

Ex-Ante Evaluation (for Japanese ODA Loan)

1. Name of the Project

Country: The Republic of Indonesia

Project: Professional Human Resource Development (IV)

Loan Agreement: February 24, 2014

Loan Amount: 7,075 million Yen

Borrower: The Republic of Indonesia

2. Background and Necessity of the Project

(1) Current State and Issues of the Human Resource Development Sector in the Republic of Indonesia

In Indonesia, responsibility over policy development and management regarding public services were transferred to local governments from central government due to the enforcement of Decentralization Law (1999, revised 2004). Public finances were also decentralized in accordance with the Law on the Fiscal Balance between the Central and Local Governments (1999, revised 2004). As the National Development Planning System Law (2004) stated that individual development plans shall be first formulated by the local governments, and then checked and coordinated by the central government, local governments now play important roles in the formulation and implementation of national development plans. In this context, administrators of the local governments have been required to enhance their technical knowledge and planning capacity, while administrators at the central level have been requested to develop their capacities for better coordination and negotiation with the local governments.

Meanwhile, the shortage of staff who can manage professional and technical tasks has been a critical issue, as approximately only 30% of all public servants in Indonesia's central and local governments have bachelor's degrees, and only 2% have master's or doctoral degrees. Moreover, 20% of the nation's public servants are engaged in central government's work, therefore local governments are facing shortfall in professional human resources.

(2) Development Policies for the Human Resource Development Sector in the Republic of Indonesia and the Priority of the Project

To promote human resource development in the field of policy development and planning, Indonesia's Medium-term Development Plan (RPJM: 2010 –

2014) lists (1) capacity development of the planning administrators as competent experts in policy formulation and planning, and (2) quality improvement of the policy planning and formulation of the central and local governments. Professional Human Resource Development (IV) (hereinafter referred to as “the Project”) especially targets local government administrators for their capacity development, and contributes to regional development by strengthening administrative skills to correspond with decentralization policy.

### (3) Japan and JICA’s Policy and Operations in the Human Resource Development Sector

Japanese Government’s Country Assistance Policy for the Republic of Indonesia (April 2012) states to focus on “support for further economic growth” as well as “Assistance for correction of inequality and establishment of a safe society”, and aims to support the improvement of systems and institutions which will contribute to professional human resource development and regional development. JICA Analytical Work for the Republic of Indonesia also positions professional human resource development and capacity development of central and local governments as priority development area for further economic growth and regional development. The project corresponds with such policies and analysis.

In the past, Japan has supported human resource development by providing opportunities for central and local government administrators to study in Japan and Indonesia in order to improve their abilities through the Professional Human Resource Development Project (Phase I: 1990-1998, Phase II: 1995-2004, Phase III: 2005-2015). The Professional Human Resource Development Project (III), which especially targets local government planners and finance officers, contributes to the development of their administrative capacity to correspond with decentralization policy.

### (4) Other Donors’ Activities

Since 2011, the World Bank has been implementing projects to provide overseas and domestic study / short-term training programs through the “Scholarships Program for Strengthening Reforming Institutions Project (SPIRIT)” in the field of public finance and bureaucracy reformation. It has been targeting 11 central government agencies, including the Ministry of Finance, the Ministry of Foreign Affairs, and the National Development Planning Agency.

### (5) Necessity of the Project

As mentioned above, the Project is consistent with the country’s issues and

development policies, as well as the assistance policies of Japan and JICA. Therefore it is highly necessary and relevant for JICA to provide assistance through the Project.

### 3. Project Description

#### (1) Project Objectives

The Project, targeting relevant personnel engaged in policy formulation of the central and local governments in Indonesia, intends to strengthen planning and implementation capacity in the field of public policy through implementing Master's or Ph.D. degree programs/short-term training programs both in Japan and Indonesia, as well as to contribute to the enhancement of the administrative capacities of the government institutions through developing human resources with highly technical knowledge in relevant fields.

