

## Progress of activity of SPP II (Intermediate Evaluation)

Items of activities	Target of activity in 5 years	Progress of activity	Future plan	Score
<i>1. Improvement of multiplication techniques and pest and diseases control techniques in West Java</i>				
<i>(1-1) To improve multiplication techniques</i>			CP: BBI, BBU	
(a) To establish the planned production system of seed potato (BBI, BBU)	<ul style="list-style-type: none"> <li>To establish the planning method to make the reasonable schedule of seed potato production through G0 - G3, which enable to timely produce and supply enough seed potatoes needed by seed growers.</li> <li>To establish the techniques for coordination of production schedule, such as control techniques of dormant period, adapting techniques of planting period and techniques to avoid the instability of the yield.</li> </ul>	<ul style="list-style-type: none"> <li>Flow chart of production schedule on each Batch was made.</li> <li>Preparation of irrigation facility (water well and pond) in BBU, which enable BBU to cultivate in dry season.</li> </ul>	<ul style="list-style-type: none"> <li>Improvement of the managing system of the planned production including changing of the schedule and monitoring.</li> <li>Enhancement of the production system of BBU in dry season (irrigation, fund for production).</li> </ul>	3
(b) To improve the production techniques in the field (BBI, BBU)	<ul style="list-style-type: none"> <li>To make a survey on present production techniques in the field.</li> <li>To improve the present cultivation techniques of G2 and G3 in order to increase the yield, to stabilize the productivity and to make the tuber size small.</li> </ul>	<ul style="list-style-type: none"> <li>Survey on present production techniques in the field of BBI and BBU.</li> <li>Activities to increase the yield, to stabilize the productivity and to make the tuber size small. <ul style="list-style-type: none"> <li>— Harvest becomes stable by 15-20 ton / Ha.</li> <li>— Proper size of tuber becomes the majority part by stem control and sprouting on diffused light.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>BBI and BBU is gradually shifted to the sustainable production style, in which production is basically done by staff only without guidance of expert.</li> </ul>	5

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Items of activities	Target of activity in 5 years	Progress of activity	Future plan	Score
(c) To improve the production techniques of G0 and G1 in the screen house (BBI)	<ul style="list-style-type: none"> <li>● To make a survey on present production techniques in screen house.</li> <li>● To improve the multiplication and cultivation techniques in screen house A in order to increase the yield.</li> <li>● To improve the multiplication and cultivation techniques in screen house B in order to increase the yield.</li> </ul>	<ul style="list-style-type: none"> <li>● Survey on present production techniques in screen house of BBI.</li> <li>● Activities to increase the yield in screen house A.               <ul style="list-style-type: none"> <li>— Production of G0 is increased by cutting multiplication with lighting, and extension of planting period by irrigation.</li> </ul> </li> <li>● Activities to increase the yield in screen house B.               <ul style="list-style-type: none"> <li>— Production of G1 is increased by extension of planting period by irrigation, and stem control.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>● BBI is gradually shifted to the sustainable production style, in which production is basically done by staff only without guidance of expert.</li> </ul>	5
(d) To establish tissue culture techniques (BBI)	<ul style="list-style-type: none"> <li>● To set up of laboratory for tissue culture.</li> <li>● To establish the practical techniques for making culture medium, non-symbiotic treatment and multiplication and so on.</li> </ul>	<ul style="list-style-type: none"> <li>● Setting up of laboratory for tissue culture (preparation of necessary equipment and facility).</li> <li>● Meristem culture techniques were transferred (FY99, short-term expert).</li> <li>● Multiplication and virus test on tissue culture (short-term expert, from January 2001).</li> </ul>	<ul style="list-style-type: none"> <li>● Adaptation techniques of tissue culture plant (short-term expert, FY2001)</li> </ul>	3
(e) To make manuals	<ul style="list-style-type: none"> <li>● To make (or revise) the manual on planned production system.</li> <li>● To make (or revise) the manual on cultivation in the field.</li> <li>● To make (or revise) the manual on cultivation in the screen house.</li> <li>● To make (or revise) the manual on technology of tissue culture.</li> </ul>	<ul style="list-style-type: none"> <li>● Preparing of some materials for the manual.</li> </ul>	<ul style="list-style-type: none"> <li>● To make (or revise) manual on each item.</li> </ul>	2

