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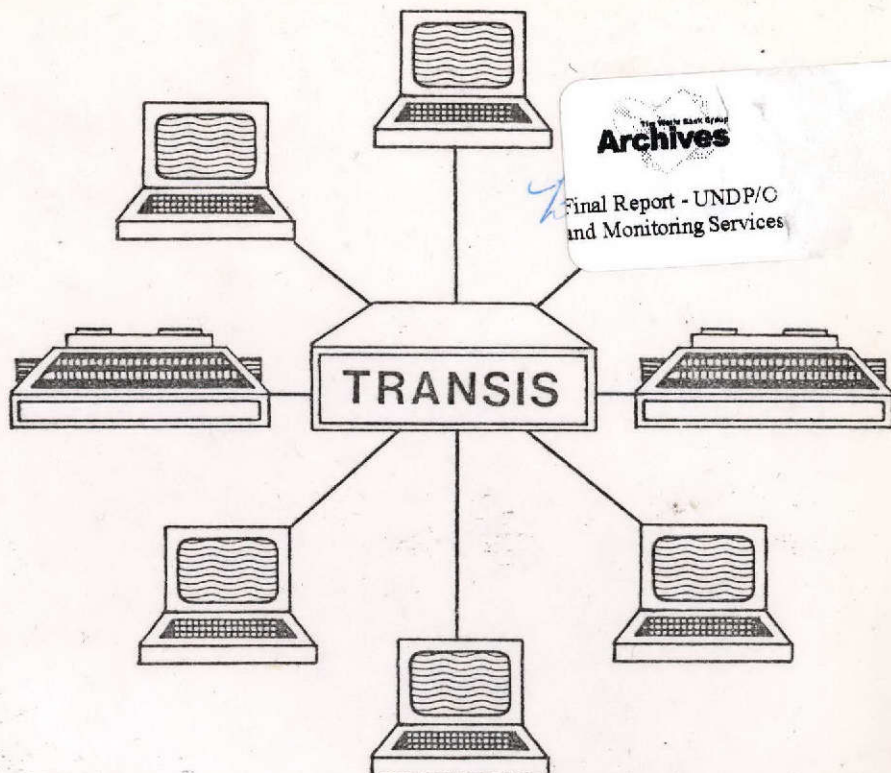
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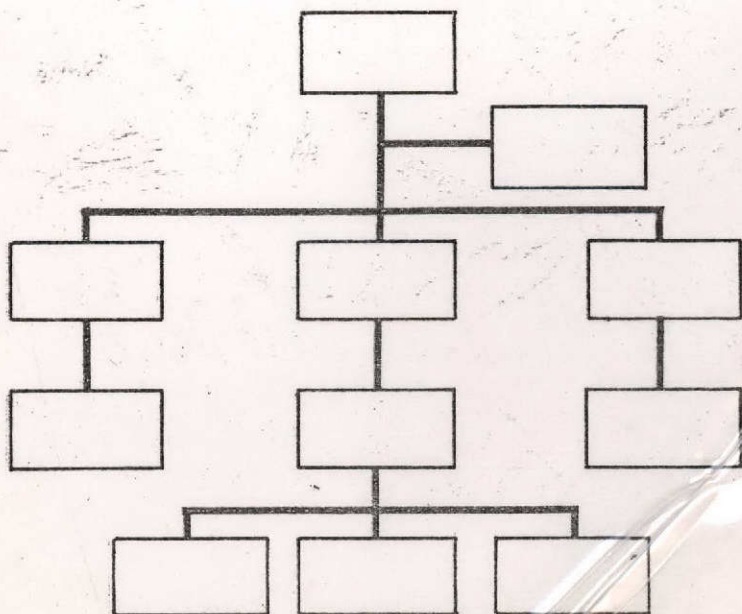
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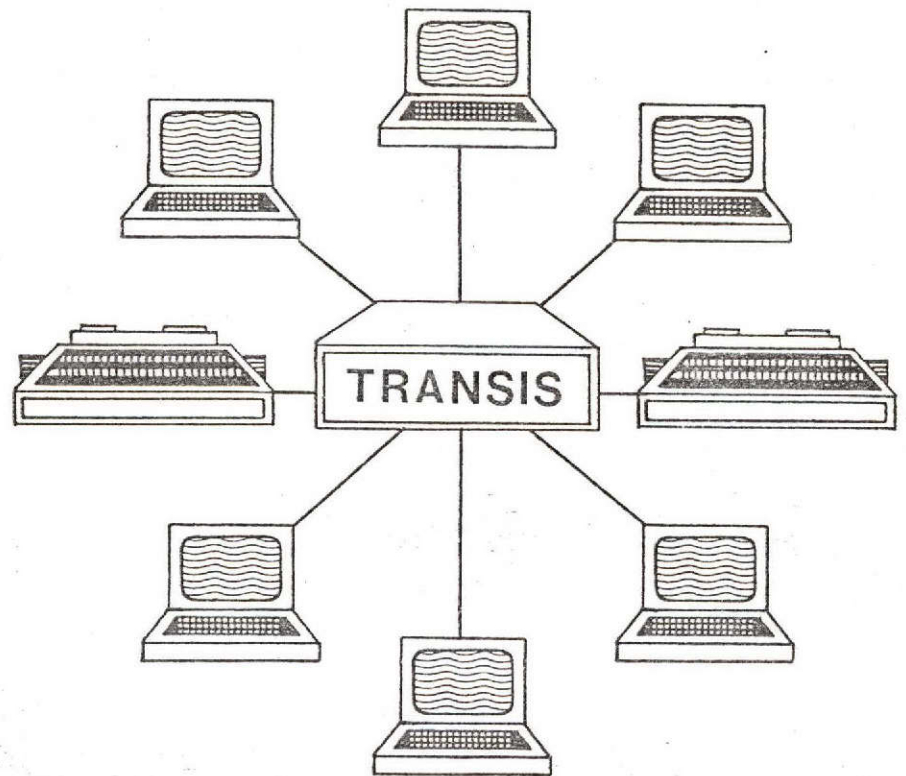
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Transmigration
Management Development
and Monitoring Services



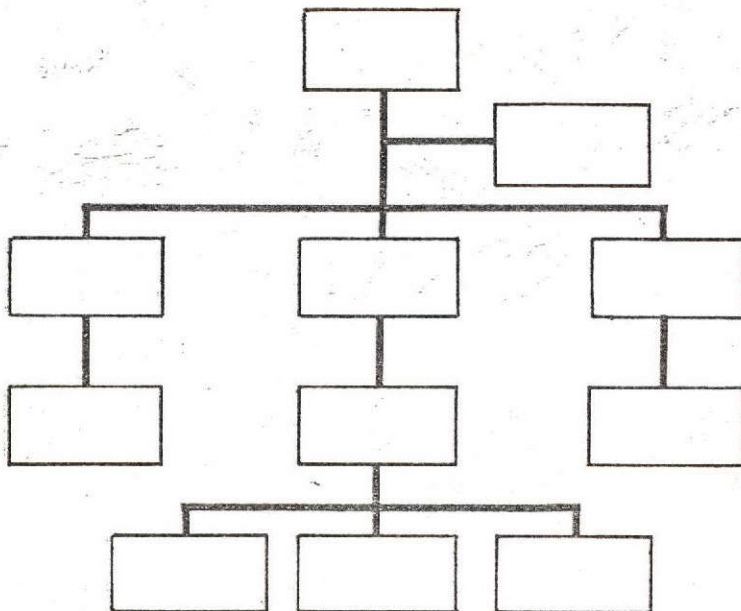
DEPARTMENT OF TRANSMIGRATION

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FINAL REPORT

UNDP/OPE/INS/79/001
 Transmigration
 Management Development
 and Monitoring Services



DEPARTMENT OF TRANSMIGRATION

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FINAL REPORT

FINAL REPORT

UNDP/OPE/INS/79/001

Transmigration
Management Development
and Monitoring Services



PACIFIC ARCHITECTS AND ENGINEERS, INC./
RESOURCES MANAGEMENT INTERNATIONAL, INC.

AUGUST 1983

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SUMMARY OF RECOMMENDATIONS

Summary of Recommendations

A. The Overall Transmigration Programme

- A.1 Pay urgent attention to the question of how the Department of Transmigration can provide additional funds to retain the key services of the consultants working with the computers, financial monitoring and the survey of transmigrant incomes after 30 September 1983.
- A.2 Form the three tier TRANSIS committee (Appendix 1, Annexes 6.7, 6.8) to identify who needs what information and to design a new simplified reporting system.
- A.3 Make separation between staff working on the implementation of Repelita III and those preparing for future improvements in systems design, and for planning Repelita IV. This would also make full time staff available to support the TRANSIS development committee as recommended in A.2. above.
- A.4 Assign staff to work full time on new systems and future plans. Otherwise, it is unlikely that there will ever be any such systems or improvements. The part time worker or committee system can lead to decisions but cannot tackle technical problems.
- A.5 Hold a series of conferences and meetings among Directors to reach consensus on transmigration activity definition, physical standards, standard costs, sequence of events, timing and responsibility (see Chapter 3).
- A.6 Form Project Management Units for transmigration settlement locations. Put the PMUs under the Provincial head of transmigration and make them responsible for supervision of all contractors and agencies involved in settlement activities.
- A.7 In selected areas, put the PMU's out to tender and award to private or quasi government companies. If successful, use this system in all cases.
- A.8 Continue the Bakoptrans, Satdaltrans and Satbins I & II with revised terms of reference commensurate with new responsibilities and reorganization of transmigration.

- A.9 Develop plans for each project location which cover all physical, financial and administrative aspects for the full project cycle (see Chapter 4 and Appendix 1, Annex 4.2).
- A.10 Use fully integrated plans as recommended in Chapter 4, to permit accurate project monitoring and control during implementation.
- A.11 Continue to become more flexible in the selection of agricultural cropping systems, which should be designed to suit the actual conditions found on the ground.
- A.12 Provide staff for the Departmental computer systems, i.e.:
Systems analysts
Programmers
Data Entry staff.
- A.13 Continue the financial monitoring system designed by PAE/RMI.
- A.14 Combine land clearing and house and community facilities construction into one contract to speed up implementation.
- A.15 Consider ways and means to follow up on the JMT's recommendation for redevelopment of Repelita III transmigration sites.

B. Trans II and other World Bank assisted projects

General management

- B.1 Under the anticipated new Presidential Decree, the Minister should have authority to control Transmigration activities not just within his own Department but also-possibly through a modification of the current BAKOPTRANS, SATDALTRANS and SATBINTRANS structures - the other departments which are providing goods, facilities and services to the project.
- B.2 A "green-light" system for ensuring proper clearances regarding Forestry Status, Land Availability and Boundary Demarkation should be instituted and adhered to.
- B.3 Contracts for land clearing, house, well and community facility construction should be aggregated and processed speedily and in accordance with agreed implementation schedules (Bar Charts) which should be up-dated on a quarterly basis.
- B.4 A meeting should be called, attended by Deptrans/Bina Program and PLPT, DG Agraria, Team Inti from Department of Agriculture and the Department of Forestry at which time all proposed sites be discussed, potential problems identified and a masterplan agreed upon.
- B.5 Settlement components such as Trans II, the Trans II, III Batu Marta extension and the Trans IV East Kalimantan projects should be under specific Project Management Units located in the provinces, which would report also to the Special Unit on a regular and formalized basis.

Finance and budget

- B.6 Project budgets should be prepared only after a project masterplan has been prepared.
- B.7 A standardized budget format and activity code should be adopted for future projects.
- B.8 Training in World Bank (or other foreign donor) procurement, disbursement, and other operational procedures should be conducted for concerned staff at the time of project start-

up as done already by PAE/RMI for Trans III and Trans IV.

Jambi field management

- B.9 A small project management office for Trans II in Jambi should now be set up in the almost completed KorWil Complex in Bangko. Representatives of other agencies not yet established in Bangko (e.g. PLP) should be required to do so immediately.
- B.10 The project manager/cordinator should be a Dep.Trans. person making full use of the Satbintrans I and II institutions, and should have clearly defined relations with the various technical agencies. The Korwil system as presently known should be abolished through the new decree in B.1. above.
- B.11 The position of the Dep.Trans. Pimpro should be re-examined, and the incumbent should be required to move to Jambi.
- B.12 A management structure for the Rehabilitation program should be established in Singkut.
- B.13 Steps should be taken to support the position of the Korlaps (if they are to continue functioning) including drawing up more detailed terms of reference and providing them with training as well as the office and housing space that has been in the budget since 1980. In fact, their functions would be better carried out by PMUs.

Monitoring and evaluation

- B.14 The Department should make a clear policy statement on the subject of socioeconomic monitoring and evaluation and direct that such procedures be institutionalized. The results of such procedures should become an integral part of policy and project formulation.
- B.15 Once a new management system for Trans II is agreed upon, the locus of monitoring and evaluation activities should be decided on and support provided for qualified staff to do the work. Monitoring procedures, institutionalized in Trans I/III locations, should be investigated and introduced to Trans II and IV where suitable.

- B.16 A simple socioeconomic monitoring system, including child weight, in- and out-migration, and agricultural surplus data, should be developed for all projects.
- B.17 A simple but reliable system for monitoring agricultural conditions in transmigration projects requires urgent attention.
- B.18 Provision should be made in the Budget for special studies, as recommended in the SAR.

Summary of Work Carried out by UNDP/OPE Consultants on INS/79/001 in relation to the terms of reference.

Within the office of the Junior Minister for Transmigration

- (a) Analysing the structure of the transmigration programme, ascertaining lines of authority, paths of crucial information flow, and financial control;

Consultants made complete analyses of the institutional arrangements, laws and decrees concerning the coordination, management and implementation of the transmigration programme and its projects. (see reports nos. 2, 3, 6, 9, 10, 12, 14, 20, 24, 25, 26, 27, 28, 29, 53, 54, 55, 56, 57, 58, 59, 60, 61, 68, 70, 71, 72, 73, 75, 76, 77, 78, 79, 96, 102, 154, 156)
No constraints in this activity.

- (b) Identifying problem areas and weaknesses in the administrative system and formulating strategies for making the necessary improvements;

Having made many analyses according to (a) above, consultants recommended strengthening of JMT staff through the establishment of a Secretariate. (see project papers nos. 30, Semi Annual Report No.3 July-Dec 1981, 78, 150, 151, 157).
When this failed, consultants recommended a new and separate Department of Transmigration. (Semi Annual Report No. 4, January - June 1982). A new Department was inaugurated at the time of the formation of the new cabinet in March 1983.

- (c) Establishing a systematized information linkage among all of the agencies concerned with the transmigration programme as specified in the Presidential Decree 26, 1978;

Attempts were made to carry out this activity, but were only partially successful because there were insufficient numbers of counterpart staff, and in any case, none of those that did exist had the necessary training and experience.

Considerable amount of the consultant's time has been devoted to the problems of inconsistency and incompatibility across the existing data collection / processing mechanism within Transmigration. The need for integration in the Department's data management activities through the adoption of standards has been stressed in many reports including the Final Report. Towards this end, the consultants have compiled standard lists for such important classifications as activities, reporting units (administrative / geographic), agencies and organizational levels, and standards for the allocation of inputs (materials and services) and their costs. A computer mechanism - the Data Dictionary - has been established within TRANSIS (Transmigration Information System) to act as a control store for these important reference data. The underlying problem is to gain department-

wide acceptance of standards.

- (d) Developing a system to assure the timely preparation of work programmes and submission of budgetary requests within the implementing agencies;

Consultants developed the concept of planning and scheduling of inputs over time (see project paper no. 157). The mid term plans for transmigration locations were should be accompanied by a financial plan, which could be revised annually according to progress, and budgets for each successive year prepared (paper no. 158). Although the concept was warmly received by the Minister himself, his staff have yet to apply the system to their work.

- (e) Establishing a standardized reporting system as an aid to decision-making and monitoring the status of implementation throughout the various projects;

Consultants have established a mechanism for recording the structure and content of reports and a Report Generator to simplify, and standardize, the production of reports and to record report requirements by user. A notation for defining user requirements has been devised by the consultants.

In relation to financial data the consultants have implemented a Programme-Wide system for monitoring. Monthly data, collected from all sub-sector Transmigration Projects is input to the micro-computer based system acquired jointly by the GOI and UNDP to produce various analyses by Agency, Province, Project, etc. In relation to physical progress monitoring, whilst a considerable amount of design work has been completed by the consultants, further progress is dependent on the adoption of the standards mentioned above, and the establishment of an organizational unit within the Department (a Project Team reporting to a Management Review Committee and a top-level Steering Committee has been proposed by the consultants).

The fundamental constraints to development of better reporting systems have been:

1. No staff to work with the consultants.
2. The putting of three or four years' work into one year's budget, even though it is obvious it cannot be carried out in one year.
3. The lack of control or responsibility for any one location by any single person (see also project papers nos. 8, 17, 21, 22, 93, 113, 114, 115, 118, 150, 151, 160, 161, 164, 201, 202, 203, 204, 205, 206, 207).

- (f) Establishing benchmarks of prior performance and develop procedures for periodically evaluating the actual results of

project implementation compared with short, medium and long-term goals, identifying blockages, and making recommendations for their elimination.

Consultants assisted an evaluation committee to carry out an evaluation of the Transmigration Programme, which was completed by the committee for JMT Martono who submitted it to the President.

As there was no institution for carrying out evaluation, there was no transfer of skill, or system developed.

In addition consultants assisted in developing systems for identifying implementation problems. At the request of the Inspector General, the consultants designed a system for the recording of problems relating to particular projects. Implementation of the system is now dependent on the establishment of the standard classification referred to previously.

- (g) Establishing procedures for monitoring and evaluating benchmarks of social and economic development within settlements, and applying them in the course of monitoring Transmigration II;

Several attempts were made to design and introduce an "Early Warning System" for monitoring transmigrants welfare. The system was tried out over a period of four months in Jambi Province with the support of the Provincial Head of Transmigration. The response rate was low because the report was for the JMT and not for the DG, to whom those filling in the reports were responsible (see also project papers 1, and Appendix 1, Annex 6.3)

The consultants were informed by Bappenas that top priority should be given to physical progress monitoring and work on the Early Warning System was suspended.

- (h) Assessing the staffing needs and managerial requirements at all coordinating levels of the programme with specific recommendations as to assistance and training required;

Various studies were made on present and future staffing needs, and recommendations made inter alia during system development. Training courses were run for officials in charge of village units. Terms of reference for consultants to assist in training to be financed under the Trans III project were drawn up. (see also papers nos. 42, 98, 99, 103, 104, 105, 106, 107, 108, 109, 110, 111, 150, 151, 152, 153).

- (i) Producing manuals of organizational, financial control and coordinating procedures as required.

Manuals have been produced for organizing Satbins I & II meetings; financial monitoring of both the overall programme and World Bank Projects (and other foreign assisted projects); training of village heads; instructions for operators and

programmers for the use of, and further development, of the TRANSIS. (see also papers nos. 30, 31, 93, 173, 174, 175, 197, 199, 200, 201, 202, 204, 205, 206, 208, 209, 210).

