

Ex-ante Evaluation

1. Name of the Project

Country: The Republic of Indonesia

Project: Professional Human Resource Development Project III

(Loan Agreement: March 29, 2006; Loan Amount: 9,717 million yen; Borrower: The Republic of Indonesia)

2. Necessity and Relevance of JBIC's Assistance

Since the implementation of the Decentralization Law (1999, revised 2004), Indonesia has been promoting the decentralization of planning and management of policies related to provision of public services by entrusting these activities to local governments. Public finances were also decentralized through the Central and Local Financial Balance Law (1999, revised 2004). Moreover, in the National Development Plan Preparation Law (2004), it is prescribed that the central government arrange its development plan after each local government prepares its own development plan, and so the local governments play an important role in the preparation of the national development plan.

Due to these changes in the organization of the central and local governments, upgrading of administrative capabilities, with particular emphasis on local governments, has become an urgent matter.

Indonesia's national medium-term development plan (RPJM (2004-2009)) calls for a "Government Employee Management Program" to be implemented with the aim of improving the administrative management system and upgrading the capabilities of government employees. This project is positioned as one part of that program.

Japan's "Assistance Plan for Indonesia" (November 2004) states that assistance for "building a democratic and fair society" is a priority area and priority subject and that upgrading of capabilities of local government workers is a priority area. Moreover, in JBIC's current Medium-Term Strategy for Overseas Economic Cooperation Operations (April 2005), assistance for human resources development is a priority area, and for Indonesia in particular, emphasis is placed on intellectual cooperation, with attention to trends in decentralization.

Therefore, JBIC's assistance is highly necessary and relevant.

3. Project Objectives

The objective of this project is to develop human resources who possess more advanced expertise and skills in the fields of public policy and finance, etc., by implementing degree programs in Japan and in Indonesia, and training in both countries for personnel who are involved in policy planning and finance in local and central governments in Indonesia, and thereby contribute to upgrading of administrative capabilities to accommodate decentralization.

4. Project Description

(1) Target Area

Indonesia

(2) Project Outline

The following will be conducted to develop human resources who possess more advanced expertise and skills in the fields of public policy and finance, etc., for staff in the policy planning and finance sectors in central and local governments.

- (a) Programs in Japan (including degree programs, non-degree programs, and on-the-job training)
 - (i) Doctorate Programs 50 persons
 - (ii) Masters' Programs 738 persons
 - (iii) Non-Degree Programs 315 persons
 - (iv) On-the-job training 86 persons
- (b) Programs in Indonesia (including degree programs and non-degree programs)
 - (i) Masters' Programs 2,591 persons
 - (ii) Non-Degree Programs 4,700 persons
 - (iii) Language training 2,438 persons
- (c) Strengthening of the Planner Development Center (procurement of distance learning equipment to connect regional colleges with the Planner Development Center)
- (d) Consultant services (coordination of overseas study and training plans, progress management, assistance with university selection and entrance applications, monitoring and counseling during study in Japan, administration of payments for tuition fees, living expenses and other costs, etc.)

(3) Total Project Cost/Loan Amount

12,957 million yen (Yen Loan Amount: 9,717 million yen)

(4) Schedule

April 2006-October 2013 (91 months)

(5) Implementation Structure

- (a) Borrower: The Republic of Indonesia
- (b) Executing Agency: Center for Planner Development, Education and Training of BAPPENAS and Personnel Education and Training Center of Ministry of Finance
- (c) Operation and Maintenance System: A steering committee composed of representatives from both executing agencies will be set up. The steering committee will coordinate both executing agencies in the planning, monitoring, and evaluation of the project.

(6) Environmental and Social Consideration

- (a) Environmental Effects/Land Acquisition and Resident Relocation

- (i) Category: C

- (ii) Reason for Categorization

This project is classified as Category C because it is in the a sector (human resources

development) where no particular environment impact is likely, and moreover, it does not have characteristics likely to exert impact and is not located in a sensitive region, under the “Japan Bank for International Cooperation Guidelines for Confirmation of Environmental and Social Considerations” (established April 2002).

(b) Promotion of Poverty Reduction

None

(c) Promotion of Social Development (e.g. Gender Perspective)

This project provides assistance for “good governance” by contributing to improved efficiency and fairness of the administrative system by upgrading the capabilities of administrators in the local and central governments. Moreover, in the selection process, consideration will be given to ensure equal opportunities for women and men, from the standpoint of gender equality.

(7) Other Important Issues

None

5. Outcome Targets

(1) Evaluation Indicators (Operation and Effect Indicator)

Indicator	Target (2013, at completion)
Degree acquisition – study in Japan	95%
Degree acquisition – higher education in Indonesia	99%
Training completed – Japan	99%
Training completed – Indonesia	99%
Participants from regional areas	75%
Promotion of participants (4 years after completion of degree program)	80%
GPA (grade point average)	3.00

6. External Risk Factors

None

7. Lessons Learned from Findings of Similar Projects Undertaken in the Past

In the ex-post evaluations of previous ODA loan projects in professional human resources development projects, it has been learned that it is important “to produce personnel with a high degree of expertise in an ongoing manner and to plan for qualitative as well as quantitative expansion.” Based on this, the project will qualitatively and quantitatively enhance human resources by offering educational opportunities in Japan and Indonesia to administrative officials involved in policy planning and finance in the local and central governments.

Moreover, in the project, the follow-up study on the project’s beneficiaries is to continue after project completion.

8. Plans for Future Evaluation

(1) Indicators for Future Evaluation

- (a) Degree acquisition – study in Japan (%)
- (b) Degree acquisition – higher education in Indonesia (%)
- (c) Training completed – Japan (%)
- (d) Training completed – Indonesia (%)
- (e) Participants from regional areas (%)
- (f) Promotion of participants (4 years after completion of degree program) (%)
- (g) GPA (grade point average)

(2) Timing of Next Evaluation

After project completion