300 ¢ per lb.	= \$	396,000
3.	2,814,500 lbs. of SFSG at .0900 ¢ per lb.	= \$	253,305
	4,500,000 lbs. of sorghum .0518 ¢ per lb.	=	25,900
4.	500,000 lbs. of bagged corn bagged at .0577 ¢ per lb.	= \$	28,850
5.	200,000 lbs. of Dried Peas & Lentils (requested if available) at .1500 ¢ per lb.	= \$	30,000 ⁽¹⁾
6.	Total estimated ocean freight	= \$	495,000
			<hr/>
Sub-total (Column A)			\$ 1,813,055

(1) Cost not known-estimated 1500¢ per lb

B. Government of Indonesia

1. Integrated Nutrition Project Estimated Inputs = \$ 18,500

C. Government of Australia

1. Integrated Nutrition Project Estimated Inputs = \$ 25,000

D. CARE-Indonesia

1. Integrated Nutrition Project Estimated Inputs = \$ 44,500

E. Plantation Estate Group (West Java)

1. Integrated Nutrition Project Estimated Inputs = \$ 38,000
2. Clearing and transportation of commodities = \$ 15,000
3. Administration and Operational costs = \$ 24,500
4. Condiments, fuel, preparation cost = \$ 187,500

Sub-total (Column E) \$ 265,000

F. District Governments, Province of West Java	
1. Integrated Nutrition Project Estimated Inputs	= \$ 21,000
2. Clearing and transportation of commodities	= \$ 10,000
3. Administrative and Operational Costs	= \$ 25,000
4. Kabupaten (District level) inputs for warehousing and commodity transportation	= \$ 8,000
5. End-use institution inputs for commodity transportation, condiments, fuel, preparation costs, etc.	= \$ 65,000
Sub-total (Column F)	= \$ 129,000
G. Sub Total (B+C+D+E+F)	
	\$ 482,000
H. AID input through Co-Financing for Integrated Nutrition Project	
	= \$ 125,000
I. <u>Grand Totals</u>	
Total Column A	= \$ 1,813,055
Total Column G	= \$ 482,000
Total Column H	= \$ 125,000
Grand total (Column A+G+H)	= \$ 2,420,055 =====

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7/6/76

Pre Plan Statement for FY 79 to FY 82
CARE-Indonesia Title II PL 480 Nutrition/
Feeding Programs in Indonesia

I. Introduction

CARE contemplates programming in new recipient categories beginning in FY79; we envisage continued development of MCH/Pre School Nutrition Programs in cooperation with Estate Groups and District Governments throughout Indonesia. The Estate Program will have outreach component to serve surrounding villages off the Estates as well the families living in the estates communities. MCH/Pre-School Nutrition Programs both on the Estates and in the Districts will employ the Integrated Nutrition approach strategy involving nutrition supplementation, nutrition education/information, and family food production. The local food development component will be supportive of all such activities.

CARE also hopes to develop FFW Programs, a new area of Title II programming for us, in support of GOI and Local Government efforts in transmigration (land settlement) soil conservation and erosion control, reforestation, and agricultural development, etc. The needs for such activities are immense in Indonesia and both the GOI and USAID have assigned these activities an increasingly high priority. CARE views FFW activities as offering an exciting challenge and opportunity to expand Title II programming in Indonesia in worthwhile ways that are also supportive of overall Nutrition program objectives.

II Assumptions

However it is CARE Indonesia's assesment that expansion of FFW and MCH/Pre School programming would require certain pre-conditions. Thus the figures presented in the commodity and budget projections are provisional and rest on the assumption that the indicated pre-conditions will be established.

Following are the pre-conditions required to establish the basis and framework for an expanded Title II Program in Indonesia.

A. Recommended Government of Indonesia and USAID Actions

1. PL480 Commodities should be accorded a priority in processing for clearance and distribution, included provision for priority in discharge and unloading if required;
2. The GOI (Central Government) should provide a satisfactory Port Warehouse free of all charges, demurrage fees, etc. to the Voluntary agencies and Counterparts while commodities are in transit to GOI Counterparts for distribution to ultimate beneficiaries;
3. Internal transportation and other distribution costs would have to be met either by the Central Government or the Counterparts or a combination;
4. The GOI and Counterparts must contribute in a substantial way to help meet CARE's program and operations costs;
5. AID/I should provide OPG support for the FFW activities. This would be for partial staff and operations support costs, material and equipment, and technical expertise-erosion control specialists, soils and crop specialists, etc. This OPG could take the form of a resource pool to be utilized by U.S Volagencies involved in FFW projects.
6. AID/I and AID/W should commit the necessary PL480 food commodities over the life of the proposed projects.

Discussions among the Voluntary Agencies working in Indonesia with USAID Staff have led to some consideration of closer joint efforts in connection with food and nutrition programs. The Inter-Ministerial Committee for the Improvement of Nutrition (People's Diet) is increasing efforts to provide an effective framework for nutrition planning and nutrition intervention projects. The time seems opportune, therefore, to improve coordination and communication. CARE is working towards an umbrella agreement for all its nutrition action projects with this Committee.

At the same time, with the interest that the GOI is showing in the possible use of PL 480 Title II resources in FFW Projects that would help to develop and protect natural resources the time seems advantageous to also promote better cooperation and planning between Government and volagency in FFW activities. This is not to imply that there is no such cooperation/communication at present but clearly an expanded program would require increased efforts and increased resources.

B. OPG Pool For FFW Projects

CARE is taking the lead in proposing that an OPG be developed for use by the volagencies that are or will be actively involved in FFW activities in Indonesia. This OPG would provide USAID funds for volagency staff and operations support, materials such as seeds, sprayers, handtools, and construction materials, and the addition of expertise in minor irrigation, reforestation, crops and soils, etc. CARE and the other volagencies lack the resources to consider expanding FFW activities and an OPG to help do this would be an excellent catalyst as well as ensure project management and technical capability as well as integrating Title II with the volagencies and USAID/Indonesia rural development projects.

CARE estimates that an OPG on the order of 150,000 to 2175,000 per year to be drawn on by the collaborating volagencies would be required in support of FFW activities. It will take time to develop a precise budget because considerable consultation between the GOI, USAID/Indonesia, and the volagencies would be necessary.

III. Program Management

A. MCH/Pre - School

CARE is working to bring its MCH/Pre-School (Nutrition Supplementation Programs) and all of its Integrated Nutrition Projects under the Umbrella of the Inter-Ministerial Committee for the Improvement of Nutrition (People's Diet). These would then be action projects of this Committee. The operational cooperation and implementing counterparts would continue as before, i.e., Plantation Groups, Provincial and District Governments, Bogor Agricultural University, IPB, Nutrition Research and Development Center (N.R.D.C.), Bogor, etc. but the total scope of the Integrated Nutrition activities would occur in the framework of the national nutrition coordinating body. CARE and the Food and Nutrition Unit of the Department of Agriculture are working closely to accomplish this integration.

Accordingly CARE PL480 assisted nutrition programs would become part of the National program for nutrition improvement. At present the Inter-Ministerial Committee has plans and interest but no programs. Resources must come from the cooperating technical department i.e., agriculture health, education, etc. PL 480 Programs would become an even better focus of practical action than before.

CARE plans to continue developing the Estates MCH/Pre-School and Integrated Nutrition activities and extend them to contiguous communities around the Estates. At the same time, direct approaches to rural communities would take place through the District Government Programs. This approach offers the advantages of being able to target the program to the nutritionally most needy, rests on strong local interest and support, can be expanded on a phased basis according to performance, and allows for the application of the more intensive, comprehensive efforts being developed by CARE in its Integrated Nutrition Project. In effect, a national program can be built but one that rests on local needs and capabilities.

This type of approach, however, does require the assurance that commodity availability will remain stable and responsive to actual program developments. In other words, there should be sufficient support committed over the time frame involved but shortfalls in recipient levels from year to year should not be cause for cutting back on the total scope of the planned program.

The District Government approach rests on the District Applied Nutrition and Sub-District Applied Nutrition Boards which in turn, theoretically at least, link up to the Inter-Ministerial Committee at the Central Government level. These lower level boards are loose coordinating boards composed of representatives of health, agriculture, information, and local government. Their effectiveness depends on how well they understand the nutritional problems of their area and the interest of the Bupati (District Chiefs) and Camat (Sub-District Heads) in doing something about them. CARE's Estates Program can help train the lower level applied nutrition people as well as community nutrition cadre.

B. Management of FFW Programs.

At present Volagency FFW Programs are based on local interest and support rather than an over-all Central Government Plan. As such, the programs strongly relate to basic needs and activate local resources. This basic element should be retained but it is also inevitable that program expansion would require more coordination with Central levels. CARE believes that the Departments of Agriculture and Transmigration offer the best prospects for retaining the local level elements essential to good programs but with an acceptable framework of national coordination.

This assumption would, of course, have to be tested out but the experience of other volagencies appears supportive. Thus, we envision Agriculture and Transmigration as counterparts with programs planned in consultation with them and executed at the District and Sub-District Levels.

