

Tree crops human resource development project

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The Indonesia Tree Crops Human Resource Development project, supported by Loan 2992-IND for US\$18.4 million equivalent, was approved in FY88. The loan was closed on December 31, 1995, one year after the original closing date, and the undisbursed balance of US\$1.4 million was canceled. The Implementation Completion Report (ICR) was prepared by the East Asia and Pacific Regional Office. The borrower's full report on the implementation and achievements of the project is included as annex B.

The project goal was to improve the productivity of tree crops such as rubber, palm oil, and coconuts by enhancing subsector manpower management capability and building training capacity for the human resources of the Directorate General of Estates (DGE). Project objectives were to (i) strengthen the capacity of the DGE to manage its human resources; (ii) improve the delivery of training capacity in the subsector; and (iii) improve the productivity of farmers. The project financed consultant services, foreign fellowships, local training, training for trainers and farmer leaders, instructional equipment and materials, and incremental operating costs.

The project fulfilled its manpower management and training objective. Technical field staff, farmer leaders, and newly recruited area development officers received training. On-the-job as well as academic training created a core group of knowledgeable staff able, by project completion, to recruit and train others who could help maximize the productivity of tree crops. Institutional change took place more slowly than expected, but in the final year of the project important decrees were issued to include trained staff in a formal institutional structure. The management information system (MIS) that would have made monitoring and impact assessment possible was never fully utilized. Potential users did not become proficient with its operation, and the Ministry of Agriculture introduced a new system that made large parts of the project-funded system obsolete. Partly due to the MIS problems, and partly due to difficulties in measuring rubber-tapping production, the impact of the project on farmer productivity could not be assessed. Nevertheless, Bank staff who interviewed some smallholders found that the latter had received the pertinent knowledge and put it to use, potentially increasing their incomes.

The Operations Evaluation Department agrees with the ratings of the ICR. Project outcome is rated as satisfactory, sustainability as likely, and institutional development as substantial. Bank performance is rated as satisfactory. The project was adequately supervised, and there was staff continuity throughout the implementation period.

The project showed that institutional change is often more difficult than Bank and government project designers think. Structural changes needed to manage human resources successfully may not happen easily in public entities that are part of larger institutions. The parent institution needs to participate in the change process, but it may have little incentive to do so.

The ICR is satisfactory. No audit is planned.