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Items of activities	Target of activity in 5 years	Progress of activity	Future plan	Score
<i>(1-2) To improve pest and disease control techniques</i>			CP: BBI, BBU	
(a) To improve control techniques of virus diseases and aphids	<ul style="list-style-type: none"> <li>● To investigate population change of aphids in BBI periodically and continuously in order to obtain basic data necessary for integrated preventive measures against re-infection of virus.</li> <li>● To improve the prevention techniques of virus disease and aphids.</li> </ul>	<ul style="list-style-type: none"> <li>● Investigation of population change of aphids in periodically and continuously. (1) Guidance on identification and ecology of aphid, (2) Collection of flying aphid data by yellow trap in BBI, (3) Observation in field.</li> <li>● Improvement of prevention techniques of virus disease and aphids. (1) Selection of effective chemical, (2) Techniques by use of silver multi, (3) Improvement of rouging, (4) Next generation monitoring, (5) Prevention of cultivation on surrounding field around BBI and BBU.</li> </ul>	<ul style="list-style-type: none"> <li>● To continue the investigation of population change of aphids by yellow trap and observation in field.</li> <li>● Improvement of prevention techniques by chemical (from February 2001 by short-term expert).</li> <li>● Evaluation of whole techniques in FY2002.</li> </ul>	4
(b) To improve control techniques of soil-borne pests and diseases	<ul style="list-style-type: none"> <li>● To improve the control techniques of root-knot nematode.</li> <li>● To improve the control techniques of common scab.</li> </ul>	<ul style="list-style-type: none"> <li>● Improvement of prevention techniques of root-knot nematodes. (1) Identification of nematodes, (2) Density survey of nematodes in field, (3) Introduction of fallow into crop rotation for reduction of nematodes density, (4) Introduction of antagonistic plants for the reduction of nematodes density.</li> <li>● Guidance that occurrence of common scab in field is originated in seed at SHB.</li> </ul>	<ul style="list-style-type: none"> <li>● To continue the control techniques of root-knot nematode in BBI and BBU, and to evaluate the results in FY2002.</li> <li>● To improve the weeding method in rainy season.</li> <li>● To change the soil in screen house B.</li> </ul>	5

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Items of activities	Target of activity in 5 years	Progress of activity	Future plan	Score
(c) To improve other pests and diseases control techniques	<ul style="list-style-type: none"><li>● To improve the control techniques of leaf miners.</li><li>● To complete the prevention for late blight, bacterial wilt, thrips, potato tuber moth and so on.</li></ul>	<ul style="list-style-type: none"><li>● None</li><li>● Prevention techniques for late blight, bacterial wilt, dry rot, common scab, potato tuber moth, and thrips are introduced, when they occur.</li></ul>	<ul style="list-style-type: none"><li>● To improve control techniques of leaf miners (short-term expert from FY2001).</li><li>● None</li></ul>	3
(d) To make manuals	<ul style="list-style-type: none"><li>● To make (or revise) manual on virus disease and aphids.</li><li>● To make (or revise) manual on root-knot nematode.</li><li>● To make (or revise) manual on leaf miners.</li></ul>	<ul style="list-style-type: none"><li>● Preparing of some materials for the manual.</li></ul>	<ul style="list-style-type: none"><li>● To make (or revise) manual on each item.</li></ul>	2

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Items of activities	Target of activity in 5 years	Progress of activity	Future plan	Score
<b>2. Improvement of cultivation and management techniques of seed growers in West Java</b>				
<b>(2-1) To develop a guidance system for seed growers</b>			CP: DINAS (BBI) (BBU) (BPSB)	
(a) Fact finding survey on seed growers	<ul style="list-style-type: none"> <li>To do fact-finding survey on actual situation and problems of cultivation techniques and management of seed growers.</li> </ul>	<ul style="list-style-type: none"> <li>Fact-finding survey on cultivation techniques and management of seed growers and ordinary farmers.</li> </ul>	<ul style="list-style-type: none"> <li>Supplementary survey if necessary.</li> </ul>	5
(b) Field guidance for seed growers	<ul style="list-style-type: none"> <li>To make guidance on production to seed growers by guidance team directed by DINAS Pertanian.</li> </ul>	<ul style="list-style-type: none"> <li>Field guidance on production to seed growers by guidance team directed by DINAS Pertanian. (1) Mainly, the staff of DINAS Pertanian and BPSB participated, (2) the staff of regency offices of DINAS Pertanian and BPSB inspectors stationed in regencies also participated, (3) and Manual for seed growers was remade.</li> <li>Intensive guidance on sprouting on diffused light and on getting small-sized tuber.               <ul style="list-style-type: none"> <li>Manual for sprouting technique using diffused light was made.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>To strengthen the field guidance system especially by the participation of BBI and BBU staff to the guidance team directed by DINAS Pertanian.</li> <li>To make guidance for seed growers on sprouting techniques by diffused light in order that it become the standard techniques of seed potato production.</li> </ul>	3
(c) Training for seed growers and guidance team	<ul style="list-style-type: none"> <li>To train existing seed growers and candidate of seed growers.</li> <li>To train the staff of regency offices of DINAS Pertanian and BPSB inspectors stationed in regencies.</li> </ul>	<ul style="list-style-type: none"> <li>Training course for the candidate of seed growers at BBI: 3 times (Oct 99, Mar 00, Jul 00) for total number of 54.</li> <li>Skill-up training course for the existing seed growers was implemented by BPSB on February 2001.</li> <li>Training course for the BPSB inspectors stationed in regencies at BPSB: 3 times (Mar 00, Oct 00, Oct 00) for total number of 21.</li> <li>Seminar for regency and district officer of DINAS Pertanian: 2 times (Nov 99 in DINAS Pertanian, Sep 00 in BBU) for about 60 persons each time.</li> </ul>	<ul style="list-style-type: none"> <li>To continue the training courses.</li> <li>To continue the training courses.</li> </ul>	3