CARE Staff would work closely with the coordinating counterparts and the field counterparts in developing and implementing programs. The proposed OPG FFW Resource Pool would augment volagency capability and provide additional material and technical resources.

IV. Comment

The projected commodity and budget figures on the attached statistical sheets are an estimate of the optimum program that CARE could mount over the period FY 79 to FY 82. Program levels could, of course, vary within these yearly projections.

Planning for FFW activities would require about one year--that is, during FY 78 the program for FY 79 would have to be planned and developed. As noted, increased GOI interest and support and long term PL 480 commodity and OPG resources would be required from USAID.

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7/6/76

CARE - Indonesia
June 1976

FY 79

I. Country Yemen

Sponsor's Name USAID

A. Maternal and Child Health Total Recipients 465,000

No. of Recipients by Commodity	Name of Commodity	(Thousands) KGS	Dollars
<u>165,000</u>	<u> </u>	<u>2,312,000</u>	<u>275</u>
<u>165,000</u>	<u> </u>	<u>2,610,000</u>	<u>270</u>
<u>165,000</u>	<u> </u>	<u>1,304,000</u>	<u>198</u>
Total MCH		4,627	1,422

B. School Feeding Total Recipients _____

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

C. Other Child Feeding Total Recipients _____

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

D. Food for Work Total Recipients 20,000 (families)

No. of Recipients by Commodity	Name of Commodity	(Thousands) KGS	Dollars
<u>100,000 individuals*</u>	<u> </u>	<u>1,137,000</u>	<u>275</u>
<u>100,000 individuals</u>	<u> </u>	<u>1,137,000</u>	<u>198</u>
Total FFW		8,872	2,007

E. Other (Specify) Total Recipients _____

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

II. Sponsor's Name _____

* Assumption: Each family 1 worker 1 spouse 3 children

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7/6/76

FY 80

I. Country Guatemala

Sponsor's Name USAID

A. Maternal and Child Health Total Recipients 210,000

No. of Recipients by Commodity	Name of Commodity	(Thousands) KGS	Dollars
<u>240,000</u>	<u>W3</u>	<u>3,255 @ 275</u>	<u>786</u>
<u>30,000</u>	<u>W3</u>	<u>324 @ 770</u>	<u>600</u>
<u>210,000</u>	<u>W3</u>	<u>4,775 @ 193</u>	<u>352</u>
<u>Total MCH</u>		<u>5,245</u>	<u>4,753</u>

B. School Feeding Total Recipients _____

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

C. Other Child Feeding Total Recipients _____

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

D. Food for Work Total Recipients 25,000 (Families)

No. of Recipients by Commodity	Name of Commodity	(Thousands) KGS	Dollars
<u>125,000 Individual</u>	<u>W3</u>	<u>5,245 @ 275</u>	<u>4,524</u>
<u>425,000 Individual</u>	<u>W3</u>	<u>5,245 @ 193</u>	<u>4,397</u>
<u>Total FFW</u>		<u>11,090</u>	<u>2,621</u>

E. Other (Specify) Total Recipients _____

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

II. Sponsor's Name USAID

RBN/hn
7/6/76

FY 84

I. Country TURKEMENISTAN

Sponsor's Name CARE

A. Maternal and Child Health Total Recipients 225,000

No. of Recipients by Commodity	Name of Commodity	(Thousands) KGS	Dollars
<u>225,000</u>	<u>MCH</u>	<u>3,263 @ 275</u>	<u>903</u>
<u>225,000</u>	<u>MCH</u>	<u>1,042 @ 770</u>	<u>803</u>
<u>225,000</u>	<u>MCH</u>	<u>1,012 @ 198</u>	<u>205</u>
<u>Total MCH</u>		<u>6,013</u>	<u>2,011</u>

B. School Feeding Total Recipients _____

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

C. Other Child Feeding Total Recipients _____

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

D. Food for Work Total Recipients 20,000 (Families)

No. of Recipients by Commodity	Name of Commodity	(Thousands) KGS	Dollars
<u>150,000 Individual</u>	<u>FFW</u>	<u>6,075 @ 275</u>	<u>1,680</u>
<u>150,000 Individual</u>	<u>FFW</u>	<u>6,075 @ 198</u>	<u>1,212</u>
<u>Total FFW</u>		<u>12,150</u>	<u>2,892</u>

E. Other (Specify) Total Recipients _____

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

II. Sponsor's Name CARE

REM/hn
7/6/76

FY 82

I. Country INDONESIA

Sponsor's Name CARE

A. Maternal and Child Health Total Recipients 240,000

No. of Recipients by Commodity	Name of Commodity	(Thousands) KGS	Dollars
<u>345,000</u>	<u>WFI</u>	<u>3,272 @ 275</u>	<u>899</u>
<u>240,000</u>	<u>WFO</u>	<u>1,112 @ 770</u>	<u>856</u>
<u>240,000</u>	<u>WFG</u>	<u>2,332 @ 198</u>	<u>461</u>
<u>Total MCH</u>		<u>6,413</u>	<u>2,156</u>

B. School Feeding Total Recipients _____

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

C. Other Child Feeding Total Recipients _____

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

D. Food for Work Total Recipients 35,000 (Families)

No. of Recipients by Commodity	Name of Commodity	(Thousands) KGS	Dollars
<u>175,000 Individual</u>	<u>WFI</u>	<u>7,763 @ 275</u>	<u>2,134</u>
<u>175,000 Individual</u>	<u>WFG</u>	<u>7,763 @ 198</u>	<u>1,537</u>
<u>Total FFW</u>		<u>15,526</u>	<u>3,671</u>

E. Other (Specify) Total Recipients _____

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

II. Sponsor's Name CARE

REM/hn
7/6/76

Annex to FY 78 CARE-Indonesia Program Plan
Statement of FY 77 Calorie/Protein Delivered and Account
Proposed for FY 78

Nutrition Supplementation Programs

Recipient/Category	(1) Recommended Intakes (Indonesian Standards)		(2) Estimated Deficits ^a (a) National Surveys (High Malnutrition) - Best Data		(3) Deficits According to Food Availability ^b (Low Estimates)		(4) Nutrient Inputs from PL 480 Foods in CARE Assisted MCN/Two-School Program		(5) Total Nutrient Inputs (3 + 4)		(6) Nutrient Inputs from Family Gardens in Comprehensive Nutrition Project		(7) Total Nutrient from maximum implementation Program (5 + 6)	
	Calories	Protein	Calories	Protein	Calories	Protein	Calories	Protein	Calories	Protein	Calories	Protein	Calories	Protein
Pregnant Mothers	2,300	67	1,175	30	27	342	17	70	412	17	170	17	582	34
Nursing Mothers	2,800	87	1,075	27	30	342	17	70	412	17	170	17	582	34
Children 1 to 3 years	1,200	30	700	20	8	342	17	70	412	17	170	17	582	34
Children 4 to 6 years	1,600	37	600	23	10	342	17	70	412	17	170	17	582	34
Children 6 to 8 years	1,900	42	800	26	11	342	17	70	412	17	170	17	582	34

Notes

- ^a Based on analysis of actual village dietary surveys
- ^b According to Indonesian food availability figures
- ^c Comprehensive Nutrition Project covering 27 communities and 13,000 people - involves family gardens being expanded as conditions permit
- ^d Includes CARE provided PL 480 commodities, counterpart inputs of coconut, sugar, other local foods, daily outputs per person from average 100 sqm plots

Comment: If a median deficit is selected between 2a & 2b data - maximum program covers deficit in calories and protein for children and women to approximately 60% in calories and 85% in protein for pregnant and nursing mothers

9/6/76

PROGRAM PLAN - FY - 1978

I. ELEMENTS OF OPERATION

A : Identification

1.- General

a.- Name of cooperating sponsor : Catholic Relief Services-
United States Catholic
Conference.

b.- Country : Indonesia

c.- Date submitted: June 9, 1976

d.- Counterparts : Department of Social Affairs
Jl. Ir. H. Juanda 36
J a k a r t a .

Department of Health
Jl. Prapatan 10
J a k a r t a .

Cabinet Secretariat
Jl. Veteran 17
J a k a r t a .

2.- Supervision - Cooperating Sponsor

Following staff are full time personnel employed by CRS/I
for the supervision of the program.

Program Director : Mr. Francis X. Carlin - U.S.Citizen
Assistant Director : Rev. John J. Mergenhagen - U.S.Citizen

In addition fourteen Indonesian staff are employed full
time for the administrative, accounts, shipping and field
supervision functions relating to the PL-480 program .

3.- Supervision during Program Implementation

The recipient agencies who actually coordinate and implement
the PL-480 program in the field have approximately 84 staff
employed full time for the supervision/implementation of the
PL-480 program. These staff include program directors, and
use checkers, nutrition aides, shipping supervision and
administrative/clerical staff.