#### (2) Project Site/Target Area

Throughout Indonesia and Japan

#### (3) Project Component(s)

##### 1) Study in Japan

Number of participants: doctoral courses: 12, master's courses: 550, short-term training: 635, Japan-Indonesia academic staff exchange program: 60

##### 2) Study in Indonesia

Number of participants: doctoral courses: 15, master's courses: 1,300, short-term training: 3,625, language training: 562)

##### 3) Consulting services: project management, assistance for selection of/enrollment at universities, administrative assistance for payment of tuition, living, and other expenses

#### (4) Estimated Project Cost (Loan Amount)

8,728 million Yen (Loan Amount : 7,075 million Yen)

#### (5) Schedule

February 2014 – October 2020 (81 months in total)

The Project will be completed when the last batch of participants in the Project have completed the program.

#### (6) Project Implementation Structure

##### 1) Borrower : Republic of Indonesia

##### 2) Executing Agency : Center for Planners Development, Education and Training (CPDET), BAPPENAS

##### 3) Operation and Maintenance System : A Steering Committee will be

established within the National Development Planning Agency to formulate operational policies. Under the Steering Committee, a Project Implementation Unit will be established within CPDET for project operation.

(7) Environmental and Social Consideration/Poverty Reduction/Social Development

1) Environmental and Social Consideration

① Category C

② Reason for Categorization : The project is expected to have minimal adverse effects on the environment based on the JICA Guidelines for Environmental and Social Considerations (April 2010).

2) Promotion of Poverty Reduction : None

3) Promotion of Social Development (e.g. Gender Perspective Measure for Infectious Diseases including HIV/AIDS, Participatory Development, Consideration for the Person with Disability etc) : The Project plans to have 80% of all participants from local governments. Consideration will also be given to ensure equal opportunities for men and women in the selection process.

(8) Collaboration with Other Donors : None

(9) Other Important Issues : None

#### 4. Targeted Outcomes

##### (1) Quantitative Effects

##### 1) Performance Indicators (Operation and Effect Indicator)

Indicator	Target (2022) 【Expected value 2 years after project completion】
Percentage of degree acquisition (in Japan) (%)	95
Percentage of degree acquisition (in Indonesia) (%)	95
Percentage of training course completion (in Japan) (%)	99
Percentage of training course completion (in Indonesia) (%)	99
Percentage of participants from local governments (%)	80
Percentage of participants who were placed in planning related work unit/position after 2 years or more from the completion of the degree program (%)	80
Percentage of participants' promotion after 4 years from the completion of the degree program (%)	80

##### 2) Internal Rate of Return

Internal rate of return will not be calculated, as the calculation of the profitability of a study program is not suitable.

3) Qualitative Effects : Improvement of ability among participants and development of the administrative capacity of their organizations

#### 5. External Factors and Risk Control

None

#### 6. Lessons Learned from Past Projects

##### (1) Results of Evaluation for Similar Projects

The ex-post evaluation for Professional Human Resource Development Project (II) stated that it is important for the implementing agency to continue providing trainings for professional staff for qualitative improvement and quantitative increase of government human resources. It also emphasizes that appropriate human resource allocation of returnees of the Project is critical, in order to create an environment where participants can utilize their professional knowledge and skills gained from their study program.

## (2) Lessons for the Project

To ensure that participants who return to work are assigned to positions where they can make the most of their knowledge obtained from studies in Japan/Indonesia, the Project's implementing agency will give prior written notice to participants' institutions requesting for appropriate allocation, and the Project will monitor the result of allocation.

## 7. Plan for Future Evaluation

### (1) Indicators to be Used

- 1) Percentage of degree acquisition (in Japan) (%)
- 2) Percentage of degree acquisition (in Indonesia) (%)
- 3) Percentage of training course completion (in Japan) (%)
- 4) Percentage of training course completion (in Indonesia) (%)
- 5) Percentage of participants from local governments (%)
- 6) Percentage of participants who were placed in planning related work unit/position after 2 years or more from the completion of the degree program (%)
- 7) Percentage of participants' promotion after 4 years from the completion of the degree program (%)

### (2) Timing

2 years after project completion