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Items of activities	Target of activity in 5 years	Progress of activity	Future plan	Score
(2-2) <i>To verify and modify seed production and management techniques in seed growers field</i>			CP: DINAS (BBI) (BBU) (BPSB)	
(a) To set up and manage the demonstration field	<ul style="list-style-type: none"> <li>● To set up and manage demonstration field for the purpose of dissemination of techniques of seed potato production and upbringing of new seed growers.</li>   <li>● To demonstrate important techniques for seed potato production to seed growers, such as sprouting technique using diffused light, pest and disease control, storage after harvesting.</li> </ul>	<ul style="list-style-type: none"> <li>● Setting up of the demonstration field for the purpose of dissemination of techniques of seed potato production and upbringing of new seed growers under the direction and management of DINAS Pertanian: 3 location on FY 99 (Kecamatan Kertasari, Kecamatan Ciwidey, Kabupaten Garut), and 2 location on FY 00 (Kabupaten Kuningan, Kabupaten Sukabumi)</li> <li>● Dinas Pertanian: General planning and guidance, BPSB: Technical support, Kabupaten BPSB inspector and Dinas officer: Support activity for guidance.</li> <li>● In 5 main potato production area , core seed grower groups are being brought up.</li>   <li>● Setting up of the demonstration field in BBU for introduction of sprouting on diffused light in FY 2000. And Technical seminar was held on September.</li> </ul>	<ul style="list-style-type: none"> <li>● Demonstration of sprouting technique using diffused light.</li> <li>● Demonstration of pest and disease control techniques.</li> <li>● Demonstration of storage techniques after harvesting.</li> </ul>	3

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Items of activities	Target of activity in 5 years	Progress of activity	Future plan	Score
3. Improvement of management of seed potato distribution system in West Java				
(3-1) To establish a method for planning the supply of seed potatoes based on demand			CP: MOA	
(a) To make a supply plan of seed potatoes based on demand	<ul style="list-style-type: none"> <li>● To hold "National Coordination Meeting for Seed Potato Production" with the members of each province concerned to discuss the supply plan of seed potato</li> </ul>	<ul style="list-style-type: none"> <li>● "The 1<sup>st</sup> National Coordination Meeting for Seed Potato Production" with the attendance of 7 provinces sponsored by MOA on September 2000.</li> <li>● G0 sent from WJ to NS and CJ: 4 times, respectively.</li> <li>● G1 sent from NS to WS, from CJ to EJ and SS: 1 time, respectively.</li> </ul>	<ul style="list-style-type: none"> <li>● To hold "National Coordination Meeting for Seed Potato Production" continuously.</li> </ul>	2

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Items of activities	Target of activity in 5 years	Progress of activity	Future plan	Score
(3-2) To improve the seed potato supply system			CP: DINAS	
(a) Fact finding survey on seed potato supply system	<ul style="list-style-type: none"> <li>To do fact-finding survey on seed potato supply in West Java in order to find out actual situation and problems of supply system of seed potato.</li> </ul>	<ul style="list-style-type: none"> <li>Basic fact-finding survey on seed potato supply in West Java in FY99.</li> <li>Detailed survey on distribution system of imported seed and local seed in Kabupaten Bandung and Garut by cooperation with consultant in FY2000.</li> </ul>	<ul style="list-style-type: none"> <li>Supplementary survey if necessary.</li> </ul>	4
(b) To improve supply system of seed potatoes	<ul style="list-style-type: none"> <li>To enhance managerial system of DINAS Pertanian on seed potato supply.</li> <li>To improve the supply system of seed potatoes in model areas by organizing of seed growers and making necessary guidance for the smooth distribution of seed potatoes.</li> <li>To enhance the marketing system of BBU.</li> <li>To implement necessary measures for enlargement of the demand for seed potatoes.</li> <li>To diversify supply root of seed potatoes.</li> <li>To enhance information system on seed potato distribution.</li> </ul>	<ul style="list-style-type: none"> <li>Enhancement of managerial system of DINAS Pertanian on seed potato supply from G0 to G4 (coordination of production and distribution schedule on each batch, decision of price)</li> <li>Making the condition of local distribution system within each area by demonstration field activity on main area of seed potato production.</li> <li>Enhancement of marketing system in BBU by assignment of officer in charge of G3 marketing on new marketing section on June 2000.</li> <li>Field seminar for introducing excellency of certified seed and importance of renewal of seed to ordinary farmer on Jan 00, Feb 00, Jul 00, and Nov 00.</li> <li>PR by local newsletter.</li> <li>Free donation of G4 seed (domestic certified seed) to ordinary farmers (on going).</li> </ul>	<ul style="list-style-type: none"> <li>To continue.</li> <li>Monitor of the situation of local distribution within each area.</li> <li>To enhance the marketing system in BBU continuously (development of continuous user for G3, early distribution of G3, improvement of other related conditions)</li> <li>To enhance the measures for expanding the needs for seed potatoes (promotion on nationwide by TV, newspaper and so on).</li> <li>To develop various distribution root of seed potato including inter province distribution.</li> <li>To enhance the information system on seed potato distribution in DINAS Pertanian and BBU.</li> </ul>	2