Miscellaneous

In addition to carrying out ad hoc studies in connection with work on the Trans II project, the consultants make studies of the P.T. Kapas Indah Indonesia project in S.E.Sulawesi, which involves a nucleus estate with transmigrant farmers growing cotton and soya bean under supervision (see paper number 79).

The consultants also made an in depth evaluation of three Japanese/Indonesia joint venture companies in Lampung Province (confidential report for the Junior Minister of Transmigration and paper no. 87).

Consultants also assisted with the preparation of a paper presented by the JMT at the ARDO conference in Kuala Lumpur in September 1981 (paper no. 89).

GOVERNMENT RESPONSE

The Initial Comments by the Government on the Final Report

The attached observations by Government on the draft final report were probably assembled before all concerned officials had sufficient time to study the report. It is possible therefore that some modifications to the comments may be made in the future.



MENTERI TRANSMIGRASI R.I.

LADIES AND GENTLEMEN:

Allow me to welcome you to this meeting and to express my appreciation for your taking time to attend.

I myself just yesterday returned from a visit to a number of countries in Europe. My staff informed me that there was to be a meeting today to discuss the evaluation of the Final Report of the PAE/RMI team on the UNDP/OPE INS/79/001 project. For a number of reasons, I felt it important to take time from my other duties to attend this meeting.

If we look back some five years, we will recall that the Government, supported by Parliament, was given the task of settling 500,000 (five hundred thousand) transmigrant families during Repelita III.

Faced with such an enormous task, the Government was fortunate enough to receive assistance from UNDP and the World Bank to improve the management and monitoring of the expanded transmigration program as a whole, and in particular of the settlement projects funded by the World Bank loan.

Following normal procedures, the Government reached an agreement with the Bank and UNDP to retain the consulting services of PAE/RMI to provide the assistance specified for the INS/79/001 project.

For three and a half years, the PAE/RMI team, under the direction of Dr. Butcher, has provided the Government, including myself, with a great deal of invaluable assistance. Naturally we have not always been able to accept or to act upon all of the recommendations and suggestions made by the Team, but many of the systems they have developed have been or are being implemented.

In more general terms, the Consultants have brought us new ideas and made us reexamine and reconsider some of our current thinking and processes of implementation. Although not stated explicitly in Terms of Reference, this role in fact is one of the most important roles that consultants can and should play.

I wish, therefore, to state that the Government has been highly satisfied with this form of international cooperation and technical assistance. The Government is of the opinion that further assistance in this form is not only valuable but even essential, and we intend to seek such aid again in the future.


As you know, the duties of the PAE/RMI team were focussed on the highly complex process of upgrading the management of the transmigration program. The concrete achievements of the Team working in cooperation with the Government have been important, and we feel it necessary that what they have begun be further strengthened, developed and institutionalized. We are happy that the World Bank through the Fourth Transmigration Loan will provide us with the required assistance to ensure this, and we are currently taking the necessary steps to recruit the consultants we need.

Due to my limitation of this time I would like to ask Mr. WIDARTO to lead the discussion on the PAE/RMI Final Report.

Before this, however, let me express my own and my Government's deepest appreciation to Dr. Butcher and all his team members for their contribution, over the past three and a half years, to the strengthening of the transmigration program. Their contribution has been a real one, the benefits of which we will only fully understand and appreciate in the years to come.

Thank you very much.

Jakarta, September 23, 1983

MINISTER OF TRANSMIGRATION

MARTONO

DEPARTEMEN TRANSMIGRASI R.I.

Jl. Latjen Haryono M.T. Jakarta Telp. 794031 - 794969 - 794199 Transl Pos 317

EVALUATION OF DRAFT FINAL REPORT UNDP/OPE INS/79/001 TRANSMIGRATION MANAGEMENT DEVELOPMENT AND MONITORING SERVICES

In evaluation the Final Report of the UNDP/OPE INS/79/001 Project Sub Contractor, PAE/RMI, the Government has endeavoured to adhere to the principles of fairness, honesty and objectivity. On the basis of these principles, the Government's major conclusions are as follows:

1. It is clear that the PAE/RMI team, for 3½ years beginning on April 17, 1980, has aided the Government, in particular the office of the Junior Minister of Transmigration, in the field of management, in accordance with the following aims of the project:
 - (a) to strengthen the management capability of the Government in the planning and implementation of its transmigration program;
 - (b) to establish a Management Development Team within the Office of the Junior Minister of Transmigration to improve the general level of transmigration management and monitoring;
 - (c) to develop a systematized and timely information flow among all agencies concerned with the transmigration program;
 - (d) to develop procedures for monitoring and evaluating the project planning and implementation process for both the overall program and the second Bank-assisted project-Transmigration-II.

2. In order to fulfill a variety of pressing needs, the Joint Management Committee on two occasions requested that the Consultant revise its Terms of Reference. These revisions, however, did not imply major changes from the original TORs. In fact, the revisions gave more detailed guidance as to what was expected of the Consultant.
3. It should be noted that in addition to carrying out the duties as specified in the TORs, the Consultant carried out a large number of special tasks at the request to the Junior Minister of Transmigration. The Junior Minister of Transmigration, who is now the Minister of Transmigration, has been most satisfied and appreciative of the results the Consultant has achieved in carrying out these special assignment.
4. Because of the situation prevailing in the Office of the Junior Minister of Transmigration at the time, it must be admitted that not all tasks put forward in the TORs could be completely carried out. For example, since it was not possible to appoint fulltime counterparts, the proposed Management Development Team could not be formed. As a substitute for this Team, it was decided that all Senior Staff (Staf Ahli) and a number of other staff would act as counterparts to the Consultant.
5. It should further be noted that during its 3½ years of activity, the PAE/RMI team prepared no less than 215 working papers and reports. The Government feels that these documents have been most useful.
6. The Government is fully aware that the transmigration program is an extremely complex proses involving physical planning and implementation, development of natural resources, regional development, environmental question, and the wellbeing of the people who settle in the project locations.

The program has been made even more complex by the fact that it is carried out jointly by a variety of government agencies. Therefore it is not surprising that the management of the program has also been difficult and complex. Solutions to management problems require much time and cannot be developed in a precipitous way.

7. With these assumptions in mind in making its evaluation, the Government of Indonesian whole-heartedly accepts the PAE/RMI Final Report, with the following two observations:
 - A. The Government will attempt below to present its estimations of the extent to which the project's immediate objectives have been achieved; and
 - B. The Consultant will make certain revisions concerning particular points, particularly with respect to the Summary of Recommendations.
8. A. Evaluation of Results of Immediate Objectives
 - a. Efforts to strengthen the management capability of the Government have been carried out in full and are accepted by the Government.
 - b. Efforts to form a Management Development Team to improve the general level of transmigration management and monitoring were only partially successful, since the Government was not able to supply the necessary staff.
As mentioned earlier, existing Government staff were appointed as counterparts, and the PAE/RMI team worked with these staff to the extent that time permitted.
 - c. Although designs and methodologies for developing systematized and timely information flows between agencies have been satisfactorily drawn up by the Consultant, the systems have not yet been completely institutionalized and implemented. This matter doubtless requires further time.

- d. A similar comment can be made concerning the development of procedures for monitoring and evaluation: time has not yet permitted their testing and validation.

B. Comments on Summary of Recommendations

A. The Overall Transmigration Program:

- A.1. The Government has taken the necessary steps to deal with this question, and in addition feels it essential to retain a consultant in the field of physical progress monitoring.
- A.2. The recommended structure for the TRANSIS committee is not particularly suited to the current Departmental structure, and therefore needs revision.
- A.3. The Government accepts the idea of program separation between Repelita III and IV, but feels it is unrealistic to separate staff involved in each program.
- A.4. Therefore it is suggested that Recommendation A.4. be deleted.
- A.5. Instead of seminars, conferences or meetings would be more appropriate for Directors.
- A.6.. A.7. The Government considers that the various recommendations relating to the establishment of PMU's are not in accordance with current legal requirements and Presidential Decree No. 26, 1978.
Even with the establishment of the new Department, support services are still needed from other agencies such as Agriculture, Home Affairs, Cooperatives, etc., so that a PMU system is not applicable.

The alternative for assuring proper project implementation is to strengthen the coordination system through proper managerial techniques such as the utilization of barcharts, network planning, information system, and the like.

- A.8. This recommendation does not reflect the content of the report.
- A.9., A.10. The Government accepts these recommendations to the extent that they are not in conflict with existing procedures and regulations.
- A.11 This recommendation is acceptable to the Government.
- A.12 The Government is also in agreement with this suggestions.
- A.13 Continuation of physical progress monitoring development should also be included here.
- A.14 This recommendation should be deleted since it is not in accordance with Government policy.
- A.15 The Government is in agreement with the this recommendation.

23 September 1983.

OVERALL

FINAL REPORT

PART A

The Overall Transmigration Programme

1. Introduction

1.01 This report explains the background to project UNDP/OPE INS/79/001, the situation prevailing at the start of the project; describes the work done by the consultants and the outcome of the work; and also makes recommendations for the future.

Background to the project

1.02 UNDP and World Bank assistance to transmigration started with INS/72/005 "Planning and Development of Transmigration Schemes" in 1973 and the World Bank Assisted Transmigration I project in 1976. One of the final recommendations of INS/72/005 in 1977, was for providers of technical assistance to pay more attention to management rather than purely technical matters. Various UNDP and WB missions came to the same conclusion and the two agencies together in 1979 jointly provided finance for a new project, INS/79/001 "Transmigration Management Development and Monitoring Services", the total value of which was US\$ 3.6 million, with the UNDP providing \$ 1.5 million in the form of a grant, and the GOI providing the rest from funds in the Transmigration II World Bank loan.

1.03 The Office of Projects Execution (OPE) was appointed by the UNDP to implement the project, and the OPE put the project out for tender, leading to a contract with Pacific Architects and Engineers together with Resources Management International (PAE/RMI), a US joint venture company. The value of the contract awarded was US\$ 3,136,639 for the provision of approximately 500 man months of consultants time. The Project Document was signed by the UNDP and the GOI on 25 January 1980. The contract with PAE/RMI was signed by the OPE on 13 March 1980 and PAE/RMI started work on 17 April 1980. The government agency to which the PAE/RMI team was attached was the Department of Manpower and Transmigration, and was to work specifically with and for, the Office of the Junior Minister for Transmigration.

1.04 The terms of reference for the consultants (Appendix 1, Annex 1.1) were used for the formulation of work plans, although at the request of the Joint Management Committee ^{1/} these were revised twice during the course of the contract, (Appendix 1, Annexes 1.2 and 1.3).

^{1/} The JMC was composed of representatives of the Junior Minister for Transmigration, the World Bank and the United Nations Development Programme, and supervised the work of the PAE/RMI consultants' team.

1.05 A key component of the counterpart input to the project was to include "four full time professionals from the Junior Minister's staff and other designated Government part-time staff". The four professionals were to deal exclusively with management development. Over three years after the project started there were still no staff for management development, and not even staff with school leaving certificates (SMA) to act as data entry clerks for the computerized financial monitoring system.

Administrative Support

1.06 Apart from the lack of personnel to work full time with the consultants, counterpart support has been excellent. The provision of vehicles, office space and office supplies, and a set of four Apple II computers to complement those purchased by the UNDP/OPE were provided by the G.O.I.

1.07 A full list of equipment supplied under the project by the UNDP and the GOI are given in Appendix 1, Annex 1.4 and 1.5. A list of consultants provided by PAE/RMI appears in Appendix 1, Annex 1.6 .

Mode of Operation

1.08 In the absence of the management development team and any other full time counterparts, the consultants endeavoured to assist government officials by designing systems, preparing notes and memoranda as requested, writing manuals, and making suggestions for strengthening the organization.

1.09 In February 1982 a mid term review of the project was carried out under the auspices of the JMC by the UNDP, the World Bank and the JMT of the GOI. During the review the GOI promised to obtain full time staff to work with the consultants, and the UNDP agreed to provide financial assistance for this purpose. The consultants were also asked to revise their work plan during the review and prepare new job descriptions. This was carried out by the PAE/RMI team to the satisfaction of all concerned, but the full time staff to work as counterparts could not be provided.

1.10 Also during the review it was agreed that PAE/RMI could extend the duration of the contract by six months, taking it up to the end of September 1983, providing there was no extra cost.

The Future

1.11 Although much work has been carried out during the contract period, there remains much more to be done, especially since the formation of the new Department of Transmigration. However further technical assistance in developing systems, rather than consultants trying to do the job themselves, will be wasted unless some staff with professional qualifications are deployed full time for institutional and systems development. Consultants can provide knowledge, experience and wisdom, but they are not part of the institutions they are trying to improve. There must therefore be counterparts in each part of the organization to work together and with the consultants. To achieve this, there must be a clear distinction between those staff who are concerned with current implementation activities, and those who are working for future improvement.

Note Bene

1.12 Anyone reading this report will find that the consultants did not fully achieve what they set out to do according to their terms of reference. In short they were expected to set up management and information systems in an institution which had no powers of management and very limited authority to command reports or other information. If nothing else the project has helped to reshape the new Department and could in the event now do the jobs they were originally asked to do.

2. Coordination and Management from 1978 to March 1983

Statutory Bodies

2.01 At the time the Project (INS/79/001) started the arrangements for organizing responsibilities for the transmigration programme were laid down in Presidential Decree No. 26 of 1978. This decree was an outcome of the very rapid expansion in the size of the transmigration programme since the beginning of Repelita II. This increase had been in terms of the numbers of families to be settled, the increased range of inputs to be provided to them, and the massive increase in annual budget allocations: This latter rising from the Rupiah equivalent of US\$ 16.0 million for fiscal year 1973/74 to US\$ 234 million for the fiscal year 1978/79, the first year of Repelita III.

2.02 In essence the government had decided that with a programme so large, it was necessary to involve more technical agencies, rather than expect the then Directorate General of Transmigration, with some recent inputs from Public Works, to handle the whole programme. Thus each Department concerned; Manpower and Transmigration, Public Works, Agriculture, Home Affairs, Trade and Cooperatives, etc., was expected to plan their activities and budgets for the coming year so transmigration could proceed in an orderly manner. Keppres 26, 1978, in addition to spelling out which agency was to do what, also inaugurated a series of special bodies to provide coordination of policy, implementation and administration. These bodies were (and are):

Bakoptrans	-	composed of Ministers
SatdalTrans	-	composed of Directors General
Satbins I	-	composed of Provincial level staff
Satbins II	-	composed of Kabupaten staff

These bodies were respectively chaired by the Minister of Nakertrans, Secretariat the DGT; the Junior Minister for Transmigration, Secretary the DGT; the Governor of each Province, Secretary the Kakanwiltrans; and the Bupati with the KakanditTrans as the Secretary.

2.03 The second major institution intended to coordinate the transmigration programme, and that to which the consultants were attached, was the Office of the Junior Minister for Transmigration, established along with five other Junior Ministers under Keppres 13 of 1978. Although the intention stated in Decree 26 was for the Directorate General to provide a Secretariat for the Bakoptrans and the Satdaltrans, this amounted to little more than organizing meetings, receiving and filing reports and minutes. The day to day follow-up initiatives were left to the Junior Minister and his staff, who were extremely limited in numbers, technical experience and training. Apart from four senior advisers plus one on loan from the

Minister of Nakertrans, the JMT had a Secretary and a small administrative unit known as Biro Tata Usaha, designed for basic support to the JMT, but actually utilized for carrying out work for the entire transmigration programme.

2.04 Although programme and project implementation were slowly improving, there were serious inadequacies in the fields of financial and physical progress monitoring (described more fully elsewhere in this report), and in overall control and management. The consultants made numerous analyses of the intended mode of operation of the coordinative mechanisms, their legal basis and authority (see attached list of papers), with the intention of either identifying some hitherto unnoticed source of power available to the JMT or to secure additional staff to assist him in his duties. However the structure of the office of the JMT was immutably defined and its powers limited by Keppres 1044 and 1045 of 1975 and 1976, intended to prevent a proliferation of new Departments.

2.05 The JMT requested the Minister for regulating State Apparatus (Menpan) for permission to upgrade the Senior Advisers (Staf Ahli) to the position of Deputy Junior Ministers which would provide them with an albeit limited number of staff to carry out work. This request failed, leaving the Staf Ahli without even a messenger. Such assistance as they had was through the loaning of personnel by the Administrative unit mentioned above. Nearly all such assistance was in the form of school leavers without qualifications or experience. The few qualified personnel available within the Office of the JMT were on secondment or loan from either the Department Nakertrans or the D.G.T.

2.06 In addition to the weaknesses in terms of staffing, the consultants identified some fundamental discrepancies in the working of the Decree 26, which gave both the Department Nakertrans and the Satdaltrans responsibility for coordinating the programme. Despite these inherent weaknesses the numbers of families moved by December 1982 under the Repelita III programme reached 405,717. However the numbers settled could have been much greater if construction of transmigrants' houses had been included in all land clearing contracts, instead of two separate agencies, PLPT and DGT each being responsible for separate contracts. This factor caused an average delay of one year between the time land was cleared and the houses constructed.

Provincial Coordination

2.07 Visits were made by PAE/RMI consultants to two provinces, South Sumatra and East Kalimantan, to examine the workings of the Satbin I at Provincial level, and two Satbins II at Kabupaten level. These two bodies were found to have problems in that the decision makers (Project Managers) were not all located in the province, and in addition there were no clear guidelines on how to obtain action on issues discussed or recommendations made during the meetings.

2.08 Discussions with agency provincial representatives concerned with transmigration activities indicated that there were many situations in which inefficiencies, waste and poor administration led to low quality implementation and possible unnecessary hardships for the transmigrants. (For a typical list of such problems see Appendix 1, Annex 2.1). The consultants found a situation in which agencies put in requests for funds for the next fiscal year, the locations for settlement having been agreed upon at the annual National Consultation of Provincial Government and the Central Government. However this procedure did not always take into consideration the land ownership rights of private individuals, clan groups and other government departments, mainly Forestry. Consequently in fiscal year 1982/83 many of the areas originally earmarked to receive transmigrants could not be utilized, or utilized only after lengthy negotiation and arbitration between transmigration officials and the owners of the land. This led to large amounts of funds unspent and carried over to the following fiscal year. Resolution of land rights issues, and others, occupied much of the time of the Bakoptrans and Satdaltrans.

2.09 In order to make the working of Satbins I and II more effective, notwithstanding the inherent lack of management and control of project implementation by various agencies acting independently of one another, the consultants prepared an Operational Manual for the Guidance of Satbins I and II. This was translated into Bahasa Indonesia and developed together with the staff of the Secretariat to Bakoptrans which then distributed it to all Provinces. (Appendix 1, Annex 2.2).

Field and Project Organization

2.10 Each transmigration settlement is ideally composed of 500 families of average size five persons, two parents and three children. In fact these village units or UPT, vary from 200 families to around 400 work on average family size of around 4.5 members. In charge of each is a head or Kepala (KUPT). Together with a small number of staff the KUPT is usually the direct contact between the government and the settlers. The KUPT is responsible for ration distribution in the first year of settlement; for handing over to the settlers their houses, plots of land and other items. The KUPT also administers the UPT and is more or less responsible for the people who live in it.

