

**INDONESIA
EDUCATION AND HUMAN RESOURCES
SECTOR REVIEW
April 1986**

**CHAPTER ELEVEN
EXTERNAL ASSISTANCE**

IEES

**IMPROVING THE
EFFICIENCY OF
EDUCATIONAL
SYSTEMS**

Coordinated for the Government of Indonesia by the
Ministry of Education and Culture with USAID

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April 1986

Chapter Eleven:
External Assistance

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Ministry of Education and Culture with USAID

INDONESIA EDUCATION AND HUMAN RESOURCES SECTOR REVIEW

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11.0 EXTERNAL ASSISTANCE

11.1 Introduction

Foreign donor assistance has made an important contribution to the development of Indonesia since the country gained its independence in 1945. A primary reason that this assistance has contributed to productive development has been the skill with which the Government of Indonesia (GOI) has identified its development priorities and focused outside aid on areas of need. The importance of external aid continues today. As noted in Chapter Two of the Sector Review project aid comprises two-fifths of total development expenditures for 1985/86; Indonesia must today cope with the reality of an increasingly heavy foreign debt and an international trade environment constrained by low prices for the basic commodities that have been its prime revenue earners in the past. Important tradeoffs between development and debt will be faced in the future.

Human resources development (HRD) has been a Government priority for decades. It is also a priority for international funding agencies, such as the World Bank (Indonesia's largest funder) and other United Nations agencies. This chapter will outline the pattern of external assistance to one major component of this human resources development effort, the education sector. In the descriptive status section of the chapter recent reports by the United Nations Development Programme (UNDP) and Canadian International Development Agency (CIDA) will be drawn upon extensively to avoid duplicating these excellent efforts. An analysis section will then be presented in an attempt to outline some of

the major issues with regard to external assistance. The chapter will end with a series of recommendations.

11.2. Status

11.2.1 History and Setting

In 1966, the final year of President Soekarno's regime, inflation in Indonesia had reached 600%. With a foreign debt of \$2 billion, the country was nearly insolvent. The economic situation naturally was of highest priority to the new president. Shortly after he came to power, President Soeharto gained the assistance of the United States, Japan, Australia, and several European nations in rescheduling Indonesia's foreign debt. Seizure of foreign property was halted and foreigners whose property had been expropriated were compensated. These actions, coupled with drastic reductions in inflation and other improvements to the economy, succeeded in restoring Indonesia's credit and attracting foreign investment.

Also in 1966, the Inter-Governmental Group on Indonesia (IGGI) was formed at the request of the Indonesian Government to help coordinate foreign aid and investment. The IGGI is composed of representatives from 14 nations and two multilateral donors, listed below.

- | | | |
|-------------------|--------------|--------------------------------|
| 1. United States | | 9. Belgium |
| 2. Japan | | 10. Italy |
| 3. Netherlands | | 11. Switzerland |
| 4. West Germany | | 12. New Zealand |
| 5. France | | 13. Denmark |
| 6. Australia | | 14. Austria |
| 7. United Kingdom | Multilateral | 15. The World Bank |
| 8. Canada | Donors | 16. The Asian Development Bank |

From 1967 to 1975, IGGI loan and grant funding to Indonesia totaled \$5.3 billion. Through 1981 bilateral aid outstripped multilateral aid,

with the ratio in 1981 standing at eight to one. This situation has now reversed, with multilateral aid currently comprising the bulk of foreign assistance to Indonesia.

In 1983, foreign assistance to Indonesia totaled approximately \$2 billion, with the World Bank (\$1.33 billion) and the Asian Development Bank (\$426 million) the largest donors. Among the bilateral donors, Japan made the largest contribution (\$300 million), followed by the United States (\$120 million). For 1985/86, total foreign assistance is estimated to be \$2.4 billion, with the World Bank (\$1.2 billion) and the Asian Development Bank (\$500 million) again being the largest donors, followed by Japan (\$321 million), the United States (\$115 million) and The Netherlands (\$53 million).

Indonesia's foreign debt has risen rapidly in the last five years. The country is presently the sixth largest debtor nation in the Third World, with a foreign debt of \$32.5 billion. A rapid increase in the foreign debt began in 1982 and early 1983 with a deterioration in the terms of trade. Indonesia reacted swiftly to this situation by devaluing the rupiah by 28%, rephasing public investment projects, reducing subsidies and instituting fiscal reforms and an austerity budget in 1983/84. Indonesia has been reasonably successful in diversifying its exports, but the reduction in world prices for basic commodities, especially petroleum, has greatly hindered efforts to improve the balance of trade. Recently, the Government announced that for the first time in history the national budget would actually be reduced.

Indonesia has had an excellent record of putting its external assistance to work over the years. The country has balanced its investment well between infrastructural development in the rural agricultural sector--for irrigation, electrification, communications and transportation, crop production, and village development--and development in the industrial and mining sectors. In view of the rapidly increasing foreign debt, the priority must remain to put external assistance to the most appropriate and productive use and, if possible, reduce the rate of increase of foreign debt. Table 11.1 (taken from data presented in Chapter Two) summarizes the allocation of project aid in 1984/85.

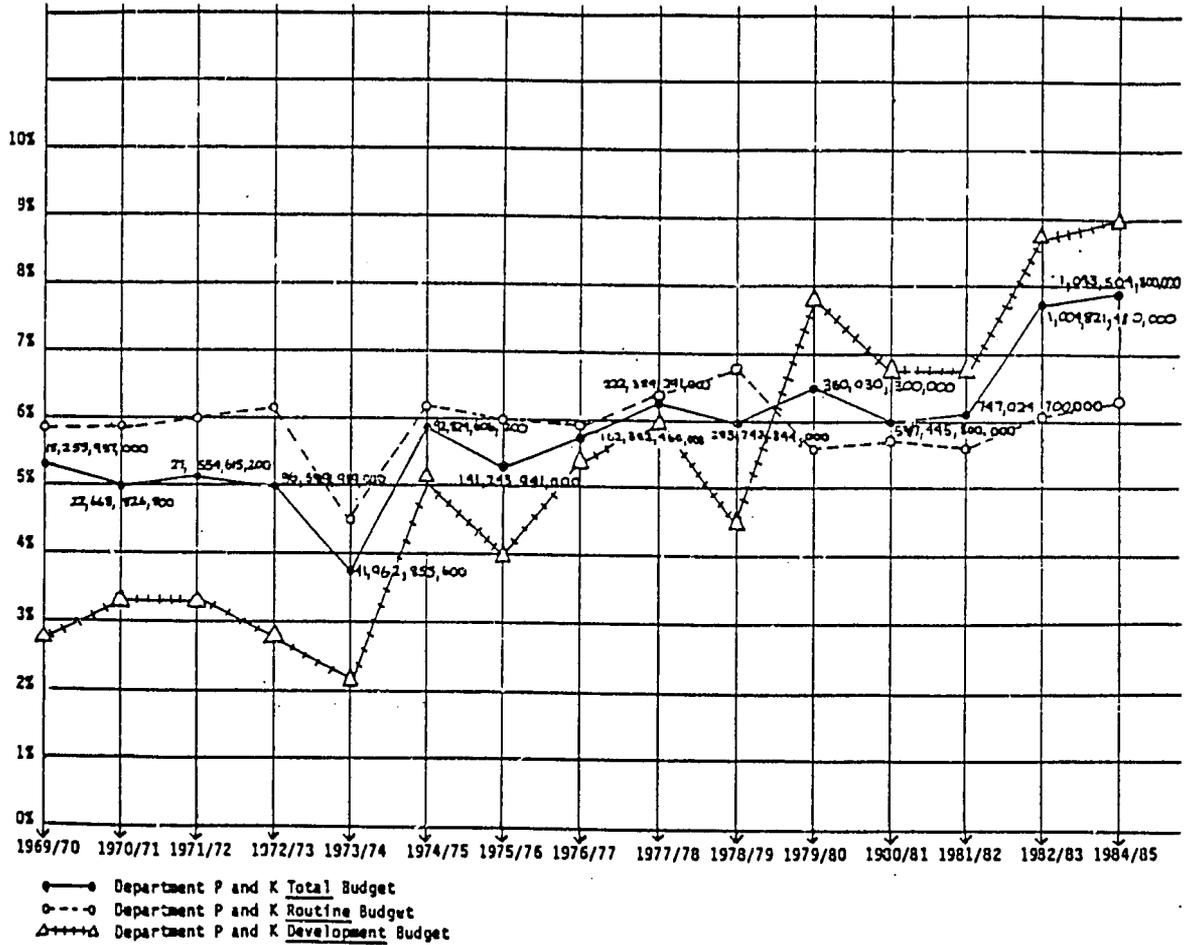
TABLE 11.1
DEVELOPMENT EXPENDITURES
PROJECT AID

	(Rp. billions)	(US\$ million)
1. Agriculture and Irrigation	530	54.6
2. Industry and Mining	769	79.3
3. Electric Power	730	75.3
4. Transportation and Tourism	761	78.4
5. Manpower and Transmigration	151	15.6
6. Regional Development	42	4.3
7. Education	285	29.4
8. Health	76	7.8
9. Housing and Water Supply	199	20.5
10. General Public Service	322	33.2
11. Government Capital Participation	201	20.7
12. Other	308	31.7
TOTAL	4,372	450.8

As indicated in Figure 11.1, from the beginning of Repelita I (1969/70) to the end of Repelita III (1983/84), GOI development expenditures for the Ministry of Education and Culture (MOEC) rose from

FIGURE 11.1

PERCENT OF GOI BUDGET ALLOCATED TO
THE MOEC IN REPELITA I, II
AND III 1969/70 - 1983/84



2.9% to 8.7%. Prior to 1978/79, the routine budget allocation to the MOEC represented a larger proportion of overall budget expenditures for education than did the development budget. This situation reversed in 1979/80, due in large part to a major increase in external assistance. In the first year of Repelita IV the GOI allocated 14.4% of its development budget to education (the MOEC and other ministries).

Total assistance to education and manpower training activities from 1969 to 1983 was estimated at US\$600 million. Eight percent went to primary education activities, 41% to secondary education, and the remainder to higher education and manpower development activities. The World Bank's contribution during this period was allocated as follows: 13% for primary education, 33% for secondary education, and 54% for higher education. The Asian Development Bank has split its \$115 million contribution almost evenly between secondary and tertiary education. Between 1979 and 1984 (the Second Country Program), 12.7% of all UNDP financial resources went to education.

11.2.2 Structure

The National Development Planning Board (BAPPENAS) collaborating with the Coordinating Committee for International Technical Cooperation (CCITC), the Ministry of Foreign Affairs, and the Ministry of Finance, is charged with overseeing and coordinating all external assistance. As part of the formal system of review for foreign aid BAPPENAS prepares a "Blue Book" listing the GOI development priorities for the year; these are closely aligned with the government's five-year development plan (Repelita). Each of the ministries concerned, including the MOEC, review their priorities each year for modification in the "Blue Book."

Based upon their own interests and priorities, the funding agencies submit their proposed funding activities for approval by BAPPENAS and CCITC. If the proposed activity to be funded is not covered within the priorities listed in the "Blue Book," it will not be approved. Of course, this seldom occurs, as donor agencies are in contact with officials of the various ministries, and funding needs and priorities are discussed on a continuing basis. No formal bodies other than BAPPENAS and the CCITC coordinate donor activities.

The IGGI is the only existing formal body providing a forum for contact among the representatives of the bilateral and multilateral funding agencies. It meets every four months and is currently chaired by the Director of Development Assistance of the Embassy of the Netherlands. The IGGI is not a coordinating body; it simply provides a forum through which donors share information and informally discuss areas of interest.

11.2.3 Donor Investment Strategies and Priorities

11.2.3.1 Bilateral Funding Agencies

The following information summarizing the areas of interest of the bilateral donor agencies is reprinted from an unpublished study, prepared by Salasan Associates for the Canadian International Development Agency (CIDA), entitled Human Resource Development Sector Study: Indonesia, May 31, 1984. It is reprinted with CIDA approval.

AUSTRALIA

There is no doubt that Indonesian higher education is Australia's first priority, within the context of Indonesia's development priorities of agriculture, health, water, energy, and education. Australia offers a large number of fellowships, and is adamant that a personal approach is crucial to the success of a fellowship program. In 1983 Australia provided 201 new fellowships for non-academic programs, and 130 for academic programs. In 1984 they expect to offer new fellowship for 216 non-academic and 147 academic programs. A large number of these fellowships are offered through the Colombo Plan for graduate education and for intensive English courses.