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Items of activities	Target of activity in 5 years	Progress of activity	Future plan	Score
<b>(3-3) To improve the seed potato inspection and certification system</b>			CP: BPSB, MOA	
(a) To establish the nationwide inspection standard for seed potatoes	<ul style="list-style-type: none"> <li>To implement the basic examination necessary for the establishment of new nationwide inspection standard for seed potato.</li> </ul>	<ul style="list-style-type: none"> <li>To implement the following examination necessary for the establishment of new nationwide inspection standard for seed potato. (1) Evaluation of the results of application of the tentative inspection standard enforced in March 1997, (2) field survey to grasp present situation of inspection, (3) suggestion for making new standard.</li> <li>Nationwide inspection standard was enforced from Jul 99.</li> </ul>	<ul style="list-style-type: none"> <li>None</li> </ul>	5
(b) To monitor the application of the nationwide inspection standard	<ul style="list-style-type: none"> <li>To improve the operational problems of new standard.</li> <li>To improve technical matters including management of laboratory.</li> </ul>	<ul style="list-style-type: none"> <li>No special problem up to now.</li> <li>Improvement of the technical matters including management of laboratory, (1) Isolation of nematodes, (2) Identification of nematodes, (3) Identification of disease symptom, (4) making antiserum, (5) Next generation monitoring.</li> </ul>	<ul style="list-style-type: none"> <li>To improve the operational problems of new standard, if necessity aroused.</li> <li>To improve technical matters: (1) Identification of disease symptom, (2) Making anti-serum, (3) Next generation monitoring.</li> </ul>	3
(c) To evaluate the implementation of the nationwide inspection standard	<ul style="list-style-type: none"> <li>To evaluate the operation of inspection after the enforcement of the new standard considering other 6 provinces.</li> </ul>	<ul style="list-style-type: none"> <li>None</li> </ul>	<ul style="list-style-type: none"> <li>To evaluate the operation of inspection after the enforcement of the new standard considering other 6 provinces in FY2002.</li> </ul>	1

2

Items of activities	Target of activity in 5 years	Progress of activity	Future plan	Score
<b>4. Enhancement of training system in West Java</b>				
<b>(4-1) To improve training plan, curriculum and materials</b>			CP: MOA, DINAS, BBI, BPSB	
(a) To improve the planning ability of training staff in MOA, BPSB and DINAS Pertanian	<ul style="list-style-type: none"> <li>To improve the planning and management ability for the training course including annual plan, scope of trainee, period and so on.</li> </ul>	<ul style="list-style-type: none"> <li>Annual plans for the training course (FY99, 2000).</li> <li>Planning sheets for each training course (FY99, 2000)</li> </ul>	<ul style="list-style-type: none"> <li>To continue.</li> </ul>	3
(b) To improve training curriculum in BBI and BPSB	<ul style="list-style-type: none"> <li>To improve curriculum according to the purpose of each training course and trainee.</li> </ul>	<ul style="list-style-type: none"> <li>Curriculum of each training course (FY99, 2000).</li> </ul>	<ul style="list-style-type: none"> <li>To continue.</li> </ul>	3
<b>(4-2) To enhance the seed potato production and inspection techniques for personnel concerned in North Sumatra and Central Java through training programs</b>			CP: MOA, DINAS, BBI, BPSB	
(a) To enhance the seed potato cultivation and certification techniques (BBI)	<ul style="list-style-type: none"> <li>To implement the training programs on the production and management techniques in screen house, cultivation techniques of G2 and G3 in the large scale field, techniques necessary for guidance to seed growers.</li> <li>To follow-up the result of training in West Java to make guidance on the site of both provinces.</li> </ul>	<ul style="list-style-type: none"> <li>Training course for the staff of 2 provinces (FY 99: 4 courses, FY 00: 5 courses (on going).</li> <li>Follow-up of the result of training in West Java to make guidance on the site of both provinces by experts and CPs in West Java. For NS: FY 98: 1 time, FY 99: 2 times, FY 00: 4 times. For CJ: FY 99: 5 times, FY00: 3 times.</li> </ul>	<ul style="list-style-type: none"> <li>To continue training course.</li> <li>To enhance the guidance on the site of 2 provinces (follow-up of training course)</li> </ul>	3

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Items of activities	Target of activity in 5 Years	Progress of activity	Future plan	Score
(b) To enhance the seed potato inspection techniques (BPSB)	<ul style="list-style-type: none"> <li>To implement the training programs on the practical techniques for high accuracy inspection including finding method of pests and diseases as well as basic techniques.</li> <li>To follow-up result of training in West Java to make guidance on the site of both provinces.</li> </ul>	<ul style="list-style-type: none"> <li>Training course for the staff of 2 provinces (FY 99: 3 courses, FY 00: 5 courses (on going)).</li> </ul>	<ul style="list-style-type: none"> <li>To continue training course.</li> <li>To conduct the guidance on the site of 2 provinces (follow-up of training course)</li> </ul>	3
<i>(4-3) To train personnel concerned in other provinces (West Sumatra, Jambi, East Java and South Sulawesi) concerning seed potato production and inspection through training programs</i>			CP: MOA, DINAS, BBI, BPSB	
(a) To train personnel concerning seed potato production (BBI)	<ul style="list-style-type: none"> <li>To implement training programs on the basic techniques for cultivation of G2 and G3 in the field and techniques necessary for guidance to seed growers.</li> </ul>	<ul style="list-style-type: none"> <li>Training course for the staff of 4 provinces (FY 99: 3 courses, FY 00: 4 courses (on going)).</li> </ul>	<ul style="list-style-type: none"> <li>To continue training course.</li> </ul>	3
(b) To train personnel concerning seed potato inspection (BPSB)	<ul style="list-style-type: none"> <li>To implement training programs on the basic techniques for seed potato inspection.</li> </ul>	<ul style="list-style-type: none"> <li>Training course for the staff of 4 provinces (FY 99: 3 courses, FY 00: 1 course (on going)).</li> </ul>	<ul style="list-style-type: none"> <li>To continue training course.</li> </ul>	3

(Note) Meaning of the number in the column "Score" is as follows;

- "1": 0 — 20 % of activities have been attained.
- "2": 21 — 40% of activities have been attained.
- "3": 41 — 60 % of activities have been attained.
- "4": 61 — 80 % of activities have been attained.
- "5": 81 — 100 % of activities have been attained.