B : Agency Agreements

- 1.- CRS/Indonesia has written agreements with the Indonesian government covering her presence in Indonesia and covering the operation of development, welfare and disaster assistance programs including the PL-480 support provided by the American people thru USAID.
These agreements are :
 - a.- Basic Agreement - between CRS-USCC and Government of the Republic of Indonesia (represented by Director General for Foreign Economic Relations). Agreement signed on March 2, 1973. Agreement is open ended and may be terminated by either party upon 90 days advance written notice.
 - b.- Plan of Cooperation - between CRS-USCC and the Department of Social Affairs of the Republic of Indonesia . Agreement signed June 29, 1974 and renegotiated every three years. Each year CRS submits an annual annex to this plan of cooperation indicating proposed scale of assistance in upcoming year and actual achievement in the past year .
 - c.- Plan of Cooperation - between CRS-USCC and the Department of Health of the Republic of Indonesia. Three year agreement signed on June 27, 1974 and renegotiated every 3 years. Each year CRS submits an annual annex to this plan of cooperation indicating proposed scale of assistance in upcoming year and actual achievement in the past year .
- 2.- CRS/Indonesia does not operate under a "blanket" agreement negotiated between the United States Government and the Government of Indonesia.
- 3.- The CRS/Indonesia agreements with the Indonesian government meet the requirements of current AID regulations regarding PL-480 programs.

C.: Area - Scope - Conditions of Operation

- 1.- It is the intent of CRS/Indonesia to operate the PL-480 program . Country wide however at present (FY-76) the program is operating in South Sumatra, West Java, Central Java, West Kalimantan, Timor, Flores, Sumba and Bali.

- 2.- PL-480 Title II food commodities are distributed thru CRS regional counterparts who each coordinate the distributing agencies operating a PFW as MCH program in their region. The CRS regional counterpart is generally a non - profit diocesan foundation registered with the government for the purpose of operating a development, welfare or emergency relief program. The distribution centers may be village community centers, nutrition centers, hospitals or in the case of PFW projects - simply the project site.

The food commodities are distributed in accordance with existing USG and GOI regulations. The commodities are given to the recipients without regard to race, creed, color or political belief. In some cases recipients are asked to make a contribution for transportation/handling costs involved in delivering the food however in no case are recipients denied food because of inability to pay these charges.

- 3.- The Indonesian Government involves and participates in the CRS/Indonesia program thru the annual review of our past program and proposed program. in the upcoming year. This review is conducted by The Department of Social Affairs, the Department of Health and the Secretariat Cabinet. The review includes type of activity, scale of activity, area of activity and method of operation. In addition the local government's at the provincial, county and district levels normally cooperate in the actual implementation of the CRS PL-480 programs. CRS/Indonesia has asked the Indonesian Government at the national level to consider a budget presentation from CRS/Indonesia for FY - 78 financing of PL-480 inland handling and transport costs. In the interim CRS continues to obtain financial support from the provincial, county and district governments in meeting some of the transport/handling costs.

The GOI provides duty free entry for the PL-480 commodities imported thru CRS/Indonesia. There are no other special conditions established by the GOI for storage, transport, distribution and utilization of the PL-480 commodities.

- 4.- For the improvement of the program's implementation CRS/I conducts regular consultation with other US volags, UNDP and WFP. In order to avoid duplication of distribution CRS/I recipient agencies also conduct consultation with other agencies working on the same area. The department of Health, Social Affairs and Transmigration, in particular at the district levels, 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 and handed to the trucking company.
 - b. CRS/I regional 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 in the document.
 - c. After receiving the commodity in their own warehouse the regional counterparts prepare a delivery receipt noting 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 offices the regional counterparts maintain a ledger on food received and distributed with a running balance.
 - e. The CRS regional counterparts issue delivery orders when they send food to their distribution centers. The delivery orders are in four copies, the original for the CRS regional counterpart, the second piece for the warehouse man, 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 CRS regional counterpart for comparison with the original. During field trip CRS/I field representatives check the delivery orders and compare them with the ledger at CRS regional 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, detailed reports are forwarded by the centers to CRS regional counterparts showing the amount of food received, distributed and physical inventory; loss/leakage is also reported.
- g. The CRS regional counterparts send a monthly summary report to CRS/I reflecting the amount of food received, distributed and the balance at the end of the month concerned. Financial reports are also included in where appropriate.
- h. Agreements between CRS/I and its regional counterparts and between the regional counterparts and their distribution centers, are signed stating full responsibility for handling and distribution in accordance with Title XI regulations.
- i. Distribution centers participating in nutrition education programs keep a complete list of recipients registered and enrolled. In addition, body weight charts or growth charts are used on which the results of monthly weighing are carefully noted.
- j. Reports on completed and in-going food-for-work projects are filed by the project holders with the CRS regional counterparts at the end of the month. The regional counterparts in turn submit monthly reports to CRS/I.
- k. For evaluation of the implementation of nutrition education programs, the CRS regional counterparts hold regular meetings every month with their nutritionist assistants. Short upgrading courses are conducted after or before the meeting.
- l. For evaluation of the program's implementation in its totality, CRS/I has 2 field representatives who make regular visits to the fields to inspect the execution of the program. Record and reports are also inspected at the regional counterparts' offices and at the distribution centers. Their reports are filed at the CRS/I office. CRS/I evaluates the reports of the field representatives and send warning and/or correction to its regional counterparts if deemed necessary. Follow up action is scheduled by CRS/I to insure that corrective action has been taken.

- m. The CRS regional counterparts have their own field representatives who are responsible for visiting distribution centers to help the latter in carrying out the program in accordance with PL-480 regulations.
- n. Monthly reports, commodity status reports and recipients status reports are forwarded regularly by CRS/I to USAID Indonesia.
- o. All documents, records and reports are filed at the CRS/Indonesia office or CRS regional 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 a Delivery Survey. This survey report is sent to the CRS/New York office for collection action against the ocean carrier. All losses of Title II commodities are reported to USAID. Claims are filed by CRS regional counterpart 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 sale 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 an independent survey by a recognized survey company for each shipment of Title II PL 480 commodities.
- 4. Port charges present no special problems.

F : STORAGE FACILITIES

CRS/I commodities are discharged from first or final ocean carriers into deepsea godowns (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 concrete.

CRS/I has no warehouse of its own. All CRS regional counterparts and distributing agencies usually have adequate warehouse space to store the commodities. The godowns are usually of cement with sufficient ventilation and lighting. Rodents are minor problem. CRS/I retains control and accountability of foods from the time of arrival to the time of distribution to the end-consumers.

G. INLAND TRANSPORTATION

All inland transportation is performed by truck and/or coastal vessel except for some ports of West Kalimantan where river boats are utilized.

Transportation costs vary from province to province and from time to time depending on the condition of roads, availability of trucks, seasonal demand, cost of fuel, terms and conditions of carriage, etc.,

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 or the containers belonging to the recipients.

I. FINANCING

1.- a) CRS/I finances the management/administration costs in bringing the Title II commodities to the ports where the the CRS/I regional counterparts take over. CRS/I also finances the overall supervision and coordination of the PL-480 programs implemented by the CRS regional counterparts.

b) The CRS/I regional counterparts collects "unassociated charges" or "recipient contributions" from the distribution centers who in turn collect these contributions from the recipients.

This procedure follows AID regulations on the subject and in no case are recipients denied PL-480 foods because of inability to pay. These "recipient contributions/unassociated charges" are used to defray the cost of handling, transport, storage, nutrition education etc. The "recipient contributions" are collected in those areas where we have been unable to collect the transport/handling costs from the government of Indonesia.

- c) In many areas of Indonesia the local government pays for the full transport/handling and administration costs. In some cases this is the Kabupaten or Kecamatan and in others it is the provincial government. As of the end of FY-76 these payments have only been received for the FFW program and not for the MCH.
- d) CRS/I has submitted a budget request to the GoI, Department of Health and Department of Social Affairs, asking these national departments of government to include the CRS PL-480 Title II transport/handling costs into their annual government budget. As of the date of preparing this program plan the matter is under review.

2.- The CRS/I regional counterparts and the distribution centers underwrite a large portion of the expenses for local program supervision, nutrition education and general administration for the PL-480 title II program. Where food is prepared or demonstrations/classes are held these costs are borne by the CRS regional counterpart or the distribution centers.

3.- CRS/I does not engage in the collection and sale of empty containers.

J. ACCEPTABILITY OF AVAILABLE COMMODITIES

1.- At the present time CRS/I does not use whole grain wheat or corn.

- 2.- The PL-480 title II commodities used in the CRS/Indonesia program are highly acceptable and well liked by the end users. CRS/I is currently programming Soy-fortified bulgur wheat and WSB or CSM. Regular instruction and demonstration classes are given to the recipients, particularly in the MCH program, to educate the recipients on proper preparation and recipe variety. Bulgur is an excellent commodity for Indonesia due to its long shelf life.
- 3.- Food requirements are estimated on the basis of felt need for the program, either MCH or FFW, ability to manage and control the program, accessibility by normal means of transport, government of Indonesia cooperation and approval.
 - a) In accordance with AID guidelines food ration rates have been calculated using the maximum caloric level for each recipient group and program category.