To prepare their participants to benefit from the fellowships the Australians have recently opened an English Language Training Center in Indonesia. The Center offers its program to specific groups, which are kept together as groups throughout the training. Each group completes its training at the Sydney Language Center, where the Department of Education runs an English Preparation Center (EPC). This Center does extensive research and appraisal through controlled group assessment of its program.

It is estimated that at present there are 500 Indonesians studying in Australia at the postgraduate level. Approximately 50 fellowships are offered annually through the Directorate General of Higher Education (DGHE), 50 through other departments, and 20 more which are open to all. Only 80-90 of the 120 students selected actually go to Australia; the rest drop out of the program along the way.

Some of these postgraduate fellowships are directed toward

upgrading the staff of selected universities through the Australian Universities International Development Program (AUIDP). Approximately 10 Australian institutions are involved in this program which provide tutorial assistance, English language training, and an English support service during thesis writing. Other fellowship staff development is conducted at the Technical Teacher Upgrading Center (TTUC), Bandung, and the Vocational Teacher Upgrading Centre (VTUC), Jakarta. Australia has also provided 32 expatriate teachers to these two institutes.

Much of Australia's assistance has been focused on technical and vocational education. Australian funded activities have included provision of an adviser to the Directorate of Technical and Vocational Education (DPMK) on a continuing basis since 1972, provision of six advisors to the Technical Teacher Upgrading Center (TTUC) in Bandung since 1978, and a commitment to provide equipment to a senior technical school (STM) in Cilacap in south central Java. These activities were brought together, with additional components, into one project in July 1980. This project, called the Indonesian Australian Technical and Vocational Education Project (IATEP), was to run for three years, from July 1980 to June 1983.

Australian assistance prior to July 1980 is estimated to have cost A\$1.5 million. Total Australian assistance under the IATEP program and previous project was expected to be A\$5.3 million to TTUC, A\$3.8 million to the Vocational Teacher Upgrading Center (VTUC) in Jakarta, A\$1.1 million to STM Cilacap and A\$0.8 million with advisers to DPMK.

The Australians, have built specific training arrangements into many projects, including diagnostic laboratories, geological mapping,

veterinary sciences, animal research, pasture and forages, water resources development, and road building projects.

BRITISH COUNCIL

The British Council considers itself to be a minor donor in Indonesia. Its two activities in the HRD sector are a management training program (run at such institution as Birmingham University) and an extensive English language training program in Jakarta. The Council's feeling is that donors of its size should work toward the development of specific sectors, perhaps in specific geographic areas -- agriculture on Sulawesi, for example. It is vitally concerned that the new GOI policy which calls for the local ministers to administer more of the technical assistance provided by donors will make it difficult for the Council to maintain its present level of involvement in Indonesia.

For some years the British Council has appointed staff members to positions and projects within a development of the GOI, to increase their familiarity with the Indonesian system and its unique needs. For example, a program officer may spend several days a week working for Office of Education and Culture Research and Development (BP3K), or as a resource person with a specific project, and spend the rest of the week carrying out his duties as a program officer.

The British Council offers extensive programs of English language training for personnel in government and parastatal organizations, and those working with the United Nations or foreign donor agencies. Courses are specially designed for Indonesian staff members who wish to improve their spoken English in order to participate in high-level

international conferences and seminars, or to evaluate and produce different types of official written reports. Courses are offered subject to demand, and all candidates must take the British Council placement test. The Council, unlike other language facilities, is anxious to provide language training for Indonesians who are taking part in programs sponsored by other donor agencies.

During the past year the Council has produced a rather detailed market survey of higher education in Indonesia. While data from that survey are available, the paper itself has not been made public.

CANADA (Canadian International Development Agency-CIDA)

A summary analysis of CIDA's current (1984-85) projects in Indonesia shows that the majority of CIDA's funds are in the transportation sector (Table 11.2).

The predominance of this sector becomes even more pronounced when the planned projects for the period 1985-89 are taken into account. More than two-thirds (67.1%) of the projects planned for the five-year period are related to transportation, and almost C\$96 million of the \$143 million total will go to that sector. The majority of the aid in this sector is in capital goods, such as locomotives, rail cars, scales, etc.

The second major sector of CIDA involvement is water resource development. The primary activity in this sector is the development of water resources in the Lower Solo River Basin, including improvement of tributary dams, flood control dikes, and irrigation designs. The projected cost of this study is C\$12,025,000.

TABLE 11.2
CURRENT OPERATIONAL PROJECT (1984-85)
(Rupiah)

<u>Sector</u>	<u>(.000)</u>	<u>% of total Projects</u>
A. Transportation	26,359.9	56.5
Air	236.6	
Roads	7611.2	
Rail	18512.1	
B. Energy (Hydro)	1,240.3	2.7
C. Water Resources Development	11,319.3	24.3
D. Regional Development	1,715.3	3.7
E. Agriculture	2,596.66	5.6
F. Environment	1,177.7	2.5
G. Others	<u>2,206.24</u>	<u>4.7</u>
Total	46,615.40	100.0

Source: Compiled from data supplied by CIDA, Hull.

The CIDA post in Jakarta reports that in neither of these projects is a discrete training program component integrated into the project design. Although there are training objectives, the projects lack specific plans for achievement of these objectives. In most cases there is no specific budget line for the training component.

In a recent impact evaluation of three water resource units, established under a CIDA C\$10 million water resources loan in 1976 and completed in late 1982 and 1983, the report states that it is imperative for the training function to be designed as an integrated part of the project. Simply identifying training outcomes as an objective of the

projects is not likely to produce the desired result of trained Indonesian's. For training to occur, a training component design which includes expected outcomes and strategies to achieve those results must be built into the original project design.

A training review done in conjunction with the Sulawesi Regional Development Project contains similar recommendations. Training outcomes are difficult to achieve even with a carefully designed and implemented training component. Leaving this function to chance is a guarantee of failure.

Embassy staff in Jakarta estimated that as much as C\$17 million in HRD training is funded in current and projected operational projects without the benefit of any designed training component. The only exceptions are those projects in which training is the major objective. The initial success of the Water Resources Training Project at the University of Manitoba provides an example. One interesting element of this program was the involvement of a Canadian professor who began by giving a short-term seminar in Indonesia. This strategy had the following advantages:

1. It gave the Canadians a clear idea of the particular technical problems in this sector in Indonesia.
2. It gave the Canadians a clearer idea of what type of program might be best offered in Canada.
3. It helped the Canadians assist the Indonesians in screening out those candidates who had the greatest potential to benefit from the program in Canada.

This project points to the role that can be played by graduate tutors in helping the Indonesian trainees in Canada by providing personal, professional and language supports. Although many of these students originally scored below the acceptable level on the TOEFL exam, they were accepted because of the recommendation of the Canadian professor who knew of their potential and commitment from his work with them in Indonesia. Backed by suitable support in Canada, these students not only engaged in practical work on projects related to their own environment but have achieved at a remarkable rate in Canada. In many cases they are outperforming Canadian graduate students in spite of their initial language limitations. The strong personal commitment of the professor in charge is clearly one reason for the success of this project.

As CIDA moves toward establishing a long-term strategy for HRD it is clear that part of the process must be an information sharing as to what CIDA views as being encompassed by HRD. It is important that CIDA analyze past and present projects, as well as new projects being planned, to identify the HRD elements of these projects.

FRANCE

The French are working with several ministries and crown corporations in long-term development plans involving the training of Indonesian personnel with companies and government departments in France (such as PLN Electricity Company, Ministry of Public works, PT Nurtanio Helicopter Assembly, Perumtel). They are also involved in providing equipment and aeronautical engineering training for

technicians at the Senior Technical School at Penerbangan, where aerospace technical skills are taught. Future plans include an interest in designing the program and developing the staff for an aeronautical department for a polytechnic institute.

The French operate a general fellowship program which offers over 200 bursaries per year, tenable in France, in the following fields:

Management and Economics	7	84%
Science and Technology	179	
Medicine	8	4%
Public Administration	8	4%
Language and Letters	3	1%
Social Science and Arts	16	7%
	222	

Most of the fellowship students (64) are from Institute Teknologi Bandung (ITB). The next largest groups come from the University of Indonesia (15) and the IPB Bogor (11). Non-university students come from various government departments and agencies.

GERMANY

The focus of Germany's aid program is two regional development projects--one in West Sumatra and one in East Kalimantan. These projects are dominated by agriculture concerns but have an industrial component as well. The Germans are also involved in technology transfer, and have provided training for scientists and technicians in several of the government science research centers. Germans are placed

in Indonesia on a short-term basis to conduct some of this training.

Although they have no specific project listed as an HRD project, the Germans do provide training as part of their regional development projects, and they offer some general fellowships for study in Germany. The total number of fellowships offered in a year is approximately 120-130; 90 of these are related to projects and 40 per year are earmarked for the preparation of vocational teachers.

The lack of participants with some fundamental understanding of German is a problem in the fellowship program. For long-term fellowships they will offer up to six months of language training. Travel to Europe must be paid by the GOI and this poses a further constraint. Although the Germans would like to direct more of their fellowships to the Ministry of Manpower, this Ministry lacks the necessary counterpart funds. To date, therefore, most of the fellowships have gone to the Ministry of Education.

Germany maintains a cultural aid budget which is separate from their general aid budget. With these funds they provide professors of cultural disciplines to Indonesian universities.

JAPAN

The Japan International Cooperation Agency (JICA) regards the ASEAN countries as their highest priority area for their assistance, and Indonesia has been the largest recipient country of Japanese aid (12.4% of the total Japanese bilateral aid in 1982). Japan's aid efforts focus on the sectors of rural development and agriculture, energy, and small-

and medium-scale enterprises. The Japanese emphasize human resource development in all sectors as a priority.

Japan offers assistance to Indonesia in seven general program areas:

1. Training Program for Overseas Participants
2. Expert Assignment Program
3. Equipment Supply Program
4. Project Type Technical Cooperation Program: Technical Cooperation Center, Health and Medical Cooperation Centre, Forestry and Fisheries Cooperation Program, Industrial Development Program
5. Development Survey Program
6. Development Cooperation Program (long-term low-interest loans to Japanese corporations and foreign corporations financed by Japanese firms)
7. Japan Overseas Cooperation Volunteers Program

Japan has incorporated HRD into many different projects in which some transfer of technology is needed and where purchases of equipment from outside Indonesia will be required for some time to come. The Japanese clearly have a strategy for linking their aid inputs and concerns for training with long-term training opportunities for Japan. This can be seen in projects such as

- Radio and Television Training Center, Yogyakarta, Medan
- Chemical Industry Training and Development Centre, Medan
- Volcanis Sabo Technical, Yogyakarta
- Audio-visual Development in Medical Production Center

- Sericulture Development Project
- Mariculture Development in Indonesia

These projects all involve training and technical assistance, but also mean substantial sales of Japanese equipment. It is interesting to note that JICA has produced attractive brochures (in Bahasa Indonesia and English) for each of their major projects in Indonesia.

The Japanese have also taken the lead in promoting a "ASEAN Human Resources Development Project" which they first suggested in 1981, and for which they have budgeted \$10 million. This project is aimed at training specialists in ASEAN through technical cooperation and grant aid to various training centers to be established in the ASEAN countries. In connection with this project, an International Technical Center be established in Okinawa, Japan, to accept trainees from ASEAN.

This Center will be set up as an organization affiliated with the Japan International Cooperation Agency, and its main activities will include the training of ASEAN youth, personnel interchange among the ASEAN countries, and backup services and liaison work for the training centers to be set up in ASEAN.

Bilateral consultations have been carried out regarding project plans formulated by the ASEAN countries, and the plans of all the countries except Singapore have already entered the implementation stage. The outlines of the plans are as follows:

1. Indonesia: Center for Vocational and Extension Service Training (CEVEST). This center, which will be operated by the Manpower Ministry, will be the national institution to train instructors and leaders for the purposes of

enabling young people and unskilled workers to enter the labor market, and of improving small scale industry. The Japanese plan to give approximately to \$17 million in grant aid to this project.

