

別添資料

別添 1

協議議事録

MINUTES OF DISCUSSIONS
ON THE STUDY ON THE JAPAN'S GRANT AID PROGRAM
FOR THE INCREASE OF FOOD PRODUCTION
IN THE REPUBLIC OF INDONESIA

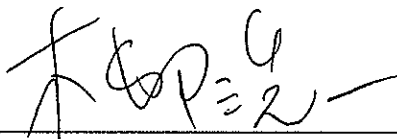
In response to a request from the Government of the Republic of Indonesia (hereinafter referred to as "the Indonesia"), the Government of Japan decided to conduct a study on the Grant Aid Program for the Increase of Food Production (hereinafter referred to as "2KR") of fiscal year 2003 and entrusted the study to the Japan International Cooperation Agency (hereinafter referred to as "JICA").

JICA sent to Indonesia a Study Team (hereinafter referred to as "the Team"), which is led by Mr. Senichi Kimura, Senior Assistant, Grant Aid Division, Economic Cooperation Bureau, Ministry of Foreign Affairs, and is scheduled to stay in the Indonesia from 24th September, 2003 to 5th October, 2003.

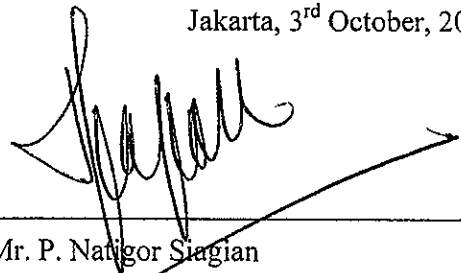
The Team held a series of discussions with the officials concerned of the Government of Indonesia (hereinafter referred to as "GOI") and other stakeholders.

As a result of discussions and field survey, both parties confirmed the main items described in the ATTACHMENT.

Jakarta, 3rd October, 2003



Mr. Senichi Kimura
Leader
Study Team
Japan International Cooperation Agency



Mr. P. Natigor Siagian
Director,
International Cooperation Bureau
Ministry of Agriculture
Republic of Indonesia

ATTACHMENT

1. Procedures of 2KR

- 1-1. The Indonesian side understood the objectives and procedures of 2KR explained by the Team, as described in ANNEX-I.
- 1-2. The Indonesian side will take the necessary measures for smooth implementation of 2KR as described in ANNEX-I.

2. Executing System of 2KR

2-1. The Responsible and Implementing Organization

The National Team of 2KR composed of line ministries is the highest organizational structure in charge of coordination and supervision for the procurement and the distribution of materials of 2KR Grant Aid Program as well as the utilization of Counterpart Fund. The National Team was set up by Ministerial Decree No.494/Kpts/Kp.150/8/2002 which was signed by Minister of Agriculture on August 20, 2002. Ministry of Agriculture is the representative organization of the National Team.

Functions of each line ministry are as follows;

(a) National Development Planning Agency (BAPPENAS)

BAPPENAS is the supervising agency of the National Team.

(b) Ministry of Foreign Affairs (MOFA)

MOFA is the governmental authority of 2KR program which prepares and signs the Exchange of Notes (E/N) on behalf of GOI.

(c) Ministry of Finance (MOF)

MOF is the financial authority for administrating Counterpart Fund.

(d) Others

Ministry of Cooperatives and Small Medium Enterprises, Ministry of Settlement and Regional Development (MOSRD), Ministry of Manpower and Transmigration (MOMT), Ministry of Agriculture (MOA) are the beneficial agencies. They implement the program in cooperation and consultation with their counterparts of local governments.

2-2. Organizational Structure

2-2-1 Steering Team

Steering Team consists of members from representatives of line ministries as mentioned in 2-1 chaired by Secretary General, Ministry of Agriculture. The role of Steering Team is to give direction to Executing Team on planning, implementing, monitoring, controlling and reporting of 2KR program.

2-2-2 Executing Team

Executing Team is chaired by Executive Secretary, Directorate General of Agricultural Facilities. The roles of Executing Team are the following,

- 1) To formulate implementation plan including arrangement for distribution and utilization of procured items by 2KR.

- 2) To supervise the implementation, the distribution and the utilization of items procured by 2KR.
- 3) To collect and manage the Counterpart Fund.
- 4) To formulate the administration guideline on the use of Counterpart Fund based on the Governmental Laws and Regulations.
- 5) To recommend endorsement of the established plan for the use of Counterpart Fund to the Steering Team.
- 6) To monitor and evaluate all related information and data reported by line ministries and End Users regarding 2KR program and the progress of Counterpart Fund projects, and to recommend the necessary measures to be taken for approved 2KR programs.

2-2-3 Secretariat of the National Team

Secretariat of the National Team is chaired by Director of Fertilizer and Pesticides, Directorate General of Agricultural Facilities. The tasks of the Secretariat are;

- 1) To collect, analyze information and data on programs/projects and give presentations regarding all concerning matters in the National Team meetings.
- 2) To serve the secretariat assistance to the National Team.

3. Target Areas, Crops and Requested Items

- 3-1. Target crop of 2KR of fiscal year 2003 is rice.
- 3-2. The Indonesian side explained target areas and required amount of fertilizer based on the needs of rice crop as a request on 2KR 2003 shown in ANNEX-II.

4. Counterpart Fund

- 4-1. The Indonesian side confirmed the importance of proper management and use of the Counterpart Fund, and has compiled the "Guideline on Utilization of Counterpart Fund 2KR" as ANNEX-III.
- 4-2. Both sides agreed to give priority on projects for small scale farmers aiming at poverty reduction for the use of the Counterpart Fund.
- 4-3. The Indonesian side agreed to introduce external auditing for proper management and use of the Counterpart Fund as shown in ANNEX-III.

5. Monitoring and Evaluation

- 5-1. The Indonesian side explained the Progress Report for 2KR 2000 and 2001 attached in Annex-IV. In general, the programs have been managed properly under the plan concerning distribution of the procured items and deposit of Counterpart Fund and some problems on stock are to be solved within the execution period.
- 5-2. The Indonesian side explained the Monitoring and Evaluation system as follows;
 - 1) Ministry of Agriculture has established the Monitoring and Evaluation system in the handbooks, "Pedoman Umum" (or "General Guideline") for on-site management on

2KR 2000 and 2001 which have already been distributed to the relevant organizations and End Users. The handbook shows the duties of stakeholders to report the progress and results of each program.

- 2) Monitoring and Evaluation system consists of the following three parts along with timeframe.
 - Ex-ante Evaluation: the evaluation conducted before starting programs/projects.
 - On-going Evaluation: the evaluation for programs/projects to monitor their progress and to gain feedback.
 - Ex-post Evaluation: the final evaluation to assess the results of programs/projects.
 - 3) Each evaluation shown above will be conducted through the following process;
 - Planning for Monitoring and Evaluation such as setting up evaluation items, criteria and necessary sources of information.
 - Site survey to collect data and information.
 - Analysis and assessment of collected data and information.
 - Reporting and feedback to stakeholders.
 - 4) Implementation report with more detail progress and the impact of 2KR 2000 and 2001 will be submitted to the Embassy of Japan by the end of October 2003.
- 5-3. Both sides confirmed that Joint Steering Committee and Japan-Indonesia Meetings described in Annex-III will be held as the Consultative Committee Meetings and the Liaison Meetings constituted in Annex-I.

6. Other relevant issues

- 6-1. The Indonesian side agreed to give wider opportunity for stakeholders to participate in the 2KR program.
- 6-2. The Indonesian side explained the legal binding documents between the GOI and each End Users concerning the detail implementation of 2KR program.
- 6-3. The Indonesian side agreed to publish the study report to the public in Japan and relevant organizations.
- 6-4. The Indonesian side requested to have the final result of the Study Team as feedback.

ANNEX-I	Japan's Grant Aid Program for Increase of Food Production (2KR)
ANNEX-II	Allocation Plan of Fertilizer Distribution for 2KR 2003
ANNEX-III	Guideline on Utilization of Counterpart Fund Second Kennedy Round (2KR)
ANNEX-IV	Progress Report of Second Kennedy Round (2KR)

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ANNEX - I

Japan's Grant Aid Program for Increase of Food Production (2KR)

1. Japan's 2KR Program

1) Main objectives of Japan's 2KR Program

Many countries in the developing world face chronic food shortages. Reduced yields due to factors such as harsh climate and harmful pests are a serious problem. A fundamental solution to the food problems in developing countries requires, above all, increase of food production through self-reliant efforts on the part of such countries.

