

CHAPTER 1

INTRODUCTION

1.1 Background of the Study

Long-Term Economic Development Plan prescribes water resources development in Indonesia. Under the First Long-Term Economic Development Plan (1969-1993), the water resources development sector had achieved a remarkable accomplishment with the overall target of self-sufficiency in rice, the staple food of Indonesia. The direction of water resources development in the Second Plan (1994-2019) is to further increase the water resources supply capacity to fulfill demands for domestic use, agriculture, industry, tourism and hydropower, and to promote the effective allocation of water.

The Sixth Five-Year National Development Program (REPELITA-VI, 1994-98), a program based on the long-term plan, sets the goal for water supply with numerical targets. To achieve the targets, promoted with nation and provinces as leading bodies are the improvement of efficiency and productivity in water use, increase in supply volume, expansion of irrigation network, improvement of water use with efficient water distribution systems, minimization of environmental impact, strengthening of water resources institution, and support to regional water resources development.

After the economic crisis in 1997, the Indonesian Government announced in October 1999 the Broad State Policy Guidelines (GBHN) for the five years from 1999-2004. Along with broad directions given in the GBHN, the Five-Year National Development Program (PROPENAS) 2000-2004 was prepared in August 2000. The PROPENAS focuses on two fundamental economic issues; namely, globalization and decentralization. Law No. 22, 1999 (Local Administration Law) and Government Regulation No. 25, 1999 (financial balance between central government and local government) were enacted at this time, thus Indonesia took large steps for decentralization.

With these national backgrounds, water resources management is shifting from “national and provincial initiative” to “district, city, or water corporation initiative.” Furthermore, with the understanding that basin management should be conducted under the concept of “one basin, one plan and one management,” restructuring of the organization for unified basin management is deemed urgent. Decentralization requires the officials of local governments to work on by themselves, thus the capacity building for local government staffs is the urgent need.

The Musi River Basin is in the southern part of Sumatra Island. Most part of the basin administratively belongs to South Sumatra Province. The total river length of the Musi main stream is approximately 640 km and the total catchment area is approximately 60,000 km². The basin has various problems without a proper basin water management. The forest area in the upstream reaches is rapidly decreasing due to the recent human activities, resulting in decreasing of the water retention capacity. Infrastructure

development for food production expansion is proposed in the middle stream as a part of the national plan and in the downstream swamps as a strategic development zone of South Sumatra Province, thus appropriate water allocation in the basin is an urgent issue. In the downstream area, sediment produced in the devastated upland basin is deposited in the river channel, and creates problems including river mouth clogging, reduction of flow area, etc.

In the recent stream of decentralization in Indonesia, South Sumatra Province and each district and city are requested to establish master plans in various fields and to promote regional development. Of these, the establishment of a master plan of comprehensive water management in the Musi River Basin is deemed urgent.

With the above background, the Government of Indonesia made an official request to the Government of Japan for the implementation of the present study. The Directorate General of Water Resources, Ministry of Settlement & Regional Infrastructure and Japan International Cooperation Agency (JICA) agreed on the Scope of Work on January 25, 2002. Finally, JICA selected a consortium of consultants consisting of CTI Engineering International Co., Ltd. and Nikken Consultants Inc., and dispatched a Study Team to Indonesia to conduct the Study.

1.2 Objectives of the Study

The objectives of the Study are:

- (1) To prepare the Master Plan of Comprehensive Water Management of the Musi River Basin in Indonesia; and,
- (2) To transfer technology to counterpart personnel in the course of the Study.

1.3 Study Area

The Study Area is the Musi River Basin in the southern part of Sumatra Island, Indonesia (see Location Map).

1.4 Study Flow

The overall study flow is given in **Figure 1.4.1**.

Item	2002						2003									
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	
Work in Indonesia		First					Second					Third				
Work in Japan	Preparatory □					First □					Second □				Third □	
Reporting		▲ IC/R				▲ PR/R			▲ IT/R				▲ DF/R		▲ F/R	
Steering Committee Meeting		▲ IC/R		▲ Mid progress		▲ PR/R			▲ IT/R				▲ DF/R			
Public Consultation			★ Pre P/C			★ P/C (1)			★ P/C (2)							
Seminar													★ Seminar			

Legend: IC/R: Inception Report PR/R: Progress Report IT/R: Interim Report
DF/R: Draft Final Report F/R: Final Report P/C: Public Consultation

Figure 1.4.1 Overall Study Flow

1.5 Implementation Organization of the Study

Figure 1.5.1 presents the organizational structure for the implementation of the Study. The function of the JICA Advisory Committee is to give necessary advice on the Study to JICA.

The members of the Steering Committee, Coordinating/Supervising Team, Counterpart Team of Indonesian Government, and the JICA Advisory Committee and the Study Team are as listed in Annex 1.5.1.