2. Malaysia: Center for Instructors and Advanced Skill Training. Japan will assist in the establishment of this Center to train vocational instructors and skilled technicians.
3. The Philippines: Philippines Human Resources Development Center. This Center is designed to train specialists in fields related to housing construction, promote cottage industries, and improve condition of people in rural areas.
4. Thailand: ASEAN Training Center for Primary Health Care. As part of the "barefoot doctors" training project under the fifth national economic and social development program of Thailand, this Center will be established to promote research and surveys on health and sanitary systems in rural areas, to train experts, and to produce and distribute teaching materials.
5. Singapore: Productivity Development Project. This project is designed to provide training courses for managers, supervisors, and workers in such fields as quality control, personnel administration, labor management relations, labor safety, and hygiene, for the purpose of raising the nation's economic productivity.

NETHERLANDS

The Dutch program in human resources development can be divided into six categories:

1. Netherlands Foundation for International Cooperation.

The Foundation coordinates cooperation between universities in the Netherlands and in the third world. Their present policy, it is interesting to note, is directed at intensive cooperation over a long period (10 years). In the 1981-86 period, they will have been involved with specific departments in three different Indonesian universities and will have contributed close to \$8 million. These activities are over and above the bilateral allocation, as they come out of non-country-specific funds.

2. International Education.

This is another program financed from non-country-specific funds to assist institutes in the Netherlands which offer courses to teach Third World students to execute training project in a Third World country. Some of these courses are with universities; others are with training institutes of government ministries.

3. Operational Experts.

This program is a regular technical assistance program of various ministries. Experts are placed in Indonesia for a minimum of three years and a maximum of six years.

4. Study in the Region.

This program supports Third World institutes in offering

fellowships to students from neighboring countries. It is not being used extensively in Indonesia.

5. Fellowship Program.

These are mostly inservice courses ranging in length from three to twelve months. The total amount spent on this program each year is close to \$900,000. The Ministry of Research and Technology pays out of its own funds to send 50 of its staff each year to several of the Dutch courses. Short-term training courses in Holland are all offered in English; for long-term academic training programs (which are few), the participant must learn Dutch. The size of the Dutch fellowship program is likely to increase at the request of the GOI.

6. Bilateral Projects

Some of these are with education institutions or involve substantial amounts of training, although HRD projects are not emphasized within the bilateral development projects.

Recent projects have involved

- o School of Environmental Conservation Management
- o Training facilities for Aerial Survey
- o Regional Dairy Training Center.

A bilateral project which has been underway since 1976 provides a model for Canada to consider. In this case the Dutch aimed at improving university education by concentrating on upgrading the teaching of chemical engineering at the Institute of Technology Bandung (ITB Bandung). They analyzed the problem faced by the university lecturer at

ITB and identified seven points which had to be changed. With these points in mind, the Dutch started a pilot project in course was assisted by a Dutch educationalist. By 1982 the test results of students in the course showed a substantial improvement. Beyond this, the project developed methods for educational improvement which could be applied elsewhere, upgraded staff in the chemical engineering department, stimulated research activities, and encouraged development and utilization of small-scale equipment.

Future developments in the Dutch program will likely involve support of the Polytechnic II Program, where the Dutch are most interested in the Marine Polytechnic.

NORWAY

Norwegian assistance to Indonesia, as outlined in the OECD/DAC principles for official development assistance, and in accordance with the general principles for assistance adopted by the Norwegian Parliament, amounted in 1983 to approximately \$1 million U.S.

The extent of Norwegian assistance has been somewhat broadened, from earlier years' emphasis on maritime training seminars, to a wider spectrum of cooperation, in particular in the field of shipping and shipbuilding, but also within trade and industry, and assistance channeled through private organizations.

SWEDEN

Sweden's assistance program to Indonesia is mainly given indirectly through various multilateral agencies, and emphasizes technical training

scholarships in a number of fields including telecommunications, management and mining technology. A cooperation program, in three stages, was started in 1982 in the cultural and environmental field. Assistance has further been given to a number of NGOs for various projects in the health and education sectors.

Support has also been given both to the International Red Cross (ICRC) and the Indonesian Red Cross (disaster preparedness). Also UNICEF receives support from Sweden for its program in East Timor.

SWITZERLAND

The Swiss program is not large and has been focused on the technical-vocational area. Since 1969 the Swiss have supported a private vocational training school for woodworkers in Semarang. For several years they have contributed technical assistance to another private institute (Academy Teknik Mesin Industry) in Solo, and to the refrigeration department in a Senior Technical School (STM-P Cimahi, Bandung).

They are best known, however, for their key role in supplying the technical assistance and the training fellowships in tool making, maintenance, precision mechanics, machine designing and machine industry drafting for the first polytechnic in Bandung. This school has served as the model on which the polytechnic system is being developed.

The Swiss will be asked to stay involved in the program although it will be outside their financial resources to take on a new turn-key project to start a brand new school. Instead, they will be involved in expanding the work of some of the present institutions.

USAID

The United States is one of the larger aid donors in Indonesia (currently \$120 million) and "Accelerating Human Resource Development" is one of the four areas of focus for the American assistance program. USAID states that its objectives are to:

- a) Assist the Ministry of Education to build capacity for planning and policy formulation for the national education and training system;
- b) Help develop selected higher education and training institutions;
- c) Provide graduate level and short-term training in the U.S. for technicians involved in development activities.

In order to meet these objectives USAID has created a project in general participant training. The stated goal of the project is to increase the effectiveness of Indonesian development programs in realizing national objectives. The purposes of the project are

- o To finance training in the United States at the graduate level, or in short-term courses in critical skills areas;
- o To help establish a new capability within the Government of Indonesia to plan and administer overseas training programs for its citizens (the "Overseas Training Unit");
- o To make available experts of various types to conduct training-related studies;
- o To help with the design of training courses;
- o To carry out assessments of training programs in Indonesia;

- o To develop an English language training capability;
- o To implement an effective follow-up program for returned participants.

The Americans feel that a basic advantage of any general participant training program is that it affords a means to respond quickly to urgent requests for training support that is difficult to obtain from usual funding sources. Government departments and private organizations have to plan and budget training expenses far ahead. When it becomes necessary to enroll an employee in specialized training to meet an immediate organizational need, the money is often not available. In addition, the program benefits individuals who play important roles in the Indonesian public and private sectors but who do not fit neatly into other available training programs. The design of this project, therefore, allows flexibility in training opportunities and a capability to identify and structure specialized training beyond the current capacity of the GOI. Furthermore, a general participant training project enables host country public and private organizations to take advantage of valuable training programs offered on short notice.

In addition to the above activities, additional, recent or ongoing projects of the bilateral funding agencies are summarized in Figure 11.2 from documents prepared by the UNDP (UNDP, 1984).

11.2.3.2 Multilateral Funding Agencies

The two largest donors to Indonesia are multilateral loan agencies, the International Bank for Reconstruction and Development (IBRD), or more commonly referred to as the World Bank, and the Asian Development Bank.

FIGURE 11.2a

EXTERNALLY FINANCED TECHNICAL CO-OPERATION PROJECTS AND ACTIVITIES, 1984

(1) Project/Activity (Title and Number)	(2) Source of Assistance	(3) Assistance Committed US Dollars		(4) Project Duration	(5) Duration of Total Project Begin-End Dates	(6) Nature of Assistance and Location
		1984				
Australian Language Centre	Australia	2,910,000	6,400,000		1983 - ongoing	Provision of precourse English training, in-country training for Indonesia-Australia Aid projects, ELT staff Development programs for GOI Departments and consultancy services.
International Development Program	Australia	3,000,000	ongoing		ongoing	Special assistance to Hasanuddin, Udayana and Brawijaya Universities and IKIP Surabaya in terms of short up-grading courses, fellowships, long-term experts, consultancy services, library and translation. Post-graduate scholarships for additional seven selected Universities.
Australian Development Training Awards	Australia	2,500,000	N/A		ongoing	Post-graduate scholarships, intensive English fellowships and short course awards. Focus on identified priority sectors of education, agriculture, geology/mining and public works.
Technical and Vocational Education Assistance	Australia	3,400,000	28,082,000		1980 - 1986	Provision of adviser and fellowships to upgrade teacher training in technical and vocational education.
Improvement of Soil Physics Lab. U.G.M. Yogya (JTA-9a(44))	Belgium	n.a.	1,200,000		1981 - 1984	Experts : 78 mm (25 in 1984) Training in Belgium : 140 mm (19 in 1984) Equipment, Yogyakarta

1) For calendar year 1984 or for specified fiscal year beginning or ending in 1984

FIGURE 11.2b

EXTERNALLY FINANCED TECHNICAL CO-OPERATION PROJECTS AND ACTIVITIES, 1984

(1) Project/Activity (Title and Number)	(2) Source of Assistance	(3) Assistance Committed US Dollars		(4) Project Duration	(5) Duration of Total Project Begin-End Dates	(6) Nature of Assistance and Location
		1984				
Education & Research on Sanitary Engineering I.T.S. (JIA-9a(44))	Belgium	n.a.	800,000		1981 - 1984	Experts : 30 mn Training in Belgium : 105 mn (5 in 1984); equipment, Surabaya
Twinning Agreement between K.U. Leuven and I.T.S. Surabaya	Belgium	n.a.	10,000		1984 - 1985	Visiting professors + some equipment. Surabaya.
Strengthening Management Institute & Fac, of Economics UNPAD (JIA-9a(120))	Belgium	n.a.	300,000		1983 - 1986	Visiting professors : 14 mn (3 in 1984) Training in Belgium Bandung

1) For calendar year 1984 or for specified fiscal year beginning or ending in 1984

FIGURE 11.2c

EXTERNALLY FINANCED TECHNICAL CO-OPERATION PROJECTS AND ACTIVITIES, 1984

(1) Project/Activity (Title and Number)	(2) Source of Assistance	(3) Assistance Committed US Dollars		(4) Project Duration	(5) Duration of Total Project Begin-End Dates	(6) Nature of Assistance and Location
		1984				
Cooperation in Public & Financial Administration	French Technical Assistance	104,500			1981	Training (185 mm) Expert (30 mm) Miscellaneous
Cooperation with P & K	French Technical Assistance	655,000			1975	Expert (2 mm) Training (1750 mm)
Training in Wood Industries	French Technical Assistance	24,000			1981	Training (69 mm)
Cooperation with Ministry of Public Works	French Technical Assistance	68,000			1982	Training (22 mm)/ Miscellaneous
Cooperation in Optic	French Technical Assistance	23,000			1981 - 1985	Expert (12 mm)
French Language Training in Indonesia	French Technical Assistance	5,700				Training (90 mm)
Education of Sports Instructors for IKIP - Padang JTA - 9(a) (91)	F R G	-	818,646		1981 - 1985	Expertise, equipment, training Padang/West Sumatra

1) For calendar year 1984 or for specified fiscal year beginning or ending in 1984

FIGURE 11.2d

EXTERNALLY FINANCED TECHNICAL CO-OPERATION PROJECTS AND ACTIVITIES, 1984

(1) Project/Activity (Title and Number)	(2) Source of Assistance	(3) Assistance Committed US Dollars		(4) Project Duration	(5) Duration of Total Project Begin-End Dates	(6) Nature of Assistance and Location
		1984				
Strengthening of the Faculty of Forestry/Mulawarman University JTA - 9a (54)	F R G	-	1,848,263		1980 - 1984 will be extended	Expertise, equipment, training Samarinda - East Kalimantan
Strengthening of the Ship-building Faculty ITS - Surabaya JTA - 9a (41)	F R G	-	3,498,780		1978 - 1984 will be extended	Expertise, equipment, training Surabaya
Secondment of A Football Expert	F R G	-	-		since 1983	Curricula development, Jakarta
- The Construction Project for the Development of Graduate Programme at Faculty of Agricultural Engineer and Technology	Government of Japan (JICA)	114,900				12 Survey Team Members
- Training Programme	Government of Japan (JICA)	1,219,700				192 Participants
- Experts Dispatch Programme	Government of Japan (JICA)	294,300				15 Experts

1) For calendar year 1984 or for specified fiscal year beginning or ending in 1984

World Bank loans are the primary source of development funding in Indonesia. In 1983, this funding amounted to US \$1,330.5 million. The breakdown of all World Bank loans during that year was as follows:

Natural Resources	\$ 279 million
Agriculture, Forestry and Fisheries	233.8 million
International Trade and Development Finance	208.9 million
Human Settlements	262 million
Health	27 million
Education	213.7 million
Others	106.1 million

TOTAL	\$ 1,330.5 million

Source: UNDP (1984). Report on Development Cooperation to Indonesia, Jakarta: UNDP.