The KUPT is not responsible for design, planning, construction, land clearing or development and receives only a small financial allocation for administration. He is required to produce numerous reports, on the basis of which more senior officials can take action. The KUPTs were, until the formation of the new Department of Transmigration in March 1983, the staff of the Director General of Transmigration; thereafter they are the staff of the DG for Guidance and Motivation.

2.11 The officials responsible for procurement of goods and services in settlement construction and development are Project Managers (Pemimpin Proyek or Pimpro) who do not live in the area of the settlement, but usually in the Provincial capitals and sometimes even in Jakarta.

Field and Regional Coordination

2.12 Under decree 26, 1978 two new types of official were created, Field Coordinators (Korlap) and Regional Coordinators (Korwil). There was an intention that Korwils and Korlaps would report directly to the JMT and were supposed to ensure that all the agencies provided their inputs and services to the settlement areas at the right time. The intended organization and management of the the World Bank assisted Trans II project relied heavily on the presence of a Korwil and Korlaps.

2.13 In the event, very few Korwils or Korlaps were actually appointed, except in the land clearing directorate of the Department of Public Works, PLPT. These Korlaps were responsible for field coordination up to the time of settlement, when they were supposed to hand over to a Korlap from the Department Nakertrans/JMT.

2.14 Investigation by the consultants brought to light the fact that Korwils and Korlaps in fact had no authority, no funds, facilities or transportation, and worst of all no formal status as government officers; They were 'non structural' (refer to Ch. 15 on Jambi). The KUPT, although also non structural at that time, had the support of a DG with funds and authority. Having looked at the position of Korwils in Southeast Sulawesi and Jambi Provinces, the consultants recommended that these nominal titles be given to the provincial heads of transmigration, the Kakanwil, as at least they had authority both as the senior representatives of the DGT, and also as Chairmen of Satbins I, the provincial coordinating bodies.

2.15 During 1982 a new type of non structural coordinator was created unilaterally by the DGT. These were heads of groups of UPT and were entitled KSPT. In effect their duties were similarly described as those for Korlaps, except they reported to the DGT. Like KUPTs the KSPTs received small amounts of funds for administration and

had no authority for project implementation. In June 1982 the DGT held an orientation workshop for some 400 KUPTs and KSPTs in Jakarta, during which the consultants were able to run a survey of the perceived needs of the participants for training. This was augmented by discussions with officials in the DGT Jakarta and in the Provinces, and led to the formulation of job descriptions and curricula for effective short term training sessions for KUPTs and KSPTs. Later these two positions were officially incorporated within the DGT structure providing the incumbents with a career, opportunities for promotion, and the prospect of a pension on retirement.

2.16 Apart from the KUPTs and KSPTs, who are usually located within the transmigration settlement areas, the Project Managers (Pimpinan Proyek) or Pimpros are normally resident in either the Provincial capitals or Jakarta. Normally there is no single person or Project Manager responsible for all aspects of project implementation. There are as many as sixteen Pimpros each responsible for a cluster or sub set of the inputs, activities and services which make up a settlement unit. No single person has overall charge, which is why the difficulties of coordination under decree 26 were so large, and partially explains why the Bakoptrans, Satdaltrans and the Junior Minister himself had to spend so much of their time sorting out problems and difficulties, which in many cases could have been averted if a better management organization had existed. (See Appendix 1, Annex 2.3 for a list of activities by agency by level).

2.17 This mode of organizing transmigration has many shortcomings, the principal deficiencies being:

- i. a lack of assurance that tasks are performed at the right time and in the correct sequence.
- ii. a lack of accountability.
- iii. an inability for anyone in the settlement area to take decisions and actions to correct existing problems, or avert others from arising.
- iv. a waste of money, time and effort in some cases.

2.18 Notable exceptions to the normal manner in which settlements are constructed and administered are those with Project Management Units (PMUs), which include the World Bank assisted Trans I, and the South East Sulawesi Transmigration and Area Development Project, assisted by the AsDB, EEC and IsDB. In both cases there is a Project Manager in charge of the unit with full supporting staff for all activities. In the case of Trans I, a sub contract with PTP X ensures that agricultural development, including small holder rubber, is properly organized and managed. The major weakness in these PMU managed projects is that the PMUs was not subordinate to the Provincial Transmigration Kakanwil, which is anomalous as this official is responsible for all transmigration activities within the

province. A second weakness is that the Trans I PMU is responsible for operations in two separate provinces.

2.19 The situation regarding organization and management under Decree 26, 1978 and the institution of Junior Minister for Transmigration was found by the consultants to be neither intended for, nor capable of direct management, and relied mainly on personal goodwill and cooperation on a day to day basis between personnel of the various agencies. As such, only piecemeal and ad hoc improvements could be made. The only system which could be developed under these conditions was the financial monitoring system and its subsystem for World Bank assisted projects.

2.20 Under the circumstances the consultants considered there was nothing to be lost and a lot possibly to be gained by presenting to the government a short concise analysis of why the institutional arrangements could not work well (Semi Annual Report No. 4), and to suggest three alternative organizational changes. The most drastic, to set up an independant Department for Transmigration, was accepted and its introduction announced by the President in March 1983.

2.21 The creation of a new Department for Transmigration with responsibilities for all major activities except agriculture, health, education and cooperatives, should make possible considerable improvements, especially in the efficiency of the programme and in the quality of the settlements, besides giving the government increased control over operations.

3. The New Department of Transmigration

3.01 The formation of the new Department was announced on 16th March 1983 at the time of the formation of the new Cabinet following the Presidential election. The positions of Minister, and officials of echelon I & II were announced within a few days, and subsequently many positions have been filled at various levels. In addition negotiations and agreements had to be concluded on the absorption of two Directorates of the Public Works Department into the new Department. The former DITADA of DG Cipta Karya responsible for transmigration site selection, studies and physical planning became the Directorate of Programme Development (Bina Program) in the newly formed DG of Settlement Preparation. The Directorate of land Preparation was moved to the same Directorate General from the DG Highways in the Department of Public Works. All personnel and office equipment from the Public Works including a number of Wang computer terminals, have now been absorbed into the Department of Transmigration. DG for Settlement Preparation has requested permission to purchase Central Processing Units (CPUs) in order to develop a computer system for his organization. (An organization chart of the new Department of Transmigration appears at Appendix 1, Annex 3.1).

3.02 Apart from recruiting and reappointing staff to the various bureaux in the Secretary General's and Inspector General's offices, and the Directorates General, the new Department will make a similar amalgamation of Transmigration and Public Works Staff in all provinces receiving transmigrants. Instead of transmigration being represented by an official under a Director General, the new official will represent the Minister and the complete Department.

The need for common standards

3.03 The scope and range of activities of the new Department are formally stated in various documents. However there are many officials who are new to transmigration, or who were previously concerned with sets of activities forming only a part of the final product, without knowing much about how their activities fitted into a complete settlement process. Soon after the announcement of the formation of the new Department the consultants suggested that someone, preferably a Staf Ahli of the Minister, should be appointed to organize a series of seminars among chiefs of bureaux and directors. The purpose of the seminars would be to come to a consensus on various key topics crucial to good planning and project implementation, and which the consultants have found to be undefined and in many cases undocumented. The list of topics proposed is as follows:

- i. The nature, timing and composition of the transmigration project cycle for each project type.

- ii. The description and standards of each group of activities in the project cycle.
- iii. The various agencies within the Ministry of Transmigration responsible for implementing the activities.
- iv. The standard activities (norma fisik), standard costs per unit (norma biaya) and administrative costs to be used for project planning and costings.
- v. The variation in costings by Province and Kabupaten.
- vi. The method of project financial planning and budgeting.
- vii. How the stages in the project cycle should be organized.
- viii. The role of Central Government, Province and Kabupaten.
- ix. The reports and reporting system required, including monitoring and evaluation.
- x. The structure, scope and size of the project management unit.

3.04 The consultants' original proposal (24 March 1983) was for one topic to be discussed per month. However bearing in mind the imminence of Repelita IV and the need to formulate outline budgets DUPs by November 1983 for fiscal year 1984-85, the matter should be given priority.

3.05 Should agreement on these subjects be reached, each topic should be written up and incorporated in some kind of directive or operational manual which would provide guidance to all staff, and ensure some measure of commonality. As will be seen in the sections of this report covering planning, finance, information systems and physical progress monitoring, the absence of definitions, procedures, sequences, standards and standard costs are fundamental weaknesses which inhibit the design and development of these important management and administrative tools. (see Appendix 1, Annex 3.2 for an outline description of an Operational Manual for Transmigration).

3.06 Should the services of the PAE/RMI consultants be extended beyond September 1983, they could provide some supporting inputs to the proposed seminars. Alternatively, an urgent request to the UNDP for a small project of short duration could perhaps provide the basic funds for honoraria, secretarial support and printing costs. Without this incentive insufficient interest might lead to a half hearted effort by otherwise very busy officials. An alternative to UNDP funding would be to use some of the remaining counterpart funds of INS/79/001.

Transmigration Settlement Management

3.07 The general arrangements for supervising and administering transmigration settlements have been weak over the past years, and with the large numbers of families moved over the past three years a series of crises have become public knowledge. There have been confrontations between contractors' personnel and local people, local people and transmigrants, and transmigrants with officials from the DGT. In some cases these problems have arisen because the legal right to open the transmigration site has not been secured, which can only be improved by better planning and site management. In many other instances misunderstanding and problems have arisen as a result of inept handling of situations, which were caused to escalate, in one case to the point of the killing of a KUPT by transmigrants ^{1/}. The consultants conclude that many of the problems could be resolved locally in the field by the extensive use of project management units, as adopted for the Trans I and SESTAD projects, but with two important differences, the PMUs should report to the Department representative at Provincial level - the Kakanwil Deptrans, and should not cross Provincial boundaries.

3.08 It is hoped that many of the characteristics of government organizations will change for the better in future, but in the short term, improvements in local planning and implementation of the transmigration programme could best be achieved by contracting more of the work to quasi government or private companies. So far, many technical tasks such as site selection, planning, land clearing, etc., have been contracted, but these form only sub sets of the total range of activities which make up a transmigration settlement. In order to improve the quality of work and its timely implementation, it is recommended that the management of some if not most locations be progressively contracted to firms. These contracted PMUs would in turn supervise land clearing, house construction and perhaps directly procure and distribute in association with agricultural staff, the agricultural inputs. The PMUs would also update and propose revisions to plans and budgets during the course of project implementation, and take the day to day decisions, the absence of which in many locations, leads to so many 'problems'. In the case of agriculture a variation would be to contract with another company (or the same) to provide inputs and services to farmers, and to purchase their produce, process and market it. (See Chapter 11 on the Private Sector).

^{1/} Reference to the questionnaire (see paragraph 2.15, page 8) completed by the unfortunate KUPT concerned, revealed that in his own words he considered he needed among others, training in "conducting and controlling public meetings, and in leadership".

3.09 This concept has not yet been applied to transmigration, but having looked at the performance of the PTPs in small holder development under the Department of Agriculture, the success of the PMUs adopted for the WB assisted Trans I, the ADB assisted SESTAD projects and the PT Kapas Indah Indonesia operation, the consultants consider that contracting of project management for transmigration settlements is a logical next step.

3.10 The new approach would enable the government to improve the performance and quality of transmigration by:

- i. Providing on the spot management.
- ii. Achieving accountability of funds and other inputs.
- iii. Ensuring that the intended inputs reach the transmigrants in the correct quantity, of the appropriate quality and on time.
- iv. Treating each PMU as an appropriate reporting unit, providing more meaningful simplified reports, and bringing to the attention of government officials (Kabupaten, Province and Center) those matters requiring policy decisions or changes in plans or budgets.

4. Planning

4.01 At the time the consultants were asked by the Project Sub Coordinator to review the Trans III World Bank Staff Appraisal Report and the TORs of the consultants, site selection and studies were the responsibility of TKTD of Public Works. Under conditions prevailing under Decree 26, every agency forged ahead to achieve targets, and in the absence of overall control and with only a loose mechanism for consultations, it was not unnatural that some agencies moved more quickly than others, sometimes taking short cuts in order not to delay the meeting of targets. In a sense the targets themselves encouraged this tendency, being both simplistic in that they were the gross numbers of families to be moved on an annual basis, and perhaps too high for some agencies to cope with.

4.02 The consultants have carried out three sets of activities connected with planning from the management point of view. These have been:

- i. Development of the transmigration project cycle in relation to scheduling activities in proper sequence, from the time of site identification until the settlement is handed over to the local government some eight to ten years later.
- ii. The definition of a financial plan for each settlement location for the full project cycle, with provision for revising estimates for annual budget purposes (see Chapter 5 on finance and budget).
- iii. A review of the Terms of Reference for consultants to be employed under the World Bank Assisted Transmigration III project, for site selection and studies.

4.03 The principal weaknesses identified by the consultants in the site selection and planning process were:

- i. The 'Transmigration Planning Philosophy' embodied in the TKTD Consultants' TORs stated that providing land is not swampy, is of less than 8% slope and has access to larger centers, the settlers will be able to progress beyond subsistence to achieve sustained development, given inputs of seed for arable crops, pesticide and fertilizer. The 1982 JMT Evaluation of the Transmigration programme shows these assumptions to be false in most cases.
- ii. Although TKTD consultants were required to make recommendations for the development of the second agriculture plot received by each settler (Lahan Usaha II), there was no effective link with the Ministry of Agriculture for its implementation, and no real attempt to keep within the current policies, plans and programmes of the MOA.

- iii. The procedure followed was essentially one which led to a search for areas of land on which a pre-conceived dry field food crop farm model could be superimposed. As a result many areas which could be developed through other cropping patterns, including tree crops and minor drainage and irrigation, were discarded as unsuitable for settlement.
- iv. In many cases Phase II studies were completed for locations which proved later to be either not available or only available in part, because they were already owned by local people or were included as protection forest, environmental buffer zones or production forest. If Agraria had been afforded an opportunity to investigate the areas first, these wasted but costly surveys could have been saved for areas which were available.

4.04 Following the consultants' review, they were requested to make suggestions in the form of an outline set of procedures for site selection and survey which would minimize these difficulties. In the very short time available only a brief outline could be prepared (Appendix 1, Annex 4.1) but it was accepted by the JMT, the Bappenas and the MOA as a basis for revising procedures and TORs.

4.05 During negotiations between the GOI and the WB it was agreed that a steering committee was to be formed to include representatives from agencies which would have to implement the plans prepared by TKTD, but this hardly had a chance to evolve before the new Department of Transmigration was inaugurated. The consultants discussed the matter extensively with the Staf Ahli for Preparation, who was later chosen for the appointment as DG Settlement Preparation.

4.06 The newly appointed Director General for Settlement Preparation is already introducing improvements in the procedures for selecting sites, planning and construction. In order, for example, to reduce the number of locations surveyed and not utilized because of land ownership problems, three checks are to be made by the Directorate to ensure that the boundaries are accurately known, the land ownership position is clear, and the legal right to settle transmigrants is clear. Similarly the Directorate General has to ensure that placing a settlement in the area will not create environmental problems. Also it will make recommendations on cropping systems and soil conservation measures to be adopted. For example, areas of seasonal wetlands will no longer be rejected but included as feasible, as such areas enable settlers to develop wet rice fields. This was a recommendation made earlier by the consultants in the search for additional land in South Sumatra for the Trans II project. Similarly the specifications for land clearing contractors will be modified to suit local conditions and the intended cropping plan.

4.07 The question of site selection and studies was treated by the PAE/RMI consultants as a set of problems related to criteria and the decision making process. The second matter, however, that of forward planning, sequencing and scheduling of tasks, also must involve site selection, studies and planning as a part of the much larger and longer process of the full project cycle.

4.08 The matter was brought to the attention of the JMT in December 1982 (see Appendix 1, Annex 4.2 for context of memorandum). However under the conditions prevailing under Decree 26, and with the Cabinet having only two months to run, little could be done by the JMT at that time. However it is now hoped that the new Department will take the matter up once more, and also include it among the subjects for internal discussion as recommended in Chapter 3.

4.09 As stated in the above mentioned memo, long term planning is the work of the Bappenas, and the Department needs to produce plans covering the years for planning and implementation of each transmigration scheme in a comprehensive manner. Collation and analysis of areas planned and their capacities will in turn indicate the numbers of families who can be properly settled in any given year. If the numbers appear lower than the government would like, the procedure should be to increase the size and capacity of the DG responsible for planning and site preparation, while at the same time increasing the capacity of the DG for Guidance and the MOA, Ministry of Health, Ministry of Education and Ministry of Cooperatives to provide essential services to settlers when they arrive.

4.10 The Deptrans should now assess how many locations already in the pipeline can absorb what numbers, and how many additional areas have to be surveyed and planned for, starting in fiscal year 1984/85, to enable all to be settled by the end of Repelita IV. It should not be forgotten, of course, that settlers arriving at the end of the next Repelita will impose still further financial burden on the budget during Repelita V.

4.11 In order to ensure that the work to be carried out in Repelita IV is carefully planned in a comprehensive manner, it is recommended that certain staff within the Secretary General's and Inspector General's Offices and the two DGs be released from all duties connected with implementation of Repelita III in order to work full time on preparation of Repelita IV. This same recommendation is also made in the context of information system development.

5. Financial Control of Transmigration

The Situation Initially Encountered

5.01 By order of the Chairman of Satdaltrans, reference 547/Mm/IX/1980, Directors General were asked to arrange for the relevant Pimpros to submit monthly reports to Satdaltrans. These reports, however, were not very comprehensive as they did not include an analysis of the expenditure heads (Jenis Pengeluaran). Moreover, in most cases, they were submitted late or not at all. Those that did arrive were entered on analysis sheets by the administration section of JMT (Bagian Administrasi Data). However, because at the months end, a significant number of forms of some agencies were still outstanding, the analysis was ignored and instead, summary reports from the Directorates General were used. Even these were often received late and incomplete, which meant that the monthly booklet issued by Satdaltrans contained financial summaries made up of some items of the previous month, some of two months earlier and some even more out of date. A new financial monitoring system was therefore essential.

5.02 The consultants have worked on three aspects of finance and budget with the aim of improving financial control. The main work has been in the following:

- i. The design of an overall financial monitoring system covering all agencies receiving funds within the Transmigration sub sector. They have also been directly involved in system implementation and operation.
- ii. The review and evaluation of accounting and bookkeeping methods of Project Managers and Treasurers, and have made some recommendations for change which have been approved by the Minister of Finance and have been implemented on the instruction of the Minister of Transmigration.
- iii. An analysis of the weaknesses in the system of annual budgeting as currently practised in the absence of project plans covering more than one year (as discussed in Chapter 4). It is considered that in this time of tight financial resources, the content of a memorandum sent in January 1983 (Appendix 1, Annex 5.1) should be given serious study by the Department of Transmigration, the Bappenas and the Department of Finance.

