

Overall Rating **B** Human Resource Development
A Foundation for Sustained Growth



7 Indonesia
Professional Human Resource Development Project (2)

Helping raise the administrative capabilities of Indonesian government personnel

Loan Amount / Disbursed Amount 8.5 billion yen / 6.776 billion yen
Loan Agreement December 1995
Terms & Conditions 2.5% interest rate (consulting services: 2.3%), 30 year repayment period (10 year grace period), Partially untied
Final Disbursement Date December 2004
Executing Agency National Development Planning Agency (Bappenas) (<http://www.bappenas.go.id/?newlang=eng>)



Project Objectives

The objective of this project was to nurture human resources with the extensive knowledge and technical expertise required to play a key role in government agencies by providing government personnel with a scholarship program (degree or short-term training courses) either abroad (mainly in Japan) or in Indonesia, and thereby contribute to the economic growth of Indonesia.

Effectiveness and Impact

Rating **a**

Working through the National Development Planning Agency (Bappenas), the Ministry of Finance (MOF), and the Agency for the Assessment and Application of Technology (BPPT), this project provided government personnel with opportunities to study towards a degree or in a short-term training course. The number of persons who acquired degrees increased significantly from a planned 448 to an actual 838 (187% of the planned number). In particular, the number of persons who acquired a Masters degree (696) was more than double the planned number (299). While some participants indicated that degree acquisition had helped their career development, there were also cases in which such accomplishments were not necessarily considered in personnel assignment after returning to Indonesia. The project played an important role politically, as the number of Indonesian civil servants with a bachelor degree or higher increased from 7% before the start of the project to 31%. It is also thought that the fact that 70% of those who acquired a Masters degree in Indonesia (323 persons) were regional government personnel contributed to the promotion of decentralization. A beneficiary survey (236 respondents) indicated a great increase in competencies, including knowledge, technical and cognitive abilities, and attitude. Therefore, this project has largely achieved its objectives, and its effectiveness is highly satisfactory.

Relevance

Rating **a**

This project has been highly relevant with the Indonesian national development plan both at the time of the appraisal and at the time

Number of Students Earning a Degree (Planned and Actual)

| | Overseas | | Total | In Indonesia | | Total | Total | |
|---------|--------------------------|-----|-------|--------------------------|-----|-------|--------------------------|-----|
| | Degree Earners by Degree | | | Degree Earners by Degree | | | Degree Earners by Degree | |
| Planned | Bachelor | 30 | 308 | Bachelor | 0 | 140 | Bachelor | 30 |
| | Master | 199 | | Master | 100 | | Master | 299 |
| | Doctorate | 79 | | Doctorate | 40 | | Doctorate | 119 |
| Actual | Bachelor | 39 | 515 | Bachelor | 0 | 323 | Bachelor | 39 |
| | Master | 373 | | Master | 323 | | Master | 696 |
| | Doctorate | 103 | | Doctorate | 0 | | Doctorate | 103 |

of the ex-post evaluation. The cultivation of administrative officials with the highly specialized knowledge and technical expertise was a priority issue in the national development plan since the time of appraisal. Project design which allowed participants to study either in or outside the country was appropriate, since the development of human resources able to meet the nation's needs is difficult through Indonesia's higher education system alone.

Efficiency

Rating **b**

The project period slightly exceeded the planned period (113% of planned period) although the project costs were almost 20% less than planned; therefore the evaluation for efficiency is moderate. The decrease in project costs was primarily attributable to tuition reductions and to a depreciation of the domestic currency. The project delays, on the other hand, were primarily caused by the increased number of persons sent to study abroad with the saved expenses leading to the dispatch of students beyond the planned period.

Sustainability

Rating **b**

Though some problems have been observed in terms of funds, sustainability of this project is moderate. Indonesia still has a need for similar scholarship programs. While some improvements can be seen, succeeding projects are still faced with challenges to sustainability in terms of the reliance on external funds and the utilization of the enhanced human capacities.

Conclusion, Lessons Learned, Recommendation

In light of the above, this project is evaluated to be satisfactory. A lesson learned is that a post monitoring system should be established at the project formation stage in order to measure the effects of the scholarship programs. Also, it is advisable that consistency be established between content of the achievement and the assignment systems after returning to Indonesia.

Third-Party Opinion

This project played a major role, considering the increasing demand for human resource development for regional administrative officials following the promotion of decentralization. The linkage program started after this project is significant for students and universities and further development is hoped.

Name of specialist: Ms. Armida Salsiah Alisjahbana (academia)
 Earned a Ph.D. in economics from Washington State University. Currently, professor of Faculty of Economics and Vice Dean of Academics at Padjadjaran University. Specializes in finance, economic development, educational economics, and micro econometrics.