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Annex 9 : Project Design Matrix(1)  
 Project title : Development of High Quality Seed Potato Multiplication System Project  
 Target area : West Java  
 Target group: Seed growers

Implementation Period: October 1, 1998 ~ September 30, 2003  
 Prepared by : Joint Evaluation Team  
 Date of Preparation: Feb. 27, 2001

Narrative Summary	Objectively Verifiable Indicators	Means of Verification	Important Assumptions
<p><b>Overall Goal</b></p> <p>To increase the amount of high quality seed potatoes.            To develop the nationwide high quality seed potato multiplication system.</p>	<p>Production of high quality seed potato (G4) increases in North Sumatra, Central Java, West Sumatra, Jambi, East Java and South Sulawesi, as well as West Java by Sept. 2008.</p>	<p>Records of production and inspection of MOA, Dinas Pertanian and BPSB</p>	<p>The basic policy of seed potato production in Ministry of Agriculture is not changed.</p>
<p><b>Project Purpose</b></p> <p>To develop the high quality seed potato multiplication system in West Java as a model of nationwide system.</p>	<p>Production of high quality seed potato (G4) stabilizes at the level of 500 to 1,000 tons annually in West Java by Sept. 2003</p>	<p>Records of production and inspection of Dinas Pertanian and BPSB</p>	<p>Necessary facilities of seed potato multiplication are developed in each province by JBIC loan..</p>
<p><b>Outputs</b></p> <p>1. Seed potato production technology in BBI and BBU in West Java is strengthened.</p> <p>2. Seed potato production technology of seed growers in West Java is improved.</p> <p>3. Seed potato distribution in West Java is effectively managed.</p> <p>4. The guidance system in West Java for staff of other provinces, in particular of North Sumatra and Central Java, on seed potato production technology at BBI and inspection technology at BPSB is strengthened.</p>	<p>1-1 Production of seed potato(G0,G1) at BBI in West Java necessary for G1, G2 production increases and stabilizes by Sept. 2003 at the level of :            45,000 to 60,000 tubers/season(G0)            55,000 to 70,000 tubers (3 to 3.5 tons)/season (G1)</p> <p>1-2 Production of seed potato(G2,G3) at BBI, BPSB and BBU in West Java increases and stabilizes by Sept. 2003 at the level of :            15 to 20 tons/ha(G2)            15 to 20 tons/ha(G3)</p> <p>2 Production of seed potato(G4) of seed growers in West Java becomes the level of 10 to 15 tons/ha by Sept. 2003.</p> <p>3 More than 80 % of seed potatoes produced in West Java are sold and used as a seed by Sept. 2003.</p> <p>4. More than 50 persons in total complete the course in BBI on the multiplication techniques and more than 50 persons in total complete the course in BPSB on the seed inspection techniques by Sept. 2003.</p>	<p>1. Records of production and inspection of BBI, BBU and BPSB</p> <p>2. Records of production and inspection of BPSB</p> <p>3. Records of inspection of BPSB            Records of selling of Dinas Pertanian</p> <p>4. Records of result of training of BBI and BPSB</p>	<p>1. Price of the imported seed potato does not decrease.</p> <p>2. The basic policy of seed potato production in West Java is not changed.</p> <p>3. Seed growers secure the funds for seed potato production.</p>

2

Activities	Inputs		
1) Improvement of multiplication techniques and pest and disease control techniques in West Java. 1-1) To improve multiplication techniques. 1-2) To improve pest and disease control techniques.  2) Improvement of cultivation and management techniques of seed growers in West Java. 2-1) To develop a guidance system for seed growers. 2-2) To verify and modify seed production and management techniques in seed growers' field.  3) Improvement of management for seed potato distribution system in West Java. 3-1) To establish a method for planning the supply of seed potatoes based on demand. 3-2) To improve the seed potato supply system. 3-3) To improve the seed potato inspection and certification system.  4) Enhancement of guidance system in West Java. 4-1) To improve training plan, curriculum and materials. 4-2) To enhance the seed potato production and inspection techniques for personnel concerned in North Sumatra and Central Java through training programs. 4-3) To train personnel concerned in other provinces (West Sumatra, Jambi, East Java and South Sulawesi) concerning seed potato production and inspection through training programs.	<b>Japanese side</b>  1) Long-term experts Chief advisor Coordinator Pest and disease control Cultivation and multiplication Distribution system  2) Short-term experts When necessity arises  3) Equipment and machinery  4) Counterpart training in Japan  5) Dispatch of study team When necessity arises	<b>Indonesian side</b>  1) Counterparts Project director Project manager At least two full-time C/ps for each expert Administrative and technical staff  2) Land, buildings and facilities  3) Running expenses  4) Others	1. Results of production and inspection are recorded correctly. 2. Abnormal weather and disaster do not occur. 3. Seed potatoes are sold in adequate price. 4. Potatoes are sold in adequate price. 5. Necessary budget for BBU is allocated by PD Agribisnis.  <b>Pre-conditions</b> 1. Demand for seed potato is increased in Indonesia. 2. Public peace is stabilized. 3. Ministry of Agriculture and Dinas Pertanian of each province allocate necessary budget for the Project. 4. Counterpart personnel of MOA, BBI, BBU, BPSB and Dinas Pertanian of West Java are assigned properly.