"The World Bank is the major financial actor in Indonesia's development, providing over US\$1 billion of a development budget of approximately \$2 billion. The World Bank's best estimate is that this level will be maintained over the next five years. The HRD area has traditionally accounted for 6-10% of World Bank Loans. In the next five years this proportion is expected to increase to 20% or approximately US\$200 million per year. Because of the dollar value of its loans, the World Bank has considerable influence in development in Indonesia. However, its role is not without problems. Disbursement of funds, for example, has been a difficulty. The Directorate General of Higher Education (Dikti), which is the office receiving the majority of World Bank funding, is having difficulty acquiring the amount of local cost components to cover their contributions in these projects. Local cost

components for World Bank projects alone total US\$400 million; yet BAPPENAS has approved expenditures of only \$200 million. In spite of this, the World Bank continues to increase the size of programs.

The GOI has ruled that the Dikti and other offices should use internal technical assistance whenever possible. For example, the DIKTI will be administering the latest fellowship program in-house. This new responsibility for administering both the World Bank's fellowship program and those of other donors, which in the long run will be a helpful development, will place a major burden on the Dikti.

The World Bank has been a primary force in stimulating the planning group of Dikti. This group held a meeting of donors at Bogor in December 1983. They have also been one of the donor groups carrying out a feasibility study on needs in management training. These studies are partly to assist Dikti in its planning and to develop projects for Bank funding, but, they are also aimed at influencing the priorities of other donor agencies as well.

The World Bank's involvement in HRD in Indonesia has been substantial, and much of it has been focused on institutions of higher education. Since 1977, The World Bank Group has financed five higher education projects in Indonesia, with a combined total of US\$250 million in higher education related components. These include two teacher training projects, two polytechnics, and a university development project. Studies on university entrance examinations were undertaken during 1982/83 in connection with a sector study on general secondary education. A second university development project is expected to follow a year later. Manpower analysis studies will be initiated as

part of the Manpower Planning and Vocational Training Project which will be undertaken with the Ministry of Manpower.

Teacher Training

The First and Second Teacher Training Projects were designed to assist formal basic education through a quantitative expansion of the system as well as through improvement of the skills, competence, and effectiveness of teachers and education administrators. The first teacher training project supported the development and implementation of new curricula for the teacher training colleges and provided specialized facilities at 15 secondary teacher training colleges. The second teacher training project financed the expansion and improvement of facilities for preservice and inservice teacher training and also for training in administration for education officials and headmasters.

Polytechnic

The two polytechnic projects were designed to assist the GOI's plans to increase the supply of middle-level manpower through the creation, expansion, strengthening, and diversification of the polytechnic system. The Polytechnics I Project initiated a major program of building a polytechnic system, through the construction, furnishing, and equipment of six polytechnics, a Technician Educator Development Center, and four Accountancy Development Centers. The first polytechnics began to operate in September 1982, and their output is expected to constitute an increase of 45% in the supply of trained technicians.

Shortages of middle-level manpower are a major constraint on the

country's plans for expanded industrial growth. The Polytechnic II Project was designed to increase the number and distribution of polytechnics (by creating 11 new institutions primarily in provincial capitals), to broaden the curricula, and to strengthen polytechnic planning and management capacities. The average output of polytechnic diploma holders is expected to increase from about 1500 in 1958 (under Polytechnic I) to around 6,000 in 1989.

University Development

The first University Development Project was designed to strengthen university management and to raise the quality and number of graduates in engineering, science, agriculture and economics at three key universities (University of Indonesia, Gajah Mada, and Andalas). The project includes technical assistance for developing policies and improving management and teaching quality at the universities. The universities will also complete academic, organizational, and physical master plans for their expansions.

A second University Development Project will be appraised during 1984, and a third University Development Program is expected to follow a year later. The second and third university development projects are expected to make significant improvements in the university system during a period of continued qualitative growth. Broadly, University Development II would be a subsector loan for a major, special academic staff development program with particular emphasis on future staff for S2 and S3 programs. University Development III would consist of an expansion of physical facilities, especially for future S2 and S3

programs, including Interuniversity Resource Centers and extensions to the three universities assisted under University Development I.

In addition, the Bank plans to initiate major loan activities in the areas of secondary education (two projects, 1985 and 1986), extension of university programs (1986), manpower planning, overseas training in science and technology (1985), and a manpower training program for AN and for university administrators (1985)." (CIDA: Human Resource Development Sector Study: Indonesia. March 31, 1984).

In the education and human resources sector, the World Bank has been the largest donor agency. Loans provided to education by the Bank since 1986 are shown in Table 11.3.

TABLE 11.3
WORLD BANK LOANS TO EDUCATION AND HUMAN RESOURCES

<u>Title</u>	<u>Amount</u>	<u>Duration</u>
Education IV	\$37 million	6/17/76 to 6/20/84
Education V	\$19 million	7/7/77 to 6/30/84
Education VI	\$15 million	11/1/77 to 6/30/84
Education VII	\$49 million	5/11/79 to 6/30/85
Education VIII	\$42 million	7/31/79 to 6/30/85
Education IX	\$45 million	1/22/81 to 12/31/86
Education X	\$25 million	6/14/82 to 6/30/87
Construction, Manpower Development	\$30 million	7/18/83 to 12/31/87
Polytechnic II	\$107.4 million	9/22/83 to 12/31/89
Third Agriculture Training	\$63.3 million	11/22/83 to 6/30/90
Second Nonformal Education	\$43 million	3/15/84 to 9/30/90

Source: UNDP, 1985.

ASIAN DEVELOPMENT BANK

The Asian Development Bank (ADB) is the second largest donor agency. Its aid also is in the form of loans. Between 1967 and 1984 the ADB provided approximately four percent of its loan funds to the education sector. This 4% represented US\$606.4 million for 26 projects. In addition, the ADB also provided US\$4.8 million for 28 technical assistance projects. The current emphasis of ADB projects centers on provision of trained manpower to support economic and industrial development. Top priority is given to "vocational education including technical, agricultural, science, commercial, and management education in the formal sector and community-oriented vocational training in the nonformal sector." (ADB, 1985) The overall objective of the ADB's education activities is the provision of knowledge and skills to teachers and students and the introduction of concepts that improve the educational system and lead to social and cultural development and upgrading of the quality of life in its member countries.

ADB aid to Indonesia and other countries in the region from 1967 to 1984 is presented in Table 11-4. Indonesia received the largest proportion (18.95%) of these loan funds.

"The director of ADB's Education Division reports that the Bank is involved in the following education and training projects:

1. Senior Technical Schools Project I - begun in 1978 and recently completed. Total contribution: \$24 million.
2. Senior Technical Schools Project II - begun in 1980 and still continuing. \$26 million.
3. Senior Technical Schools Project III - preparation of this

TABLE 11. 4

LOANS PROVIDED BY ASIAN DEVELOPMENT BANK:
LOAN APPROVAL BY COUNTRY AND SOURCE OF FUNDS, 1967-1984
(amounts in \$ million)

COUNTRY	OCR	SF	1967-1984 TOTAL	%

Afghanistan				
Dem. Rep. of	-	95.10	95.10	0.61
Bangladesh	11.40	1,614.93	1,626.33	10.44
Bhutan	-	12.40	12.40	0.08
Burma	6.60	489.26	495.86	3.18
Cambodia	-	1.67	1.67	0.01
China, Rep. of	100.39	-	100.39	0.65
Cook Islands	-	2.50	2.50	0.02
Fiji	49.10	-	49.10	0.32
Hong Kong	101.50	-	101.50	0.64
Indonesia	2,791.00	162.28	2,953.28	18.95
Kiribati	-	2.30	2.30	0.01
Korea, Rep. of	1,945.83	3.70	1,949.53	12.51
Lao People's				
Dem. Rep.	-	60.14	60.14	0.39
Malaysia	1,041.73	3.30	1,045.03	6.71
Maldives	-	3.38	3.38	0.02
Nepal	2.00	438.32	440.32	2.83
Pakistan	876.37	1,236.15	2,112.52	13.56
Papua New Guinea	87.20	110.94	198.14	1.27
Philippines	2,031.74	79.30	2,111.04	13.55
Singapore	178.08	3.00	181.08	1.16
Solomon Islands	-	24.60	24.60	0.16
Sri Lanka, Dem.				
Soc. Rep. of	14.13	397.76	411.76	2.64
Thailand	1,436.38a	62.10	1,508.48	9.68
Tonga	-	8.25	8.25	0.05
Vanuatu	-	2.10	2.10	0.01
Viet Nam				
Soc. Rep. of	3.93	40.67	44.60	0.29
Western Samoa	-	40.58	40.58	0.26

TOTAL	10.67.38	4,904.11	15,581.98	100.00
=====				

(a) Adjusted due to a reduction by \$47 million of Bank financing for the Natural Gas Transmission Project in Thailand which was approved in 1982.

Source: ADB What It Is, What It Does, How It Works, Manila: 1985.

project was scheduled to begin in June 1984 under the direction of a Canadian consulting firm (Lanedcom). Funding for the project was expected from CIDA's Industrial Cooperation Division. A Fourth Technical Schools Project is likely in the works.

4. Vocational Schools Project - support for a business studies school, a home economics school, and an arts and crafts school. US\$40 million.
5. Surabaya Institute of Technology (1975) - just being completed. US\$14.5 million.
6. University of Hasanuddin (UNHAS - 1979) - still continuing and facing problems of disbursement of funds. US\$25 million.
7. University of North Sumatra (1981) - US\$26 million.
8. Agriculture Education in Polytechnics and Secondary Schools - US\$68 million.
9. University of Sriwijaya - this institution was to be given support in 1985. ADB needed this project to meet their 1984 loan targets, a situation which should serve to as a reminder that the ADB staff are basically bankers and have some pressure on them to move money. Some of the Indonesian institution involved indicated that they were trying to administer large development project which stretched their present capabilities to the limit. They felt, however, that they could not afford to turn down the ADB loans. In some cases one might consider a smaller amount of money given over a longer period of time might be more easily administered by the Indonesian institutions, which are short of planning and administrative capacity.

ADB is considering other projects to purchase a training vessel for University Marine Farms and to support environmental education in the polytechnics. These ADB projects include support for construction and equipment and thus only a small percentage of the loan is used for consultancies and fellowship. For example, the US\$26 million for STM II includes US\$524,000 for fellowship and US\$1,003,000 for consultancies; the US\$25 million UNHAS project includes US\$2,900,000 for fellowship and US\$1,956,000 for consultancies.

When one looks beyond the projects administered by the Education Division of ADB, however, it is possible to identify human resource development components in projects concerned with livestock, oil processing, cotton, fisheries, and irrigation. In 1982 the AID report documented \$144.5 million of training activities in these areas supported by ADB. Such figures point to the difficulty of putting a clear dollar amount on donor support for HRD work, which cuts across all sectors." (CIDA, Human Resource Development Sector Study: Indonesia, May 31, 1984)

A large loan commitment of \$83 million was made in the education sector by the ADB in December 1984. This Third Senior Technical Schools Project is aimed at upgrading and establishing of senior technical schools throughout the country.

Recently, however, Indonesia was categorized by the ADB as a Group B country with Papua New Guinea, the Philippines, and Thailand. In March 1985 the ADB Board of Directors agreed that for the current loan period (Period IV ending in 1986) no additional loans would be provided for Group B countries.

UN AGENCIES

UN agencies exclusive of the IBRD are the next largest source of development funding for Indonesia. The United Nations Development Programme (UNDP) coordinates much of this funding, but other UN agencies contribute to their sector specific areas of interest. The UNDP worked closely with BAPPENAS and the CCICT to prioritize and allocate its resources to areas of development that support attainment of Repelita targets. For Repelita IV the UNDP and BAPPENAS have specified the following allocation of resources for the UNDP Third Country Programme 1985 to 1989:

Human Resources and Manpower Development	27 %
Agriculture, Fisheries and Forestry	15 %
Medium and Small Scale Industries; Support and Downstream Industries	15 %
Regional, Urban and Rural Development	15 %
Rural Infrastructure	10 %
Science and Technology	8 %
Social Services	5 %
Trade	3 %
Others (including TCDC)	2 %
	<hr/>
	100 %

These percentage allocations are similar but not identical to those for the previous period. Allocations for the Second Country Programme, 1979 to 1984, were as follows:

	Amount (in US\$ thousand)	%
Human Resources and Manpower Development	17,608	24.89
Agriculture, Fisheries and Forestry	12,909	18.25
Industrial Development	9,557	13.51
Regional Development	9,370	13.24
Rural Infrastructure	6,992	9.88
Science and Technology	7,148	10.10
Social Services	3,682	5.20
Others	3,486	.93
TOTAL	<u>79,752</u>	<u>100.00</u>

Source: UNDP (1984). Note of the Resident Representative on the Third Country Programme for Indonesia (1985-1989). Jakarta: UNDP.