COMPUTATION OF FOOD REQUIREMENTS

- 1.- See attachments for full explanation and details of how ration rates were calculated. As a general rule the food distributions are held monthly however in some cases, due to hardship on the recipients, inaccessibility or other factors beyond our control, we do distribute commodities every 2 months or occasionally quarterly. This is the exception rather than the rule and we do attempt to have monthly distributions wherever possible.
- 2.- It is a clear fact, evidenced in the operation of this PL 480 program, that the food commodities do assist in providing a nutritional balance thereby eliminating or reducing dietary deficiencies among the eligible participants. Therefore a greater productivity is achieved and the human dignity of the individual is enhanced.

K. PROGRAM PUBLICITY

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

The CRS/I regional 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.

2.- Recipients are aware of the source of the PL-480 food thru verbal explanations and thru the publicity contained on the packaging.

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 pre school group and to accelerate the development in the most needy areas.

The program cannot be continued if food commodities will not be available. In line with the concept of multi year planning we attach a five year plan for the CRS/I PL-480 title II program . This plan is an estimate of intended program level over the next 5 years. However CRS reserves the right to alter or ammend this plan at any time .

II. PLANS OF OPERATION FOR SPECIFIC TYPES OF PROJECTS

See attachments

III. CONTRIBUTION TO PROGRAM

The anticipated cash contributions to the program are as follows :

<u>Amount</u>	<u>Source</u>	<u>Purpose</u>
US\$150,000	Catholic Relief Services, U.S.C.C.	Administrative and Support costs including salaries.
US\$120,000	CRS/I Regional Counter- parts.	Contributions are in cash ser - vices and facilities and are for th4 management and supervision of the PL-480 program. The train ing of the MCH groups in nutri - tion practices and other agricul tural training thru FFW is also included.

<u>Amount</u>	<u>Source</u>	<u>purpose</u>
US\$200,000	GoI either local or national	Inland transport/handling costs incurred in shipping PL-480 commodities.
US\$200,000	Recipients	Recipient contributions to defray cost of transport/handling & nutrition education.



Francis X. Carlin
Director CRS/Indonesia

STATISTICAL SUPPLEMENT

FOR

VOLUNTARY AGENCIES AND INTERGOVERNMENT ORGANIZATIONS

FY 78 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) - None

IV. FAMILY PLANNING

The CRS/I regional counterparts and their distribution centers sometimes help the government in propogating the program by conducting classes and explanation 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 Decree on December 13, 1973 which was followed by a Presidential Instruction of September 13, 1974.

ATTACHMENT No. 1 (Cont'n)

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 vary their diet in order to make sure that daily protein and calory intake will be sufficient .

As a follow up of the decree government sponsored seminars on nutrition were held in Jakarta, respectively on July 21-25, 1974, on November 25 - 29, 1974, on December 16 - 22, 1974 and on March 2 - 3, 1976.

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 in the years ahead.

During FY 78 CRS/I cooperation its regional counterparts will /in support 72,000 recipients in MCH. The operation will be based on the result of program's implementation during FY 76 and FY 77 with new policies for improvement developed as needed.

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 enrolment.

ATTACHMENT NO. 1 (CONT'D)

- Pregnant and lactating women will be enrolled for the duration of their pregnancy and lactation.
- If due to illness or other serious factor, the child has failed to achieve his proper nutritional level at the end of this period he may be extended in the program until he has reached the proper nutritional level.

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 5 - 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. A problem is encountered in that many parents and children do not accurately know their age.

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 inexpensive local food, and in rural areas, to begin with home gardens to supplement their family needs. To this end, trained nutrition aides will be employed. Nutrition staff will be employed by each counterpart and nutrition aides will be trained. During FY 76 the counterparts employed 40 nutrition aides and during FY 77 and 78 their number will be increased.

ATTACHMENT NO. 1 (CONT'D)

C. PARTICIPATION

72,000 recipients are programmed for FY 78. The approximate breakdown is 20,000 pregnant and lactating mothers and 52 pre-school children.

D. ANNUAL REQUIREMENTS - See attachment no. 3

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 recipient charges and CRS counterpart contributions. The CRS Jakarta regional counterpart has recently received approval for cofinancing its program from USAID/I. More funds will be requested from USAID to support all CRS regional counterparts engaged in the PL-480 MCH program.

ATTACHMENT NO. 2 (Page 1)

VOLUNTARY WORK PROGRAM (FOOD FOR WORK)

A. OBJECTIVE

The food for Work Program is an incentive to needy voluntary workers who participate in economic and community development projects of various types.

B. OPERATION

The QRS regional counterparts receive applications submitted by project holders in the field. The CRS regional 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 regional 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 counterparts send full reports to CRS/I. Forms and records are provided by the regional 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. The local governments involve in the project planning and implementation.

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. The local governments normally assist in the technical planning and supervision of projects that require such technical inputs.

D. PARTICIPATION

10,000 workers and 40,000 dependants are programmed for FY 78.

ATTACHMENT NO. 2 (Page 2)

E. RATION - See attachments

F. ANNUAL REQUIREMENTS - See attachments

G. JUSTIFICATION

Most of the country's population are farmers and they live in rural areas. Millions of acres of uncultivated land must be opened and used. Therefore, community development activities are the best ones to help the country in her effort to develop the land. The world food situation is another important reason for the work. Instead of importing rice to meet the need of the inhabitants this country must be enabled to produce more products for export. Recipient agencies, with cooperation of local GoI at the provincial district and subdistrict levels will carry out small scale development projects in the areas in need. The projects must be chosen and implemented in line with the Five Years Plan of the GoI.

H. CONTROL

Receipt procedure, control and supervision of distribution of commodities are contained in section 1D

ATTACHMENT NO. 1 (PART 2)

PROGRAM STRATEGY

The total number of recipients planned to be reached during FY 78 in MCHP will be 72,000 enrollees as a result of the program implementation during the previous years upon which FY 78 is based. MCHP is a multi-year program. Important changes will be made for improvement of the program implementation.

FFW Projects will be 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 78.

ATTACHMENT NO. 1 (PART 3)

HOW THE PROGRAM IS STRUCTURED TO CREATE INSTRUCTIONS

The CRS/I recipient agencies in the country are the so called "Institutions for Socio Economic Development" of each diocese in the Catholic Church Hierarchy in Indonesia. The institutions were established as a special section of the Catholic Church in her participation to accomplish development activities of various types. These institutions or recipient agencies have been and will be closely cooperating with the GoI and or other private institutions engaged in community development work at the provincial, district and sub-district levels.

ATTACHMENT NO. 1 (Part 4)

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 NNP. Close cooperation with other organizations working for the same goals will be maintained and improved.

ATTACHMENT NO. 3

FY	CATEGORY	NO. OF RECIPIENT	COMMODITY	DAILY AVERAGE RATION PER RECIPIENT	DAILY AVERAGE CALORIES PROVIDED	DAYS/MONTH	MONTHLY RATION PER RECIPIENT	FY TOTAL TONNAGE	DOLLAR VALUE CCC PER M/T	TOTAL DOLLAR VALUE
77	F F W	50,000	SF Bulgur	304 gr.	1,165	30	9.1 kg	5,475 M/T	\$203.92	\$ 1,116,4
	M C H	72,000	SF Bulgur	60 "	232	30	1.8 "	1,555 "	\$203.92	\$ 317,1
			C S M	50 "	186	30	1.5 "	1,296 "	\$470.02	\$ 609,14
78	F F W	70,000	SF Bulgur	336 "	1,285	30	10.1 "	8,484 "	\$203.92	\$ 1,730,0
	M C H	72,000	SF Bulgur	110 "	421	30	3.3 "	2,851 "	\$203.92	\$ 581,3
			C S M	100 "	372	30	3.0 "	2,592 "	\$470.02	\$ 1,218,2
79	F F W	85,000	S F Bulgur	336 "	1,285	30	10.1 "	10,392 "	\$203.92	\$ 2,100,7
	M C H	72,000	S F Bulgur	110 "	421	30	3.3 "	2,851 "	\$203.92	\$ 581,37
			C S M	100 "	372	30	3.0 "	2,592 "	\$470.02	\$ 1,218,2
80	F F W	100,000	SF Bulgur	336 "	1,285	30	10.1 "	12,120 "	\$203.92	\$ 2,471,5
	M C H	72,000	SF Bulgur	110 "	421	30	3.3 "	2,851 "	\$203.92	\$ 581,3
			C S M	100 "	372	30	3.0 "	2,592 "	\$470.02	\$ 1,218,2
81	F F W	100,000	SF Bulgur	336 "	1,285	30	10.1 "	12,120 "	\$203.92	\$ 2,471,5
	M C H	72,000	SF Bulgur	110 "	421	30	3.3 "	2,851 "	\$203.92	\$ 581,3
			C S M	100 "	372	30	3.0 "	2,592 "	\$470.02	\$ 1,218,2
82	F F W	100,000	SF Bulgur	336 "	1,285	30	10.1 "	12,120 "	\$203.92	\$ 2,471,5
	M C H	72,000	SF Bulgur	110 "	421	30	3.3 "	2,851 "	\$203.92	\$ 581,37
			C S M	100 "	372	30	3.0 "	2,592 "	\$470.02	\$ 1,218,2

ATTACHMENT NO. 4

STATEMENT OF DAILY PER CAPITA CALORIES
DELIVERED IN FY-77 AND FY-78 TO EACH RECIPIENT CATEGORY

<u>FY - 77</u>	F F W	-	1,165
	M C H	-	418
<u>FY - 78</u>	F F W	-	1,285
	M C H	-	793

NOTE : As per AID instructions for MCH and FFW categories above calculation should be an average requirement justification for this average is given below :

FY 77 This calculation both MCH and FFW based on FY-77 AER already submitted one year ago. Figures arrived at by working back from FY-77 requested ration rates.