To cooperate with the efforts of developing countries to achieve sufficient food production, the Government of Japan has been extending program for the increase of Food Production (Japan's 2KR Program) since 1977.

2KR aims at providing fertilizer, agricultural machinery & equipment and others to assist food production programs in developing countries which are striving to achieve self-sufficiency in food.

2) Counterpart fund

A recipient of 2KR is obliged to open a bank account and deposit local currency half of the FOB value of the procured equipment & materials in principle within a period of 4 years from the date of the signing of the E/N (Exchange of Notes). The fund is called the "2KR counterpart fund" and it is to be used for the purpose of economic and social development, including agricultural forestry and/or fisheries development, and for the increase of food production in the recipient country. Therefore 2KR can have double benefits; through direct procurement of agricultural input under the grant and through the counterpart fund to support local development activities.

2. Eligible Countries for 2KR

Any developing country making efforts to increase food production in order to reach self-sufficiency is potentially eligible to receive 2KR. The following factors are taken into consideration in the selection of recipient countries:

- 1) The supply and demand of staple foods and agricultural input in the country,
- 2) The existence of a well-defined plan for increase of food production, and
- 3) The past records of Japanese grant aid in the agricultural sector.

3. Procedures and Standard Implementation Schedule of 2KR

The standard procedures of 2KR are outlined in the Flow Chart.

- 1) Application (made by a prospective recipient country)
- 2) Study (Analysis of application, involving field surveys, with findings to be compiled as a report)
- 3) Appraisal and approval (appropriateness and rationale of application to be assessed and approved by the Government of Japan)
- 4) Exchange of Notes (E/N are signed by the two government concerned)
- 5) Recommendation of Procurement Management Agent by JICA
- 6) Conclusion of a procurement management contract with Procurement Management Agent and the verification of the contract
- 7) Tendering and contracting
- 8) Verification of contract
- 9) Shipment and payment

10) Confirmation of the arrival of goods

Detailed descriptions of the steps are as follows.

3-1. Application (Request for 2KR)

To receive 2KR, a recipient country has to submit a request to the Government of Japan. A request for 2KR is made by filling out the 2KR questionnaire which is sent annually to potential recipient countries by the Government of Japan.

3-2. Study, Appraisal and Approval

Japan International Cooperation Agency (JICA) will dispatch the preliminary study mission to countries which could be recipient country of that fiscal year. The study includes:

- 1) Confirmation of background, objectives and expected benefits of the project
- 2) Evaluation of suitability of the project for the 2KR scheme
- 3) Recommendation of project components
- 4) Estimation of program cost
- 5) Preparation of a report

The following points are given particular importance when a request is studied:

- 1) Usage of agricultural input requested
- 2) Distribution plan of agricultural input requested
- 3) External audit system on the Counterpart Fund
- 4) Holding liaison meetings
- 5) Consultation with stakeholders in the process of 2KR

The Government of Japan appraises the project to see whether or not it is suitable for 2KR based on the study report prepared by JICA and the results of its appraisals are then submitted to the Cabinet for approval.

After approval by the Cabinet, the Grant Aid becomes official with the Exchange of Notes (E/N) signed by the Government of Japan and the Government of recipient country.

3-3. Procurement Methods and Procedures after the E/N

The details of procedural steps involved after signing of the E/N and up to the payment stage are described as follows:

1) Procedural details

Procedural details on the procurement of goods under 2KR are to be agreed upon between the authorities of the two governments concerned at the time of the signing of the E/N.

Essential points to be agreed upon are outlined as follows:

- a) JICA is in a position to expedite the proper execution of the program
- b) The recipient government ("Recipient") will procure the goods in accordance with JICA's "Guidelines for Procurement Procedures under Japan's Grant Aid for Increase of Food Production"
- c) Tender documents and detailed evaluation reports are to be reviewed by JICA.

2) Focal Points of "Guidelines for Procurement Management Services under the Japan's Grant Aid for Increase of Food Production"

a) Procurement Management Agent

The Procurement Management Agent ("the Agent") is an Agent to provide the services ("the Services ") of managing the procurement procedures of products and supervising the work to be undertaken by a contracted supplier.

The obligation of the Agent is to contribute to the smooth execution of 2KR by application of its technical expertise, behaving with fairness and impartiality to the Supplier on one hand and securing the confidence of the Recipient on the other.

b) Contract with the Agent

The Recipient shall conclude an employment contract with the Agent according to the recommendation by JICA for the Services described in item c) below.

The Agent will provide the Services on behalf of the Recipient after verification of the contract by the Government of Japan.

c) The Services to be provided are:

1) to prepare the tender documents necessary for tendering, with full confirmation of the Recipient's views on procurement method, supplier's contract, conditions and eligibility of the tenderers;

2) to make certain that tender is carried out fairly and appropriately;

3) to provide appropriate supervision of and give guidance to the Supplier ;and

4) to assist in the reporting of the counterpart fund.

d) Verification of contract

The contract concluded between the Recipient and the Agent shall become effective only after verification of the contract by the Government of Japan in accordance with the E/N.

Prior to the verification of the contract by the Government of Japan, JICA shall examine the contract.

e) Period of Execution

The contract shall clearly state the period of execution of the Services. The period of execution shall not extend beyond the time limits of validity of the Grant as stipulated in the E/N.

f) Contract prices

The total amount of the contract price shall not exceed the 2KR amount referred to in the E/N.

g) Payment

The recipient shall conclude a Banking Arrangement (B/A) with an authorized foreign exchange bank of Japan immediately after signing the E/N in order to make payment in accordance with the verified contract.

In accordance with the E/N, the contract shall have a clause stating that "payment shall be made in Japanese Yen through an authorized foreign exchange bank in Japan under an Authorization to Pay (A/P) issued by the Recipient or its designated authority".

Payment shall be made in accordance with the criteria set forth by the Government of Japan.

3) Focal Points of "Guidelines for Procurement Procedure under Japan's Grant Aid for Increase of Food Production"

- a) Procurement Method
The grant is required to be used the grant with due consideration to economy and efficiency without discrimination requiring those who are eligible to provide the needed goods. JICA considers that Competitive Tendering is the best procedure to satisfy these principles.
- b) Type of Contract
The contract should be concluded on the basis of a lump sum price.
- c) Size of Contract
The size of the tender lot should be determined in a way to obtain the broadest possible scope of competition.
- d) Advertising
The tender notice should be advertised in at least one newspaper in general circulation in the recipient country (or neighboring countries) or Japan and in the official gazette, if any, of the recipient country.
- e) Tender Documents
The rights and obligations of the Recipient, vis-a-vis tenderers for the goods to be procured for the program, are governed by the tender documents issued by the Recipient.
Tender documents should be so worded as to permit and encourage competitive tendering. They should describe as clearly as possible the goods to be procured, qualifications required of the tenderer, eligible source countries, size of contracts, the place and timing of delivery, insurance, transportation, bonds and warranties as well as other pertinent terms.
- f) Time Interval between Invitation and Submission of Tenders
Generally, not less than 30 days from the date of invitation for tenders should be allowed.
- g) Opening of Tenders
Tenders shall be opened in public in the recipient country or Japan where tenderers' representatives are allowed to attend as witnesses.
- h) Evaluation of Tenders
Tender evaluations should be consistent with the terms and conditions stated in the tender documents. Those tenders which substantially conform to the technical specifications, and are responsive to other stipulations of the tender documents, shall be judged on the basis of their submitted price, and the tenderer who submitted the lowest price shall be designated as the successful tenderer.
A detailed evaluation report of tenders, giving the reasons for their acceptance or rejection, shall be prepared by the recipient country.
- i) Rejection of Tenders
All tenders should not be rejected nor new tenders be invited using the same specifications solely for the purpose of obtaining lower prices in the new tender, except in the case where the lowest tender bids exceed the cost estimates. Rejection of all tenders may only be justified when tenders do not comply with the tender documents.
- j) Award of Contract
The contract shall be awarded, within the period specified for the validity of the tender, to the tenderer who, in compliance with the conditions and specifications stipulated in the

tender documents, offers the lowest price.

k) Balance

In the event that there is an excess amount of money remaining above the bid resulting from the tender, the balance shall be considered for use in the purchase of an additional quantity of goods, subject to consultation with the Government of Japan.

l) Verification of the Contracts

The contracts for the program shall become effective upon verification by the Government of Japan. The Recipient shall submit two originals signed contract to the Government of Japan for verification.

m) Payment

The payment for each contract shall be made at the time of shipment of the goods against the presentation of shipping documents under the Authorization to Pay (A/P), which shall be separately issued for each contract by the Recipient or its designated authority immediately after the verification of each contract.