What Has Been Achieved

Establishment of a New Financial Monitoring System

5.03 Report No. 1 (Appendix 2, Annex 1) dealt with structural and other weaknesses of control under Presidential Decree No. 26, particularly the lack of a Secretariat and a Financial Division of Satdaltrans and the double function of DGT as both the Secretary of Satdaltrans and as a normal line agency.

5.04 The report also proposed the issue of a new financial monitoring form (Form F110) which provided an analysis of expenditure categories (DIP, SPM, SPJ) and of expenditure heads (salary, materials, etc.). The report included two draft manuals of instruction for use by the Project Managers and by the processing unit in Jakarta respectively. The new financial monitoring system was accepted and initiated.

Work carried out pending the Re-organization

5.05 When it was learned that the Department of Transmigration was to become responsible for the overall control of transmigration, Report No. 2 was prepared which contains a number of recommendations which are summarised later in this chapter.

Work carried out following the Re-organization

5.06 The system of financial monitoring, as previously used in Nakertrans, was examined and found to be inadequate for the reasons given in report No. 3. This contained a revised manual of instructions in order that the system of financial monitoring devised for Satdaltrans could become suitable for the new Department.

Summary of Recommendations

Recommendations are summarized below:-

Control

5.07 A single line of responsibility should be established, as far as possible, from the Minister down to the Settlement Scheme level. To facilitate this, Provincial Representatives of the Department of Transmigration (Kakanwil) be given greater responsibility with an appropriate increase in their budgets at the

expense of the Directorates General. Also each Settlement Scheme should be controlled by one Pimpro only, assisted by Bagian Pimpros who should be located at, or near to the Settlement Schemes which they are responsible. Alternatively a PMU could achieve the same objective, and with greater efficiency.

Staffing of Provincial Offices

5.08 Provincial transmigration offices should be staffed according to their work loads, not equally as at present.

Current and SIAP budgets

5.09 A budget should be closed after two years so that at any one time only two budgets (Year 1(current) and Year -1(SIAP)) would be operative. To facilitate this, contracts would be covered by multi-year budgets rather than several years of estimated expenditure being consolidated into the first year's budget. This would also improve management control and, at the same time, free scarce funds for use elsewhere. This proposal is particularly appropriate now that there are balance of payments problems due to the low prevailing price of oil. This would be an effective method of economising and easy to implement. At the same time, it would reduce accounting and reporting time and costs by 50%. A memorandum was sent to the JMT on 25 January 1983 suggesting that agencies be provided with only sufficient funds for the actual work they could complete in F.Y. 1983/84 in order to ensure the new Department would not be without sufficient funds. (Appendix 1, Annex 5.1).

Reports

5.10 Additional expenditure reports should be produced to show total current spending rather than only, as at present, the cumulative expenditure on each of the four budgets in force (one current and three relating to previous years (SIAP)).

Standardization and Codification of Activities and Costs

5.10 A standard list and coding of descriptions across projects should be carried out for all transmigration activities 1/. which could be done by examination of DIPs and P.O.s. Cash book entries

1/ See para 4.11 of "Financial Organization and Monitoring of Transmigration" of April 1983.

would then follow this system. It would enable physical progress to be related to spending. Costs could also be standardized against these descriptions after allowing for built in factors to cover differences between types of settlement and between geographical areas.

Improvement of Treasurers' Cash Books

5.12 The following proposals 1/ have been made :-

- i. Additional cash columns should be incorporated in general cash books (Buku Kas Umum) so that cash can be separated from bank transactions. This would enable daily checks to be made between the book value of cash on hand and that actually counted and would facilitate bank reconciliations. This is considered to be of vital importance and should facilitate auditing by the Inspector General of Transmigration and by the Department of Finance.
- ii. The General Cash Book should be modified to contain duplicate cash sheets and that one copy be used as input to a computer. Of course this would depend on the introduction of standard descriptions and codification as referred to above. It would preferably be carried out initially as a pilot scheme for one province only. All initial difficulties could then be rectified and the system introduced generally for all transmigration.

More recently, the Minister of Transmigration has written to the Minister of Finance on these two proposals saying that he intends, subject to the latter's agreement, to implement them. The Minister of Finance has agreed to these two proposals as conveyed in his letter of 23 July 1983.

Discussion with the Department of Finance

5.13 Some of the changes recommended could apply across all ministries. For this reason, discussions have been held with Dr. Partono of the State Finance Accounting System of the Department of Finance and other members of a committee for the improvement of ministerial accounting practices of which Dr. Partono is Chairman. The views expressed were sympathetically heard and it is hoped that they will assist in the formulation of new financial regulations.

1/ See paras 4.10 and 4.12 of Financial Organization and Monitoring of Transmigration" of April 1983.

Proposed Plans for the Future

Initiation of the Revised Financial Monitoring System

Production of Revised Manual

5.14 As stated above, a revised financial monitoring manual has been submitted and it is hoped that this can be approved and issued as soon as possible.

Use of Form F 110

5.15 The system involves the continued use of the form used previously for Satdaltrans i.e. Form F 110. Drs. Partono of the Accounting Division of the Department of Finance has confirmed that he, and the accounting committee over which he presides, support the use of the Form F 110 for all transmigration financial monitoring. On July 8, 1983, a meeting agreed that an Instruction on the institution of F110 as the form for Financial Monitoring will be issued by the Minister of Transmigration to all Kakanwils and Directors General involved with transmigration the programme.

Issue of Forms and Manuals

5.16 It is essential that the Department ensure that all Pimpros and Kakanwils receive copies of the manual and a supply of the forms. This can best be done by making all issues from the Department direct to the Kakanwils for onward transmission to the Pimpros with whom they are in regular contact. Receipts for the manuals and forms can be prepared and, after signature by Pimpros returned to the ministry via the Kakanwils. The receipts can then be compared with the DIPs and any that appear to be missing can be investigated.

Control of Submission of Completed Forms

5.17 The Nakertrans system failed because, on average, 70% of financial and physical monitoring forms (77% in financial terms) were not submitted each month, and it is now of paramount importance that, in future, forms F 110 be received from all Pimpros and that they be accurate and promptly returned. It is only in this way that management may obtain sufficient information to enable appropriate action to be taken to optimize the effectiveness of the transmigration programme. The report "Financial Organization and Monitoring for Transmigration" (Appendix 2, Annex 4) has proposed that forms should be submitted to the Inspector General who has the requisite power to ensure that the system is made to work. Strong control is essential to avoid any possibility of failure. However, on July 8, 1983, a meeting agreed that F110 will be prepared in quadruplicate for the following distribution:

- a. One original for the Secretary General of Transmigration (for his report preparation).
- b. One copy for the Inspector General (for control and evaluation).
- c. One copy for the local Kakanwil Transmigration (for coordination and control).
- d. One copy for project file.

Production of Financial Reports

General

5.18 As a result of the receipt of Form F 110 and subsequent processing by the computer, timely reports can be produced which show, at national level, analyses by expenditure heads, by Agencies and by Provinces and, at provincial level, by expenditure heads and by projects. These will be for each DIP year but also there will be analyses for the total of all DIP year budgets during any one financial year. These can show, at national level, the provinces and, at provincial level, the projects in descending order of size of expenditure. In addition, expenditure graphs can be produced showing monthly trends. Illustrations of these reports are given in "Financial Monitoring in the New Department" referred to above.

Action taken on the Production of Financial Reports

5.19 Examination of the reports (in conjunction with reports of physical progress) will indicate possible weaknesses which can be investigated. For example, why, in province A, is current spending only 50% of what it was in the corresponding period of the previous year? Why do two provinces, with similar commitments, have widely differing levels of expenditure? Is this due to weak supervision? If so, corrective action can be taken. Or is it due to its geographical situation? In this case, efforts can be made to speed up communications so that closer contact may be maintained.

Budget 1983/4

5.20 The latest revised budget summary for transmigration is as follows:-

Program	Agency	Rp (Billions)	%
01/02	Director General Transmigration	246	
02	Secretary General Transmigration	1	
	Total formerly controlled by Nakertrans	247	55
03/07	Director General Transmigration	3	1
01	Planning Direct., Public Works	22	5
01	DG Roads & Bridges, Public Works	127	28
	Sub Total	399	89
01	Department of Agriculture	32	7
01	Agraria	16	4
	TOTAL	447	100
		===	===

5.21 Thus, the old Department had control of only 55% of the total transmigration budgets. Assuming that Agriculture and Agraria remain outside the orbit of control by the new Department, the latter's responsibility will increase from 55% to 89%. This is considerable and should enable it to operate much more effectively than was hitherto possible through "co-ordination" under Presidential Decree No. 26. However, during the financial year 1983/4, the old budgets are still in force. This will delay the assumption of wider powers. Nonetheless, it will provide the opportunity for the making of adequate preparations in advance of the commencement of the coming financial year 1984/5.

Other Proposals

Additional proposals are given below:-

Form Filling by Pimpros

5.22 Many Pimpros consider that they are over burdened with form filling. This should be investigated and steps taken to achieve simplicity and prevent overlapping. This probably requires also consultation with the Department of Finance. As mentioned elsewhere, (Chapters 6 and 7) this need for reviewing reporting systems is not confined to finance, but applies to all aspects.

Statistical Data

5.23 The following data compilations could be useful for control purposes:-

i. A table showing the transmigration targets in KK:-

- by recruiting provinces
- by settlement provinces

ii. The transmigration routine budgets:-

- by provinces
- by each DG Head Office
and the numbers of staff in each.

iii. A list of the KPNS in each province and the transmigration budget relative to each.

It could then be seen, for example, whether provincial head offices of transmigration (Kakanwils) were staffed in proportion to targets and whether and to what extent additional KPNS were needed.

iv. The number of Pimpros located at settlement sites, local kabupaten, provincial capital and Jakarta.

v. Similar information for Pimbagpros and for Treasurers.

Steps could then be initiated to ensure that, whenever possible, Pimpros and their staff were located at, or near, their settlement schemes.

Improve the system for financial analysis and interpretation and for identifying their relationship with physical data.

6. Information Systems

6.01 At the time the UNDP/OPE project started there was no information system as such in the Office of the JMT, and unlike many of the other areas of work, e.g. finance and planning, nothing much on which to build. The consultants had to start from scratch, which posed the additional difficulty of having to explain to various officials what information systems, including computers, could or could not do. This chapter therefore is devoted to what has been done and what should be done in future.

6.02 The need for improved Information systems within the Transmigration agencies has always been recognized as being of fundamental importance if management, coordination and efficiency of the Programme are to be made more effective.

6.03 This chapter of the Final Report summarises the work of the consultants involved with information systems under the following headings -

- Applications
- Integration
- Computerisation
- Training
- Conclusions and Recommendations

Applications

6.04 It should be emphasized that agreement is still needed within the Department as to how information needs might best be met. One view is that there should be a single, large Management Information System. The consultants have recommended, however, for the foreseeable future that this is overambitious and that the most important requirement is for integration. In other words, whilst there is a need for a programme-wide component in the Department's data processing, it is feasible, and desirable, that some individual agencies have their own systems for collecting and processing highly-detailed, frequently-required, operational data but that the interfaces between these systems and the central management system be clearly defined. The central mechanism is referred to in this report as TRANSIS - Transmigration Information System - and it embodies a number of applications concerned with overall programme management and the standards required to facilitate linkage to other systems.

6.05 A number of applications have been identified by the consultants as candidates for development and these can be summarised into the following groups -

- i. Reference Data (common to all applications)
- ii. Financial Applications
- iii. Physical Progress Applications
- iv. Land Applications
- v. Welfare Applications
- vi. Statistical Applications

Appendix 1, Annex 6.1 lists a number of these applications and attempts to give an indication of the resources and timing required for implementation. Since the whole organisation structure of transmigration has recently been changed this implementation schedule must be viewed as very much a preliminary estimate of the overall magnitude of the task.

6.06 Appendix 1, Annex 6.2 shows an Information Model covering the major components of the monitoring applications and the items of data involved.

6.07 Actual progress to date on computerised applications is covered under 'Computerisation' below. The 'Early Warning System' also consumed a significant amount of the consultants' time although the system was never computerised.

The Early Warning System

6.08 The Early Warning Questionnaire was designed to record welfare problems being experienced by transmigrants, or potential problems, at the UPT (village) level relating to such factors as food/water supply, communications, etc. The forms required mainly subjective assessment by the KUPT (village head) rather than quantitative data. Following direct interviews in 7 UPTs by the Social Science Consultant, the form was tested in the province of Jambi in 36 UPTs for 3 months and the data was tabulated by the consultants into a series of reports which, in addition to showing simple aggregates, derived "Problem Indices" in an attempt to focus attention on those UPTs most urgently requiring assistance or likely to require assistance in the near future.

6.09 At the completion of the field test there was general consensus that, whilst there were reservations about the subjective nature of the data, the system provided a useful mechanism. However, despite the active support of the Kakanwil, response rates averaged only 50% of those UPTs receiving forms and the problems and costs of collecting data at the UPT level were emphasised. To extend the collection to all UPTs would have required considerable resources, and given the other information requirements of the Department and the priorities set by the Bappenas in the areas of Financial and Physical Progress Monitoring, it was decided to postpone further work on the Early Warning System. One weakness largely and the cause of the low

rate of reporting, was that the end user, i.e. the JMT, had no authority over the persons supposed to make the reports. Under the new structure this problem could be solved. An example of this type of report is provided as Appendix 1, Annex 6.3.

Integration

6.10 At the time the INS/79/001 project started, the implementation of the Transmigration Programme was undertaken, for the most part, by a number of large departments each operating its own information systems with varying degrees of success. Even within the same department, however, individual Directorates were autonomous as far as meeting their information requirements was concerned.

The lack of integration continues and it concerns -

- i. The organisation structure within Transmigration.
- ii. The lack of standards.

Organisation Structure

6.11 The transmigration programme under Repelita III is divided into approximately 400 projects (budgets). However, a project does not relate to a particular settlement or administrative area but to a unit for the purposes of financial control, each agency defining its own boundaries commensurate with its level of activity. Thus, in respect of a given location, up to 16 Pimpros (Project Managers) may exist, each responsible for a range of activities and each operating within a boundary which may, or may not, coincide with those of the other Pimpros. Under Keppres 26/1978 the Korwil/Korlap, Satbin I/Satbin II structure was somehow to have been superimposed on top of this to provide coordination. It never worked adequately. The management of transmigration locations needs to be organized along the lines recommended in Chapter 3.

6.12 A number of criteria, including the average number of families might be used to determine what should constitute a project. If, for example, 8000 KK was considered a manageable number, then the programme under Repelita IV would comprise approximately 100 Projects. A simplified Organization Chart appears in Appendix 1, Annex 6.4.

6.13 The introduction of true Project Management Units would greatly facilitate the introduction of an integrated information system in terms of both data collection and in establishing this critical level of information user in the field.

Existing Information Systems

6.14 Data collection within transmigration has always been highly fragmented. Over a period of time individual transmigration agencies (and external agencies such as Bappenas) have devised reporting forms to meet their own requirements with little regard for the overall information requirements of managers at various levels concerned with coordination and the full spectrum of activities, or the respondents who have the burden of reporting the data. (Appendix 1, Annex 6.5 lists the forms which are collected on some kind of regular basis).

6.15 In terms of the appropriateness of data collected this has led to problems in :

- i. The content of the data collected - i.e. there are considerable overlaps (see Appendix 1, Annex 6.6) and gaps in collection.
- ii. The level of detail - there is a need to rationalise how much data can realistically be digested in central office. There is a tendency for managers in Jakarta to ask for every conceivable item of data in case there is a requirement for it.
- iii. The accuracy of the data - e.g. a number of sections responsible for data collection have indicated that figures purporting to represent physical progress are in fact targets.
- iv. The timeliness of the data - partly through slowness or the lack of follow-up but also because of the unnecessary reporting burden placed on field staff, forms arrive late, and often not at all. For example, of the 474 project managers required to submit a reporting form under Ministerial Decree INS-12/MEN/1, only 144 actually did so in February 1983 (i.e. 30%).
- v. The periodicity of the data - e.g. given the amount of time it takes to collect and process the data, it could be questionable as to whether it is necessary to collect road construction data twice weekly or transmigrant movement figures daily.

6.16 In terms of the usefulness of the information produced from the data collected, it is obvious that many reports were not being used by senior officials. For example, in the course of investigation/evaluation, it was discovered by the consultants that, through oversight, for a period spanning many months a succession of summary reports showed no physical progress in road construction but this fact went unnoticed. Similarly, in a financial summary report a huge discrepancy went unnoticed.

6.17 This indicates that there are deficiencies in the type of report being produced for senior management. Very often reports are highly voluminous and are consequently not appropriate for officials with heavy schedules. What is required is more use of :

- i. Graphical Output - to show trends, etc.
- ii. Exception Reporting - to identify specific problem areas.
- iii. Highlighting - i.e. in highly detailed reports, drawing attention to potential problem areas.
- iv. Information on Demand - the availability of computer facilities makes it possible to produce information on request rather than regularly as a matter of course.

6.18 For these problems to be overcome, it is essential that a framework be designed within which an integrated information system can evolve encompassing :

- i. A rational system for information dissemination.
- ii. An effective data collection system based on a suitable organization structure for project management.
- iii. Standards, to enable data to be summarised at appropriate levels of aggregation and related across time.
- iv. A well-defined information model.

6.19 The problems and shortcomings listed above do not necessarily imply the need to eliminate all existing systems. In the foreseeable future this is probably not a viable option. Within the framework referred to above, it should be possible for certain individual agencies to maintain their own processing systems so long as compatibility is ensured through the observance of the standards embodied in TRANSIS.

6.20 In addressing the problems referred to above the consultants have :

- i. Stressed through reports and meetings the need for common standards.
- ii. Produced a series of proposals for the establishment of a department wide project team to undertake system development (see Appendix 1, Annexes 6.7 and 6.8).
- iii. Drafted an information model encompassing the major monitoring components (see Appendix 1, Annex 6.2).
- iv. Attempted to develop lists for important classifications such as activities.
- v. Developed a computer facility to enable a centralised store of standard definitions and reference data to be set up.

6.21 Whilst there is agreement that standards are needed, no effective mechanism has been established by the Department to implement them. The Department is now contemplating the resurrection of the old Nakertrans 'MIS' Committee to undertake policy formulation and initial design relating to information systems. This work is to be undertaken by the Committee and a number of working groups drawn from the committee to investigate specific issues. Two aspects of this approach are matters for concern :

- i. The large number of staff involved.
- ii. The part-time nature of the committee members.

6.22 The consultants strongly recommend the establishment of a full-time Project Team reporting to an Echelon 1 Steering Committee and an Echelon II Management Review Committee. The way in which this can be achieved is by assigning personnel in each major segment of the department to work on a full time basis in order to develop the system for introduction in Repelita IV. The personnel so assigned would be relieved of any involvement in Repelita III activities, and would also not be unwanted staff of low calibre.