RECIPIENT CATEGORY	RECIPIENT	<u>FY - 78 - F F W</u>			FY-78 CALORIES		AVERAGE
		RECOMMENDED DAILY CALORIC INTAKE	MAXIMUM CALORIES	%	CALCULATED AT 30 % OF MAXIMUM		
M C H	# 1 Child under 5 yr.	1600	800	50	640	}	793
	# 2 Child	1600	800	50	640		
	Mother	2750	1375	50	1100		
F F W	Worker Adult Male	3000	3000	100	3000(full)	}	1285
	Wife	2750	1375	50	1100		
	# 3 Child	1600	800	50	640		
	# 2 Child	1600	800	50	640		
	# 1 Child	2000	1305	65	1044		

I. Country INDONESIA

Sponsor's Name CRS - USCC

A. Maternal and Child Health Total Recipients 72,000

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
72,000	C S M	1,296 M/T	\$ 317,136.00
72,000	S F Bulgur	1,555 M/T	\$ 609,146.00
<u>Total MCH</u>		2,851 M/T	\$ 926,282.00

B. Food for Work Total Recipients 50,000

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
50,000	S F Bulgur	5,475 M/T	\$ 1,116,462.00
<u>Total FFW</u>		5,475 M/T	\$ 1,116,462.00

I. Country INDONESIA

Sponsor's Name CRS - USCC

A. Maternal and Child Health Total Recipients 72,000

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
72,000	C S M	2,592 M/T	\$ 1,218,292.00
72,000	SF Bulgur	2,851 M/T	\$ 581,376.00
<u>Total MCH</u>		5,443 M/T	\$ 799,668.00

B. Food for Work Total Recipients 70,000

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
70,000	S F Bulgur	8,484 M/T	\$ 1,730,057
<u>Total FFW</u>		8,484 M/T	\$ 1,730,057

ATTACHMENT NO.5 CONT'D

FY-79

I. Country INDONESIA

Sponsor's Name CRS - USCC

A. Maternal and Child Health Total Recipients 72,000

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
72,000	C S M	2,592 M/T	\$ 1,218,292.00
72,000	S F Bulgur	2,851 M/T	\$ 581,376.00
<u>Total MCH</u>		5,443 M/T	\$ 1,799,668.00

B. Food for Work Total Recipients 85,000

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
85,000	S F Bulgur	10,302 M/T	\$ 2,100,784.00
<u>Total FFW</u>		10,302 M/T	\$ 2,100,784.00

FY - 80

I. Country INDONESIA

Sponsor's Name CRS - USCC

A. Maternal and Child Health Total Recipients 72,000

<u>No. Of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
72,000	C S M	2,592 M/T	\$ 1,218,292.00
72,000	S F Bulgur	2,851 M/T	\$ 581,376.00
<u>Total MCH</u>		5,443 M/T	\$ 1,799,668.00

B. Food for Work Total Recipients 100,000

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
100,000	S F Bulgur	12,120 M/T	\$ 2,471,511.00
<u>Total FFW</u>		12,120 M/T	\$ 2,471,511.00

ATTACHMENT NO.5 CONT'N

FY - 81

I. Country INDONESIA

Sponsor's Name CRS - USCC

A. Maternal and Child Health Total Recipients 72,000

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
72,000	C S M	2,592 M/T	\$ 1,218,292.00
72,000	S F Bulgur	2,851 M/T	\$ 581,376.00
<u>Total MCH</u>		5,443 M/T	\$ 1,799,668.00

B. Food for Work Total Recipients 100,000

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>dollars</u>
100,000	S F Bulgur	12,120 M/T	\$ 2,471,511.00
<u>Total FFW</u>		12,120 M/T	\$ 2,471,511.00

FY - 82

I. Country INDONESIA

Sponsor's Name CRS - USCC

A. Maternal and Child Health Total Recipients 72,000

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>dollars</u>
72,000	C S M	2,592 M/T	\$ 1,218,292.00
72,000	S F Bulgur	2,851 M/T	\$ 581,376.00
<u>Total MCH</u>		5,443 M/T	\$ 1,799,668.00

B. Food for Work Total Recipients 100,000

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>dollars</u>
100,000	S F Bulgur	12,120 M/T	\$ 2,471,511.00
<u>Total FFW</u>		12,120 M/T	\$ 2,471,511.00



CHURCH WORLD SERVICE

ANNEX B - 3
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Jakarta
Telephone 91683
Cable : CHURCHSERV.

ANNUAL PROGRAM PLAN FOR FISCAL
YEAR 1978

I. ELEMENT OF OPERATIONS

- A. 1. NAME OF AGENCY : CHURCH WORLD SERVICE
2. COUNTRY : INDONESIA
3. DATE SUBMITTED : MAY 24, 1976
4. AGENCY COUNTERPART : DEPARTMENT ON SERVICE AND DEVELOPMENT OF THE COUNCIL OF CHURCHES IN INDONESIA
JL. DEMPO 3 (MATRAMAN),
JAKARTA - INDONESIA

5. SUPERVISION/PERSONNEL

Mr. Jerry Van Sant an American citizen, CNS Director in Indonesia and collaterally Associate Secretary of the Department on Service and Development of the Council of Churches in Indonesia.
Address: Jl. Dempo 3 (Matraman) Jakarta, Indonesia.

Indonesians sharing responsibility in the CNS program include:

- A. Drs. Hermannus J. Poeroe, Secretary of the Department on Service and Development of the Indonesia Council of Churches, responsible for general program guidance and direction as representative of the Council in cooperation with the CNS Director.
- B. Mr. Theo Rumamby, Assistant to the Director (Program Coordinator)
Address: Jl. Dempo 3 (Matraman), Jakarta.
- C. Mr. Piet S. Bernardus, Administrative Assistant
Address: Jl. Dempo 3 (Matraman), Jakarta.
- D. Mr. Johannes Siman, PL 480 Administrator
Address: Jl. Dempo 3 (Matraman), Jakarta
- E. Mr. Achmad Notomaidjojo, head of the Regional CNS office in Surabaya, East Java, responsible for receipt and distribution of goods in East Java, Bali and West Nusatenggara, and for providing program guidance and assistance to projects in East Java and West Nusatenggara.
Address: Jl. Ciliwung 53, Surabaya, Indonesia



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- F. Mr. Eddy Alaverdy, head of Regional CWS office in Ujung-Pandang, South Sulawesi, responsible for receipt and distribution of goods in Southern Sulawesi and for providing guidance and assistance to projects in South and Southeast Sulawesi.
Address: Jl. Hatimulia No. 2, Kotak Pos 92, Ujung Pandang, Indonesia.
- G. Mr. Leo Aruanlangga, head of Regional CWS office in Semarang, Central Java, responsible for receipt and distribution of goods and for providing program guidance and assistance to projects in Central Java.
Address: Jl. Simpaang No. 4 B, Semarang, Central Java, Indonesia.
- H. Dr. Bert Supit, Secretary of the Social Welfare Department of the Regional Council of Churches in North Sulawesi, is jointly CWS representative and responsible for receipt and distribution of goods and for providing program guidance and assistance to project in North Sulawesi.
Address: c/o R.S. Bethesda, Tomohon, North Sulawesi, Indonesia
- I. Mr. S. Marpaung, a member of the Relief Committees of the Batak Protestant Church in Northern Sumatera and CWS representative is responsible for the receipt and distribution of commodities and for providing program guidance in the area of North Sumatera.
Address: Jl. Kesatria No. 6, Pematang Siantar, Sumatera, Indonesia.
- J. Rev. F. Kaihena, from the Regional Council of Churches in Maluku, is CWS representative and responsible for receipt and distribution of goods and for providing program guidance and assistance to projects in the Maluku Islands.
Address: Jl. Imam Bonjol, Ambon, Indonesia
- K. Dr. Handoko Gunawan, Chairman of the Foundation for Christian Service in West Kalimantan, serve as CWS representative and is responsible for program activities, as listed above, in West Kalimantan.
Address: Jl. Merdeka Timur No. 356 B, P. O. Box 25, Pontianak Indonesia
- L. Mr. Dekker Maoboi, head of CWS Regional office in Kupang, responsible for program activities in Timor and nearby islands in Cooperation with the CWS Surabaya office.
Address: Kotak Pos 5, Kupang, Indonesia/

Each of the above-listed representatives is under the direct supervision of and responsible to the Department on Service and Development/CWS Director in Jakarta.