4. Undertakings by the Recipient

The government of the recipient country will take necessary measures:

- 1) To ensure prompt unloading and customs clearance at ports of disembarkation in the recipient country and prompt internal transportation therein of the goods purchased under 2KR.
- 2) To exempt Japanese nationals from customs duties, internal taxes and other fiscal levies which may be imposed in the recipient country with respect to the supply of the goods and services under the Verified Contracts.
- 3) To ensure that the goods purchased under 2KR will make an effective contribution to the increase of food production and eventually to stabilize and develop the recipient country's economy.
- 4) To bear all the expenses, other than those covered by 2KR, necessary for the execution of 2KR.
- 5) To maintain and use the goods procured under 2KR properly and effectively.
- 6) To introduce the external audit system on the Counterpart Fund.
- 7) To give priority to projects for small scale farmer and poverty reduction for the use of the Counterpart Fund.
- 8) To monitor and evaluate the progress of 2KR and to submit a report to the Government of Japan every year.

5. Consultative Committee

5-1. The purpose of establishment on the Consultative Committee

The Government of Japan and the Government of recipient country will establish a consultative committee ("Committee") in order to discuss any matter, including deposit of counterpart fund and its usage, for the purpose of effective implementation in recipient country. The Committee will meet in principal in recipient country at least once a year.

5-2. The member of the Committee

1) Principal member

Principal member shall be the representative of the Government of recipient country and the

Government of Japan (Ministry of Foreign Affairs of Japan or Embassy of Japan). The number of the representatives in each Government will not be limited and not be necessary to be equal (the representative from implementing organization of the Project in recipient country shall be included as a member).

2) The chairman

The chairman shall be appointed from the representative of the Government of the Recipient Country.

5-3. Other participants

1) JICA

The representative of JICA (Headquarter of JICA or JICA local office in recipient country) will be invited to the Committee as observer and support the Government of Japan as the organization of encouraging effective implementation of 2KR.

2) JICS

The representative of JICS will be invited to the Committee provides advisory service to the Government of recipient country and work as the secretariat of the Committee. The role of the secretariat will be such as collecting information related to the 2KR, preparing the material for discussion and making the Record of Discussion on the Committee.

5-4. Term of Reference of the Committee

The subject centered on the below shall be discussed in the Committee.

- 1) To discuss the progress of distribution and utilization of the goods in the recipient country purchased under the Project.
- 2) To evaluate the effectiveness of utilization of the product in recipient country for the production of staple food.
- 3) In case there are some problems (especially the delay of distribution and utilization of the product and deposit of the counterpart fund), opinion exchanges for solving such problems, progress report of implementation of countermeasures by the recipient Government, suggestion by the Government of Japan, shall be done in the Committee.
- 4) To confirm and report the deposit of the counterpart fund
- 5) To exchange views on the effective utilization of the counterpart fund
- 6) To discuss the promotion and the publicity of the projects financed by the counterpart fund.
- 7) Others

6. Liaison Meeting

6-1. The purpose of establishment on the Liaison Meeting

The Government of Japan and the Government of recipient country will establish a Liaison Meeting in order to discuss any matter, including deposit of counterpart fund and its usage, for the purpose

of effective implementation in recipient country. The Liaison Meeting will meet in recipient country at least three times a year.

6-2. Terms of Reference of the Liaison Meeting

The subject centered on the below shall be discussed in the Liaison Meeting.

- 1) To discuss the progress of distribution and utilization of the goods in the recipient country purchased under the Project.
- 2) To evaluate the effectiveness of utilization of the product in recipient country for the production of staple food.
- 3) In case there are some problems (especially the delay of distribution and utilization of the product and deposit of the counterpart fund), opinion exchanges for solving such problems, progress report of implementation of countermeasures by the recipient Government, suggestion by the Japanese side, shall be done in the Liaison Meeting.
- 4) To confirm and report the deposit of the counterpart fund
- 5) To exchange views on the effective utilization of the counterpart fund
- 6) To discuss the promotion and the publicity of the projects financed by the counterpart fund.
- 7) Others

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PLAN ALLOCATION OF MOP FERTILIZER DISTRIBUTION UNDER SKR 2003

No	Province	District	Target Area (Ha)	Application (Time)	MOP Application (Kg/Ha)	Total (ton)	Priority
1	West Java	- Bekasi	10,179	1	100	1,018	A
		- Karawang	29,044	1	100	2,904	A
		- Purwakarta	2,564	1	100	256	B
		- Subang	16,835	1	100	1,684	A
		- Bogor	8,611	1	100	861	A
		- Sukabumi	9,365	1	100	936	A
		- Cianjur	10,957	1	100	1,096	A
		- Bandung	10,522	1	100	1,052	A
		- Sumedang	6,951	1	100	695	A
		- Garut	11,585	1	100	1,159	A
		- Tasikmalaya	10,165	1	100	1,017	A
		- Ciamis	9,545	1	100	955	A
		- Cirebon	10,310	1	100	1,031	A
		- Kuningan	5,370	1	100	537	A
		- Majalengka	8,950	1	100	895	A
		- Indramayu	20,527	1	100	2,053	A
			181,480				
2	Banten	- Serang	9,229	1	100	923	A
		- Pandeglang	7,572	1	100	757	A
		- Lebak	4,290	1	100	429	A
		- Tangerang	7,030	1	100	703	A
			28,121				
3	Central Java	- Brebes	9,180	1	100	918	A
		- Tegal	8,161	1	100	816	A
		- Pemalang	8,130	1	100	813	A
		- Pekalongan	5,746	1	100	575	B
		- Batang	5,023	1	100	502	B
		- Kendal	6,969	1	100	697	A
		- Semarang	5,528	1	100	553	B
		- Demak	8,094	1	100	809	A
		- Grobogan	14,024	1	100	1,402	A
		- Kudus	3,375	1	100	338	B
		- Pati	10,026	1	100	1,003	A
		- Jepara	4,339	1	100	434	B
		- Rembang	4,369	1	100	437	B
		- Blora	8,482	1	100	848	A
		- Sragen	6,729	1	100	673	A
- Karanganyar	5,584	1	100	558	B		

ANNEX-II

No	Province	District	Target Area (Ha)	Application (Time)	MOP Application (Kg/Ha)	Total (ton)	Priority	
5	East Java	- Wonogiri	11,053	1	100	1,105	A	
		- Sukoharjo	4,819	1	100	482	B	
		- Klaten	40,047	1	100	4,005	A	
		- Boyolali	5,324	1	100	532	B	
				175,000				
		- Gresik	1,139	1	100	114	B	
		- Sidoarjo	1,742	1	100	174	B	
		- Mojokerto	1,739	1	100	174	B	
		- Jombang	2,328	1	100	233	B	
		- Bojonegoro	2,238	1	100	224	B	
		- Tuban	2,954	1	100	295	B	
		- Lamongan	5,863	1	100	586	A	
		- Madiun	2,036	1	100	204	B	
		- Magetan	1,551	1	100	155	B	
		- Ngawi	894	1	100	89	C	
		- Ponorogo	2,514	1	100	251	B	
		- Pacitan	860	1	100	86	C	
		- Kediri	3,371	1	100	337	A	
		- Nganjuk	2,506	1	100	251	B	
		- Blitar	2,216	1	100	222	B	
		- Tulung Agung	1,453	1	100	145	B	
		- Trenggalek	701	1	100	70	C	
		- Malang	3,925	1	100	393	A	
		- Pasuruan	2,595	1	100	259	B	
		- Probolinggo	3,458	1	100	346	A	
		- Lumajang	3,086	1	100	309	A	
		- Bondowoso	2,610	1	100	261	B	
		- Situbondo	2,645	1	100	265	B	
		- Jember	5,425	1	100	543	A	
		- Banyuwangi	3,844	1	100	384	A	
- Pamekasan	1,158	1	100	116	B			
- Bangkalan	1,801	1	100	180	B			
- Sampang	1,810	1	100	181	B			
- Sumenep	3,436	1	100	344	A			
		71,900						
6	Lampung	- Lampung Utara	1,232	1	100	123	B	
		- Way Kanan	281	1	100	28	C	
		- Tulang Bawang	581	1	100	58	C	
		- Lampung Tengah	4,751	1	100	475	A	
		- Lampung Timur	852	1	100	85	C	
		- Metro	36	1	100	4	C	
		- Lampung Selatan	1,424	1	100	142	B	