6.23 On the problem of standard classifications, the consultants have endeavoured, largely in isolation, to produce lists but these attempts have, for the most part, been unsuccessful since the active participation and support of department staff is essential for this exercise to succeed.

6.24 A data dictionary mechanism has been established to facilitate the development of a centralised store of standard classifications and reference data (see below).

Computerisation

6.25 The work of the consultants in relation to the computerisation has been directed mainly towards assisting the automation of systems to support co-ordination and management of the transmigration programme. However, following a decision by the former Secretary General of Nakertrans, the consultants were involved for a significant period with the activities of the "MIS" (Management Information System) Committee which was formed to formulate policy for the various Directors General of Manpower and Transmigration in the use of computers.

6.26 The Committee was large and met only occasionally. Few of the members had any technical knowledge in systems development but, nevertheless, they attempted to conduct preliminary systems analysis and produce department-wide specifications for information requirements and a draft "Master Plan" for Nakertrans.

6.27 Considerable time and resources were consumed by the Committee's work with little tangible, useful output as far as transmigration was concerned. It is strongly recommended that the new Department resists the temptation to form a MIS-type committee even though this approach may appear attractive since it avoids the need to commit staff full-time to system development. If the Department is serious in its recognition of the need for effective information systems it is essential that full-time, competent staff are allocated to the task. A proposal to establish a Project Team along these lines has already been submitted by the consultants (see Appendix 1, Annexes 6.7 and 6.8).

6.28 At the commencement of the project, the only automated data processing for Transmigration data of any significance took place in the PLPT Directorate of Bina Marga. Since that time, the former TKTD, DGT and JMT agencies acquired small-scale processing capability.

6.29 The consultants supervised the acquisition of micro-computer equipment for the JMT which comprises a Local Area Network using the Ethernet-like system 'NESTAR' with Apple micro-computers as workstations. Individually, the processing capacity of the workstations is fairly limited when compared to mini or mainframe computers. However, since they can operate in parallel, whilst at the same time sharing central resources such as disk storage, their combined computing capacity is quite considerable. The combined configuration supplied jointly by the UNDP and JMT, provides a network of six workstations for data processing and two, stand-alone, workstations for word-processing.

6.30 Since the JMT had no staff with computer systems experience at the time the equipment was acquired, a significant proportion of the consultants time has been spent in developing software. This has been a two-stage exercise involving the development of :

- i. PASIM - a set of generalised modules to be used in developing the various Transmigration Application's Programs.
- ii. TRANSIS - the Transmigration Applications Programs and standard reference data.

Appendix 1, Annex 6.9 lists the Computer Programs already developed and available for production use.

PASIM

6.31 PASIM (PASCAL System Implementation Modules) is a set of modules which provides many of the facilities of a DBMS (Data Base Management System). Proprietary DBMS packages are available for micro-computers and the consultants arranged for the acquisition of DBASE II which is generally regarded as one of the best systems available for small computers. DBMS packages for micros, however, do not yet have the capability of the mainframe systems they seek to imitate. Whilst DBASE II is useful for small, simple applications its limitations make it unsuitable for development of even a small information system.

6.32 The alternative to a package of this type was system development using a standard programming language. The PASCAL language was selected.

6.33 To avoid the necessity of repeatedly 're-inventing the wheel' as new TRANSIS Applications were developed, the consultants implemented PASIM to cater for common data processing activities such as data storage and retrieval, data entry and report generation. The modules are held in a central library and are invoked from applications programs written in PASCAL.

6.34 In addition, a Data Dictionary Module was developed to enable a central store to be established which allows data to be defined and documented including system components such as Files, Records, Items and Code Lists.

6.35 Linked to the Data Dictionary, the consultants have devised a System Development Methodology for the Department covering system specification and documentation and project management. The lack of counterpart staff to date, effectively removes the potential benefits of this work.

6.36 PASIM has been in operation for over 12 months and the initial TRANSIS Applications have been developed using the modules. The advantages of the system are :

- i. System development effort is significantly reduced.
- ii. Standard mechanisms are established for common data processing functions - e.g. data entry operations for all applications use the same system which allows data entry operators to move from application to application without having to learn multiple data entry systems.
- iii. System maintenance costs are reduced.
- iv. The Applications Development Section can respond more rapidly to requests for additional requirements through facilities such as the Report Generator Module.
- v. The Data Dictionary provides a powerful support facility for centralising definitions and standard classifications.

The PASIM Programmer Reference Manuals appear as Appendix 3.

Computer Applications Development

6.37 The applications which are candidates for development are listed in Appendix 1, Annex 6.1. The major system which has been developed so far is the Programme-Wide Financial Monitoring System (PWFS) which is mainly concerned with monitoring expenditure for all projects on a monthly basis. Following the re-organisation of the Transmigration Agencies, the system was revised to incorporate a number of changes to the input forms and output reports.

115. For many months after the computer system became available for production use it lay dormant owing to a lack of JMT staff to operate it. A total of six staff are required to handle the monthly flow of 1200 forms including data entry operators, finance clerks and a computer operator.

The Procedures Manual for the PWFS appears in Appendix 4.

6.39 In setting up the PWFMS a considerable amount of reference data was also set up relating to Projects, Agencies, Provinces, etc.

6.40 Work on the development of an overall, integrated monitoring system covering Financial and Physical Progress and both Planning and Realisation has been undertaken by the consultants to the point of developing prototypes for certain sub-systems on the computer. However, although receiving agreement in principle from the department that the consultants were progressing in the right direction, almost no counterpart involvement has been provided.

6.41 At the request of the Inspector General, the consultants investigated the requirements of a system for monitoring problems reported to the Inspectorates relating to particular projects. Preliminary design for a computer based system has been completed. The problem, however, is that the requirements of the Inspector General's Office overlap with the information requirements of other areas, once again pointing to the need for an integrated, programme-wide system.

Training

6.42 Through the efforts of the former Nakertrans MIS Committee a number of staff from the former JMT/DGT areas of Nakertrans were selected to attend external courses covering introductory computer systems theory, systems analysis and computer programming. Because of the difficulty of attracting experienced computer professionals into the government service, the Department has always favoured the approach of training its own staff. The consultants have, through a report to the MIS Committee, attempted to stress two important points. Firstly, that training in itself will not provide staff capable of implementing effective computer systems - considerable experience is required. Secondly, that there is a strong probability that the Department will ultimately lose its more capable trainees once they gain experience because of the increasing demand for computer system staff in Indonesia unless sufficient incentives can be provided to retain their services.

6.43 The consultants had planned to spend considerable time in assisting in the development of the trainees through courses and the provision of hands-on experience. Progress has, however, been extremely disappointing. The consultants translated a Pascal Programming Language Course from English to Indonesian and met with the Trainees to arrange for a series of tutorials and class-room exercises. Despite repeated approaches by the consultants and references in the monthly report the trainees did not elect to undertake the training. Similarly, attempts to involve the one trainee who successfully completed the Systems Analysis Course referred to above in Analysis and Design work for overall monitoring were unsuccessful because of his other work responsibilities.

6.44 Whilst the consultants can be instrumental in rapid systems development because of their previous experience, it is essential that they work together with the computer trainees. Otherwise an important opportunity will have been lost and, at the completion of the consultants' contract, the vital expertise required to maintain the systems will not exist within the Department.

Conclusions and Recommendations

6.45 Up until the present time, commitment to the development of effective information systems by the Department has been minimal - largely the intermittent meetings of the MIS Committee. The necessity for systems providing accurate, timely and useful information is universally accepted by management within the organization but little real progress will be made until -

- i. A responsible, competent, full-time unit (Project Team) is set up within the Department to undertake the considerable workload involved in establishing (computerised) information systems.
- ii. Management commitment, at both Echelon I and Echelon II levels is assured.

6.46 The establishment of a Project Team is of fundamental importance and should comprise subject-matter and technical experts from the different areas of the Department and a small, but progressively expanding, group of computer systems trainees working full-time within the Project Team and with no other responsibilities. If further consultancy support is required by the Department in the area of system development at the conclusion of the INS/79/001 project, significantly more effective use could be made of their services if they were attached to such a team.

6.47 Although the PAE/RMI consultants have suggested topics or applications for development in Appendix 1, annex 6.8, these matters should be decided by the three tier committee.

7. Physical Progress Monitoring

7.01 Physical Progress Monitoring (PPM) was accorded the highest priority in systems development by the consultants, both for the overall transmigration programme and also the Trans II project. Some aspects of the subject have been covered in Chapter 6, but because of its importance and the amount of time consultants were required to spend on the subject, further coverage is given here.

7.02 The basic document showing the sequence of activities was the Jadwal Waktu Pelaksanaan Transmigrasi Terpadu, or Master Programme. The JMT staff were required to draw up the Master Programmes in the form of bar charts, and obtain the signatures of officials in implementing agencies to indicate their agreement. Production of these Jadwal was a condition made by Bappenas before it would approve the next fiscal year's financial allocation. However the Jadwal were unrealistic in that three years' activities were squeezed into a twelve month period presumably to secure the funds. Also many activities were left out, and it was not possible to relate activities listed in the Jadwal with specific project locations.

7.03 Visits were made by consultants to two provincial capitals, Palembang and Samarinda, in order to discuss the reporting systems and information flow within and between agencies.

7.04 The Kakanwils had been instructed as Chairmen of Satbins I to prepare Jadwal for all transmigration activities within their Province, but found this to be an almost impossible task, mainly because they had no knowledge as to when lead agencies (TKTD and PLPT) in the whole process would start work and in which places.

7.05 The cause of this absence of information in the Province (and lower levels) was because all reporting was carried out vertically upwards to the Directorates General in Jakarta. There was no routine information flow between agencies, and very little information passed from above downwards.

There was also found to be too many reports in general.

7.06 In the course of testing a field-level "early warning system" in Jambi province the consultants became aware of the large number of weekly and monthly monitoring reports that were being sent from Trans II (and other) sites to the province and/or Jakarta. These included among others:

- i. the regular KanWil Transmigrasi weekly monitoring report, mainly dealing with physical progress;

- ii. a special weekly monitoring report specifically requested by the JMT, with roughly the same content as i. ;
- iii. a twice-weekly PLPT physical progress report telexed to Jakarta (to Bina Marga, and in theory to JMT/DGT but in fact not received by the latter);
- iv. a report similar to iii. but somewhat expanded to cover some "pembinaan", introduced specifically for Trans II sites by a staff member of the JMT;
- v. a further weekly progress form with computerizable tearstrips along the edge, requested also from somewhere within the JMT;
- vi. regular monthly KanWil Transmigrasi reports on the provincial program in general and on Trans II in particular;
- vii. various other reports from the KanDitJen Tingkat II and from Satbintrans I and II.

7.07 These reports suffered from a large number of defects, most obviously duplication, overlapping and general inefficient use of staff time and energy. Reports were frequently too late to be of much use in project management, and quality of data recorded was not always good. Many complaints were heard from officials at all levels about the excessive amount of work involved in preparing so many reports which in general received very little response from higher-level officials to whom they were addressed.

7.08 The consultants analyzed this situation and made a number of recommendations to the JMT. It was suggested that certain of the reports be dropped and others be improved and consolidated. In line with repeated requests by the KaKanWil/KorWil, Jambi, consultants also recommended that the JMT draw up TORs for the Team to review the whole reporting system from the field level up and submit recommendations for its upgrading. Unfortunately, the JMT was unable to act upon this suggestion, and apart from a small amount of work done in this regard specifically for the KaKanWil Jambi's monthly reports, the consultants were unable to make any further contribution.

7.09 As discussed elsewhere in this report, a major part of the consultants' work has been to help develop a national-level transmigration information system. To complement this work, the consultants strongly urge that a portion of future technical assistance be used to overhaul and improve reporting systems at all levels as an integral part of the information system in the interests of more efficient programme management.

7.10 However before realistic schedules or master plans can be made, agreement between all Directorates must be reached on:

- i. the activities which make up a transmigration settlement,
- ii. the sequence in which the activities are to be carried out,
- iii. how long each activity, or part, should take,
- iv. when it will be carried out, and
- v. who will carry it out.

Together with the clarification of standards, definitions and costs, recommended in Chapter 3 of this report, these agreements would provide a basis for up-to-date physical progress monitoring.

8. Evaluation

8.01 On the instruction of the President the Junior Minister of Transmigration/Chairman of Satdaltrans set up an evaluation team on 12 January 1982. The team, which worked as a committee, was chaired by the Secretary to the JMT, the Secretary was a Staf Ahli and the members included the other four Staf Ahli, the Chief of the Administration Unit, and also three members of the PAE/RMI team, the Team Leader, Deputy Team Leader and the Evaluation Consultant.

8.02 The tasks set by the JMT Instruction No. INS/17/Mm/1/1982 of 12 January were as follows:

- i. To evaluate the implementation of transmigration in Repelita III cross-sectorally and to identify problems arising in the donor areas and the receiving areas.
- ii. To submit recommendations to improve transmigration implementation based on existing laws and regulations.

Detailed terms of reference were drawn up by the consultants and discussed and approved by the Committee, which decided to carry out the evaluation in two phases. Phase I covered all activities from site identification up until the arrival of the transmigrants in the new settlement for all Repelita III settlements. Phase II included all aspects of transmigration after settlement and covered Repelitas I, II and III.

8.03 The consultant specially recruited for evaluation worked closely with the Secretary to the Committee and the Phase I report was submitted to the Committee in April 1982. The Committee submitted the Phase I report to the JMT, who on the basis of this report and interim data gathered during the Phase II of the evaluation, submitted a policy paper to the President. In essence the JMT reported that the numbers of families moved were large, but much of the development or pembinaan period after the arrival of the transmigrants was used in correcting the mistakes made in the planning and construction stages. The paper also stated that settlements which had received low inputs and low investment had low productivity, and conversely those with high inputs and suitable farming and cropping systems generally produced good results. The point was also made that high or expensive inputs combined with inappropriate farming and cropping patterns also produced poor results. A recommendation for redevelopment was made, including:

- i. the gradual modification of the farm models employed, from food crop to tree crop farming (at least on most dry land areas);
- ii. the construction of technical and non-technical irrigation networks;

- iii. the construction of new access and main village roads to increase the output of transmigrants' capacity and facilitate marketing of their produce;
- iv. this redevelopment should also integrate the transmigration projects with regional development, to increase the economic benefits for the local people so that the entire region will benefit from the redevelopment which is linked to the second stage development of transmigration projects.

8.04 On completion of the Phase II of the evaluation, the two parts were carefully reviewed by the Committee and conclusions drawn and recommendations made by the Committee. After clearance by the Junior Minister for Transmigration, the full evaluation report was submitted by him to the President on 17 January 1983. The final report substantiated the earlier findings provided in the policy paper, and again stressed that while the numbers of families being moved was very large, the quality of life and the economy of the settlements was below the basic minimum level to be expected.

Transmigrant Income Survey

8.05 The Department of Transmigration has decided to commission a national survey of settler incomes as a means of evaluating programme success during Repelita II and III. It has been decided that the Central Bureau of Statistics (BPS) will be the implementing agency, as use of a slightly modified BPS questionnaire will provide comparability of data on transmigrants with national statistics. The consultants have spent considerable time developing the terms of reference and making a selection of sites to be surveyed, and have been involved in discussions with the BPS. At the time of the UNDP/OPE project completion, it appears as if the proposed survey is well on its way towards implementation in early 1984. The Social Scientist has been specifically requested by the Department to remain on to assist in supervision and analysis of the survey.

9. Work with Departments other than Transmigration

9.01 Although the INS/79/001 team was formally attached to the Office of the JMT, the Junior Minister gave his approval for the consultants to approach the staff of any Directorate General represented on the Satdaltrans body. This gave considerable flexibility and enabled the team to obtain an overall view of transmigration in all its aspects. The most important agencies with which the consultants held discussions or took part in meetings were as follows:

Bappenas

9.02 Discussions on the priorities of monitoring and the problems of physical progress monitoring in the absence of integrated settlement plans.

Discussions on the nature and functions of the Special Unit for World Bank assisted projects.

A briefing on the Bappenas system of monitoring financial and physical progress of selected development projects.

Department of Finance

9.03 As reported in Chapter 5, discussions were held on the improvement of accounting procedures and the formal introduction of the Transmigration Financial Monitoring System.

Department of Agriculture

9.04 Numerous discussions with the Chairman of the Department's special team for activities in transmigration, and with the various implementing agencies of the MOA, both in Jakarta and various Provinces.

Department of Public Works

9.05 Regular contacts was maintained with staff of both TKTD and PLPT on various matters concerning planning and site preparation.

Department of Health

9.06 A review of the various services and inputs provided to transmigrants was made and this was written up together with recommendations in the form of a paper. (Appendix 1, Annex 9.1).

Department of Cooperatives

9.07 The consultants also carefully examined the work of Cooperatives and have made a number of recommendations for their improvement. (Appendix 1, Annex 9.2).

Department of the Environment and Development

9.08 Two meetings were held to help clarify the findings of the JMT Evaluation Report, following which the Minister sent a Memorandum to the Bakoptrans in support of the Junior Minister's findings and recommendations. (Appendix 1, Annex 9.3).

Department of Home Affairs

9.09 Several discussions were held with the various officials in the DG Agraria, with a view to clarification of their role, especially vis a vis TKTD in the matter of planning.

10. Training

10.01 The INS/79/001 team have made several inputs in the field of training most of which have been mentioned in the content of technical activities and Trans II. To summarize:

Overall Financial Monitoring

10.02 Five staff of the JMT were trained in manual operations of the system. However no one was appointed to be in charge (see Monthly Reports May 1982 to present) and as a result, work discipline was weak. Also, after the establishment of the new Department, the trained staff were reassigned to other duties and not replaced. It is still not clear who in the future will be responsible for these duties, although PAE/RMI have made recommendations.

Pusat Latihan Pendidikan Transmigrasi (PLPT)

10.03 Consultants assisted in defining ways and means to improve the quality of staff training and ascertained what additional facilities are required for transmigrant training together with draft terms of reference for Technical Assistance. The recommended inputs will be provided under the World Bank Trans III project.

Heads of Transmigration Units

10.04 As reported elsewhere job descriptions and curricula for training of KUPTs and KSPTs were prepared by consultants.

Satbins I and II

10.05 Also as reported elsewhere, an operational manual for conducting meetings and follow up action was prepared by consultants and distributed by the DGT to all Provinces.

Computer Training

10.06 For the reasons gone into in Chapter 6, the consultants were not able to train any counterpart staff in computer operation. However two Indonesian secretaries employed by the PAE/RMI have been trained in micro computer operation and are both competent users of 'Word Star' and 'Mail Merge', and one of them is also familiar with 'Supercalc'.

Indonesian consultants on the contract team have also been instructed in the use of computers and programming, and so there has been a small degree of technology transfer in this important field.

11. The Private Sector

11.01 At the request of the Junior Minister the consultants made assessments of the operations of P.T. Kapas Indah Indonesia in South East Sulawesi and three Japanese joint venture farming operations in Lampung.