Table 11.5 shows several recent activities in the education sector funded by the UNDP and its sister agencies, UNICEF and UNESCO.

TABLE 11.5a
EXTERNALLY FINANCED TECHNICAL CO-OPERATION PROJECTS AND ACTIVITIES, 1984

(1) Project/Activity (Title and Number)	(2) Source of Assistance	(3) Assistance Committed US Dollars		(4) Project Duration	(5) Duration of Total Project Begin-End Dates	(6) Nature of Assistance and Location
		1984				
National Education Planning INS/78/030	U N D P	294,038	3,112,000		1979 - 1985	Experts, fellowships, & equipment Ministry of Education & Culture Jakarta and provinces
Science and Mathematics INS/78/069	U N D P	429,385	3,003,000		1979 - 1985	Experts, fellowships & equipment Ministry of Education & Culture Jakarta and provinces
General Secondary Education INS/78/070	U N D P	174,695	988,000		1979 - 1985	Experts, fellowships & equipment Ministry of Education & Culture Jakarta and provinces
Technical Teacher Training INS/78/071	U N D P	403,295	2,098,000		1981 - 1984	Experts, fellowships & equipment Ministry of Education & Culture Jakarta, Yogyakarta & Padang
Calibration Network INS/78/073	U N D P	55,033	1,120,045		1979 - 1985	Expert, Consultant, fellowship and equipment
Scientific and Technological Information - INS/81/007	U N D P	69,836	506,412		1981 - 1985	fellowship and equipment
<u>Educational System</u>						
- Research and Development of Primary School Systems	UNICEF	250,400	2,228,700		1979 - 1985	Cash grants, supplies and equipment consultancy services Location: selected areas and cities

Note:

Selected areas and cities : West Pasaman in W. Sumatera, Way Abung in Lampung, Indramayu in W. Java, Grobogan in C. Java, Gunung Kidul in DI Yogyakarta, Madura in E. Java, Taburana (Tabanan, Buleleng, Jembrana) in Bali, South Lombok in W. Nusa Tenggara, Goa and Takalar in S. Sulawesi

1) For calendar year 1984 or for specified fiscal year beginning or ending in 1984

TABLE 11.5b

EXTERNALLY FINANCED TECHNICAL CO-OPERATION PROJECTS AND ACTIVITIES, 1984

(1) Project/Activity (Title and Number)	(2) Source of Assistance	(3) Assistance Committed US Dollars		(5) Duration of Total Project Begin-End Dates	(6) Nature of Assistance and Location
		1984	Project Duration		
<u>Non-Formal Education</u>					
- Functional literacy, Prevocational training, Family Life Education and Project Support Services	UNICEF	748,000	3,947,600	1979 - 1985	Cash grants, supplies and equipment Location: selected areas and cities
Compulsory Education (PP-3548)	UNESCO/PP	5,700	5,700	1984	Study grant, 1 m/m
Literacy (PP-3550)	UNESCO/PP	5,700	5,700	1984	Study grant 1 m/m
Literacy (PP-3552)	UNESCO/PP	7,000	7,000	1984	National Workshop on "Packet A"

Note:

Selected areas and cities: West Pasaman in W. Sumatera, Way Abung in Lampung, Indramayu in W. Java, Grobogan in C. Java, Gunung Kidul in DI Yogyakarta, Madura in E. Java, Taburana (Tabanan, Buleleng, Jembrana) in Bali, South Lombok in W. Nusa Tenggara, Goa and Takalar in S. Sulawesi.

1) For calendar year 1984 or for specified fiscal year beginning or ending in 1984

FAO

"The Food and Agriculture Organization (FAO) is a UN agency with an interest in coordinating donor assistance in the field of agriculture; one cannot, therefore, discuss FAO's work without considering inputs from other bilateral agencies. They are a good source of information about accomplishments and priority needs in this sector.

One of the agency's successes has been its cooperation with the International Rice Research Institute (IRRI) of the Philippines, which has led to a substantial increase in rice production. Donor assistance has had a great impact on extension education and the field of animal health (where Australia, Japan, and CIDA have been active). A world-class laboratory in this field has been developed at Surabaya. CIDA has assisted FAO in surveying of marine resources and in training people to work in animal disease control.

Much of FAO's agricultural training is handled by the Agency for Agricultural Training and Extension (AAETE), one of the most successful of the sectoral training institutes. It offers programs in planning, monitoring, and evaluation of programs (both general and crop specific) at the national level. World Bank money has supported this institute and FAO has been the executing agency for some of the World Bank projects. The more practical training is done at the local level. FAO feels that more effort is needed to decentralize the planning process in agriculture so as to develop a sense of ownership of the projects among local people. On Java there is little conflict between the national and provincial departments on agricultural matters, but this is not the case in some other provinces.

Although the skill training provided in agriculture is good, there are difficulties in convincing people to use these skills to increase agricultural production. It is also difficult to get trained people to work in isolated areas. A useful coconut research station at the tip of Sulawesi has had to close down as it cannot get trained personnel to stay there.

FAO supports efforts to increase institutional support to universities to train more agriculturalists. The need for professors will not be quickly filled, however, as industry hires away some of the best people.

FAO also draws attention to the urgent need of the Ministry of Transmigration to provide agricultural training in the new settlements. Some university groups would be interested in helping in this area if resources were made available.

The following is a list of all FAO technical assistance projects in Indonesia in 1982-83 (items marked with an * include training component):

1. Coconut Research Improvement*
2. Land Resources Evaluation with Emphasis on Outer Islands.*
3. Improving and Developing Mixed Farming Systems on Small Farms under Rain-fed Conditions.*
4. Assistance to Small Farmers, Tenants, and Share Croppers through Agricultural Extension, Training Research, and Field Action.*
5. Upper Solo Watershed Management through People's Participation and Income Generation.
6. Operational Support to Transmigration.
7. Support to Training for Transmigration Program.*
8. Training for Small Holders and Plantation Staff.*
9. Primary Cooperatives Development.
10. Rodent Control.
11. Identification of Insect Specimens.
12. Agriculture Review and Programming Mission.
13. In-Service Training in Project Identification, Preparation Monitoring and Evaluation of Agricultural Projects.*

14. Assistance to Prevent Quality Deterioration of Harvested Rice in Aceh Province.
15. Pilot Project for Establishment of Crop Insurance Program.
16. Design of a Monitoring and Evaluation System of External Assistance for Agricultural Development.
17. Feasibility Study on Olive Production and Training in Olive Research.
18. Citrus Rehabilitation.
19. Training in Wheat Research and Development.
20. Community Action for Disadvantaged Rural Women in Transmigration Areas.*
21. Assistance to Tree Crop Sub-Sector Investment Planning.
22. Agriculture Information and Extension.
23. Strengthening of Animal Health Services.*
24. Second Training Agriculture Project.*
25. Fertilizer Program on Secondary Crop Intensification.
26. Fisheries Extension Services Support to Small-scale Fishermen.*
27. Sea-farming Development.
28. Study on Fish Disease Quarantine.
29. Indonesia Fisheries Development Project.*
30. National Park Development."

(CIDA, 1984)

WHO

"The World Health Organization (WHO) works closely with the Indonesian Government, which approves of the focus of WHO policies on health care and delivery, manpower development, and technology transfer. Recently, policy guidelines for a National Health System have been set by the GOI, which now has a Long Term Health Development Plan to Year 2000. In Repelita IV there are five priority areas in the field of health:

1. Development of health centers and services at the community level, and extension of health care coverage.
2. Focus of manpower development, including planning, production, and utilization of human resources.
3. Increased efforts in the area of food and drug control to improve the quality of products and decrease drug abuse.
4. Nutrition development and environment health work.

5. Improvement in managerial processes for health care: procedures, organization, logistics, monitoring and monitor evaluation.

The WHO budget for Indonesia is \$7 million for two years (1984 and 1985), with some additional inputs from regional WHO headquarters' budgets. WHO has 30 different projects and 20 long-term staff working in Indonesia. More than half of their work is in manpower development. This type of assistance is divided into two categories:

1. Assistance to institution: Center of Education and Training, Postgraduate School of Health

Inputs are usually short-term consultancies (two to 11 months), long-term staff, fellowship within the country and overseas, small amounts of supplies, and some local cost subsidies for meetings and training programs in Indonesia, research grants, and development of manuals.

2. Technology transfer in individual programs - WHO works in a cross sectoral fashion for health improvement through a UN Working Group for Inter-Sectoral Program (WHO, UNICEF, FAO, FP).

WHO is interested in coordinating their work with that of other donors. The long-term health development plan has not yet been translated into English; the final version was to be available in April of 1984 and then will be translated. Since the program's projected cost is 10 times greater than the GOI's ceilings, they have prioritized the elements of the program according to what could be done with input from BAPPENAS, what could be done with limited input from donors, and what could be done with additional donor assistance. Thus,

the macro plan spells out projects requiring substantial support. Small projects would include the provision of technical teams who would work with local groups under WHO and UNICEF, the two donor agencies which have provided continuous assistance in the health sector.

The 1980s have been designated by the UN as the "Sanitation and Water Decade" and WHO has six or seven long-term consultants working on this project. The Indonesian plan for the decade has been completed and a national Asian Committee has been established. Water for agriculture and drinking in eastern Indonesia has been identified as a priority area; some preinvestment studies have been carried out, and some projects are awaiting funding." (CIDA,1984)

11.2.3.3 Private Voluntary Organizations

In addition to these large donor agencies a variety of foundations and private voluntary organizations (PVOs) fund project activities. U.S.-based PVOs allocate their funding through the PVO Office of USAID. USAID often contributes to the total funding of these projects. Table 11.6 summarizes PVO/USAID funding for projects during the 1974 to 1975 period.

The specific projects funded by these U.S.-based PVOs are listed in Appendix 11.1.

A number of Dutch PVOs fund projects in Indonesia under the auspices of the Embassy of the Netherlands. The Dutch Government is the fifth largest donor agency, providing \$60 to \$80 million per year in development funding. PVOs provide approximately 5% of this total. About 25% of the funding for education comes from PVO's, but education does not rank high on the list of sectors receiving financial assistance.

TABLE 11.6
(PVO) DEVELOPMENT PROGRAMS

Program	No. PVO's Contributing	PVO Contrib.	USAID Contrib.	Total Contrib.
PVO Co-financing I & II	29	10,101,356	17,062,373	27,163,729
Operational Program Grants	6	1,694,609	1,905,391	3,600,000
East Timor Agricultural Development Program	1*	3,750,000	5,000,000	8,750,000
Total	29**	15,545,965	23,967,764	39,513,729

* Catholic Relief Services

** 6 PVOs provide both operational program grants and co-financing.

The current funding policy of the Dutch Government calls for more emphasis on rural and community development and less on education.

The activities of two of the largest private foundations in the education and human resources sector are described below:

THE ASIAN FOUNDATION

"The Asia Foundation is a private, non-profit organization founded in 1954. The Foundation's headquarters in San Francisco provide policy guidance, program review, budgetary control, and administrative support for all Foundation activities in Asia and the United States. The Foundation has 10 fields offices in Asia.

The Asia Foundation has been operating under a status agreement with the Government of the Republic of Indonesia since 1971. The National Institute of Administration acts as its counterpart agency.

Activities supported by cash grants in Indonesia include:

- University community outreach projects;
- Special English language projects;
- Private voluntary organization development;
- Legal literacy projects;
- Workshops for judges;
- Training for small business managers;
- Publication in the Indonesian language;
- Library development;
- Journalism development;
- ASEAN regional conferences and exchanges.

As part of the Books for Asia Program, the Asia Foundation distributes books in the English language to university, government, and public libraries around the country. While the Foundation is privately operated and does receive support from private corporations, approximately two-thirds of its funding comes from government. Funding patterns vary from country to country, with 52% of the Japanese program funded by Japanese sources.

The Islamic boarding schools (pesantren) have been heavily supported by the Foundation.