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## Progress of Output and Project Purpose

Output	Objectively Verifiable Indicator	Present situation	Score
1. Seed potato production technology in BBI and BBU in West Java is strengthened.	1-1 Production of seed potato (G0, G1) at BBI in West Java necessary for G1, G2 production increases and stabilizes by Sept. 2003 at the level of: 45,000 to 60,000 tubers/season (G0) 55,000 to 70,000 tubers (3 to 3.5 tons) /season (G1) 1-2 Production of seed potato (G2, G3) at BBI and BBU in West Java increases and stabilizes by Sept. 2003 at the level of: 15 to 20 tons/ha (G2) 15 to 20 tons/ha (G3)	<ul style="list-style-type: none"> <li>G2 production in the last 2 seasons (BBI): 18.1t/ha, 18.6ha.</li> <li>G3 production in the last 2 seasons (BBU): 18.8t/ha, 17.2t/ha.</li> <li>Production of BBU has not well stabilized yet.</li> <li>Productivity of G0 and G1 has increased drastically. (Production of G0 and G1 in the last season) G0: 134,000 tubers G1: 72,000 tubers (4,600kg)</li> </ul>	4
2. Seed potato production technology of seed growers in West Java is improved.	2. Production of seed potato (G4) of seed growers in West Java becomes the level of 10 to 15 tons/ha by Sept. 2003.	<ul style="list-style-type: none"> <li>G4 production in the last 3 seasons (seed growers): 5.9t/ha, 11.4t/ha, and 9.7t/ha.</li> <li>There are wide ranges of productivity among each seed grower.</li> <li>Seed size of G4 is still big.</li> </ul>	3
3. Seed potato distribution in West Java is effectively managed.	3. More than 80 % of seed potatoes produced in West Java are sold and used as a seed by Sept.2003.	<ul style="list-style-type: none"> <li>Almost 100 % of G4 was sold and used as seed in the last 2 years except last season.</li> <li>Only 40 % of G4 was sold and used as seed in the last season, because market price of potatoes went down. It's a special case.</li> </ul>	3
4. The guidance system in West Java for staff of other provinces, in particular of North Sumatra and Central Java, on seed potato production technology at BBI and Inspection technology at BPSB is strengthened.	4. More than 50 persons in total complete the course in BBI on the multiplication techniques, and more than 50 persons in total complete the course in BPSB on the seed inspection techniques by Sept. 2003.	<ul style="list-style-type: none"> <li>Number of persons who completed the training course in BBI: 20 (FY99).</li> <li>Number of persons who completed the training course in BPSB: 18 (FY99).</li> </ul>	3

8

Project Purpose	Objectively Verifiable Indicator	Present situation	Score
• To develop the high quality seed potato multiplication system in West Java as a model of nationwide system.	• Production of high quality seed potato (G4) stabilizes at the level of 500 to 1,000 tons annually in West Java by Sep.2003	• Annual G4 production in Phase I Project: about 100 to 200 tons. • Last 2 years: 419 tons and 909 tons. • Production in each year is not stable.	3

(Note) Meaning of the number in the column "Score" is as follows;

- "1": 0 — 20 % of outputs have been attained.
- "2": 21 — 40% of outputs have been attained.
- "3": 41 — 60 % of outputs have been attained.
- "4": 61 — 80 % of outputs have been attained.
- "5": 81 — 100 % of outputs have been attained.

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Detailed TSI of SPP II

Activities	1998			1999			2000			2001			2002			2003			Remarks
	4	7	10	4	7	10	4	7	10	4	7	10	4	7	10	4	7	10	
<b>1.Improvement of multiplication techniques and pest and diseases control techniques in West Java</b>																			
<b>(1-1) To improve multiplication techniques</b>																			
(a) To establish the planned production system of seed potato (BB I, BB U)																			
(b) To improve the production techniques in the field (BB I, BB U)																			
(c) To improve the production techniques of G0 and G1 in screen house (BB I)																			
(d) To establish tissue culture techniques (BB I)																			
(e) To make manuals																			
<b>(1-2) To improve pest and disease control techniques</b>																			
(a) To improve control techniques of virus diseases and aphids																			
(b) To improve control techniques of soil-borne pests and diseases																			
(c) To improve other pests and diseases control techniques																			
(d) To make manuals																			



2

Activities	1998 4-7-10	1999 4-7-10	2000 4-7-10	2001 4-7-10	2002 4-7-10	2003 4-7-10	Remarks
<p><b>2. Improvement of cultivation and management techniques of seed growers in West Java</b></p> <p><b>(2-1) To develop a guidance system for seed growers</b></p> <p>(a) Fact finding survey on seed growers</p> <p>(b) Field guidance for seed growers</p> <p>(c) Training for seed growers and guidance team</p> <p><b>(2-2) To verify and modify seed production and management techniques in seed growers field</b></p> <p>(a) To set up and manage the demonstration field</p>							
<p><b>3. Improvement of management of seed potato distribution system in West Java</b></p> <p><b>(3-1) To establish a method for planning the supply of seed potatoes based on demand</b></p> <p>(a) To make a supply plan of seed potatoes based on demand</p> <p><b>(3-2) To improve the seed potato supply system</b></p> <p>(a) Fact finding survey on seed potato supply system</p> <p>(b) To improve supply system of seed potatoes</p> <p><b>(3-3) To improve the seed potato inspection and certification system</b></p> <p>(a) To establish the nationwide inspection standard for seed potatoes</p> <p>(b) To monitor the application of the nationwide inspection standard.</p> <p>(c) To evaluate the implementation of the nationwide inspection standard</p>							