10.02 The P.T. Kapas is a joint venture between a U.S.A. and an Indonesian company to grow cotton on a nucleus farm and in cooperation with (mostly) transmigrant smallholders. An analysis and report were prepared (see list of reports) which shows this project to provide, with some modifications, a model for the private sector to assist with, and benefit from transmigration agriculture.

10.03 The Japanese joint ventures studied included P.T. Mitsugoro, C. Daya Itoh and P.T. Pago in Lampung province. The companies had attempted over a ten to twelve year period to grow arable crops, mainly maize and cassava, using mechanized equipment and expatriate management. Although there was dissemination of new high yielding varieties of maize among local farmers, the primary objective of running the farms at a profit was not achieved. The main reason for this was the competition from local farmers without the high operation, maintenance and management costs of the mechanized farms, but in addition, encroachment on the land by squatters was a problem.

11.04 A report was submitted to the Junior Minister explaining the difficulties facing the Lampung farms and suggesting alternative uses for the land should the three joint venture companies choose to go into voluntary liquidation. Two of the companies have now disposed of their assets, e.g. buildings, land and equipment, and plans are being made for the future development of the farm lands.

11.05 As a result of these studies of private enterprise agricultural operations, some draft guidelines for handling the matter in transmigration areas were prepared. These are included as Appendix 1, Annex 11.1.



Part B

Transmigration II and other World Bank Projects

12 Summary of Major Accomplishments

12.01 Upon completion of the INS/79/001 project, the UNDP/OPE Trans II Team considers the following accomplishments to have constituted their major contribution to the Government of Indonesia's Transmigration Program, especially with respect to those projects which are or will be receiving support from World Bank loan funds :

12.02 Planning

(a) Terms of Reference:

- i. Developing a system to assure the timely preparation of work programs and submission of budgetary requests by the various agencies involved in Transmigration II;

(b) Consultants' Inputs

- i. Development of materials for training seminars which clarified the background, goals, conditions and provisions of World Bank Loans to all project management and financial personnel for the Trans II, III and IV projects.
- ii. The training of staff to conduct integrated planning exercises and prepare integrated planning schedules (Bar Charts)
- iii. Production of network analyses and bar charts with respect to the initial settlement of 800 families in the Trans II Project.

(c) Results:

- i. The institutional inadequacies of the former JMT prevented the institutionalization of the planning systems.

12.03 Physical and Financial Progress Monitoring and Reporting

(a) Terms of Reference:

- i. Developing reporting procedures for monitoring rate of project implementation in the various Transmigration II sites and assuring their smooth coordination;

- ii. Recommending appropriate reporting procedures and linkages between the coordinating bodies at all levels, and between the various line staff;
- (b) Consultants' Activities in Physical Progress Monitoring and Reporting
- i. Production of Monthly Monitoring Reports for the duration of the UNDP/OPE involvement in the Trans II Project.
 - ii. Training of various staff in the Sub Project Coordinator's Office and in the Transmigration Office in Jambi in the basic elements of project monitoring and reporting.
- (c) Consultants' Activities in Financial Monitoring and Reporting
- i. The establishment of a working financial monitoring and reporting system for the Trans-II Project.
 - ii. The provision of training in financial monitoring for 250 concerned project staff for the Trans II, III, and IV projects. In addition, a resource base of financial monitoring reference and training materials and manuals has been prepared and submitted to GOI.
 - iii. The provision of training in World Bank procurement and disbursement procedures for 250 project staff.
- (d) Results:

GOI (Special Unit) staff now produce monthly physical progress reports, through much improvement in quality is still required, as well as further development of a systematic approach to monitoring. The financial monitoring system is working reasonably well, and provision of training in Bank Procedures has sharply reduced delays in implementation caused by bureaumatic problems

12.04 Organizational Development

(a) Terms of Reference:

- i. Assessing the overall management system established within Transmigration II and making recommendations for improvement;
- ii. Establishing procedures for developing and coordinating agency work programs and monitoring their implementation;

- iii. Developing systems for identifying implementation problems and procedures facilitating their resolution;

(b) Consultants' Inputs:

- i. Development of proposals and methodologies for the systematic organization of the Project Sub Coordinator's Office.
- ii. Preparation of Terms of Reference and Job Descriptions for the Project Sub Coordinator and staff.
- iii. Development of proposals for alternative structures for the Special Unit for World Bank Assisted Projects.
- iv. Assessment of manpower needs of all agencies involved in Trans II.
- v. Submission of recommendations concerning the organization and functions of the KORWIL/KORLAP institutions

(c) Results:

- i. Due to the problems inherent in the structure of the JMT, the GOI was unable to incorporate many of the recommendations during the contract period. With the formation of the new Department, consultants' inputs will be more easily implemented.

12.05 Socio-economic Monitoring and Evaluation

(a) Terms of Reference:

- i. Establishing benchmarks of migrant development and undertaking their periodic measurement on all Transmigration II sites;
- ii. Identifying problems in the course of benefit monitoring and arranging for ad hoc studies to clarify their source and promote their resolution.

(b) Consultants' Inputs:

The collection of socio-economic census data and the production of a status report on the first 100 Trans II settlers in Kubang

Ujo after their first year on site, together with a number of recommendations for project improvements.

(c) Results:

- i. Due to the reduced number of transmigrants settled in the first and second years of the project, the World Bank and the JMC recommended that the TORs for socio-economic benefit monitoring be revised, and the final contributions in this area are being implemented during the contract extension period.

12.06 Additional Project Components

Terms of Reference:

Undertaking ad hoc studies as required which would provide data to facilitate decisions about policies to improve transmigration implementation.

12.06.1 Singkut Rehabilitation

(a) Consultants' Inputs:

Preparation of proposals for the rehabilitation program, which were accepted and approved by GOI and World Bank in 1980.

(b) Results:

Due to institutional difficulties, the proposals were delayed in this implementation. However, as of the project completion date, all rehabilitation components are underway.

12.06.2 Soil Conservation

(a) Consultants' Inputs:

- i. Initiation of a 40 ha. soil conservation demonstration program and the preparation of position papers and manuals.
- ii. The incorporation by the GOI and the World Bank into the

Transmigration program of recommendations concerning soil conservation advocated by the UNDP/OPE project.

(b) Results:

The advocacy of soil conservation by the project contributed in part to a commitment of funds and manpower by the Department of Agriculture to dealing with this problem. Soil conservation projects have been initiated in Singkut and Kubang Ujo, and will soon begin in Kuamang Kuning.

12.06.3 Small Industry Development Proposal

(a) Consultants' Inputs:

Development of concept papers and proposals for applied research and development activities in this area.

(b) Results:

The Department of Transmigration has funds in this years budget for the implementation of this activity, and is currently recruiting a local contractor, possibly a private voluntary organization.

13 Introduction

I Background

13.01 The Trans II project dates back to the South Sumatera Regional Studies produced by Bonn University and Robert R. Nathan Associates between 1974 - 1976 and follow-up resource investigations, site identification studies and outline development plans which were prepared by the DGT with the assistance of the British Overseas Development Ministry between 1976 - 1979. The Trans II project was identified and prepared by the World Bank in 1978.

13.02 World Bank assistance to the project was originally designed to:

- i. settle 30,000 families in Jambi Province;
- ii. provide rehabilitation assistance to 4,000 families in Singkut;
- iii. improve overall management capacity, monitoring and evaluation of the entire Transmigration Program; and
- iv. provide assistance for the planning and preparation of future projects.

13.03 As stated in the World Bank's Staff Appraisal Report (SAR), Trans II's settlement component was designed to "respond to the national priorities stressing the need for increased food crop production and in response to the need to keep project costs low."

II Current Status of the Trans II Project

13.04 The current status of the project is outlined in Annex 5 Appendix 1.

13.05 As can readily be seen in the status report, the project has encountered considerable delays in implementation. In addition, as Tables 1 and 2 indicate, radical alterations in the size, composition and locations of the project sites have also been necessary.

Table 1

Proposed Sites for Development from World Bank's Trans II
Staff Appraisal Report

<u>Site</u>	<u>Area (has.)</u>	<u>Target Capacity (KK)</u>
Alai Hilir	112,000	6,000
Kuamang Kuning	130,000	6,000
Kubang Ujo	40,500	8,000
Hitam Ulu	82,000	10,000
Totals	364,500	30,000

The originally proposed areas were, for one reason or another, modified or dropped and the current status of Trans II is shown in Table 2.

Table 2

<u>Land Under Preparation</u>	<u>Targets</u>
<u>Jambi</u>	
Kubang Ujo XXII C	1,200 KK
(Hitam Ulu VIII H - SP ABCDEF & G)	
(Kuamang Kuning VII F)	3,910 KK
Kuamang Kuning VIIA, VIIC, VIID & VIIE	6,000 KK
Sub Total	11,110 KK
<u>Land Proposed for Design by PLP</u>	
<u>Jambi</u>	
Hitam Ulu VIII H - SP H & I	890 KK
Kuamang Kuning VII B	1,500 KK
Sub Total	2,390 KK

Phase IIs Completed/Phase IIIA s Needed

Jambi

Tungkal Ulu XIIb/F & G	2,500 *
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South Sumatera

Klingi IV/D	1,540 *
Bingin Teluk I D/E	1,250

Sub Total	5,290
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Phase IIIs Completed/Land Clearing to Proceed

South Sumatera

Klingi IV/C	1,750
Bingin Teluk I/B	320
Bingin Teluk I/C	1,500

Sub Total	3,570
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T o t a l	22,360
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*Based upon estimates of actual capacity being 70% of Phase II projections.

III MAJOR PROBLEMS IN TRANS II

13.07 Beside these changes and the uncertain status of sites presently under consideration, the major problems in the implementation of the project are considered by the UNDP/OPE Consultants to include the following:

- i. Delays in the originally anticipated rate of land clearing and the quality of land clearing.
- ii. Delays in the rate of construction of transmigrant houses, community facilities and wells;
- iii. Delays in the implementation of the Singkut Rehabilitation Program;
- iv. Delays in the procurement of livestock and in decision making concerning the Bull Units, RDC and Quarantine;
- v. Delays and problems of quality with the procurement of suitable seeds; agricultural inputs, facilities and

extension staff;

- vi. Delays in the development of plans for the use of the second agricultural plots; and
- vii. Delays in the recruitment of consultants for Base Camp and community facilities construction supervision, hydrological studies and technical assistance for cooperatives development.

13.08 As can be inferred from the above statements concerning the current status, Trans II can be considered a "Problem Project".

13.09 The UNDP/OPE consultants were recruited to assist in the implementation of this project and although they have tried to provide that assistance to the best of their ability, it cannot be denied that for a variety of reasons, they were unable to do so to the point of a fully successful "end result".

13.10 It is intended that the following analysis be of constructive use to the government of Indonesia, the UNDP, the World Bank and future advisors to the Department of Transmigration in understanding the causes for and minimizing the effects of this lack of total success in the implementation of the Trans II project.

IV Analysis of the problems encountered in the execution of the Trans II Projects

13.11 In the opinion of the UNDP/OPE consultant team, there were three major constraints which adversely affected the project. The first was the inherent weakness of Presidential Decree 26, which limited the effectiveness of the office of the JMT with respect to the Management of the project. The second was a pre-occupation with what could be called a "Target Oriented Approach to Project Execution and Evaluation". The third was the Lack of Available Land suitable for the settlement of 30,000 families within the terms and scope of the project and the cropping pattern adopted. In fact, both the second and third constraints arose primarily as results of the first.

IV/A 13.12 Management

As discussed in Part A of the report, the office of the Junior Minister for Transmigration, under Presidential Decree 26, 1978 was provided neither with sufficient authority nor staff to manage the Transmigration program. Unfortunately, the Trans II project was prepared before the inadequacies of this decree were fully realised and was the first major project implemented under it.

13.13 As a result, the Project Sub Coordinator and Regional and Field Coordinators found it impossible to recruit full-time staff or assume any effective managerial authority over the planning, preparation or implementation of the project.

13.14 This one factor had an overwhelming influence on the entire range of project related activities. (It must be remembered, however, that the eventual recognition of this inherent deficiency resulted in the dissolution of the office and position of the JMT and the establishment of the Department of Transmigration in March 1983.)

13.15 Following sections of this report will focus on many of the problems which resulted from this lack of a strong management structure. Again, it is hoped that the lessons learned can be of productive use for the future.

IV/B Target Oriented Approach to Project Execution and Evaluation

13.16 As is often the case in project planning and management, Trans II policy and decision makers had and have a need to monitor and evaluate progress on the basis of the achievement of quantifiable targets, or what can be called a "Target Oriented Approach to Project Execution and Evaluation".

13.17 This is an essential management tool and, in fact, a major portion of the UNDP/OPE project was devoted to the development of systems and training of staff to improve the government's capability in this area.

13.18 However, it is considered by the consultants to be the role and responsibility of project managers to insist upon and ensure that the original goals and targets are based upon realistic assessments of: (i) the implementing agencies' "production" capacity; and (ii) the total scope of the task to be done.

13.19 It is their responsibility then to insist that on-going re-scheduling of targets and monitoring be based upon regular re-assessments of the rate and quality of the work which has been accomplished.

13.20 It should be noted that although pressures to the contrary are extremely formidable, the consultants feel that every effort should be made in the future to maintain a commitment to quality control in both the planning and execution of World Bank Assisted Projects.

13.21 Experience has shown that although progress might be slightly faster in the initial stages, in fact "End of Project Targets" actually are delayed if this approach is not taken.

IV/C Lack of Available Land for Trans II

13.22 The issues and reasons behind the many and radical changes in project areas and capacity were identified and discussed in detail in the project's May 25, 1981 Review of the Transmigration II Project. Essentially, these changes resulted from :

- i. preliminary projections, which were based on irrigation or tree crops farming systems as opposed to food crop systems upon which Trans II was based;
- ii. difficulties over existing rubber rees through the use of lands earlier found to have been occupied by local inhabitants; and
- iii. forestry classification problems and restrictions.

13.23 The considerable changes in Trans II project sites (tables 13.1 and 13.2) must be viewed, however, in the context of the situation at the time the project was formulated and appraised.

13.24 In 1977/1978, Indonesia was having to import some two million tons of rice and the 82 million people who lived on Java were experiencing an annual population growth rate in excess of 2,3%.

13.25 There was, therefore, a tremendous perceived need for opening and developing new areas for rice production and re-settling people from the densely populated areas of Java, Madura and Bali. Also, at that any time, Indonesia was in an excellent financial situation with respect to its potential for building its foreign

exchange reserves based upon its oil and other natural resources.

13.26 For these reasons, it was deemed appropriate to consider transmigration sites which would contribute to increased rice production even if they would be dependent on the provision of fertilizers, pesticides and other inputs purchased with hard currency.

13.27 Within the context of this situation, then, Trans II was conceived and the terms of reference for technical assistance drawn up.

V PROVISION OF CONSULTANT SERVICES FOR TRANS II MANAGEMENT AND MONITORING

13.28 In accordance with the Trans II Staff Appraisal Report (SAR), the UNDP/OPE team was contracted to provide the following services:

- "i. assist in developing a system for overall program planning and coordination;
- ii. assist in establishing and operating the Project and Deputy Project Coordinators Offices for Transmigration II which would be stationed in Jakarta and Muara Bungo respectively; and
- iii. assist in establishing and implementing procedures for monitoring and evaluating preparation and implementation of the transmigration program including this project."

13.29 In addition, it was intended that within the Regional Coordinator's Office a Special Monitoring and Evaluation (M&E) Office would be established, with responsibilities for:

- "i. developing a reporting system for monitoring and evaluating project implementation within the Jambi sites;
- ii. determining the significant indicators of settler welfare: income, crop yields, traffic flow and amount of spontaneous in-migration, and arrange for their systematic measurement at all sites; and
- iii. initiating supplementary data collection to clarify problems as the need arises."

13.30 It was also stated in the SAR that:

"The Project level M&E section would consist minimally of one senior level management person, preferably with experience in Indonesia, to develop reporting procedures for participating agencies, an experienced social scientist to supervise benefit monitoring, and appropriate supporting staff. All would be full-time in Muara Bungo. Because the M&E section would be expected to work cooperatively with the Project Management Group (PMG) to develop uniform reporting procedures suitable for the entire program, the senior level specialists would come from the same internationally recruited management consulting firm that provides the technical assistance to the PMG".

13.31 Finally, the SAR indicated:

"Supplementary Data Collection. The need for timely research to answer specific questions generated by monitoring and evaluation would occur throughout the program. Therefore, the M&E section would be provided with funds to conduct supplementary data collection and analysis which would clarify problems noted in the course of monitoring and evaluation. These small studies, identified by the M&E section, would be undertaken by short-term consultants following review and comment by the Bank Group on the terms of reference. The M&E section would prepare the terms of reference and would supervise these studies. An assurance was obtained that the M&E section would submit the terms of reference for all studies which it would undertake, and which would be financed under this project, to the Bank Group for review and approval."

13.32 In keeping with the basic objectives of the Trans II Loan, the UNDP/OPE issued Terms of Reference for the consultants who were to be recruited for the provision of assistance to the Project Sub-Coordinator. These TOR's are to be found in Appendix 1 Annex 1.1 and will be used as the basis for the following Project Review of the Trans II component of the UNDP/OPE project.

14 Project Planning

"Developing systems to ensure the timely preparation of work programmes and submission of budgetary requests by the various agencies involved in Trans II"

IV Initial Situation

14.01 At the beginning of the UNDP/OPE involvement in Trans II, there was no over-all masterplan for the project. As a result, the World Bank's Trans II Staff Appraisal Report was referred to as a plan, but in fact no detailed, integrated plans had ever been prepared, again due in large part to the fact that the Project Coordinator and Sub Coordinator had insufficient powers of management.

14.02 The first year of the project was primarily concerned with the need to settle the first 800 families in Kubang Ujo; and bar charts, network analyses and technical assistance were geared toward that objective. Very limited use was made of the planning tools, however, during the first half of the project. Again, this was a direct result of the difficulties encountered by the JMT with respect to their powers of management vis a vis the various agencies.

14.03 Also, the plans for the Singkut Rehabilitation Program although prepared in October 1980, are just now being implemented. Again, this delay has been the result of continuing confusion concerning management, organizational responsibilities and authority over the Trans II project.

II Consultants' Inputs

14.04 In the initial stages of the project the UNDP/OPE Consultants were requested by the World Bank to prepare Bar Charts and Network Analyses for the settlement of the first 800 families.

14.05 Two different methodologies for the Network Analyses were presented and revisions and extensions of both were also prepared.

14.06 Similar planning exercises were requested by the RSI with respect to the procurement and provision of Rock Phosphate.

14.07 In the meantime, as these theoretical plans were being prepared, it was becoming more and more obvious that realistic long term planning would be difficult for a number of reasons:

- i. TKTD and PLPT were experiencing considerable difficulties with respect to "Sleeping Rubber" and local inhabitants in Kubang Ujo, thus making it difficult to accurately project settlement targets with respect to dates or numbers;
- ii. Most agencies prepared DUPs and DIPs according to Bakoptrans figures which continued to be arbitrarily based upon Repelita III and Trans II SAR targets;
- iii. If a critical path methodology had been incorporated into the planning process, such activities as Agraria's land use surveys, Forestry's re-classification of forest areas, etc. would have delayed project execution to an unacceptable degree;
- iv. Without a formal and recognized management structure, it was difficult to convince certain agencies of the need for changes or finalizations of plans.