The Foundation's director states that they are ready to support more in-country training. However, they have a large number of requests for training fellowships overseas that are not filled because of language difficulties. The Asia Foundation, therefore, feels that it must become more involved in English language training.

English was developed as a second language in Indonesia somewhat as a reaction to the Dutch. As a result, there was a boom in the teaching

of English in the 1950's and 1960's and the level of English was fairly good. Over the past 10 years, language training has deteriorated in both schools and universities. Revitalized and improved training in English is greatly needed in the opinion of the Foundation officials." (CIDA, 1984)

THE FORD FOUNDATION

The Ford Foundation office in Jakarta now serves as the Foundation's regional office for Southeast Asia, and all its program personnel work out of Indonesia. At present, 60% of budget and staff resources are applied to a program called "Rural Poverty and Resources" which is concerned with irrigation, sound utilization of renewable resources, and ways of increasing the returns from employment for the rural poor. Other key areas of focus are urban poverty and child survival. Earlier, the Foundation emphasized family planning work.

Ford is the only donor working in the area of culture revitalization through support for dance and music academics. It is also interested in human rights and social justice, but there are few local institutions available to absorb the support.

The Ford Foundation has given a high place in its program to HRD and institution building. It has a long history of creative work in these areas, and the Ford office in Jakarta and the headquarters in New York are repositories of useful information. In the past Ford has assisted in the development of the three key IKIPs at Padang, Malang, and Bandung, and it is just completing their support for a practical education research program at IKIP Yogyakarta. Although it does not

have the resources to continue these efforts, it spotlight HRD and institution building as an area of importance for new donors.

HRD projects have included the environmental management program at IPB and the Social Science program at the University of Indonesia. Ford's most impressive effort was the 12-year program of support for the agricultural economics programs at Gadjah Mada University and the University of Indonesia. Its experiences in this long-term effort in developing a university department highlight the importance of

- o picking the right institution;
- o supporting staff research as a means not only strengthening individuals but of providing a vehicle for interaction of local staff with the outside faculty;
- o focusing on one master's program and developing it;
- o utilizing the master's program and the research efforts as a means of screening applicants for fellowships;
- o providing backup support, particularly library support."

(CIDA, 1984)

11.3. Analysis of External Assistance

11.3.1 Needs

In its Third Country Programme, the UNDP has identified a number of general development needs that are of priority for Repelita IV development and are likely to be of critical concern into the 1990s.

They include

- the requirement for selectivity and continued caution in the management of the investment program;

- the urgent need for employment opportunities commensurate with the sizable increase in the work force of approximately 1.9 million per annum;
- the need for an increased export drive;
- balance in development between regions, between the urban and rural sector, and within society at large;
- the need to increase the involvement of the private sector in national development;
- maintenance and reasonable expansion of economic and social infrastructure; and
- the need for continued checking of inflationary pressures.

"Above all, the Government of Indonesia recognizes that the main obstacle to the achievement of a balance between economic and social development is the shortage of qualified manpower at managerial, operational and technical levels." (UNDP, Third Country Programme for the Republic of Indonesia, 1984).

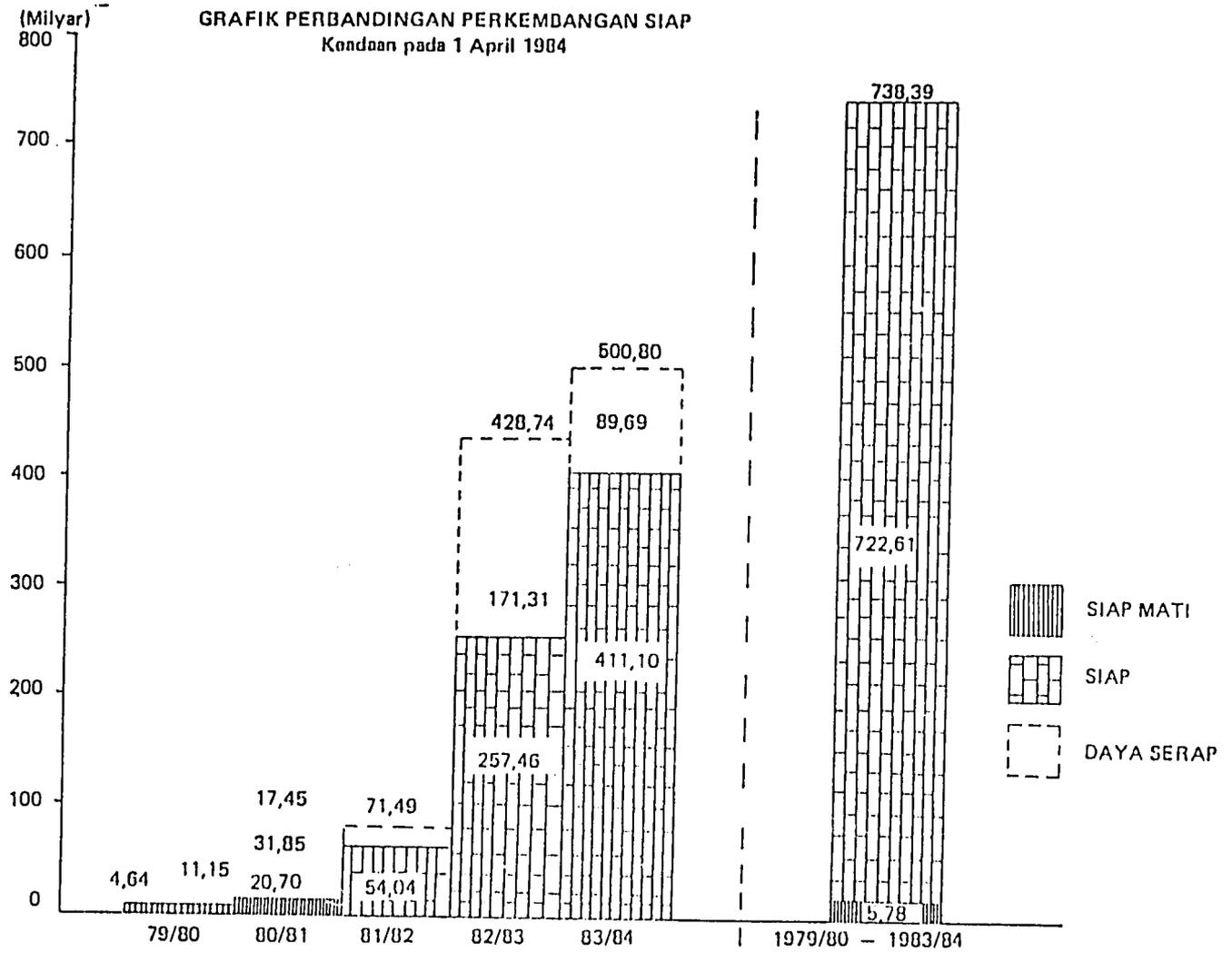
These needs underscore the critical decisions that must be made by the Indonesian Government on how best to allocate its external aid resources. The education sector which is to play the key role in meeting manpower needs, must set priorities for those activities which best fulfill the targets specified for Repelita IV, and during Repelita V provide the basis for industrial growth in the mid-1990s. The GOI has proven in the past that it can specify areas where external assistance can be most usefully allocated. This is demonstrated by the rapid development that Indonesia has experienced over the last two decades. This rapid development has resulted, however, in a major increase in the

foreign debt, especially in the last three years. Appropriate resource allocation has clearly become an even more critical issue.

In the education sector, a major need has been for improvement in mechanisms for proper utilization of external assistance funding already available. In FY 1984, for example, the loan disbursement rate from the World Bank declined to 10.4%, from 17.6% in FY 1983 and 20.7% in FY 1982. The FY 1984 disbursement was only 40% of the estimated \$20.4 million. As a result, commitment charges (fees on the undisbursed balance) reached \$2 million. (Workshop on Education Project Implementation I, 1984, p.4) Prior to the recent GOI budget reduction, and the subsequent requirement to return unexpended funds (SIAP) by the end of 1986, the SIAP of the Ministry of Education was very large (see Figure 11.3). As reported in Chapter Two of this Sector Review, as of June 1985, the MOEC was only able to spend 5.6% of its total development budget for that year. In late 1984 the Head of Balitbang Dikbud estimated the absorptive capacity of the MOEC at only 22%. While the recent GOI requirements to return SIAP funds make this a somewhat moot problem, the underlying dilemma remains, that is, the basic personnel, financial policy, and planning problems that resulted in the large SIAP. (See section 11.3.3.)

It is extremely difficult to make the required decisions on how best to allocate resources without careful coordination between and within the government ministries which are the users of external assistance, and between these ministries and the donor agencies. Coordination is the responsibility of BAPPENAS and the CCICT. However, BAPPENAS representatives have pointed to the importance of sound project

FIGURE 11.3
GROWTH IN UNEXPENDED DEVELOPMENT FUNDS (SIAP)
1979/80 TO 1983/84



preparation and early involvement of the Bureaus of Planning and Finance from the early stages of the DUP (project budget proposal) and DIP (final project budget) preparation. Better coordination within government units is required. (Workshop on Education Project Implementation, 1984, p. 4)

From the accounts of several donor agency representatives interviewed, BAPPENAS has been accomplishing its coordination task effectively, given the size of its staff and extremely large workload. A need was expressed, however, for additional formal mechanisms which would allow donor agencies to better coordinate their activities and areas of interest to avoid duplication of effort. This need must be weighted against the necessity of the Indonesian Government to maintain control of external assistance.

11.3.2 Plans

Plans designed to fulfill targets for Repelita IV are currently undergoing revision because of recent announcements by the GOI that overall budget allocations will be reduced by 7%. The MOEC has been directed to cut its development budget drastically, up to 40 percent for some Directorates General. It is, therefore, likely that major modifications of current external assistance priorities will be made in the near future. In the education sector, which is slated for major cutbacks, activities which can improve efficiency of ongoing programs are of increased importance. Expansion of vocational/technical education and improvement of quality at all levels of the education system are likely to remain the central focus over the next several years, but reducing costs and improving cost-effectiveness of remaining activities will now become an even more important objective. If the

SIAP funds of the Ministry of Education are reallocated for MOEC activities, MOEC may be able to absorb some potential reductions without having to resort to additional external assistance. Whether external assistance will be seen as a mechanism to fill gaps resulting from reduction of government expenditures in the education sector is at this point conjecture.

The plans of the major funding agencies generally follow their priorities outlined in the previous sections. The World Bank, UN Agencies and USAID will likely remain primary donors to the education sector, as human resource development is a major emphasis in their worldwide and Indonesia specific funding policies.

The World Bank has focused its human resource development efforts in the area of expanding capacity for vocational/technical training and improving educational quality. Table 11.7 summarizes the major World Bank HRD loan activities that have been approved for the next four years.

Indonesia received approximately 18% of the total funding of the World Bank in the area of education, making it one of the largest recipient countries in the world in this sector.

The United Nations Development Programme (UNDP) will implement five major activities in the upcoming Third Country Programme for the education sector. These activities are as follows (amounts in parentheses have increased in some cases):

1. Secondary Education - Project Implementation (US\$332,300)- designed to improve the quality of general secondary education by strengthening administrative and management support systems in MOEC;

TABLE 11.7

WORLD BANK PROJECTS IN EDUCATION

<u>Title</u>	<u>Time Period</u>	<u>Amount</u>	<u>Description</u>
University Development I	12/13/80 - 12/31/86	\$45 million	The first phase of a program to improve efficiency and quality of university education. Campus construction, staff upgrading, management information, training and technical assistance included.
Second University Project	06/18/85 - 12/12/91	\$47 million	Develop capacity to train university teachers and researchers and strengthen IUCs.
Integrated Textbook	04/05/82 - 06/30/87	\$25 million	Strengthen capacity of the Center for Curriculum Development; production, distribution of textbooks; training and evaluation.
Secondary Training (Element A)	04/05/82 - 06/30/88	\$80 million	Improve the quality of primary, secondary and special education teacher training, and expand the training of educational administrators.
Second Teacher Training (Element B)	04/05/82 - 06/30/88	\$80 million	" "
Second Teacher Training (Element C)	04/05/82 - 06/30/87	\$80 million	" "
Polytechnic II	06/23/83 - 12/31/89	\$107.4 million	Expand Polytechnic enrollment and output by construction and equipping extensions of existing polytechnics and eleven new polytechnic; strengthen management capability of MOEC.
Third Agricultural Training	08/22/83 - 06/30/90	\$63.3 million	Preservice and inservice training for middle-level manpower.
Second Nonformal Education	12/16/83 - 09/30/89	\$43 million	Improve access to nonformal education and quality of NFE. Strengthen management capabilities of community education agency.
Secondary Education and Management Training	11/05/84 - 09/30/88	Unit I \$78 million Unit II \$78 million Unit III \$78 million	Improve quality of secondary education and strengthen management and planning skills.