ANNEX-II

No	Province	District	Target Area (Ha)	Application (Time)	MOP Application (Kg/Ha)	Total (ton)	Priority	
7	North Sumatera	- Tanggamus	875	1	100	87	C	
		- Lampung Barat	368	1	100	37	C	
			10,400					
		- Asahan	1,199	1	100	120	B	
		- Tap. Selatan	2,555	1	100	255	B	
		- Deli Serdang	4,760	1	100	476	A	
		- Langkat	623	1	100	62	C	
8	South Sulawesi	- T. Karo	963	1	100	96	C	
			10,100					
		- Jeneponto	805	1	100	80	C	
		- Takalar	586	1	100	59	C	
		- Gowa	1,691	1	100	169	B	
		- Maros	711	1	100	71	C	
		- Pangkep	463	1	100	46	C	
		- Barru	224	1	100	22	C	
		- Polmas	1,196	1	100	120	B	
		- Mamuju	562	1	100	56	C	
		- Selayar	270	1	100	27	C	
		- Pinrang	2,329	1	100	233	B	
		- Bone	2,514	1	100	251	B	
		- Soppeng	1,222	1	100	122	B	
		- Wajo	1,268	1	100	127	B	
		- Sidrap	1,967	1	100	197	B	
		- Bulukumba	1,749	1	100	175	B	
		- Bantaeng	991	1	100	99	C	
- Sinjai	567	1	100	57	C			
- Luwu	4,534	1	100	453	A			
- Luwu Utara	2,110	1	100	211	B			
- Tana Toraja	531	1	100	53	C			
- Enrekang	410	1	100	41	C			
			26,700					
TOTAL			503,701	1	100	50,370		

Remarks:

- A: Need of MOP more than 3,000 ton/year
 B: Need of MOP between 1,000 to 3,000 ton/year
 C: Need of MOP less than 1,000 ton/year

PLAN ALLOCATION OF ZA FERTILIZER DISTRIBUTION UNDER SKR 2003

No	Province	District	Need of ZA (ton)	Target Area (Ha)	Application (Time)	MOP Application (Kg/Ha)	Total (ton)	Priority
1	West Java	- Bekasi	4,069	3,855	1	100	386	D
		- Karawang	11,611	11,001	1	100	1,100	D
		- Purwakarta	1,025	971	1	100	97	E
		- Subang	6,730	6,376	1	100	638	D
		- Bogor	3,443	3,262	1	100	326	D
		- Sukabumi	3,744	3,547	1	100	355	D
		- Cianjur	4,380	4,150	1	100	415	D
		- Bandung	4,206	3,985	1	100	399	D
		- Sumedang	2,779	2,633	1	100	263	E
		- Garut	4,632	4,388	1	100	439	D
		- Tasikmalaya	4,064	3,850	1	100	385	D
		- Ciamis	3,816	3,615	1	100	362	D
		- Cirebon	4,122	3,905	1	100	390	D
		- Kuningan	2,147	2,034	1	100	203	E
		- Majalengka	3,578	3,390	1	100	339	D
- Indramayu	8,206	7,774	1	100	777	D		
2	Banten	- Serang	3,208	3,039	1	100	304	D
		- Pandeglang	2,632	2,493	1	100	249	E
		- Lebak	7,052	6,681	1	100	668	D
		- Tangerang	2,443	2,315	1	100	231	E
3	Central Java	- Brebes	3,995	3,785	1	100	378	D
		- Tegal	3,552	3,365	1	100	336	D
		- Pemasang	3,538	3,352	1	100	335	D
		- Pekalongan	2,501	2,369	1	100	237	E
		- Batang	2,186	2,071	1	100	207	E
		- Kendal	3,033	2,873	1	100	287	D
		- Semarang	2,406	2,279	1	100	228	E
		- Demak	3,522	3,337	1	100	334	D
		- Grobogan	6,103	5,782	1	100	578	D
		- Kudus	1,469	1,392	1	100	139	E
		- Pati	4,363	4,134	1	100	413	D
		- Jepara	1,888	1,789	1	100	179	E
		- Rembang	1,902	1,802	1	100	180	E
		- Blora	3,691	3,497	1	100	350	D
		- Sragen	2,928	2,774	1	100	277	E
		- Karanganyar	2,430	2,302	1	100	230	E
		- Wonogiri	4,810	4,557	1	100	456	D
- Sukoharjo	2,097	1,987	1	100	199	E		
- Klaten	17,429	16,512	1	100	1,651	D		
- Boyolali	2,317	2,195	1	100	220	E		

ANNEX-II

No	Province	District	Need of ZA (ton)	Target Area (Ha)	Application (Time)	MOP Application (Kg/Ha)	Total (ton)	Priority
4	D.I Yogyakarta	- Gunung Kidul	1,655	1,568	1	100	157	E
		- Bantul	1,413	1,339	1	100	134	E
		- Sleman	2,781	2,635	1	100	263	E
		- Kulon Progo	1,044	989	1	100	99	B
5	East Java	- Gresik	1,472	1,395	1	100	139	E
		- Sidoarjo	2,251	2,133	1	100	213	E
		- Mojokerto	2,248	2,130	1	100	213	E
		- Jombang	3,009	2,851	1	100	285	D
		- Bojonegoro	2,893	2,741	1	100	274	E
		- Tuban	3,818	3,617	1	100	362	D
		- Lamongan	7,579	7,180	1	100	718	D
		- Madiun	2,631	2,493	1	100	249	E
		- Magetan	2,005	1,900	1	100	190	E
		- Ngawi	1,156	1,095	1	100	110	E
		- Ponorogo	3,249	3,079	1	100	308	D
		- Pacitan	1,112	1,053	1	100	105	E
		- Kediri	4,357	4,128	1	100	413	D
		- Nganjuk	3,240	3,069	1	100	307	D
		- Blitar	2,865	2,714	1	100	271	E
		- Tulung Agung	1,879	1,780	1	100	178	E
		- Trenggalek	906	858	1	100	86	E
		- Malang	5,074	4,807	1	100	481	D
		- Pasuruan	3,354	3,178	1	100	318	D
		- Probolinggo	4,470	4,235	1	100	423	D
		- Lumajang	3,989	3,779	1	100	378	D
		- Bondowoso	3,374	3,196	1	100	320	D
		- Situbondo	3,419	3,240	1	100	324	D
		- Jember	7,013	6,644	1	100	664	D
- Banyuwangi	4,969	4,707	1	100	471	D		
- Pamekasan	1,497	1,418	1	100	142	E		
- Bangkalan	2,329	2,206	1	100	221	E		
- Sampang	2,340	2,217	1	100	222	E		
- Sumenep	4,441	4,208	1	100	421	D		
TOTAL			263,880	250,000	1	100	25,000	

Remarks:

D: Need of ZA more than 3,000 ton/year

E: Need of ZA less than 3,000 ton/year

GUIDELINE ON UTILIZATION OF COUNTERPART FUND SECOND KENNEDY ROUND (2KR)

I. INTRODUCTION

With reference to the provision of sub-paragraph (2) and (3) in paragraph 7 of the Exchange of Notes, and sub-paragraph (6) in paragraph 4 of the Agreed Minutes on Procedural Details concerning the Japan's Grant Aid for Increase of Food Production (hereinafter referred to as "**Second Kennedy Round (2KR)**") 2000 between the Government of the Republic of Indonesia and Government of Japan signed on June 5, 2001, the currency deposited shall be utilized effectively on a principle of this guideline as followings:

A. Second Kennedy Round (2KR) Scheme

1. 2KR and Counterpart Fund

In order to cooperate with the efforts of developing countries to achieve sufficient food production, the Government of Japan has been extending 2KR as part of its Grant Aid Program since 1977. The Grant Aid Program covers essential areas of low profitability, where loans would be difficult to obtain, and those that deal with basic human needs, such as rural and agricultural development or human resources development. Naturally, however, certain conditions must be satisfied before a country can be accepted as a recipient of grant aid.