III Recommendation

14.08 As suggested in Part A of this report, the new Director General for Site Preparation proposes to incorporate steps designed to alleviate problems in planning, many of which have been encountered in Trans II.

14.09 For the remainder of the Trans II project (and for future World Bank Assisted Projects) it is therefore recommended that the Project Sub-Coordinator and the Director General for Site Preparation establish and delegate the appropriate authority to a staff member or team to ensure the following:

- i. A meeting be called, attended by DepTrans/Bina Program and PLP, DG Agraria, Team Inti from Department of Agriculture, and the Department of Forestry, at which time all proposed sites be discussed, potential problems identified and a master plan for the remainder of the Trans II project be agreed upon.
- ii. A "green light" system for ensuring proper clearances regarding Forestry Status, Land Availability (legal status) and Boundary Demarcation be instituted and adhered to.
- iii. Contracts for land clearing, house, well and community facility construction be aggregated and processed speedily and in accordance with agreed implementation schedules (Bar Charts) which should be up-dated on a quarterly basis.

15 Technical Assistance for Management and Monitoring

15.01 As specified in the Project Document, the Technical Assistance was provided to the Project Sub Coordinator's office in Jakarta and to the Regional Coordinator's office in Jambi.

I Technical Assistance to the Project Sub Coordinator's Office (PSCO)-Jakarta

I/B Initial Situation

15.02 At the time of mobilization of the UNDP/OPE Team, the Project Sub-Coordinator had three Special Staff responsible for three very generalized areas of responsibility:

- i. Secretariate Functions
- ii. Agricultural Issues
- iii. Civil Engineering Issues

15.03 Besides these three highly qualified and experienced officials, there were also about 10-15 clerical and support staff assigned to the office.

15.04 The office was unable to perform any but the most minor functions of monitoring and coordination. The principle reasons for this unfortunate situation again concerned KepPres 26 and the role and authority of the JMT and the Project Sub Coordinator.

15.05 At the time TKTD, as opposed to the JMT, took responsibility for coordinating planning activities, a position which did not help the office's growth in capability, or confidence.

15.06 The PSCO also suffered from a great deal of confusion concerning its powers and authority vis a vis:

- i. the Staf Ahli of the JMT
- ii. the Korwil and Kakanwil
- iii. the various executing agencies.

15.07 During the initial year of the project, as a result of institutional difficulties, the consultants acted almost independently in carrying out the following functions:

- i. monitoring the various aspects of the project;
- ii. accompanying supervision and consulting missions; and
- iii. reporting on project progress and problem identification and assuming follow up responsibilities.

15.08 In December of 1980 the status of the three Special Staff became that of national consultants paid for by the World Bank Trans II loan, and a succession of Trans II Team Leaders were appointed. At no time, however, was the unit ever able to gain a sense of purpose, or organizational structure.

I/B Activities of the UNDP/OPE Team to Improve the Situation

Assessing the Overall Management System established within Trans II and Making Recommendations for Improvement

15.09 As proposed in the TORs during the initial year, the consultants attempted to analyze the legal and institutional foundations of the JMT under Presidential Decree 26 and to propose workable management and administrative guidelines for the establishment of the PSCO under Decree 26.

15.10 According to their analysis a series of recommendations were submitted to the PSC and PSCO concerning the need to develop the appropriate structure to provide the following functions :

- i. Physical Progress Monitoring and Reporting;
- ii. Financial Monitoring
- iii. Problem Identification, Research and Follow-up
- iv. Project Coordination and Inter-Agency communications.

15.11 The first real progress was the establishment of a Financial Monitoring Unit within the PSCO, which was followed by the appointment of the first Team Leader, and later, the naming by the Project Sub Coordinator of specific 12 staff for the financial monitoring, physical monitoring and reporting functions.

15.12 The consultants provided technical assistance to these staff members with respect to training in the compilation, analysis and interpretation of physical and financial data for presentation to the PSC.

15.13 The PSCO functioned in a less than optimal manner until June 1983 due mainly to the continued limited status of the JMT and the PSC, and again, the lack of qualified staff and an effective organizational structure.

15.14 However, during this time, primarily through the use of the UNDP/OPE consultants, the PSCO:

- i. produced its own financial and physical progress reports;
- ii. arranged for and participated in quarterly planning meetings in Jambi at which time integrated planning schedules were prepared and updated;
- iii. received and reviewed requests to the World Bank for procurement and disbursement related issues; and prepared position-memos on these requests for the PSC;
- iv. prepared for and participated in World Bank Supervision Missions; and
- v. prepared materials, made arrangements and executed training programs in financial monitoring, procurement and disbursement procedures in Jambi - as a follow up to an earlier course which had been done by the consultants in coordination with the Staf Ahli.

15.15 Finally, in June of 1983, the PSC instructed the Trans II staff and consultants act as a Special Unit for World Bank Assisted Projects with a General Services Unit.

15.16 This unit has been able to take full advantage of the World Bank and UNDP/OPE consultants to and the GOI staff and has been able to carry out the following duties to date:

- i. Prepare for the August 1983 Supervision Mission;
- ii. Plan, prepare for and execute training seminars for Trans III and Trans IV financial monitoring, procurement and disbursement procedures;
- iii. Review agencies' requests for procurement and disbursement related matters; and
- iv. Prepare letters, memos and position papers for the PSC in

order to allow him to assert effective coordination over World Bank assisted projects.

15.17 UNDP/OPE Consultants feel that these new arrangements, while still in need of further definition, staffing and support, are a significant step forward in establishing more professional management of Bank-assisted projects.

I/C Recommendations

15.18 It is recommended that under the anticipated new Presidential Decree, the Minister have authority to control the Transmigration activities not just within his own Department but also possibly through a modification of the current BAKOPTRANS, SATDALTRANS, SATBINTRANS structures - the other departments which are providing goods, facilities and services to the program.

15.19 It is recommended the World Bank Assisted project components be supervised by the Special Unit but that settlement components such as Trans II, the Trans III Batu Marta extension and the Kal-Tim projects be under specific Project Management Units, located in the provinces under the KaKanWils which would also report to the Special Unit.

II.5 FINANCIAL MONITORING

15.19 This section covers the project activities of the UNDP/OPE consultants assigned to work on the finance and budget matters of the Transmigration-II Project. With respect to the original UNDP/OPE INS/79/001 project document, these work activities concern the following Transmigration-II project inputs:

"Developing a system to assure the timely preparation of work programs and submission of budgetary requests by the various agencies involved in Transmigration-II";

"Developing reporting procedures for monitoring the rate of project implementation in the various Transmigration-II sites and assuring their smooth coordination.".

II/A Situation at Project Start Up

15.20 In general the situation at project start-up was characterized by the lack of a well defined institutional framework within the Project Coordinator's Office for World Bank assisted Projects for handling finance and budget matters pertaining to Trans-II (or other World Bank Assisted Transmigrations projects). Specific problems included the following:

i. Financial Monitoring

A financial monitoring system had not yet been established by the Project Coordinator's Office, nor had full-time staff been appointed to work on financial monitoring.

ii Preparation of Budgets

Project budgets were being prepared under the coordination of BAKOPTRANS as part of the national budget preparation process. However, as each line agency was responsible for preparing its own budget, no standardized budget format was adopted. Also staff from the Project Coordinator's Office were not actively involved in the budget preparation process resulting in a lack of control for ensuring that inputs from each agency would come on stream when needed.

iii. Use of World Bank Procedures

Many of the project staff from line agencies had not had previous experience in working with World Bank projects and therefore were not familiar with Bank operational procedures, particularly those concerning procurement and disbursement. This resulted in delays in project implementation and improperly prepared procurement documents which were rejected by the Bank

iv. Resolution of Procedural Problems

No formal mechanism had been established to resolve differences arising between World Bank and GOI operational procedures, and in particular those arising from the implementation of KEPPRES 14-A (the GOI procurement policy statement) vis a vis Bank regulations.

II/B NDP/OPE Activities

15.21 Due to the structural problems mentioned in para 15.20 Point ii UNDP/OPE activities have centered primarily on monitoring as opposed to budget preparation and planning.

15.22 Specific activities have included:

- i. Designing and assisting with the implementation of a financial monitoring system for Trans II (and other Bank assisted Projects), including training counterpart staff;
- ii. Arranging training courses in World Bank procedures for project staff from Trans II, Trans III and Trans IV;
- iii. Assisting the staff of the Project Coordinator's Office (Special Unit for World Bank Assisted Projects) in resolving operational problems related to World Bank procurement and disbursement procedures; and
- iv. Working with project agencies on an ad hoc basis to resolve operational problems.

Financial Monitoring

15.23 Work on a financial monitoring system for Trans-II was begun in November, 1981. A general monitoring form was designed and field tested with both Jambi province and Jakarta offices of the Trans II

project agencies. This field testing was conducted over a five month period ending in April 1982.

15.24 In March, 1982, a proposal for the establishment of a special Finance and Budget Unit responsible for the financial monitoring of Trans-II was submitted to GOI. The proposal was accepted, and the financial monitoring system was officially implemented in May 1982.

15.25 This same system has now been expanded to cover all World Bank assisted transmigration projects. Training has been provided for all staff from the Trans-II, Trans-III, and Trans-IV projects. Most importantly, the operation and administration of the monitoring system has been incorporated into the duties of the Special Unit for World Bank assisted Projects. Thus, the problems mentioned in Paragraph 15.22 Point a, have now been resolved.

World Bank Procedures Training

15.26 Training courses covering World Bank procurement and disbursement procedures have now been conducted for all staff from the Trans-II, Trans III, and Trans IV projects. UNDP/OPE consultants assisted with the scheduling of the courses and carried out the training together with counterparts.

Resolution of Procedural Problems

15.27 The UNDP/OPE consultants, on a regular basis, have assisted line-agency project staff in resolving problems with World Bank and GOI operational procedures. It is expected that with the establishment of the Special Unit for World Bank assisted Projects the provision of assistance in this area will be formalized and the problems mentioned in para 15.20 Point iv., will be overcome.

II/C Recommendations for future projects

15.28 The UNDP/OPE consultants, present recommendations concerning finance and budget affairs of future World Bank (and other foreign aid) assisted transmigration projects as an integrated package, in terms of the project cycle; and integrate different work activities such as preparation of budgets and financial monitoring. This has been done to show how continuity of project work activities can be maintained and also how many of the start-up problems associated with Trans II and other World Bank assisted can be avoided in future projects.

II/C/1 Initial Project Planning

15.29 Project budgets should be prepared only after a project master plan has been prepared. This will enable the agencies involved in a project to plan their work programs in a well-coordinated fashion and will allow for preparation of realistic financial and physical implementation schedules. The benefits that would be obtained from this are significant, including:

i. Avoidance of Budget Carry Over

By basing a budget plan on integrated implementation schedules in coordination with other project agencies, individual agencies are less likely to have the large budget carry overs that result from non-integrated project planning;

ii. Accurate Cost Estimates

Utilizing an integrated plan designed to avoid budget carry-overs will enable project planners to more accurately estimate costs and better allocate budget funds.

iii. Decreased Administrative Costs

Agencies would not need to administer two to three fiscal year plans at the same time, and thus administrative man-power and associated costs would not be required to process budget revisions;

iv. Use of Standardized Budget Format

Previously individual agencies utilized their own formats and codes when preparing budgets. There was no standardized budget format or activity code. Two problems resulted from this:

- a) The lack of a standardized format created difficulties in designing a financial monitoring form that could be used by all project agencies;
- b) It was difficult to coordinate the physical and financial monitoring systems due to the absence of a standardized activity code.

15.30 The UNDP/OPE consultants, strongly recommend that for future projects a standardized budget format and activity code be adopted. This will greatly simplify monitoring project activities and will

provide project management with a much improved information flow on project activities.

II/C/2 World Bank Operational Training

15.31 The initial start-up of the Trans II Project was significantly delayed due to the previously mentioned lack of experience of project staff in working with World Bank procurement and disbursement procedures. The consultants therefore strongly recommends that to avoid this problem in future projects, training in World Bank (or other foreign donor) procurement, disbursement, and other operational procedures be conducted for concerned project staff at the time of project start-up as has now been done for the Transmigration IV project. PAE/RMI also recommends that this training include an introduction to each project for project staff including the following:

i. History of the Project

A discussion of the project background, i.e., identification and preparation stages, project as part of an overall program, and so on;

ii. Role of the World Bank

A brief explanation on the role of the World Bank (or other donor agency) within each particular project about such points as the uses of foreign exchange funds, supervision missions, etc;

iii. Review of Project Documents

A brief review of the various project documents (Staff Appraisal Report, Loan Documents, etc.) including such things as expected project outputs, activities to be covered by different agencies, etc;

iv. Review of Project Management Mechanism

An explanation of how the project will be managed and which staff will have this responsibility. This should include a discussion concerning monitoring, i.e., how it will be done, benefits there of, and so on.

15.32 A suggested training format is included in Appendix 1, Annex 2 of this report.

II/C/3 Financial Monitoring

15.33 Detailed guidelines for implementing and operating the financial monitoring system designed by UNDP/OPE consultants are contained in the revised Financial Monitoring System Instruction Manual published in July, 1983. Particular points concerning the administration of the system are presented here.

i. Central Administration of the Monitoring System

Experience has shown that the administration of the system should be the responsibility of the Special Unit. Under Trans-II, responsibility for the administration of the system was divided between the Sub Unit, which was responsible for working with Jakarta based agencies, and the Jambi Regional Coordinator (KorWil) who was responsible for working with the provincial agencies. This resulted in delays in transmission of monitoring data from Jambi to Jakarta due to this additional administrative layer. For future projects, it is recommended that this set-up not be adopted.

ii. Use of Standardized Letters and Forms

An additional problem encountered was that Letters of Transmittal and other standardized letters were not kept on file but needed to be prepared anew each month. Thus, delays encountered in obtaining signatures for these letters resulted in delays in the issuing of monitoring forms, reports and so on. For the future, it is recommended that these be prepared and kept on file to avoid the above delays. In addition, it is also recommended that preaddressed envelopes be issued to agencies to return monitoring forms and other necessary correspondence to the Special Unit.

iii. Financial Monitoring Training

It is recommended that this training be conducted together with the proposed training of project staff in World Bank procedures. A suggested format is presented in Appendix 6 Annex 1.

III Technical Assistance to the Office of the Regional
Coordinator Jambi

15.34 The basic duties of the UNDP/OPE team in Jambi, as the project name suggests, can be conveniently distinguished and described under the headings Management and Monitoring, though it is clear that the latter is in fact an essential element of the former.

"Recommending appropriate reporting procedures and linkages between the coordinating bodies at all levels, and between the various line staff".

III/A Management Activities

III/A/1 Initial Situation

15.35 As a result of the increased authority given to many technical agencies under Presidential Decree 26 of 1978, and considering the scope of the Trans II project (original target 30,000 families), a regional project coordination (KorWil) system for overseeing middle-level planning and implementation was instituted. The functioning of this system, and its relations to other coordinating and implementation structures, however, was not worked out in any detail, nor was it given any real authority to carry out its tasks. The fact that both the first and second (present) Trans II/ Jambi KorWils, and their assistants, held multiple positions within the DGT and JMT structures simultaneously, further made it difficult to distinguish conceptually and practically between their interagency coordinating function and their regular implementation function. The KorWil system thus never had an independent existence.

15.36 Interagency coordinative activities relating to Trans II were carried out either through Satbintrans and Team Teknis meetings, or on an ad hoc, sporadic basis through communication between individuals of the different agencies involved. No matter what channels were used, however, great weaknesses were apparent in project coordination and management, particularly in ensuring timely inputs from different agencies. Also there was much unnecessary delay, duplication and waste, with settlement of transmigrants only beginning in the latter part of 1981, and then on a very small (800 KK) scale.

15.37 A final factor weakening the general management of Trans II was the inability of the DGT PimPro to establish his base of

operations in Jambi province, and the similar inability of most agencies to establish field-level units under a single roof in close proximity to the project locations, i.e. at the much delayed KorWil Office Complex in Bangko. In many cases, the strong vertical ties between Jambi and field-level units of various agencies overshadowed coordinative relations among the units, giving the impression that the activities of the separate agencies progressed fairly much independently of each other. As an example of this, the KorWil (and Jambi agencies in general) were (and still are) very little involved in the prolonged drawing up of plans for the rehabilitation of Singkut, which has been very much a central government affair. The fact that by March 1983 not a single rehabilitation component had begun is a result of this situation.

15.38 Field coordinators (KorLaps) for individual Trans II sites were also appointed at the beginning of the project, and they have suffered most of the same weaknesses as the KorWil. They were vested with little authority or power, and site offices and houses budgetted for them have not been built. Agencies other than the former DGT only sporadically reported to them, and their functions were not well defined. The appointment of PLPT site managers as KorLaps ("KorLap Persiapan") further confused the situation, especially since it was precisely the activities of the PLPT site managers that were most requiring coordination. However, now that nearly all activities come under the new Department, these problems and difficulties in field coordination should disappear.

III/A/2 Activities of the UNDP/OPE Team

15.39 The team spent considerable time analyzing the situation and attempting to persuade the KorWil to take a stronger and more active stance vis a vis other agencies concerning matters of project coordination. A large number of recommendations were made, both in Jambi and Jakarta, aimed at strengthening the position of the KorWil and his assistants; it was felt that much administrative and political support was needed, particularly from the JMT, in order that the new institution take on a separate existence and become a more powerful entity. The Team worked closely with a number of the KorWil assistants, particularly on reporting systems (see Section). Further, it was suggested that small, regular interagency working meetings particularly focussing on Trans II matters be held that dealt with Trans II issues only as one part of the Provincial Transmigration program to replace the larger, unwieldy and less specific Satbintrans meetings that dealt with Trans II issues only as one part of the Provincial Transmigration program.

15.40 Similarly, the Team frequently met with the KorLaps and made detailed recommendations to strengthen their potentially very important role.

15.41 Many attempts were made to convince all agencies of the need for, and possibility of, making more accurate projections of integrated work plans, as opposed to proceeding with implementation on a week-by-week or month-by-month basis, dealing with problems only as they arise and not anticipating and preventing them. A number of interagency meetings were held to produce integrated work plans for short-term time frames.

15.42 Finally, the Team carried out monthly site visits and reported on a wide range of project implementation problems directly to the KorWil and his assistants, and suggested approaches to the solution of a number of issues.