2. Technical and Vocational Teacher Training (US\$1,524,000) - to develop and upgrade teacher training curricula and establish teacher training workshops and laboratories in three IKIPs;
 3. Development of Educational Planning and Management in the Provinces (US\$3,000,000) - to improve the organizational and technical capabilities of senior and middle-level staffs in planning, management, information gathering, and analysis;
 4. Center for Policy Research and Development (US\$889,500) - to provide consultant services aimed at strengthening the management capability of MOEC; and
 5. Skill Training in Secondary Schools, Madrasah Aliyah (US\$350,000) - supporting practical orientation of basic education.
- Improvement of the quality of education is also of primary importance for the Third Country Programme of the UNDP.

The objectives for human resource development of USAID's education sector are to

1. Assist the Ministry of Education build capacity for planning and policy formulation for the national education and training systems;
2. Help develop selected higher education and training institutions which can provide skills related to the Mission's other program areas;
3. Provide graduate level and short term training in the U.S. for managers and technicians involved in development activities (USAID, Country Development Strategy Statement FY 1985).

In addition to its major participant training effort, USAID has just begun implementation of a project to enhance the planning and policy-making capacity of the MOEC. This Educational Policy Planning Project (EPP) will be a \$9 million, four-year activity to improve the management information system and policy making capacities of the MOEC Office of Education and Culture Research and Development (Balitbang Dikbud).

11.3.3 Constraints and Issues

In November 1984, MOEC and the World Bank sponsored a five day workshop on project implementation. Participants identified a variety of problems and issues that restrict effective use of external assistance and contribute to the problem of unutilized and carry-over funds (SIAP). Among these issues were the following:

a) Personnel Issues

1. Lack of sufficient numbers of competent and experienced staff members in the project implementation units (PIUs). This lack is due in part to low pay and lack of permanency for positions paid out of the development budget.
2. Late appointment of project managers. Project managers are often appointed after the project has been planned and funding negotiated. The time required by new managers to familiarize themselves with the project slows down implementation.
3. Project managers and senior staff typically hold more than one job and are often unable to devote sufficient time to project work.

4. High turnover of project staff.
5. Lack of training of new project staff.

b) Financial Issues

1. Funding for development budget projects is not provided until after a loan agreement has been signed;
2. Procedures for preparing preliminary budget proposals (DUP) and final development budgets (DIP) are not well-known by project staff.
3. DIP proposals are sometimes cut without consultation with project staff.

c) Policies and Procedures

1. New procedures are sometimes imposed without sufficient notice; these actions can cause problems or delays in implementation and sometimes necessitate changes in contracts already negotiated.
2. Central agencies take too long to clear procurement documents for consultancies and other services. The delay is due in largely to repetitive reviews of prices structure and billing rates at various agency levels. In addition, the standard billing rates set by BAPPENAS are confidential; accessing these can delay the processing of technical assistance agreements.

d) Project Preparation and Scope

1. Project preparation (of equipment master lists, bid documents, fellowship candidates) is often insufficient and can delay the start of projects.

2. Some projects are too complex, with too many subprojects and subcomponents. Complexity can lead to monitoring difficulties and the possibility of components being overlooked in the preparation of DUP.

e) Other Constraints Identified

1. Communication channels between project staff and senior department officials and between departments are weak.
2. World Bank staff members are not familiar enough with DIP procedures.
3. Project design decisions have sometimes been postponed or changed during implementation.

The absorptive capacity of the various ministries, the MOEC being one, is a critical issue to be considered. Returning unexpended funds (SIAP) to the GOI for reallocation does not solve the basic constraints on the ability of the MOEC to absorb external assistance. If priorities are to be determined with regard to which activities should be supported by external assistance in the current constrained budget environment, the absorptive capacity of the various units of the MOEC is an important concern. Priority must be given to investments that support rapid development and expansion of the economy and in areas where need is greatest and the ability to use resources productively is high.

A second general and critical issue, therefore, is how best to use available external assistance to fulfill development objectives of highest priority while at the same time controlling the growing foreign debt. This can be accomplished most effectively only through careful

coordination between the ministries of the GOI and the donor agencies. Coordination may be more a concern from the perspective of the donor agencies than the GOI. Many of staff members of donor agencies have expressed the view that the task of long-term planning would be simplified if they were better able to coordinate their activities with the interests and priorities of the other funding agencies. For example, selection of appropriate experimental or innovative projects would be enhanced if the initial donor knew the likelihood of other agencies picking up longer-term follow-up funding for successful efforts. Lack of coordination can easily lead to duplication of effort and delays in program implementation. The lack of knowledge among donor agency staff of DUP and DIP procedures mentioned earlier is an example of an area where better coordination would be beneficial. In addition, a review is needed of the type and amount of approvals that must be obtained prior to initiation of new funding activities to determine whether the clearance system is so complex or cumbersome (slow) as to cause delays.

11.4 Recommendations

Recommendation 1. Development of a System to Prioritize External Assistance Requirements.

Discussion

A system should be developed for assigning priorities to activities which require external assistance. Such a system is likely to become even more important to the MOEC as the forecast GOI budget cutbacks materialize. Identifying the appropriate criteria for establishing priorities will be a long-term effort of trial and error, but the effort should begin as soon as possible. Such criteria would likely involve methods of determining feasibility and assessing impact. A clear understanding of how each activity supports Repelita planning objectives would be essential. Information on the capacity of various units of the MOEC to absorb external assistance would be very useful.

Implementation Alternatives

1. Balitbang Dikbud, as part of its Educational Policy Planning Project (EPP) could contract for the services of experts in the fields of feasibility analysis, impact assessment and whatever other areas are deemed relevant for an effort to specify project selection criteria for external assistance.
2. A study could be conducted of the successes and failures of past external assistance efforts to help determine why such results occurred. In addition to providing valuable insights into the external assistance process and problems, this effort could help provide more specific and relevant criteria for

project selection. Examination of the factors which affect the absorptive capacities of the various units of the MOEC would be an important topic for such a study.

3. The MOEC should encourage a joint effort with other ministries, BAPPENAS, and selected donor agencies to institutionalize the use of realistic assessment criteria to determine which activities funded by external donors would result in the best return on investment.

Recommendation 2. Encouragement of Informal Additional Exchanges and Information Sharing Among Donor Agencies

Discussion

Current coordination between donor agencies and the GOI is conducted on a formal basis under the auspices of BAPPENAS, the CCICT, and the IGGI. These organizations are effective in overseeing the external assistance approval process; but their meetings are infrequent and there is little opportunity for the type of informal information sharing that would be of value to donor agencies in their long-term planning efforts. The GOI must clearly maintain control of authority and decision making over activities conducted with the help of the outside agencies. However, both formal and informal coordination and information sharing could be of great benefit in improving the longevity (likelihood of institutionalization) of development projects and avoiding duplication of effort.

Implementation Alternatives

1. The GCI, MOEC or donor agencies could sponsor a series of informal gatherings - dinners, cocktail parties, speaker series - that would focus on a specific sectoral area. An alternative might be to sponsor the presentation of new projects, ideas, or external assistance efforts as they are initiated, encouraging representatives of other donor agencies to attend such presentations for the purposes of obtaining information about the activities and sharing information and ideas with counterparts.
2. In the past, Balitbang Dikbud has conducted informal gatherings of donor agencies to discuss issues related to specific subsectors within education. Such efforts could be reinstated to allow for exchange among representatives of donor agencies and their counterparts from the various Directorates General. This activity might also help in developing the criteria and prioritization system mentioned in Recommendation 1 by clarifying the primary interests and objectives of the donor agencies and better ensuring long-term commitment to specific development efforts.
3. The Workshop on Education Project Implementation, sponsored by MOEC and the World Bank, produced a suggestion to conduct information clinics for donor agency staff; this suggestion should be pursued. A series of important topics could be the focus of orientation and training, with an early topic being the DUP and DIP development process and procedures. Impact of

budget cuts and ways in which donor agencies might lessen the consequences might be another timely topic to be discussed.

Recommendation 3. Study of the Organizational Capacity of the MOEC and BAPPENAS with the Objective of Streamlining the Review and Authorization Process for External Assistance

Discussion

The view has been expressed that the procedures followed for approval of external assistance activities are cumbersome and result in unnecessary delays. It is not clear whether this is actually the case. It may be valuable, however, to review the system in operation within both the MOEC and BAPPENAS with the view to streamlining the approval process and determining whether staffing at the various levels within these agencies is appropriate given the workload required.

Implementation Alternatives

1. Again as part of the Educational Policy Planning Project, such an organizational review might appropriately take place within the framework of improvement in the management information system of Balitbang Dikbud.
2. Revision of the planning targets for Repelita IV in light of GOI budget reduction may provide an opportunity for assessment of the external assistance priorities over the next several years. The revision process could provide an appropriate setting for an organizational review to take place. If a formal review is not possible, case studies of how the external assistance oversight system copes with any upcoming

modifications of priorities resulting from budgetary cutbacks could provide valuable information for future improvements in the system.

Recommendation 4. Encourage Closer Collaboration with Private Voluntary Organizations and Especially Private Foundations (Yayasan) Working in Indonesia

Discussion

There has been much talk about the importance of better coordination between the public and private sectors. In certain priority activities of the MOEC, such as the expansion of vocational/technical education, attention should be given to those elements which may be important vehicles for linking MOEC's programs with resources of the private sector. Examples of such linking vehicles are private voluntary organizations and Yayasan with their local networks, established contacts with the private sector, and programmatic flexibility. Important innovative approaches to vocational skills training at the village level, for example, might result from the assistance of local Yayasan. Additional donor assistance to PVOs and Yayasan might lead to very cost efficient ways to fulfill MOEC objectives.

Implementation Alternatives

1. Opportunities for the exchange of information between PVOs, Yayasan, and donor agencies such as USAID and UNDP could be encouraged by the MOEC to determine whether the interests of these organizations coincide with the objectives of the MOEC.

2. Activities of PVOs and Yayasan working in the various provinces could be surveyed to help determine their areas of expertise and level of success in development efforts.
3. Staff and consultants of the MOEC and other agencies who have worked with PVOs and Yayasan in the past could be consulted for information on whether areas of beneficial collaboration really exist.
4. In the long run, if areas of mutual interest are identified external donors could be asked to support joint projects of high priority in meeting the objectives of the Repelita.

ANNEX A
LIST OF INTERVIEWEES

Bonner, Cameron, Education and Human Resources Development Officer
USAID/Jakarta

Bonner, Marg, Program Officer, USAID/Jakarta.

Fernandez, Hermano, Consultant, Pusat Pengujian, Balitbang Dikbud, MOEC

Foster-Gross, Donald, Head, Office of Training, USAID/Jakarta

Fuller, William, Mission Director, USAID/Jakarta

Harbison, Ralph, Jr., World Bank, Washington, DC

Kissinger, Tom, Ford Foundation Representative, Jakarta

Moegiadi, Sekretaris, Balitbang Dikbud, MOEC

Patten, Anthony, Deputy Resident Representative UNDP, Jakarta

Pooley, Robert, Public Voluntary Organization Officer, USAID/Jakarta

Wessels, W.G., Counselor for Development Cooperation, Royal Netherlands
Embassy.