The 2KR Program is monetary grants in aid to procure the necessary agricultural equipment and materials from overseas. The government of the recipient country is requested to set up a reserve fund in local currency (hereinafter referred to as "**counterpart fund**" (C/F)) equivalent to the agreed percentage of FOB value of the procured equipment and materials by depositing sales revenue of the agricultural equipment and materials acquired.

The C/F shall be utilize for the purpose of economic and social development, including agriculture, forestry and/or fisheries, and the raise of food production of the recipient country effectively by consulting with each other. Therefore, it becomes possible for recipient country to obtain double benefits of 2KR, not only from adequate supply of agricultural equipment and materials but also from utilization of the C/F.

2. Policy directions for utilization of C/F

In consideration with the resources of C/F, which is derived from the part of Grant Aid Programs as well as limited amount, the government of the recipient country is expected to utilize the C/F as following sectors:

- (1) Economic & social development, including agriculture, forestry and/or fisheries,
- (2) Increase food production;
- (3) Improvement of the small farmer's living standard and welfare;
- (4) Poverty alleviation;
- (5) Fulfillment of Basic Human Needs (BHN);
- (6) Smooth implementation and follow-up for Indonesia-Japan economic and technical cooperation projects in line with Grant Aid Program Scheme.

B. Second Kennedy Round (2KR) In Indonesia

In Indonesia the 2KR started in 1977, and the agricultural equipment and materials procured had been distributed to farmers/farmer's groups at free of charge (known as "Direct-Use" distribution scheme). The 2KR Program in Indonesia has been executed by four (4) Ministries concerned, i.e. Ministry of Agriculture, State Ministry of Cooperative and Small Medium Enterprises, Ministry of Resettlement and Regional Infrastructure, as well as Ministry of Manpower and Transmigration (hereinafter referred to as "line ministries").

In reaffirming that the 2KR Program has rendered great contributions to the development of food and agriculture sector among the line ministries and that the sector still plays the essential role of the economic & social development in Indonesia even in the era of globalization and decentralization, the Government of Indonesia recognized that the 2KR could be utilized more wisely in a profitable way, that is, an additional benefit from the utilization of the C/F as well as the benefit from the adequate supply of agricultural equipment and materials, for further development of food and agriculture sector among the line ministries to meet the new international and domestic conditions.

The agricultural materials procured under the 2KR 2000 were Murrieta of Potash (MOP) and Fused Magnesium Phosphate (FMP) fertilizers. The MOP has been planned to be distributed to farmers/farmer's group at market price (known as the "Indirect-Use" distribution scheme) in line with the principle of the 2KR. The sales revenue of MOP is used for raising the C/F in amount of Indonesian Rupiah equivalent to the agreed percentage of FOB value of MOP in order to promote further development of food and agricultural sector.

II. CRITERIA ON UTILIZATION OF THE C/F

The C/F will be utilized effectively to anticipate the purposes based on the following criteria and Japan's policies on 2KR:

A. Beneficial Institutes

The C/F will be utilized among the line ministries, with close cooperation and consultation with their counterparts in local governments, under supervision of BAPPENAS.

B. Policy Directions for Food & Agricultural Development in Indonesia

The C/F will be utilized in line with the policy directions for food and agricultural development stipulated in the PROPENAS in conjunction with the era of decentralization & regional autonomy.

The PROPENAS points out the importance of sustainable development of food and agriculture as an indispensable program for poverty alleviation and fulfillment of basic human needs, and manpower development as followings:

1. Alleviation of Poverty
 - (i) To supply Basic needs of Poor people
 - (ii) To develop the business Culture of Poor People Community
2. Manpower Development
 - (i) To expand and develop Job Opportunity
 - (ii) To improve the Quality and Productivity of Manpower.

The food and agricultural development program consists of (1) Agribusiness development program, and (2) Improved Food Self Reliance program. The Programs will be fully integrated with all supporting sectors and activities, known as "from the Up-stream sector to Down-stream sector", including irrigation, credit system, research and development of technology and information, and community institutions such as cooperatives and small and medium enterprises.

C. Standard Examples

The C/F will be utilized for projects and expenses thereof covered by or very similar to standard examples shown below, giving priority on projects for support of small farmers and poverty alleviation.



1. Standard Projects

- (1) Model project, pilot project, or verification trials for food and agricultural development in rural areas.
- (2) Training project for capacity building of farmers/farmer's group,
- (3) Basic study on formulation of technical guidance on further development of food and agriculture based on local resources and communities,
- (4) Support for Indonesia-Japan economic & technical cooperation:
 - a. Preparation for Japan's economic & technical cooperation,
 - b. Smooth implementation, monitoring and evaluation of Indonesia-Japan economic & technical cooperation,
 - c. Follow-up for Indonesia-Japan economic & technical cooperation
- (5) Others (equipment, facilities, etc.)

2. Standard Expenses

- (1) Procurement of equipment and materials and services
- (2) Personnel expenses for project execution excluding official wage
- (3) Fund for financing
- (4) Administration expenses on secretariat services for utilization of C/F
(Expenses such as secretary allowance, office equipment and materials, travel cost for monitoring and evaluation)
- (5) Other expenses mutually agreed upon by both sides

III. MECHANISM FOR UTILIZATION OF THE C/F

A. Organizational Structure and Secretariat

The National Team of the Indonesian Government, which is stipulated in Agriculture Ministerial Decree No: 599/Kpts/KP. 150/11/2001 on 26th November 2001, is the highest organizational structure in charge of coordination and supervision for the procurement &

distribution of equipment and materials of 2KR Grant Aid Program as well as the utilization of the C/F, that is, management of the C/F, screening & selection of the C/F project, preparation for the Utilization Plan of the C/F, and monitoring & evaluation of the C/F projects, and preparation for report on the implementation of the C/F, etc. In order to secure the transparency, equity and accountability, The National Team sets up 2 (two) Special Task Forces:

- 1) for the procurement & distribution of equipments and materials of 2KR Grant Aid Program will be coordinated by First Secretary of the Secretariat and;
- 2) for utilization of the C/F will be coordinated by Second Secretary of the Secretariat (hereinafter referred to "2KR Secretariat")

B. Procedures of Implementation of the C/F Project

The implementation of the C/F project will be selected in consultation with the both sides as following procedures:

1. Requirements under agreements with Japan

Following procedures are required for the utilization of the C/F under the agreements with Japan:

- (1) Submission of the Utilization Plan of the C/F from Indonesian side to the Japanese side (Embassy of Japan);
- (2) Approval of the Utilization Plan of the C/F from Japanese side to the Indonesian side;
- (3) Submission of Report on Implementation of the Utilization Plan of the C/F from Indonesian side to Japanese side;
- (4) Monitoring & Evaluation on the Implementation of the Utilization Plan of the C/F by both sides.

2. Procedure to be taken

In order to fulfill above requirements, following procedure will be taken (see Figure 1 "Mechanism of Utilization of the Counterpart Fund"):

- (1) The line ministries will submit draft project proposals to the 2KR Secretariat;
- (2) The National Team will analyze and select the proposals to be implemented;
- (3) The line ministries will submit final proposals to the 2KR Secretariat;
- (4) The National Team will compile final project proposals into the Utilization Plan of the C/F and will submit them to the Embassy of Japan to be discussed;
- (5) The Utilization Plan of the C/F will be discussed at the Joint Steering Committee (JSC);
- (6) Ad hoc Japan-Indonesia Committee Meeting (JIM) will be held, other than regular JSC;
- (7) The National Team will submit the final project proposals to the BAPPENAS;
- (8) BAPPENAS will submit the official letter of the final project proposals (including application form) to the Government of Japan;
- (9) The Government of Japan will inform, officially, the approval project to the BAPPENAS;
- (10) BAPPENAS will inform the approval project through the National Team to the line ministries.
- (11) The National Team will process the project to the Ministry of Finance.
- (12) The roles of the JSC and the JIM are defined as Notes attached.