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4

Activities	1998 4 7 10	1999 4 7 10	2000 4 7 10	2001 4 7 10	2002 4 7 10	2003 4 7 10	Remarks
<p><b>4. Enhancement of guidance system in West Java</b></p> <p><b>(4-1) To improve training plan, curriculum and materials</b></p> <p>(a) To improve the planning ability of training staff in MOA, BPSB and DINAS Pertanian</p> <p>(b) To improve the training curriculum in BBI and BPSB</p> <p><b>(4-2) To enhance the seed potato production and inspection techniques for personnel concerned in North Sumatra and Central Java through training programs</b></p> <p>(a) To enhance the seed potato cultivation and certification techniques (BBI)</p> <p>(b) To enhance the seed potato inspection techniques (BPSB)</p> <p><b>(4-3) To train personnel concerned in other provinces (West Sumatra, Jambi, East Java and South Sulawesi) concerning seed potato production and inspection through training programs</b></p> <p>(a) To train personnel concerning seed potato production (BBI)</p> <p>(b) To train personnel concerning seed potato inspection (BPSB)</p>							

(Note) • "MOA" means "Ministry of Agriculture".

• "Dinas Pertanian" means "West Java Provincial Agriculture Service".

: Project Design Matrix(1)

Project title : Development of High Quality Seed Potato Multiplication System Project  
 Target area : West Java  
 Target group: Seed growers

Implementation Period: October 1, 1998 ~ September 30, 2003  
 Prepared by : Joint Evaluation Team  
 Date of Preparation: Feb. 27, 2001

Narrative Summary	Objectively Verifiable Indicators	Means of Verification	Important Assumptions
<b>Overall Goal</b> To increase the amount of high quality seed potatoes. To develop the nationwide high quality seed potato multiplication system.	Production of high quality seed potato (G4) increases in North Sumatra, Central Java, West Sumatra, Jambi, East Java and South Sulawesi, as well as West Java by Sept. 2008.	Records of production and inspection of MOA, Dinas Pertanian and BPSB	The basic policy of seed potato production in Ministry of Agriculture is not changed.
<b>Project Purpose</b> To develop the high quality seed potato multiplication system in West Java as a model of nationwide system.	Production of high quality seed potato (G4) stabilizes at the level of 500 to 1,000 tons annually in West Java by Sept. 2003	Records of production and inspection of Dinas Pertanian and BPSB	Necessary facilities of seed potato multiplication are developed in each province by JBIC loan..
<b>Outputs</b> 1. Seed potato production technology in BBI and BBU in West Java is strengthened.  2. Seed potato production technology of seed growers in West Java is improved.  3. Seed potato distribution in West Java is effectively managed.  4. The guidance system in West Java for staff of other provinces, in particular of North Sumatra and Central Java, on seed potato production technology at BBI and inspection technology at BPSB is strengthened.	1-1 Production of seed potato(G0,G1) at BBI in West Java necessary for G1, G2 production increases and stabilizes by Sept. 2003 at the level of : 45,000 to 60,000 tubers/season(G0) 55,000 to 70,000 tubers (3 to 3.5 tons)/ season (G1)  1-2 Production of seed potato(G2,G3) at BBI and BBU in West Java increases and stabilizes by Sept. 2003 at the level of : 15 to 20 tons/ha(G2) 15 to 20 tons/ha(G3)  2 Production of seed potato(G4) of seed growers in West Java becomes the level of 10 to 15 tons/ha by Sept. 2003.  3 More than 80 % of seed potatoes produced in West Java are sold and used as a seed by Sept. 2003.  4. More than 50 persons in total complete the course in BBI on the multiplication techniques and more than 50 persons in total complete the course in BPSB on the seed inspection techniques by Sept. 2003.	1. Records of production and inspection of BBI, BBU and BPSB  2. Records of production and inspection of BPSB  3. Records of inspection of BPSB Records of selling of Dinas Pertanian  4. Records of result of training of BBI and BPSB	1. Price of the imported seed potato does not decrease.  2. The basic policy of seed potato production in West Java is not changed.  3. Seed growers secure the funds for seed potato production.