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B. Agency Agreement

The CWS program is conducted in collaboration with several Ministries of the Republic of Indonesia - Foreign Affairs, Health, and Social Affairs. Under the Social Affairs agreement, cooperation is defined involving Title II foods, notably bulgur wheat to be used in Food for Work Projects (Community Development) and child welfare (orphanages only). The CWS Title II MCH program is being carried out with cooperation from the Ministry of Health, using Maternal Child Health Centers and Maternity Clinics.

C. Indonesian Government Priorities and Goals

In several program areas, CWS Title II commodity distributions are related to priority programs of the Indonesian Government, both directly and indirectly.

Among these are increased food production, family planning education, and improved nutrition. During the Government's first Five Year Plan (1969-1974) priority was given to the development of a strong industrial base and the required infrastructure in the belief this approach would best promote national economic development. The second Five Year Plan gives more attention to increasing agricultural productivity and to the social sector. This hopefully means more emphasis will be given to improving the living conditions of the more needy population groups. This shifting focus in the Government's national development priorities is warmly welcomed by CWS and other agencies seeking to assist the most needy members of the population.

Many Indonesia Government officials have expressed a strong desire to move faster on projects designed to assist the poor but have been restrained by limited budgets. Government policy has been to move cautiously in such economic and social development activity to avoid costly errors and gain more practical knowledge of effective approaches to solving these problems.

CWS projects in these priority categories have often served as a pilot projects and have provided useful demonstrations and training for government personnel and other local groups involved in community development. For example, in underpopulated areas of Southeast Sulawesi, CWS food-for work projects have frequently been a catalyst for follow-up Government projects or the location of a transigrant settlement area.

In its concentration on assisting the poorest majority in Indonesia (essentially the rural poor), CWS will emphasize the following areas in fiscal 1978:

1. Increased Food Production

Bulgur wheat is used primarily for payment of workers on Food for work (FFW) projects. Approximately 50% of the FFW projects are for development of farm irrigation systems and water control. Some projects are for construction of inland fish ponds. The



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majority of the remaining projects have been for road and bridges construction to improve transportation and communication facilities. Such improvements facilitate marketing of agricultural production, which in turn normally leads to increased food production. Expanding food production is a major interest of CWS as reflected in various other projects to which we are providing assistance. These include loans and grants for chicken cooperatives, fertilizer cooperatives, introduction of new types of seeds and agricultural tools for selected projects.

2. Family Planning Involvement

Through the Division on Health & Responsible Parenthood - DGI, Church World Service has supplied Christian hospitals and Clinics with PL 480 Title II commodities for the past eight years. These commodities have made it possible for those hospitals and clinics to experiment in milk distribution programs, mother/child health classes, and pre- and post-natal care. It is noted that hospitals and clinics which offer some kind of food subsidy have greater traffic flow. What is done with the opportunity the commodities offer has largely been a function of the motivation and skill of the clinic staff itself. In FY '78 CWS plans to provide professional guidance to clinics and health centers, particularly in the area of nutrition. Meanwhile, PL 480 Title II commodities serve as a valuable tool used to strengthen the effective DGI/CWS Family Planning Program throughout Indonesia.

3. Improved Nutrition

Also associated with PL 480 commodity distribution, CWS is currently placing a major emphasis on introducing viable and realistic nutrition education programs into the polyclinic or hospital situation along with Family Planning education in an effort to meet this vital need. These programs are intended to test and demonstrate the effectiveness of various approaches to the nutrition need in coordination with a newly awakened Government of Indonesia emphasis in this area.

CWS is currently exploring the possibility of adding a staff nutritionist to provide professional back-up to our growing emphasis on nutrition as a key development-oriented adjunct to our feeding programs.

4. Appropriate Technology Transfer

Improved worker productivity is a key factor in increasing food production and rural income. We are now entering into project activity dealing with rural technologies such as rice-drying, refrigeration, and improved fertilization and hope to increase our access to various kind of expertise permitting us to initiate innovative projects with potentially broad application.

CWS does not anticipate a notable shift to government support of its



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commodity distribution programs although intensified efforts to gain such support are being made. Due to the vast development needs of Indonesia and the Government's natural tendency to focus on large scale projects, it is not expected to assume total responsibility for most of the programs in which CWS is involved in the foreseeable future. We will continue to focus assistance on segments of the population untouched by other development activity and thus still in great need.

Many partial contributions are made, however, by local government and other sources to projects utilizing PL 430 Title II commodities. This is particularly true in food-for-work projects which are generally seen by local government officials as contributing to their area development priorities. Government subsidies to MCH Centers or Orphanages are often a source of their reimbursements to CWS for inland transport and storage costs. Where subsidies and other resources are inadequate, hospitals and MCH Centers sometimes charge recipients to recover the expense of their reimbursements to CWS. Generally we discourage the practice and never is an otherwise qualified recipient to be denied food because of inability to pay. In no case does CWS directly charge recipients.

In addition to reimbursements for commodity handling, other costs are generally borne locally. These include provision for distribution of the commodities and local administrative staff. In each of its commodity distribution projects, CWS seeks to obtain maximum input from local sources according to their capability. One measure of project success in any given area is the degree to which this local capability for self-help increases.

In food-for-work projects, the sponsor normally bears the inland transportation costs of commodities from the CWS warehouse to the project site. Sponsors also provide local building materials such as stones for road and dam construction, bear project planning costs, provide supervision during implementation, and handle commodity storage near the place of utilization. Previous data to AID details that in the last five years, local government has reimbursed about \$30,000 to CWS in connection with food-for-work projects. This represents about one-half CWS' total internal handling and transport costs in that period for commodities designed for food-for-work. Current budgets anticipate that of all inland costs for PL 460 commodities, less than 10% will be recovered by indirect recipient charges while over half will be covered by direct and indirect government reimbursements.

The CWS-USAID co-financing program has contributed to the building of local development capability. In some areas, development of a successful farmer cooperative loan program has permitted the use of a loan fund to assist farmers in increasing agricultural production where previously only project grants were made. Also, all CWS development project assistance requires submission of an adequate project plan by the local people. Our field representatives assist local groups in preparation of their plans.



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B. Area, Scope, Conditions of operations

The CWS program in past years has functioned primarily in the islands of Java, Bali, Sulawesi and to North Sumatera to avoid the transportation and distribution difficulties which would be encountered in a widely dispersed program in this country. The rate at which projects will be accepted in new areas such as Timor or Kalimantan will be dependent upon the willingness of recipients to share in transportation costs and the availability of transportation facilities.

In supplying commodities to distribution centers, the principal ocean ports to be utilized are Jakarta, Surabaya, Semarang, Ujung Pandang, Belawan in North Sumatra, Bitung in North Sulawesi, Pontianak in West Kalimantan, Ambon in Molucca, and Kupang in Timor. Shipments to the ports of Ambon and Kupang usually require transshipment at Surabaya. Food-for-work Projects in more remote areas such as Sumba, transshipment will be carried out from Surabaya. Some transshipping in Singapore has occurred during the past with good results and will be continued where possible.

Proposed distribution in FY 1978 will be through the following categories of distribution centers.

<u>Distribution channel</u>	<u>Distribution Center</u>	<u>No. of Recipients</u>
Regional offices Church World Service	Maternity clinics	3000
	Hospitals	2400
	Polyclinics	5500
	Orphanages	5300
	Handicapped children	800
	Food for work	25000
		<hr/> 48000

In FY '78 as in FY '77 CWS proposes the following recipient levels

<u>Category recipients</u>	<u>Number recipients</u>
M C H	16,900
O C F	6,100
Economic Development (food for work)	25,000
	<hr/> 48,000

1. Mother/pre-School age Children (MCH)

The institutions to receive commodity distribution through this program are selected based on recommendations from both private and government sources. In an effort to serve the more needy areas, CWS has continued its policy of ceasing support to some government clinics and adding more private clinics, mostly Islamic which were heretofore unsponsored.



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In making changes we seek the coordinating counsel of central and local government officials.

Periodic field checks of our commodity distribution program indicate that present delivery systems are effectively reaching the desired target groups.

Increasing awareness of CWS programs throughout Indonesia has resulted in many new requests for assistance in the MCH category.

2. Other Child Feeding

The CWS program has reached over 6,100 children in FY 1976 primarily through using infrastructures of the Ministry of Social Affairs. Most of these are orphans living in sponsored institutions. In accordance with the USAID Guidelines concerning the use of Title II funds as well as the increasing CWS concentration on more development oriented projects, CWS had discontinued service to institutional residents other than in orphanages.

Distribution Center by geographic areas:

	<u>Orphanages</u>	<u>Hospitals/Maternity clinics Polyclinics</u>
1. North Sulawesi	11	7
2. South Sulawesi	12	38
3. West Java	12	13
4. Central Java	27	21
5. East - Java - Bali	36	14
6. North Sumatera	13	20
7. West Kalimantan	19	-
8. Ambon	-	6

Assistance and guidance in distribution of commodities is provided through the Department on Service and Development of the Council of Churches in Indonesia. The Council provides a large and responsible infrastructure through which CWS is able to work.