3. Application of proposals

- (1) The draft proposal will be prepared using "PBIS for 2KR-C/F Project" (See Annex 1);
- (2) The proposal will state the implementing institutions and the beneficiaries of the project;
- (3) The proposal will describe clear objective(s), target(s) and success indicator(s);
- (4) The proposal will illustrate a clear organization and project management;

- (5) The proposal will clearly state the project implementation plan, schedule of implementation as well as budget estimation.

(See Annex 2-1 to 2-4 and Annex 3)

4. Project implementation

- (1) The C/F project shall be implemented abiding rules and regulations of the Republic of Indonesia;
- (2) The C/F project shall be implemented abiding conditions of the approval by the Government of Japan and other relevant agreements with the Government of Japan;
- (3) The implementation of the project approved by the Government of Japan will be undertaken by the applying ministry at its own responsibility.

IV. MONITORING AND EVALUATION

1. The National Team will monitor and evaluate the implementation of the C/F project for further effective and efficient utilization of the C/F;
2. The National Team will also monitor and evaluate the implementation of the C/F project in the support by the Embassy of Japan in Indonesia;
3. The line ministries will prepare the reports on the implementation of the C/F projects and submit them to the 2KR Secretariat prior to JSC (Annex-4);
4. The National Team will prepare the report on the monitoring and evaluation of the implementation of the C/F project and submit it to the Embassy of Japan;
5. The third party, such as Non-Governmental Organization (NGO), in order to secure the objectivity, could undertake monitoring & evaluation;
6. Both the applying ministry and the Embassy of Japan in Indonesia shall publicize the C/F project;
7. The balance sheet of the C/F of 2KR must be audited by an independent auditor.

V. OTHER MATTERS

The National Team will consult with Japanese side in respect of any matter that may arise from or in connection with the present guidelines.

NOTES
ROLES OF JSC AND JIM

JSC:

1. In accordance with the provision of paragraph 9 of the Exchange Notes and paragraph 5 of the Agreed Minutes concerning 2KR, the Joint Steering Committee(JSC) has been established in order to discuss any matter that may arise from or in connection with the Exchange Notes.
2. The JSC will meet in principle in the Republic of Indonesia on date agreed by the two Governments at least once a year, only as long as and to the extent the Government of Japan deems necessary.
3. The member of JSC consists of Director-General level Officers of the related Indonesia Government, the Secretary of the Embassy of Japan, the representatives of JICA (as Observer) and the officers of JICS (as Secretariat)

JIM

1. Based on the R/D between the Government of the Republic of Indonesia and the Government of Japan concerning 2KR on February 26, 2003, Ad-hoc Japan-Indonesia Committee Meeting (JIM) has been established in order to discuss mainly the utilization of counterpart fund 2KR.
2. The JIM can be held by the quarter of a year before the formal submission of the project proposal of the utilization of the C/F to Government of Japan through the Embassy of Japan.
3. The member of JIM consists of Director level Officers of the related Indonesia Government, the Secretary of the Embassy of Japan and the representatives of JICA (as Observer)

Project Brief Information Sheet (PBIS) for 2KR-C/F Project

Date of entry: day _____ month _____ year _____

Title of the Project			
Relevant Sector			
Type of Scheme		1. Model Project, 2. Training Project, 3. Basic study, 4. Support for Indonesia-Japan economical & technical cooperation 5 others (Equipment & Facilities etc)	
Name of Ministry Directorate		Person in Charge	Name: Title: Tel: e-mail:
Name of Implementing Institution		Person in Charge	Name: Title: Tel: e-mail:
Project Site (including name of Province)			
Description of Project	Project Purpose (Background) (Current Difficulties, Strategy, Project Purpose, Target etc.)		
	OUTPUT (Expected Achievement, Beneficiaries)		
	INPUT	Total Input to the Project (e.g. responsible entity, human resource, equipment, budget)	
		Of which, Expected Input from 2KR-C/F	
Additional Explanation (Relation with GOI policy, such as PROPENAS, REPETA, and JICA's development Issues et al)			

APPLICATION FORM FOR MODEL-, PILOT -,
OR VERIFICATION TRIAL-TYPE PROJECT

1. Date of entry: day _____ month _____ year _____

2. Applicant: the Government of _____

3. Project Title: _____

4. Sector / Sub-sector: _____

5. Desired project period (month, year): _____

6. Project site (Attach a map indicating the location of the project office and target areas.)
 - (1) Location of the project office
 - Province / County name: _____
 - City / Town / Village name: _____
 - Distance from the capital city: about _____ km
 - (2) Target areas: _____ (about _____ km²)

7. Implementing agency
 - (1) Name of the implementing institution: _____
 - Address: _____
 - Telephone No.: _____
 - (2) Supervising ministry / agency and responsible department: _____

8. Outline of the implementing institution
 - (1) Position and authority in the government (Attach an organizational chart.)

 - (2) Total annual budget
 - Implementing institution (current amount) : _____
 - (annual amount in last five years): _____

 - (expected amount during the project period) : _____

Responsible department of the supervising ministry / agency: _____

(3) Number of staff members

Implementing institution (current number) : _____

(expected number during the project period) : _____

Responsible department of the supervising ministry / agency: _____

9. Background of the project

(1) Current problems that need to be addressed by the project

(2) Countermeasures against the problems that have been taken by the government

(3) Significance and necessity of the Project

(4) Relation between the project and any national development plans / policies
(name the specific plans or policies and their term of validity)

10. Summary of the project

(1-a) Overall Goal

(Development effect expected as a result of achievement of the "Project Purpose".)

(1-b) Proposed performance indicators to assess results at the goal level

(2-a) Project Purpose

(Objective expected to be achieved by the end of the project period. Elaborate with quantitative indicators if possible.)

(2-b) Proposed performance indicators to assess results at the purpose level

(3-a) Output

(Objectives to be realized by the "Project Activities" in order to achieve the "Project Purpose".)

Describe several items.)

(3-b) Proposed performance indicators to assess results at the output level

(4) Project Activities

(Specific actions intended to produce each "Output" of the project through effective use of the "Input". Describe major activities of the project.)

12. Expected input

(1) Experts

Estimated number of experts necessary throughout the project period: _____ persons

Specific fields required: _____

(2) Training

Estimated number of the participants to receive training throughout the project period: _____ persons

Specific fields required: _____

(3) Provision of equipment & facilities

Equipment & Facilities and amount:

Total value of the equipment & facilities in Indonesia Rupia : _____

11. Input from the recipient government side

(1) Budget allocation plan for the project throughout the project period (Break it down in detail.)

(2) Staff allocation plans for the project throughout the project period, and technical levels of the staff members (Provide plans for full-time and part-time project staff members separately.)

(3) Buildings, facilities and equipment necessary for the project activities (Circle "a" or "b" and answer the following questions if relevant.)

a. Existing buildings, facilities and equipment are available. (Describe their current condition below)

b. Buildings, facilities and equipment must be newly built or introduced.

12. Benefits and effects of the project

(1) Describe the people who will directly benefit from the project and indicate their population. Then, describe the expected benefits in detail.

(2) Describe the people who will benefit from the project when the Overall Goal is achieved and indicate their population. Then, describe the expected benefits in detail.

(3) Describe other expected social and economic effects of the project.

13. Related technical assistance and grant aid

(1) Describe related technical assistance and grant aid provided by Japan (if any).

(2) Describe related technical assistance and grant aid provided by other donors (if any) .

14. Other related information

(1) Potential risks that may hamper the project activities or reduce the likelihood of achieving the project results.

(2) Security situation (Give detailed information for each project site, if the project covers more than one site.)

(3) Residential environment around the project office (e.g. climate, water and power supply, available medical facilities, telecommunications, etc.)