Wesseling, H.C., Education Officer, Royal Netherlands Embassy, Jakarta

Zenick, Manuel, Education Officer, World Bank, Jakarta

ANNEX B
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ANNEX C
TERMS AND ACRONYMS

	<u>ENGLISH</u>	<u>INDONESIAN</u>
ADB	Asian Development Bank	Bank Pembangunan Asia
AKTA I	Tertiary Level Teacher Training Certification: Primary	Program AKTA I
AKTA II	" " Jr. Sec.	Program AKTA II
AKTA III	" " Sr. Sec.	" AKTA III
AKTA IV	" " University	" AKTA IV
AKTA V	" " University	" AKTA V
APBN	Gov.t Expenditure & Revenue Budget	Anggaran Belanja Negara
APDB I & II	Local Gov.'t Budgets	Anggaran Pembangunan Daerah I & II
BAKN	National Personnel Office	Badan Administrasi Kepegawaian Negeri
Balitbang Dikbud	Office of Education and Culture Research and Development	Badan Penelitian dan Pengembangan Pendidikan & Kebudayaan
Bappeda	Regional Planning Office	Badan Perencanaan Pembangunan Daerah
Bappenas	National Development Planning Board	Badan Perencanaan Pembangunan Nasional
Biro Perencanaan	Bureau of Planning	Biro Perencanaan
PLKI	Vocational Training Center	Pusat Latihan Kejuruan Indonesia
BP3	Parent Teacher Assoc. Fee	Beaya Pungutan Persatuan Orang Tua dan Guru
BPM	Regional Training and Material Center	Badan Pembangunan Masyarakat

BPG	Teacher Education Center	Badan Pendidikan Guru
BPKB	National Training and Activity Center	Badan Pusat Kegiatan Belajar
BPS	Office of Statistics	Biro Pusat Statistik
Bupati	Head of District	Kepala Kabupaten
BUTSI	Indonesian Volunteer Service Corporation	Badan Tenaga Sukarela Indonesia
Camat	Head of Sub-District	Kepala Kecamatan
Dalam Negeri	Ministry of Home Affairs	Departemen Dalam Negeri
Dati I and II	Local Gov.'t levels	Daerah Tingkat I & II
DepKeu	Ministry of Finance	Departemen Keuangan
Dept. Agama	Ministry of Religion	Departemen Agama
DGB	Directorate General of the Budget	Direktorat General Anggaran
Dharma Pertiwi	National Org. of Wives of Army Officers	Persatuan Istri ABRI
Dharma Wanita	National Org. of Wives of Civil Servants	Persatuan Istri Pegawai Negeri
DIK	Budget Document	Daftar Isian Kegiatan
Dikdas	Direktorate of Primary Educ.	Kantor Pendidikan Dasar
Dinas	Regional Office	Dinas
DIP	Project Document	Daftar Isian Proyek
Ditjen PDM (Dikdasmen)	Dir. Gen. of Primary & Secondary Educ.	Direktorat Jendral Pendidikan Dasar & Menengah
Ditjen PT (Dikti)	Dir. Gen. of Higher Education	Dir. Jendral Pendidikan Tinggi

Ditjen PLSPO	Dir. Gen. of Out-of-School Education Youth & Sport	Dir. Jen. Pendidikan Luar Sekolah, Pemuda, dan Olah Raga
Ditjen Kebudayaan	Dir. Gen. of Culture	Dir. Jen. Kebudayaan
Dosen	Lecturer	Pengajar
DUP	Project Proposal Document	Daftar Usulan Proyek
D1	Teacher training Certificate: Primary	Program Diploma 1
D2	" " Jun. Sec.	" " 2
D3	" " Sen. Sec.	" " 3
EBTANAS	Primary School Finishing Examination	Evaluasi Belajar Tingkat Nasional
FKIP	Faculty of Education in University	Fakultas Keguruan Ilmu Pendidikan
GBHN	Guidelines for State Policy	Garis-Garis Besar Haluan Negara
GDP	Gross Domestic Product	Pendapatan Dalam Negeri
GOI	Government of Indonesia	Pemerintah Indonesia
IAIN	State Institute of Islamic Religions	Institut Agama Islam Negeri
IBM	International Business Machines	International Business Machines
IBRD	International Bank for Reconstruction and Development	Bank International Pembangunan & Rekonstruksi
IGGI	Inter-Governmental Group on Indonesia	Group Antar Negara untuk Indonesia
IIEP	International Institute for Education Planning	International Inst.' for Educ. Planning
IKIP's	Teacher Training Colleges	Institut Keguruan Ilmu Pendidikan

Inpres SD	Primary School built under Presidential Decree Funds	Sekolah Dasar Inpres
Inspector Jendral	Inspectorate General	Inspektor Jendral
IPA	Science	Ilmu Pengetahuan Alam
IPB	Institute of Agriculture at Bogor	Institut Pertanian Bogor
IPS	Social Studies	Ilmu Pengetahuan Sosial
ITB	Institute of Technology at Bandung	Institut Teknologi Bandung
Kancam	MOEC Sub-District Office	Kantor Kecamatan P & K
Kandep	MOEC District Office	Kantor Departemen P & K
Kanwil	MOEC Provincial Office	Kantor Perwakilan P & K
Kas Negara	MOF Regional Office	Kas Negara
Kasi Dikmas	Head of Community Education Section	Kepala Seksi Pendidikan Masyarakat
Kasi SD	Head of Prim. School Section	Kepala Seksi SD
KBKM	Vocational Skills Training	Kursus Belajar Kejuruan Masyarakat
Kejar Paket A	Basic Education	Kelompok Belajar Paket A
Kejar PD	Community Education Out-of-School Learning Group	Kelompok Belajar Pendidikan Dasar
Kejar Usaha	Income Generating Learning Group	Kelompok Belajar Usaha
Kewajiban Belajar	Universal Compulsary	Kewajiban Belajar

Primary Education

KKG	Teacher Work Group	Kelompok Kerja Guru
LKMD	Village Development Program	Lembaga Ketahanan Masyarakat Desa
KPUA, B, C	Pre-Primary Teacher Training	Kursus Pendidikan Umum A, B, C
LIPI	Research Foundation of Indonesia	Lembaga Ilmu Pengetahuan Indonesia
LNG	Liquified Natural Gas	Gas Cair Natural
Madrasah Ibtidaiyah	Islamic School (Primary)	Madrasah (Tingkat SD)
MenPan	Ministry of Administrator Reform	Menteri Aparatur Negara
MOEC	Ministry of Education and Culture	Departemen Pendidikan dan Kebudayaan
NFE	Nonformal Education	Pendidikan Luar Sekolah
NTCC	National Technical Coordinating Committee	Koordinator Bantuan Tehnis Luar Negeri
ODA	Overseas Development Assistance	Lembaga Bantuan Luar Negeri
Patjar	SD PAMONG Out-of School site	Tempat Belajar
Pancasila	State Ideology	Pancasila
PEDC	Polytechnic Education Development Center	Pusat Pengembangan Pendidikan Politeknik
Pengawas	Supervisor	Pengawas
PENMAS/Dikmas	Community Education	Pendidikan Masyarakat
Penilik	Education Supervisor in Kancam	Penilik Tingkat Kancam
Penilik TK/SD	Supervisory for Pre-Primary and Primary	Penilik TK/SD
PGA	Religious Teacher Training	Pendidikan Guru Agama

Pimpro	Development Project Leader	Pimpinan Project
Pusinfot	Office of Information (Balitbang)	Pusat Informatik
Puslit	Office of Research (Balitbang)	Pusat Penelitian
Pusisjian	Office of Testing (Balitbang)	Pusat Pengujian
Puskur	Office of Curriculum (Balitbang)	Pusat Kurikulum
PTPG	Higher Education Institute for Teacher Training	Perguruan Tinggi Pendidikan Guru
P3D	Primary School Development Project	Proyek Pengembangan Pendidikan Dasar
P3GTK	Technical Teacher Training Unit Center	Pusat Pengembangan Pendidikan Guru Taman Kanak2
PKK	Family Life Education Program	Pendidikan Kesejahteraan Keluarga
PKG	In-Service/On Service Teacher Training Program	Pusat Kegiatan Guru
PKG	Teacher Activity Office	Pusat Kegiatan Guru
PMP	Civics	Pendidikan Moral Pancasila
Pola Tinggi	Integrated Public /Private Higher Education	Pendidikan Tinggi Terpadu
PPPG	Teacher Education Development Office	Pembinaan & Pengembangan Pendidikan Guru
PPSP	Development School Project	Sekolah Pembangunan

Pramuka	Scouts	Pramuka
Proyek Buku Terpadu	Integrated Textbook Project	Proyek Buku Terpadu
PSPB	Indonesian Political History	Pendidikan Sejarah Pengembangan Bangsa
PU Wajar	Office of Universal Compulsary Educ.	Pendidikan Umum Wajib Belajar
RADIN	Meeting of Provincial Officials for Budgeting	Rapat Dinas
RAKERNAS	National Working Meeting of Budget	Rapat Kerja Nasional
RARAS	MOEC Echelon I Officials Meeting	Rapat Teras
REPELITA	Five Year Plan	Rencana Pembangunan Lima Tahun
Raudhatul Athfal	Pre-primary Religious (Moslem)	Taman Kanak Kanak Islam
Sakernas	National Labor Force Survey	Survey Tenaga Kerja Nasional
Sanggar	World Bank In Service On Service Teacher Training Center	Sanggar
SBPP	Government Subsidy to Primary School	Subsidi Bantuan Pemerintah untuk Pendidikan
SDLB	Integrated Schools for Handicapped	Sekolah Dasar Luar Biasa
SD-Negeri	Public Primary School	Sekolah Dasar Negeri
SD PAMONG	Primary Education by Parents Teachers, and Community	Pendidikan Dasar oleh oleh Masyarakat, Orangtua dan Guru
SD-Swasta	Private Primary Schools	Sekolah Dasar Swasta
Sekjen	Secretariate General	Sekretaris Jendral

Sekneg	National Secretariat	Sekretariat Negara
SGA	Religion Teacher Training Secondary School	Sekolah Guru Agama
SGB	Teacher Training Primary School	Sekolah Guru Bantuan
SGTK	Pre-Prim Teaching Certificate	Sekolah Guru Taman Kanak Kanak
SGO	Sports Teacher Training Secondary School	Sekolah Guru Olah Raga
SIAP	Unexpended funds	Sisa Anggaran Pemerintah
SIPENMARU	University Selection Examination	Sistim Penyaringan Mahasiswa Baru
SKB	District Training & Material Center	Sanggar Kegiatan Belajar
SKKP	Home Economy Junior Secondary School	Sekolah Kejuruan Kepandaian Putri
Skripsi	Undergraduate thesis	Karangan Ilmiah Mahasiswa
SLB	Schools for the Handicapped	Sekolah Luar Biasa
SLB Terbuka	Open Schools for the Handicapped	Sekolah Luar Biasa Terbuka
SMA	General Senior Secondary School	Sekolah Menengah Atas
SMEA	Commercial Senior Secondary School	Sekolah Menengah Ekonomi Atas
SMKK	Home Economy Senior Secondary School	Sekolah Menengah Kesejahteraan Keluarga
SMP	General Junior Secondary School	Sekolah Menengah Pertama

SMP Terbuka	Open Junior Secondary School	SMP Terbuka
SPG	Teacher Training Senior Secondary School	Sekolah Pendidikan Guru
SPGLB	Teacher Training Senior Secondary School for Special Education	Sekolah Pendidikan Guru Luar Biasa
SPP	Gov.'t Subsidy to Secondary School	Sumbangan Pemerintah untuk Pendidikan
ST	Vocational Junior Secondary School	Sekolah Teknik
STM	Technical Senior Secondary School	Sekolah Teknik Menengah
STTB	Primary School Graduation Certificate	Surat Tanda Tamat Belajar
Subdit Monitor	Sub-directorate for Monitor	Sub-direktorat Monitor
S1	Bachelor's Degree	Sarjana Muda
S2	Master Degree	Sarjana Lengkap (Pasca Sarjana)
S3	Doctoral Degree	Program Doktor
SUPAS	Intercensal Population Survey	Survey Penduduk Antar Sensus
SUSENAS	Economic & Social Survey	Survey Ekonomi dan Sosial
TK (Taman Kanak Kanak)	Pre-Schools	Taman Kanak-kanak
TTUC	Technical Teacher Upgrading Center	Pusat Upgrading Guru Teknik
UDKP	Village Development Unit	Unit Kerja Pembangunan Desa
UGM	University of Gajah Mada	Universitas Gajah Mada

U.I.	University of Indonesia	Universitas Indonesia
Ujian Persamaan	Primary School Equivalence Examination	Ujian Persamaan
UNAIR	University Airlangga at Surabaya	Universitas Airlangga
UNDP	U.N. Development Program	U.N. Development Program
Universitas Terbuka	Open University	Universitas Terbuka
UNPAD	University of Pajajaran at Bandung	Universitas Pajajaran Bandung
USAID	U.S. Agency for International Development	U.S. Agency for International Development
WB	World Bank	Bank Dunia
Yayasan	Private Institutes	Yayasan