Distribution is made to orphanages and health institutions which are known before hand through which the distribution can be easily regulated. Many of the institutions are directly connected with the Council of Churches by virtue of being administered by the local synod. The people served in these institutions are ministered to only the basis of need and without regard to political or religious beliefs.

In the other child feeding programs: commodities are distributed daily usually in cooked form to the ultimate recipients. In the MCH program, small amounts of each commodity are distributed weekly on an out-patient basis.



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3. Economic Development (Food-for-work)

CWS believes that food-for-work represents the most meritorious use of PL 480 commodities in the Indonesian context. The particular benefits of food-for-work are:

1. They enhance local self-development capacity that is not dependent on further food assistance.
2. They help establish productive relationships with local officials which build the base for broader development cooperation through co-financed or other projects.
3. They are given more overt support by Government officials including significant reimbursement for inland transport and storage costs.

CWS food-for-work project activity has been well received communities in which it has been undertaken as testified in numerous letters from local officials in our fields. Project requests now in hand greatly exceed our ability to respond.

E. CONTROL RECORDS/RECEIPTING PROCEDURES/AUDITS

The heads of the various orphanages and health centers are required to send in monthly reports to the Regional CWS offices who in turn forward them on to Church World Service, Jakarta. These reports include the number of individuals who have received commodities and what their stock on hand is. Our main points of receipting are:

1. At that time of discharge from the vessel a Discharge Survey Report is made by Sucofindo, a worldwide surveyer operating in Indonesia;
2. Again after trucking to the warehouse, when the number of sacks is counted and recorded so that any loss between the deep sea warehouse and CWS warehouse can be noted and investigated. The counting also provides a basis for recording what amounts are shipped from the CWS warehouse to outer areas so that the amount removed from the warehouse correlates the amount brought in;
3. At the main distribution centers, where we require a form to be prepared which accounts for all commodities received and gives information as to how they have been distributed. Where it is necessary to transport commodities from the port of discharge to one of our distribution centers, we require a receipt from the carrier certifying the amount received and delivered.

As an additional control measure, at the request of the food for Peace Offices, we make spot checks of the markets in the Jakarta area to determine the sources of any PL 480 commodities being sold. Any abuses found which can be traced back to the distribution system of Church World Service are immediately dealt with and corrected.



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Spot checks in Surabaya are also done by the local CWS representative in the area. Usually, any field trip to food distribution areas includes a check of the markets to determine if anything donated by the U.S. Government through Church World Service is being sold or exchanged.

CWS is in the process of upgrading management of its Title II Food distribution program at every level. Particular attention is being given to the following areas:

1. Increasing government support for our inland storage and transportation costs.
2. Eliminating unqualified recipients.
3. Monitoring institutional practices of changing recipients to ensure that changes are appropriate and that no eligible recipient is refused assistance on the basis of inability to pay.
4. Maintaining adequate records.
5. Improving warehouse facilities and practices.

In addition we have inaugurated a "revolving self-audit" policy whereby each field office will receive a training and audit visit from Jakarta staff twice annually. For this purpose we have prepared a comprehensive set of audit guidelines, a copy of which has been provided the AID Jakarta mission. We are also exploring the feasibility of using outside professional auditors for this purpose and are assured of budget support from CWS New York. We suggest also that an increased Schedule of VA/NA office inspection visit be tied into the self-audit requirement.

F. Port Facilities/Warehouse

It should be noted that CWS control over and responsibility for management improvements is greater in its own central and field office structure than at many final distribution points. Because our style is to work through indigenous institutions and local government we are affected by their administrative abilities or lack of same. By focusing on the poorest institutions and poorest villages we almost by definition must work with the least sophisticated leadership. We make continual efforts to train and assist this leadership in proper procedure with mixed results. Still, we are reluctant to drop recipients from the program whose reporting is inadequate if they have an acute need and we are satisfied the commodities are reaching the people who need them. If we limited ourselves to institutions with developed record-keeping techniques we would be missing the "poorest of the poor"

On the island of Java where the majority of CWS commodities are distributed, the ports of Jakarta, Semarang and Surabaya are used. Some direct shipments have been made through Singapore to Pontianak in West Kalimantan. Shipments to Sulawesi (Ujung Pandang and Bitung) and Medan will be on Through Bills of Lading. The two main warehouse used by Church World Service are located in Jakarta and Surabaya. These warehouse are rented from the Freight Forwarding Agents on a daily-per-cubic-meter-basis.



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These are cement warehouse that are large and spacious and have sufficient ventilation and light. In principle, we try to store as little as possible in the warehouse, and instead transport commodities to distribution points as quickly as possible. In other distribution areas, the following warehouse are used:

- Semarang : a cement, well-ventilated warehouse rented by CWS
- Jakarta : a cement well-ventilated warehouse rented by CWS
- Surabaya : a cement, well-ventilated warehouse rented by CWS
- Medan : a cement, well-ventilated warehouse rented by CWS
- Manado : a cement, well-ventilated warehouse belonging to Bethesda Hospital, Tomohon
- Ujung Pandang : a cement, well-ventilated warehouse rented by CWS
- Pontianak : a cement, well-ventilated warehouse belonging to a Christian Foundation Yayasan Perkumpulan Pelayanan Kristen
- Ambon : a cement, well-ventilated warehouse belonging to the Church of the Molucca

G. Finance

All internal costs are covered by the Department on Service and development of the Council of Churches in Indonesia. Most of the program funds received by the Department for this purpose come from Church World Service although some contributions are received from other church and voluntary organizations in various countries.

The agreement between the local institutions and the Department on Service and Development requires that the former pay the harbor costs and inland freight from the harbor to the institutions, however harbor costs are so high that in many cases CWS has been obliged to assist with these costs if the program is to continue.

To encourage increased use of Food-for-work, CWS has not asked harbor cost reimbursement for Bulgur Wheat to be used for FFW but has requested local governments to bear inland transportation costs from port to project. We interpret local government's willingness to accept such costs as their responsibility as a significant indication of their enthusiasm for the Food-for-work concept.

Losses and damages sustained in shipping are reported to Church World Service head-quarters in New York. Claim against a carrier for loss and damage to cargo from the port of loading in America to discharge in Indonesia are processed by CWS/New York; claims in respect of inter-inland transportation losses are filed at the port of discharge.



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H. Acceptability of Available Commodities

PL 480 Title II Commodities have generally been well accepted throughout Indonesia and requests for commodity assistance have always exceeded availability. Non-fat dry milk, sorghum grits, and rolled oats have been highly desired items in all areas of the country. Bulgur Wheat is also widely accepted and is often mixed with rice in preparation. In some cases orphanages cook it as porridge or make it into cakes. Less acceptable generally are corn-soy-milk, soy fortified flour and wheat-soya-blend. In addition, their shorter shelf-life creates particular problem in Indonesia due to long transportation distances. In the case of all commodities, CWS attempts to hold demonstrations and provide literature or proper preparation and use so as to maximize acceptability and benefits.

It is believed that the use of Title II foods assists in providing a nutritional balance to recipients in all categories. CWS plans to expand the benefits of this nutritional supplementation through nutrition, health education, and other dependency-reducing programs.

Food requirements are estimated based on requests from CWS field offices for the number of recipients in each category adjusted to accord with commodity availability and overall CWS program priorities. (see section D) Rates of use are based on AID guidelines.

I. Program Publicity

The tremendous propensity for politicizing all aspects of development aid has presented an obstacle to CWS in widely publicizing its work using PL 480 commodities. Nonetheless, both newspaper and magazine articles have appeared in the Indonesian press acknowledging the use of Title II Food-for-work projects in Sumatra, South Sulawesi and Central Java. In any event local governments participating in Food-for-work and recipient institutions are generally aware that the food comes as a gift from the United States Government via CWS. In addition CWS has received letters of appreciation from various governors' offices.

J. Program Plan FY 1978 Summary

The FY 1978 Program Plan has been designed to focus on a comparatively small but highly critical segment of the total need in Indonesia at this time. Among our main priorities and goals for FY 1978 are:

1. Continuation of the food distribution program in the areas of mother/child health, institutional feeding, and assistance in times of disaster.



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2. **Family Planning:** In nearly all the hospitals and clinics being served by PL 430 food, CWS in cooperation with the Council of Churches in Indonesia has instigated, encouraged, and promoted active family planning programs. Since FY 1976 major emphasis has been placed on development of informational and educational materials in support of family planning. This has included in particular slide sets which have been used by the Government, UNESCO, and other agencies. Several family planning booklets have been printed for distribution to provincial government officials, hospital, clinics, religious group, and other institutions. Further experimental programs for maximizing family planning and family size limitation acceptance are being planned.
3. **Expanded food production:** CWS places major emphasis on projects which seek to increase food production, such as irrigation development, farmer cooperative, and technology transfer.
4. **Nutrition:** CWS continues to expand its involvement in the area of improved nutrition. Expansion of our expertise in this area is a major current priority.
5. **Food-for-work projects:** Food-for-work stimulates local initiative for development projects such as transforming jungle foot paths into roads capable of sustaining motorized transport. The potential availability of extra village resources makes it possible for several villages to combine for mutual benefits. That food-for-work represents a significant factor in development is indicated by the ever-increasing requests for just such as aid.
6. **AID/Volag co-financed projects:** This AID plan has been of great value in enabling CWS to expand its program of assistance to needy population groups in Indonesia. One completed project will add nearly \$100,000 annually to income of six villages in Central Java. Another is redeveloping a once-destroyed community in Southeast Sulawesi. New proposals will emphasize innovative approaches to self-development with potentially broad application. Co-financing enables CWS to assist communities with projects of larger size than would otherwise be possible.