(4) Availability of consultants for the sector / subsector concerned and their technical levels

15. If you are applying 2KR-C/F for a part of the project, how will you finance the other cost?

16. Special remarks



APPLICATION FORM FOR TRAINING PROJECT-TYPE

1. Date of entry: day _____ month _____ year _____
2. Applicant: the Government of _____
3. Project Title: _____
4. Sector / Sub-sector: _____
5. Desired project period (month, year): _____
6. Project site (Attach a map indicating the location of the project areas.)
 - (1) Province / County name: _____
 - (2) City / Town / Village name: _____
7. Implementing institution
 - (1) Name of the implementing institute: _____
Address: _____
Telephone No.: _____
 - (2) Supervising ministry / agency and responsible department: _____

8. Outline of the implementing institution
 - (1) Position and authority in the government (Attach an organizational chart.)
 - (2) Total annual budget
Implementing institution (current amount) : _____

Responsible department of the supervising ministry / agency: _____
 - (3) Number of staff members
Implementing institution (current number) : _____
(expected number during the project period) : _____
Responsible department of the supervising ministry / agency: _____
9. Background of the project
 - (1) Current problems that need to be addressed by the project
 - (2) Countermeasures against the problems that have been taken by the government
 - (3) Significance and necessity of the Project

(4) Relation between the project and any national development plans / policies
(name the specific plans or policies and their term of validity)

10. Outline of the training

- (1) Objective of the training
- (2) Goal of the training
- (3) Proposed performance indicators to assess results at the goal level
- (4) Prospective beneficiaries
- (5) Date and period of training
- (6) Place of training
- (7) Trainees
- (8) Number of Trainees
- (9) Original of instructor
- (10) Major curriculums
- (11) Training method

11. If you are applying 2KR-C/F for a part of the project, how will you finance the other cost?

12. Related technical assistance and grant aid

- (1) Describe related technical assistance and grant aid provided by Japan (if any).
- (2) Describe related technical assistance and grant aid provided by other donors (if any) .

Syllabus of Training

No	Material	T&D	P	Total	Trainer
1					
2					
3					
	T o t a l				

Note:

- T : Theory
- D: Discussion
- P: Practice

APPLICATION FORM FOR BASIC STUDY -TYPE PROJECT

1. Date of entry: day _____ month _____ year _____
2. Applicant: the Government of _____
3. Project Title: _____
4. Sector / Sub-sector: _____
5. Desired project period (month, year): _____
6. Project site (Attach a map indicating the location of the project areas.)
 - (1) Province / County name: _____
 - (2) City / Town / Village name: _____
7. Implementing institution
 - (1) Name of the implementing institution: _____
Address: _____
Telephone No.: _____
 - (2) Supervising ministry / agency and responsible department: _____

8. Outline of the implementing institution
 - (1) Position and authority in the government (Attach an organizational chart.)
 - (2) Total annual budget
Implementing institution (current amount) : _____

Responsible department of the supervising ministry / agency: _____
 - (3) Number of staff members
Implementing institution (current number) : _____
(expected number during the project period) : _____
Responsible department of the supervising ministry / agency: _____
9. Background of the project
 - (1) Current problems that need to be addressed by the project
 - (2) Countermeasures against the problems that have been taken by the government

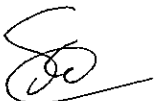
- (3) Significance and necessity of the Project
 - (4) Relation between the project and any national development plans / policies
(name the specific plans or policies and their term of validity)
10. Outline of the basic study
- (1) Objective of the basic study
 - (2) Goal of the study
 - (3) Proposed performance indicators to assess results at the goal level
 - (4) Institution frame work
 - (5) Scope of the study
 - (6) Output of the study
 - (7) Prospective beneficiaries
 - (8) Expertise requirement
 - a. Dispatch of Consultant
 - b. Dispatch of Local Counterpart
 - (9) Plan of implementation
 - (10) Technical Advisory Team
 - a. Composition of Team
 - b. Role & Duties of Technical Advisory Team
11. If you are applying 2KR-C/F for a part of the project, how will you finance the other cost?
12. Related technical assistance and grant aid
- (1) Describe related technical assistance and grant aid provided by Japan (if any).
 - (2) Describe related technical assistance and grant aid provided by other donors (if any) .

(ANNEX 2-4)

**APPLICATION FORM FOR EQUIPMENT & FACILITIES
SUPPLY PROJECT-TYPE**

1. Date of entry: day _____ month _____ year
2. Applicant: the Ministry of
3. Project Title:
4. Sector / Sub-sector:
5. Desired project period (month, year):
6. Project site (Attach a map indicating the location of the project areas.)
 - (1) Province / County name:
 - (2) City / Town / Village name:
7. Implementing institution:
 - (1) Name of the implementing institution:
Address:
Telephone No.:
 - (2) Supervising ministry / agency and responsible department:
8. Outline of the implementing institution
 - (1) Position and authority in the government (Attach an organizational chart.)
 - (2) Total annual budget
Implementing institution (current amount) :

Responsible department of the supervising ministry / agency:
 - (3) Number of staff members
Implementing institution (current number) :
(expected number during the project period) :
Responsible department of the supervising ministry / agency:
9. Background of the project
 - (1) Current problems that need to be addressed by the project
 - (2) Countermeasures against the problems that have been taken by the government
 - (3) Significance and necessity of the Project



(4) Relation between the project and any national development plans / policies
(name the specific plans or policies and their term of validity)

10. Outline of the Project

(1) Objective of the project

(2) Goal of the project

(3) Proposed performance indicators to assess results at the goal level

(4) Expected Effects of the Project

(5) Prospective beneficiaries

(6) Description of equipment & facilities required

(7) Reason to require the equipment & facilities

11. If you are applying 2KR-C/F for a part of the project, how will you finance the other cost?

12. Related technical assistance and grant aid

(1) Describe related technical assistance and grant aid provided by Japan (if any).

(2) Describe related technical assistance and grant aid provided by other donors (if any) .



(ANNEX 3)

TENTATIVE ESTIMATE OF EXPENSES

ITEM OF EXPENSES	BREAKDOWN	Total	2KR-C/F
1.			
2.			
3.			
4.			
5.			
SUB TOTAL 2			
1.			
2.			
3.			
4.			
5.			
SUB TOTAL 2			
GRAND TOTAL			

(ANNEX 4)

**REPORT ON IMPLEMENTATION OF THE PROGRAMME/ PROJECT
FINANCED WITH THE COUNTERPART FUND DEPOSITED
UNDER THE JAPAN'S GRANT AID**

NAME OF COUNTRY	
NAME OF THE PROGRAMME/ PROJECT	
THE DATE OF APPROVAL BY THE GOVERNMENT OF JAPAN	
AMOUNT APPROVED	
AMOUNT UTILIZED	
THE REASON IN CASE THE AMOUNT APPROVED IS NOT FULLY UTILIZED	
THE DATE OF COMPLETION OF THE PROGRAMME/ PROJECT	
WAYS OF ADVERTIZING THE CONTRIBUTION OF COUNTERPART FUND DEPOSITED UNDER THE JAPAN'S GRANT AID	
EVALUATION ON THE PROGRAMME/ PROJECT	

<p>(1. PHOTOGRAPHS SHOWING THE IMPLEMENTATION OF THE PROGRAMME/ PROJECT, 2. NEWS PAPER ARTICLE INTRODUCING THE PROGRAMME/ PROJECTS AND OTHER RELEVANT MATERIALS ARE ATTACHED HERETO)</p>	
<p style="text-align: right;">(MONTH). (DAY), (YEAR)</p> <p>Ministry of () duly submit to the Embassy of Japan the report above.</p> <p style="text-align: right;">[Signature]</p> <hr style="width: 20%; margin-left: auto; margin-right: auto;"/> <p style="text-align: right;">(Name of Person in charge) (Title, Name of Organization)</p>	



PROGRESS REPORT OF SECOND KENNEDY ROUND (2KR)

By:
The National Team of 2KR

Jakarta, September, 29 2003

I. INTRODUCTION

- Second Kennedy Round (2KR) is a bilateral cooperation between Government of Japan and Government of Indonesia which state in Exchange of Note.
- Since 1998, 2KR conducted through Indirect Use Scheme, which Government of Indonesia should deposit Counterpart Fund in Bank of Indonesia Account for 4 years
- Members of the National Team of 2KR consists of representative of Line Ministries : Bappenas, MoFA, MoF, MoA, MoCSME, MoRSI and MoMPT.
- Exchange of Note dated June 5, 2001 grant JPY 1.400.000.000
- Exchange of Note dated April 25, 2002 grant JPY 1.200.000.000