III/A/3 Results/Present Situation

15.43 There has been a measure of improvement in overall project coordination. Nevertheless, there is still no strong central management unit or system for Trans II. The KorWil institution has never really become established either in Jambi or in the project area (the office and residential complex in Bangko is still not functioning). Little concrete support or direction for the institution was forthcoming from the JMT, and KorWil staff continue to hold multiple positions, with positions in the KorWil structure being distinctly less important. (Frequent change of personnel has also made continuity a problem, lessening the effectiveness of the Consultants' attempts to develop a strong management team.) The Dep. Trans PimPro continues to be set up in Jakarta, making his day to day working relations with the KorWil/KaKanWil difficult, and important decisions of other agencies continue to be made in Jakarta as well. The locus of project decision-making continues to be dispersed among three or four levels of government and is quite confusing.

15.44 Problems---delays, overlapping, duplication, waste, and poor quality of work---continue to arise in unnecessary numbers and are reacted to rather than being anticipated. Integrated implementation schedules drawn up by KorWil staff in consultation with the agencies have been mostly unrealistic, being based on unreasonable assumptions. This has led to a continuing lack of trust among the parties concerned. As an indication of the results of this situation, at the end of April 1983, land had been cleared sufficient for some 6,257 families, but houses had been built for only 3100 families, and only 1200 families had actually been moved.

15.45 Compared to the KorWil institution, the KorLap performance is somewhat more effective, yet today the KorLaps are still far from being the active site managers they should be. Their position may be improved with their recent simultaneous appointment as Kepala Satuan Pemukiman Transmigrasi (KSPT), a structural Dep. Trans. position overseeing a number of adjacent village settlement units. Nevertheless, with the Department of Transmigration currently

undergoing basic reorganization, the whole question of field-level management is still unclear.

III/A/4 Recommendations

15.46 The above situation, together with the current restructuring of the Department of Transmigration, suggests that a number of changes at the province and field level be undertaken. Particularly with the transfer of PLPT and TKTD functions to the Department, a major part of the coordination problems should soon be solved through the use of internal Department procedures. The following suggestions should also be considered :

- i. The KorWil system as presently known should be abolished. It issues little useful purpose, and exists mainly on paper and in budgets.
- ii. A small Project Management Unit Office should now be set up in the almost complete KorWil Complex in Bangko. The project manager/coordinator should be a Dep. Trans. person making full use of the Satbintrans I and II institutions, and should have clearly defined relations with the various technical agencies. Representatives of other agencies not yet be established in Bangko (e.g. PLP) should be required to do so immediately. Similarly a PMU should be established in Lubuklinggau to handle the Trans II sites in South Sumatera Province
- iii. The position of the Dep.Trans. PimPro should be reexamined, and the incumbent should be required to move to Jambi. It is considered that a small liaison office is all that is required in Jakarta.
- iv. Steps should be taken to support the position of the KorLaps/KSPTs, including drawing up more detailed terms of reference, placing them under the PMU, and by providing them with training as well as the office and housing space that has been in the budget since 1980. The larger question of field-Level management for the whole Transmigration program is dealt with in Chapter 3.

III/B Monitoring

"Developing reporting procedures for monitoring the rate of project implementation in the various Transmigration-II sites and ensuring their smooth coordination"

"Undertaking ad hoc studies as required which would provide data to facilitate decisions about policies to improve transmigration implementation"

"Establishing bench marks of migrant development and undertaking their periodic measurement on all Transmigration II sites"

III/B/1 Initial Situation

15.47 At the time the UNDP/OPE consultants' mobilization there were no special systems for Trans II project monitoring and evaluation. In addition to regular individual agency reporting, however, it was considered necessary to design and implement overall Trans II financial, physical progress and socioeconomic monitoring, as well as devise a system for baseline socioeconomic studies and periodic follow-up surveys for purposes of project evaluation. Such an evaluative system is not a well developed part of general transmigration program management.

15.48 A number of serious problems existed with all current monitoring and evaluation activities with respect to transmigration. These included poor quality of staff involved in the work, poor quality of data reported, manipulation of data at all levels, slowness of transmittal of data and analysis to decision makers, inadequate attention and critical response given to reports, an emphasis on achievement of targets of families moved rather than on project quality indicators and thus inadequate explicit support for socioeconomic monitoring. Particularly with regard to Trans II, the Monitoring and Evaluation Unit proposed in the Staff Appraisal Report was not set up, and once again little guidance and direction was forthcoming. The KaKanWil/KorWil frequently stated his desire to see the current systems of reporting improved rather than have wholly new systems introduced especially for Trans II.

III/B/2 Activities of the UNDP/OPE team

15.49 The Team reviewed current reporting procedures both of the DGT and the JMT/KorWil, and made a number of recommendations for their improvement and for doing away with the large amount of duplication in reporting (See Chapter 7 of this report). The Team also recommended that they be given a mandate from the central government to review and overhaul the DGT/JMT systems on a more thorough basis. The Team spent considerable time working with the KorWil assistants, particularly the Asisten Bidang Umum, in developing the format, content and speedy transmission of the monthly Trans II implementation report. Experimentation with the implementation of a simple village level socioeconomic monitoring system, the so-called Early Warning System, was carried out over a number of months. Investigations into the possibilities of using a child-weight monitoring system as an indicator of general project well-being were also made.

15.50 In addition a number of limited ad hoc investigations of a variety of project issues, most notably that of the persistent land conflicts that beset Trans II, were carried out. In line with the SAR, other studies were recommended, such as investigations concerning local settlers and army transmigrants in Trans II projects.

15.51 Limited work was done on baseline surveys for future project evaluation. Two inhibiting factors were the failure to set up a Monitoring and Evaluation unit in the KorWil system (and the lack of availability of regular KanWil staff for this purpose) and the fact that so few settlers had actually been placed in the project. It also became project policy to concentrate on firmly establishing the financial and physical progress monitoring systems first, since these appeared to be more easily handled by the government staff involved. However in August 1982 the Team carried out a census of the first 100 settlers in Kubang Ujo, who by then had been on site for a full year. (Concurrent with this, the DGECA consultants carried out a similar survey in Singkut and Kubang Ujo, and in April 1983 carried out a follow up survey in both locations.)

15.53 It should be pointed out that it has been PAE/RMI policy from the start to develop and implement systems with government staff rather than to carry out these activities independently. This has unfortunately been a major reason for the less than optimal progress achieved to date in this field, since in general suitable counterpart staff have simply not been made available.

III/B/3 Results/Present Situation

15.54 At the Jambi level, project monitoring continues much as before, with considerable duplication, delay and inadequate quality. A special Trans II monthly implementation report is now compiled by a KorWil staff member fairly regularly, if not speedily, but is more of a record than a management tool. It receives little response from Jakarta. Some of the Team's recommendations for improving regular KanWil reports have been accepted, but there is still a great need to investigate, simplify and upgrade regular reporting procedures from the village level on up. The UNDP/OPE Team has submitted recommendations to cut down on the duplication and overlapping in types of reports required by the center. The Early Warning System after a period of testing was evaluated and the results presented JMT with a recommendation that further development be postponed until the financial and physical progress monitoring systems were firmly in place. Serious problems of rapid transmittal of data were noted during trials of this system, despite the presence of two way (SSB) radios in project areas. Investigations into child-weight monitoring showed the system to be potentially useful and practicable, but lack of paramedic staff and/or supervision from a Puskesmas in project areas appears to be a major obstacle. The special studies listed in the SAR have never been budgetted for, and appear to evoke little interest.

15.55 It has not been possible to institutionalize proper socioeconomic monitoring and evaluation procedures for Trans II, in part since no Trans II management structure, with staff for monitoring, really exists. As of April 1983 the Social Science Consultant was transferred to Jakarta to take up duties concerned with evaluation on the national level.

III/C Recommendations

15.56 The Team wishes to stress in the strongest terms the necessity of adequate socioeconomic monitoring and evaluation procedures. As a first step the Department should make a clear policy statement on the subject and direct that such procedures be institutionalized. It is also necessary to ensure that the results of such procedures become an integral part of policy and project formulation. More specific recommendations are as follows :

- i. Once a new management system for Trans II is agreed upon, the locus of monitoring and evaluation activities should be decided on and support provided for qualified staff to do the work. Monitoring procedures institutionalized in Trans I/III locations should be investigated and introduced to Trans II and IV where suitable.

- ii. The information system work of the Team at the national level should be expanded to cover the revamping of monitoring systems from the field level up.
- iii. A simple socioeconomic monitoring system, including child-weight, in- and out-migration, and agricultural surplus data, should be developed for all projects.
- iv. Most importantly, a simple but reliable system for monitoring agricultural conditions in transmigration projects requires urgent attention.
- v. Provision should be made in the budget for special studies, as recommended in the SAR. Among topics that deserve special attention are :
 - special needs of local settlers in transmigration projects
 - special needs of army settlers in projects
 - causes and resolutions of land conflicts
 - the relative merits of various types of settlement patterns
 - means of stimulating spontaneous transmigration.

16. Additional Project Components

I. Singkut Rehabilitation

16.01 The Staff Appraisal Report provided the following guidelines for rehabilitation activities in Singkut :

- i. Construction of about 100 km. of village roads and up-grading of about 30 km. of access and 120 km of village roads;
- ii. Construction and up-grading of offices, quarters and service facilities for project personnel;
- iii. Construction of 740 shallow wells and 100 deep wells;
- iv. Construction of community facilities;
- v. Upgrading of seven village cooperatives;
- vi. Distribution of fertilizer and pesticide for a 3 year period to support food cropping on about 5,000 ha. (1 ha food crops and 0.25 ha house and garden per family); and
- vii. Purchase and distribution of about 850 head of cattle.

16.02 When the UNDP/OPE consultants arrived, two missions were sent to Singkut to develop more detailed plans for this component. The first mission was carried out jointly with a member of the FAO/INS/78/012 project.

16.03 The second mission included two agriculture specialists, a civil engineer, the government relations specialist and the management systems specialist, all from the UNDP/OPE Team.

16.04 The findings of this mission resulted in the production of detailed proposals in English and Bahasa Indonesia for 11 separate interventions, copies of which were distributed to the Project Sub Coordinator, the Staf Ahli and other relevant government agencies in Singkut, Jambi and Jakarta.

16.05 Questions concerning responsibility and authority, combined with the lack of full time staff under the PSC, led to the lengthy delays in the review, revision and final implementation of this component. Again, these delays were directly related to the weaknesses in the JMT stemming from KepPres 26, 1978 as discussed in other Sections of this report.

16.06 In the UNDP/OPE Singkut Rehabilitation Program, Trans II, Report and Proposals, September 1980, it was stated that "Although the proposals for improvement are specifically intended to effect the needed improvement in the economic life of the settlers they are not to be looked upon in isolation and apart from other plans currently being made. Of great importance is the plan to develop 15,000 hectare of rubber under PTP VI, using the nucleus estate approach. Each transmigrant will receive support for the establishment, production and marketing of two hectares of rubber. It is understood that nurseries will be established in fiscal year 1981/1982.

While the project in rubber development will ensure steady employment and reasonable incomes in the future there is also an immediate need for assistance. The proposals are intended to reduce crop losses from pigs, insects and diseases; to safeguard the future by introducing soil conservation; to increase production by clearing more land for cultivation; by improving the quality and quantity of agricultural inputs, and by providing cattle for draught power".

16.07 As it turned out, the World Bank Supervision Mission of August, 1982 finally proposed the re-allocation of US\$5,000,000 to be used for rubber development in addition to the implementation of the major portion of the proposals.

16.08 Again, however, delays were encountered in resolving a number of legal, financial and administrative issues before agreement was finally reached with Team Khusus/Perkebunan and SRDP to begin implementation of the rubber development in FY 84/85. Other components, such as the road rehabilitation, market construction, soil conservation, etc., have finally started up in this fiscal year. However, there is still no management unit for supervising these programs and most of Singkut has been transferred from Transmigration to local government administration.

Recommendations

16.09 It is recommended that a Management Structure be established in Singkut, preferably under the Special Unit, in order to monitor progress and to ensure the smooth implementation and coordination of these activities.

II Small industry development

16.10 During the course of the August 1982 survey of transmigrant welfare in Kubang Ujo, it became clear that with no rice crop the first year and generally poor yields from other crops, the settlers were able to make a relatively better living pursuing a variety of off-farm economic activities. This stood in sharp contrast to the

generally single-minded promotion of arable farming on the part of project staff. To stress the importance of off-farm economic activities, and to provide concrete assistance in developing them, the Team drew up a project proposal for local technical support in this field. The proposal was endorsed by the KanWil and by DGT Jakarta, and funding was included in the Deptrans Pimpro's 1983/84 DIP (See Appendix 6, Annex 3).

16.11 As of August 1983 the DepTrans. PimPro was preparing to put this project out to tender. Since the proposed budget is relatively small (Rp 20,000,000), however, the Consultants have recommended that a private voluntary organization simply be appointed to do the work. This will speed up implementation and help ensure that the project goals of stimulating self-help and popular participation in planning are achieved. It is unlikely that a commercial firm would have this orientation.

III Soil Conservation

16.12 During the preparation of the original Singkut Rehabilitation proposals, soil erosion was identified as a major long term problem already being encountered by the Singkut settlers.

16.13 As a result, a proposal for soil conservation in Singkut was developed in October 1980. The subsequent addition of a Land Settlement Planning Specialist to the UNDP/OPE Team led to a major advocacy effort on the part of the project to address this issue both for the Trans II project and also for the national Transmigration program as a whole.

16.14 As a result of the Team's recommendations, a Soil Conservation program has been initiated in both Singkut and Kubang Ujo, and a similar program is being prepared for Kuamang Kuning.

16.15 Realization by the government and the World Bank of the seriousness of the soil erosion problem in dry land settlements is evidenced by the inclusion of soil conservation as a component of the planning and preparation phase of the Trans IV project.

Postscript to the transmigration II Project

Although not specifically mentioned in the section on the consultants' work on the overall transmigration programme, their day to day involvement in Trans II implementation was invaluable for revealing the issues which were not only relevant for Jambi but for transmigration activities all over Indonesia.

The problems of management, control and coordination at the center, province and field levels under organizational arrangements of the time were only fully appreciated through working on Trans II. Similarly the importance of planning and budgeting for Lahan Usaha II (the second farm lot) and the importance of providing agricultural inputs and services at the right time, were but two more examples of such issues.

In turn the consultants, through the Project Sub Coordinator and the Team Teknis, were able to open up such issues for discussion, many of which are believed to have been discussed at the level of Bakoptrans and to have influenced policy decisions determining ways of doing things in the future. Critics may say that this was not the intention of the Trans II project, but it was the job of the consultants to identify such issues and bring them to the attention of the Government. The consultants believe many lessons learned from Trans II will bring improvements to the transmigration programme as a whole.

The whole issue of land availability for Trans II has to be seen in the context of the construction of the Trans Sumatra Highway and its social and economic effects. The decree No. 6 of 1977 of the Minister of Interior reserved 15 kms on either side of the Trans Sumatra Highway for transmigration. At that time the opinion of local leaders (Bupatis) was that lands beyond one kilometer from the highway could be reserved for use by transmigrants. However as the construction of the highway advanced southwards into Jambi, people realized the increasing potential value of their land, or land on which they could lay claim. Consequently, the corridor to be reserved for local people increased to two kilometers and then five, with a simultaneous and spontaneous movement into the area by people from Sumatra and Java.

In effect the implementors of the Trans II project found themselves trying to construct a project whose basic concept of full infrastructure development and fully assisted (Umum) transmigrants was suitable for remote locations with poor access, but perhaps inappropriate in an area in which very rapid development and an increase in farming activity had already started. (stimulated by the construction of the new highway).

This experience of Trans II might suggest that it would be easier and cheaper to develop alternative strategies for areas with potential for natural, un-assisted rapid development. These strategies should be more flexible and should provide for minimal inputs, including perhaps basic feeder roads, Agraria certified settlement plots and community services.

LIST OF ABBREVIATIONS

AsDB	-	Asian Development Bank
Bakoptrans	-	Badan Koordinasi Penyelenggaraan Transmigrasi (The Coordinating Body for Implementation of Transmigration)
Bappenas	-	Badan Perencanaan Pembangunan Nasional (Board of National Development Planning)
Bimas	-	Bimbingan Massal (Community Guidance)
CPU	-	Central Processing Unit
Deptrans	-	Departemen Transmigrasi (Department of Transmigration)
DJT	-	Direktorat Jenderal Transmigrasi (Directorate General of Transmigration - under the former Department of Manpower and Transmigration)
EEC	-	European Economic Community
FAO	-	Food Agriculture Organization
ISDB	-	Islamic Development Bank
KUD	-	Koperasi Unit Desa (Village Unit Cooperatives)
Kakanwil	-	Kepala Kantor Wilayah (Head of the Regional Office)
KUPT	-	Kepala Unit Pemukiman Transmigrasi (Head of Transmigration Settlement Unit)
Kakandit	-	Kepala Kantor Ditjen Transmigrasi (Head of Kabupaten Transmigration Office)
KSPT	-	Kepala Satuan Pemukiman Transmigrasi (Head of a cluster of Transmigration Settlement Units)
Korwil	-	Koordinator Wilayah (The Regional Coordinator)
Korlap	-	Koordinator Lapangan (The Field Coordinator)
KK	-	Kepala Keluarga (Family Unit)
MENPAN	-	Menteri Negara Pendayagunaan Aparatur Negara (State Minister for Regulating State Apparatus)

Nakertrans	-	Departemen Tenaga Kerja dan Transmigrasi (Department of Manpower and Transmigration)
PLPT (PTPT)	-	Direktorat Penyiapan Lahan Pemukiman Transmigrasi (Directorate of Transmigration Settlement Land Preparation). Now part of the new D.G. Penyiapan Pemukiman as the Direktorat Penyiapan Lahan Pemukiman.
PLPT	-	Pusat Latihan dan Penataran Transmigrasi (Transmigration Training Centre)
Pimpro	-	Pemimpin Proyek (Project Manager)
Pimbagpro	-	Pemimpin Bagian Proyek (Sub Project Manager)
PWFMS	-	Program-Wide Financial Monitoring Systems
Pusdiklat	-	Pusat Pendidikan dan Latihan (Training Center)
Puskesmas	-	Pusat Kesehatan Masyarakat (Community Health Centre)
PSC	-	Sub Project Coordinator
PSCO	-	Sub Project Coordinator's Office
PLP	-	Penyiapan Lahan Pemukiman (see PLPT) (a directorate under Department of Transmigration)
Pusdiklat	-	Pusat Pendidikan dan Latihan (Training Centre)
PMU	-	Project Management Unit
Repelita	-	Rencana Pembangunan Lima Tahun (Five Year Development Plan)
SMA	-	Sekolah Menengah Atas (Senior High School)
SMP	-	Sekolah Menengah Pertama (Junior High School)
Satdaltrans	-	Satuan Pengendali Transmigrasi (The Control Unit of Transmigration)
Satbintrans	-	Satuan Pembinaan Transmigrasi (The Transmigration Guidance Unit)
TRANSIS	-	Transmigration Information Systems

- TKTD - Direktorat Tata Kota dan Tata Daerah
 (Directorate of City and Regional Planning)
 Now a section of this office is part of the new
 D.G. Penyiapan Pemukiman as the Direktorat Bina
 Program.
- UNDP - United Nations Development Programme
- WB - World Bank