Certain basic affirmations about development with which we in CWS begin are these:

1. Development is about people and their own realization of the full potential of human life it is for and by them - others can only be facilitators.
2. Development revolves around people in community with direction and control in the hands of local leadership within the community.
3. Development is sustained through functional, indigenous institutions developed from response to the local situation of the people.



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CWS sees its role in this kind of development as one of response to local initiatives which, with a minimal amount of encouragement and assistance, are capable of generating self-support and self-reliance including maximum participation of and benefit to local residents.

In this context we have found experimental verification of the fact that the most successful projects are those brought to us initially by local - usually village - leadership. That is to say, a leadership group such as a village development committee under direction of the local chief or Lurah conceives and basically executes a project for their own community. Our role may range between motivation, planning assistance, provision of material aid, and where appropriate, guidance in maximizing benefits of project outputs. The initiative, however, must be local. Projects imposed from the outside simply do not work, no matter how grandiose. Gaps of culture and technology are usually to be effectively bridged, even for well-conceived projects.

Food-for-work projects serve especially well as catalyst for this kind of local initiative. At best they give people a concrete vision of what they can do for themselves and so build a local self-development capacity that is not dependent on ever continuing food or other material assistance.

In summary, the main benefit of PL 460 commodity programs in Indonesia is not to fill a food gap per se but rather to serve as a uniquely effective catalyst for self-development. In institutional feeding (CCF, MCH) for example, commodities often serve as an incentive which brings people to centers where they then may receive training in such areas as health, nutrition, and family planning. But it is especially through food-for-work that food performs this vital catalytic function: persons to involve themselves in self-help community building projects. And the results of these projects themselves become the incentive for further indigenous development activity as the people's hope and awareness are expanded.

Based on this plan, our proposed PL 460 distribution levels for FY '78 are as follows:

∟ because, as described above, the goods becomes a direct incentive for persons to.....



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<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>Kilograms (thousand)</u>	<u>Dollars</u>
1. Maternal and Child Health - Total Recipients : 16.9 (12 months basis, 0.9 Kg per month)			
16.9	Bulgur Wheat	184.5	\$33.9
16.9	S. F. R. Oats	184.5	46.7
Total MCH		<u>369.0</u>	<u>\$80.6</u>
2. Other Child Feeding - Total Recipients : 6.1 (12 months basis, 3.0 Kg per month)			
4.0	Bulgur Wheat	144.1	\$26.5
3.0	S. F. Flour	108.2	26.8
3.0	S. F. R. Oats	108.2	27.3
3.0	S. F. Sorgh. Grits	108.2	22.9
Total OCF		<u>468.7</u>	<u>\$103.5</u>
3. Food-For-Work - Total Recipients : 25.0 (8 months basis 5.0 Kg per month)			
25.0	Bulgur	1000	\$183.7
Total		<u>1837.7</u>	<u>\$367.8</u>

Note: To the above amounts we will add in the AER 15% for reserve and emergency use.

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ANNEX TO CWS FY 1978 PROGRAM PLAN

MULTI - YEAR PROGRAMMING

CWS anticipates that P.L. 480 Commodities will continue to represent a decreasing portion of overall CWS Indonesia program activity. This reflects our hope for a reduction of Indonesian dependence on imported food-stuffs as well as a conviction that, except in food-for-work projects, donated commodities are less satisfactory than donated cash used to purchase locally available foods. Uncertainties over USAID policy vis-a-vis P.L. 480 use in Indonesia also make long range programming difficult and create the risk of problems that outweigh program benefits. Time consumed dealing with reports, audits, and other requirements of the program are becoming disproportionate to their value in the context of overall CWS priorities and resources.

In the framework of the Government of Indonesia priorities within which we work, CWS feels its major contribution to be at the grass roots level working with the poorest sectors of society to the end of helping to develop motivation and capacity for further self-reliant development activity (see main text of FY '78 Program Plan narrative). Food-for-work best serves this priority of providing support to local development initiative because we are able to work directly with local leadership in project design and implementation.

MCH is valuable where adequate health record keeping gives realization to the opportunity for collecting useful data on the health and economic condition of segment of the population. MCH is also a channel through which nutrition and family planning information may be disseminated. However, in the long run, other channels are preferable if their effective use can more readily be assumed by indigenous institutions, public and private. There is little evidence of government interest in assuming responsibility for MCH-type feeding programs.

With regard to orphanage feeding programs (OCF), CWS foresees a gradual shift toward utilization of no-P.L. 480 resources, recognizing that this is not a USAID priority program.



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Given the tentative nature of these assumptions and the lack of opportunity to date to discuss them fully within CWS or with USAID and the government of Indonesia, the CWS multi-year projections currently visualize only a gradual shift in program emphasis with little overall change in levels of prospective commodity usage. Essentially there is a shift from MCH and OCF to food-for-work. By FY 1982 it is anticipated that OCF programs will be entirely phased out of P.L. 480 distribution. MCH will be reduced 40% in terms of recipient levels while food-for-work increases 60% in the same period.

Year-by-year projections follow for FY 1979 - FY 1982.

Projected P.L. 480 Commodity Usage
FY 1979

1. Maternal and Child Health - Total Recipients: 15,000	
Bulgur Wheat	162 thousand Kgs
S.F. Rolled Oats	162
Total MCH	<u>324</u>
2. Other Child Feeding - Total Recipients : 5000	
Bulgur Wheat	144
S.F. Rolled Oats	144
S.F. Soghum Grits	144
Total OCF	<u>432</u>
3. Food-for-work - Total Recipients: 30,000	
Bulgur Wheat	1200
Total FY Projected Requirements: 1,956,000 Kg.	



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Projected P.L. 480 Commodity Usage

FY 1980

1. Maternal and Child Health	- Total Recipients:	12,000
Bulgur Wheat		129 thousand Kgs
S.F. Rolled Oats		129
Total MCH		<u>258</u>
2. Other Child Feeding	- Total Recipients:	3000
Bulgur Wheat		108
S.F. Rolled Oats		108
S.F. Sorghum Grits		108
Total OCF		<u>324</u>
3. Food-for-work	- Total Recipients:	35,000
Bulgur Wheat		1400

Total FY Projected Requirements: 1,922,000 Kg.

Projected P.L. 400 Commodity Usage

FY 1981

1. Maternal and Child Health	- Total Recipients:	10,000
Bulgur Wheat		108 thousand Kgs
S.F. Rolled Oats		108
S.F. Sorghum Grits		-
Total MCH		<u>216</u>
2. Other Child Feeding	- Total Recipients:	1500
Bulgur Wheat		54
S.F. Rolled Oats		54
S.F. Sorghum Grits		-
Total OCF		<u>108</u>
3. Food-for-work	- Total Recipients:	40,000
Bulgur Wheat		1600

Total FY Projected Requirements: 1,924,000 Kgs



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Projected P.L. 480 Commodity Usage
FY 1982

1. Maternal and Child Health	-	Total Recipients:	10,000
Bulgur Wheat		108	thousand Kgs
S.F. Rolled Oats		108	
Total MCH		<u>216</u>	
2. Other Child Feeding	-	Total Recipients:	0
Bulgur Wheat			
S.F. Rolled Oats			
S.F. Sorghum Grots			
Total OCF		0	
3. Food-for-work	-	Total Recipients:	40,000
Bulgur Wheat		1600	
Total FY Projected Requirements:		1,816,000	Kgs.

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CHURCH WORLD SERVICE FY 1978 PROGRAM PLAN

ATTACHMENT REGARDING CALORIC VALUE of P.L. 480 TITLE II FOOD ASSISTANCE

<u>Category of Recipient</u>	<u>Avg Per Capita Caloric content of daily ration</u>
Maternal and Child Health	225
Other Child Feeding	725
Food-for-work	900

Notes:

1. Daily rations are at or slightly below maximum rates suggested in IID 134125 (see program plan) and are unchanged from FY'77
2. CWS Indonesia programs employ PL 480 food as a nutritional supplement to regular diets and as an incentive, not as basic sustenance. In this context the caloric contents listed above are deemed sufficient.
3. Current CWS plans foresee a nutritional analysis of feeding programs in FY'77 to gather data on caloric and other inputs from non-PL 480 food consumed by program recipients. On the basis of this data it may be advisable to adjust ration levels or even program targets in the future.

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