II. PROGRESS OF FERTILIZER DISTRIBUTION UNDER SKR 2000

No.	END USERS	Fert.	Received (ton)	Distributed (ton)	%	Distribution Area
1.	PT. SANG HYANG SERI	MOP	12,436.3	12,436.3	100.0	West Java, Banten
		FMP	4,981.0	4,981.0	100.0	Lampung
2.	PT.PERTANI	MOP	12,407.8	12,407.8	100.0	East Java
3.	PUSKUD JATENG	MOP	24,907.7	20,027.6	80.4	Central Java
TOTAL		MOP	49,751.8	44,871.7	93.5	
		FMP	4,981.0	4,981.0	100.0	

Note:
Stock of MOP in PUSKUD Jateng is 4.880.1 Ton

III. PROGRESS OF FERTILIZER DISTRIBUTION UNDER SKR 2001

No.	END USERS	RECEIVED (TON)	REALIZATION (TON)	%	STOCK (TON)	DISTRIBUTION AREA
1.	PT. SANG HYANG SERI	23,160	20,576	88.8	2,584	West Java, Banten, NAD, North Sumatera, Riau, Bengkulu, Lampung and South Sulawesi
2.	PT.PERTANI	14,976	13,460	89.9	1,516	
3.	PUSKUD JATIM	9,997	6,882	68.8	3,116	East Java and Bali
4.	PT. MEGA ELTRA	5,985	5,435	90.8	550	Central Java
5.	PT. DHARMA NIAGA	4,789	4,789	100.0	-	Central Java
TOTAL		58,909	51,142	86.8	7,766	

**IV. PLAN OF PAYMENT COUNTERPART FUND
UNDER SKR 2000**

No	PAYMENT PERIOD	%	COUNTERPART FUND	
			(Rp)	(JPY)
1	I (October 2002)	10	4,235,052,413	45,727,500
2	II (November 2002)	10	4,235,052,413	45,727,500
3	III (February 2003)	20	8,470,104,825	91,455,000
4	IV (May 2003)	20	8,470,104,825	91,455,000
5	V (August 2003)	15	6,352,578,619	68,591,250
6	VI (November 2003)	15	6,352,578,619	68,591,250
7	VIII (February 2004)	10	4,235,052,413	45,727,500
	Total	100 %	42,350,524,125	457,275,000

**V. PLAN OF PAYMENT COUNTERPART FUND
UNDER SKR 2001**

No.	PAYMENT PERIOD	%	COUNTERPART FUND	
			(Rp)	(JPY)
1.	I (August 2003)	5	2,079,294,225	28,879,086
2	II (November 2003)	5	2,079,294,225	28,879,086
3.	III (February 2004)	10	4,158,588,450	57,758,173
4.	IV (May 2004)	10	4,158,588,450	57,758,173
5.	V (August 2004)	15	5,709,248,550	79,295,119
6.	VI (November 2004)	15	6,237,882,675	86,637,259
7.	VII (February 2005)	10	4,687,222,575	65,100,314
8.	VIII (May 2005)	10	4,158,588,450	57,758,173
9.	IX (August 2005)	10	4,158,588,450	57,758,173
10.	X (November 2005)	5	2,079,294,225	28,879,086
11	XI (February 2006)	5	2,079,294,225	28,879,086
	TOTAL		41,585,884,500	577,581,729

**VI. DEPOSIT OF COUNTERPART FUND
UNDER SKR 2000
(Period: August 2003)**

NO	ENDUSER	PLAN (Rp)	REALIZATION (Rp)	%
1	PT. PERTANI	6,352,578,618	6,352,578,618	100
2	PUSKUD JATENG	12,705,157,238	12,705,157,238	100
3	PT. SANG HYANG SERI	6,352,578,618	6,352,578,618	100
	TOTAL	25,410,314,474	25,410,314,474	100

**VI. DEPOSIT OF COUNTERPART FUND
UNDER SKR 2001
(Period: August 2003)**

NO	ENDUSER	PLAN (Rp)	REALIZATION (Rp)	%
1	PT. PERTANI	528,634,125	-	-
2	PT. SANG HYANG SERI	817,620,780	-	-
3	PT. MEGA ELTRA	211,453,650	211,453,650	100
4	PT. DHARMA NIAGA	169,162,920	-	-
5	PUSKUD JATIM	352,422,750	352,422,750	100
	TOTAL	2,079,294,225	563,876,400	33

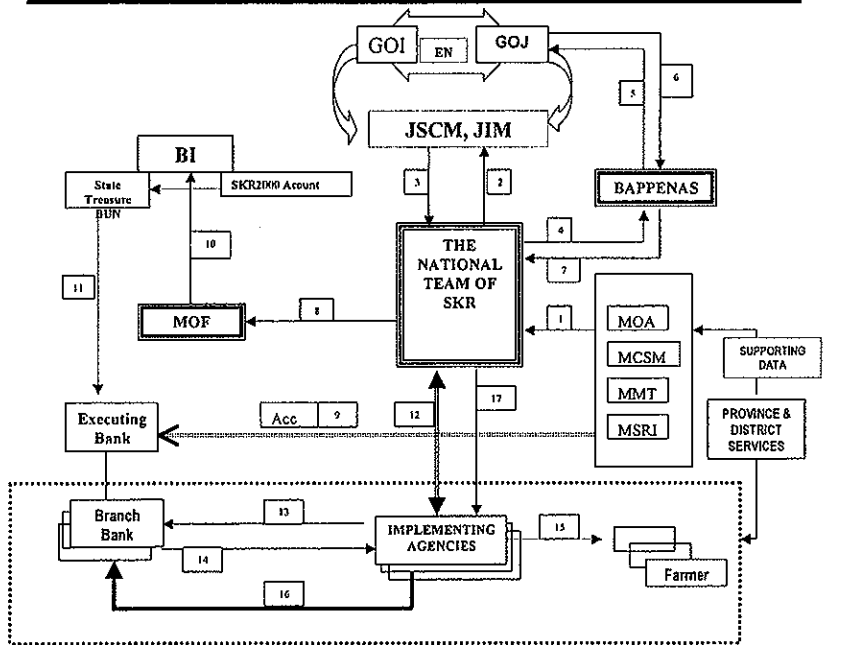
VI. CONSTRAINTS

- SKR 2000
 - Stock of MOP in PUSKUD Jateng is 4.880.1 ton.
- SKR 200 1
 - Even though Bank Account has already opened, but the CF has not completely collected

VII. COUNTER MEASURES

- SKR 2000.
 - Stock of MOP should be distributed in next planting season (October - December 2003)
- SKR 2001
 - Urge the End User to collect CF as soon as possible

MECHANISM OF USING COUNTERPART FUND



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Remarks:

1. Proposing the project by the Line Ministries or Beneficiaries Institution
2. Discussing of the project proposal in the Joint Steering Committee Meeting
3. Approving the project proposal by the Joint Steering Committee Meeting
4. The National Team of SKR-MOA submit the project proposal to the BAPPENAS
5. BAPPENAS submit the project proposal to the Government of Japan, including Application Form
6. Approval on the project by the Government of Japan
7. BAPPENAS inform the Approval project to the National Team of SKR
8. The National Team of SKR send application withdraw of the project to the Ministry of Finance.
9. The Line Ministries open account at the Executing Bank
10. The Ministry of Finance cq. Directorate General of Budget (DGOB) will record the counterpart fund to the State Common Treasurer, as the state's incoming fund
11. DGOB will issue the Letter of Payment for transfer fund to the Executing Bank, in the Line Ministries account at the Executing Bank
12. Contact between the National Team of SKR and the Implementing Agencies through the Line Ministries
13. The Implementing Agencies withdraw fund for implementation of the project
14. Funding the project
15. The Implementing Agencies joint relationship or partnership with the farmers
16. The Implementing agency deposit at the Bank
17. The Implementing agency report to the National Team of SKR

VII. PROPOSAL OF SKR 2003

- Proposal of SKR-2003 already submit to the Government of Japan for:
 - MOP : 50.000 ton
 - ZA : 25.000 ton
- Proposed Location for fertilizer distribution:
Lampung, Banten, West Java, Central Java and East Java

別添 2 収集資料リスト

別添2 収集資料リスト

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31	Rice Price Policies in Indonesia: A Computable General Equilibrium (CGE) Analysis	International Food Policy Research Institute	June 1997
32	質問表回答	Indonesian Food Policy Program	Oct. 2003
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