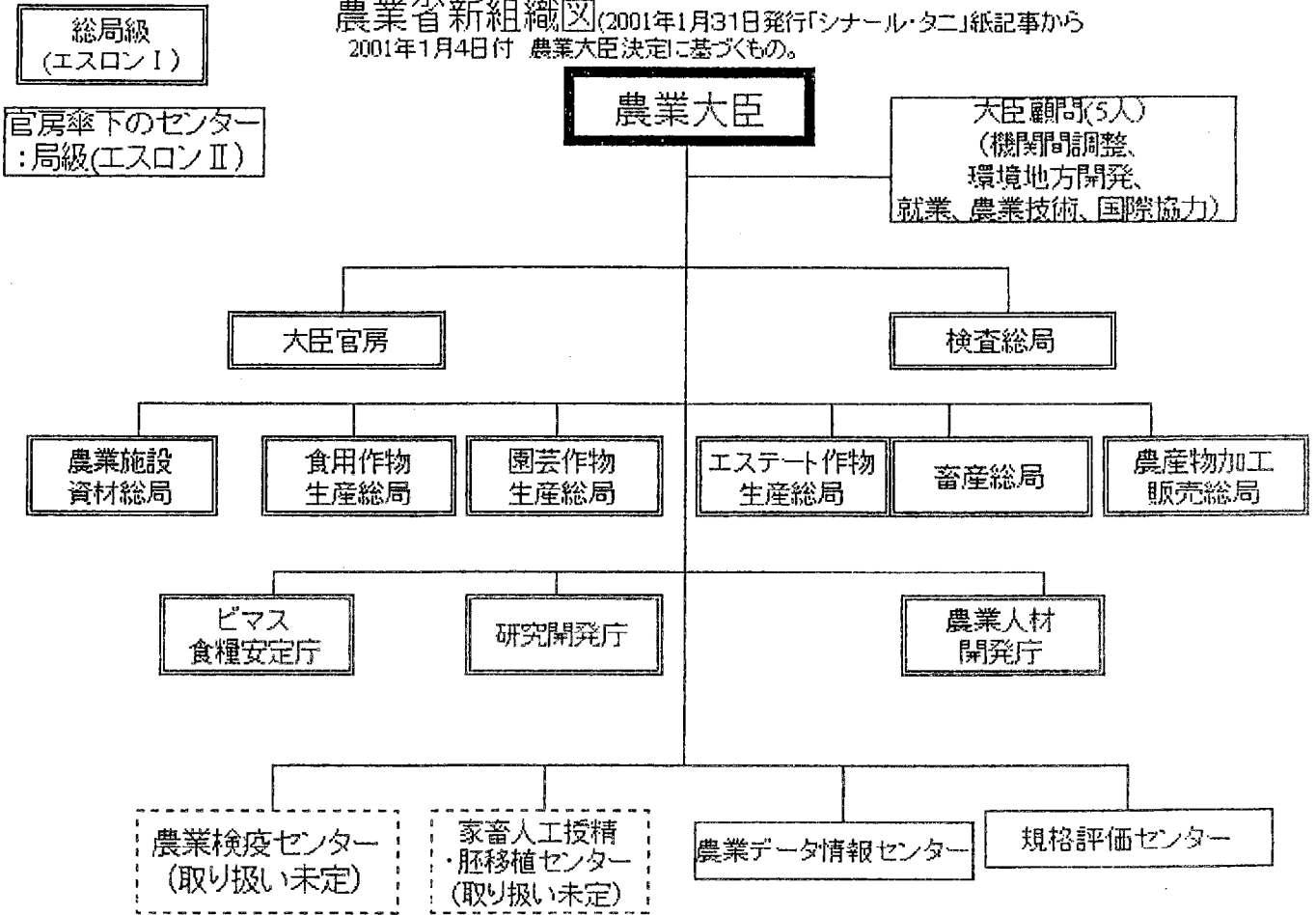
<p><b>Activities</b></p> <p>1) Improvement of multiplication techniques and pest and disease control techniques in West Java.</p> <p>1-1) To improve multiplication techniques.</p> <p>1-2) To improve pest and disease control techniques.</p> <p>2) Improvement of cultivation and management techniques of seed growers in West Java.</p> <p>2-1) To develop a guidance system for seed growers.</p> <p>2-2) To verify and modify seed production and management techniques in seed growers' field.</p> <p>3) Improvement of management for seed potato distribution system in West Java.</p> <p>3-1) To establish a method for planning the supply of seed potatoes based on demand.</p> <p>3-2) To improve the seed potato supply system.</p> <p>3-3) To improve the seed potato inspection and certification system.</p> <p>4) Enhancement of guidance system in West Java.</p> <p>4-1) To improve training plan, curriculum and materials.</p> <p>4-2) To enhance the seed potato production and inspection techniques for personnel concerned in North Sumatra and Central Java through training programs.</p> <p>4-3) To train personnel concerned in other provinces (West Sumatra, Jambi, East Java and South Sulawesi) concerning seed potato production and inspection through training programs.</p>	<p><b>Inputs</b></p> <p>Japanese side</p> <p>1) Long-term experts Chief advisor Coordinator Pest and disease control Cultivation and multiplication Distribution system</p> <p>2) Short-term experts When necessity arises</p> <p>3) Equipment and machinery</p> <p>4) Counterpart training in Japan</p> <p>5) Dispatch of study team When necessity arises</p> <p>Indonesian side</p> <p>1) Counterparts Project director Project manager At least two full-time C/ps for each expert Administrative and technical staff</p> <p>2) Land, buildings and facilities</p> <p>3) Running expenses</p> <p>4) Others</p>	<p>1. Results of production and inspection are recorded correctly.</p> <p>2. Abnormal weather and disaster do not occur.</p> <p>3. Seed potatoes are sold in adequate price.</p> <p>4. Potatoes are sold in adequate price.</p> <p>5. Necessary budget for BBU is allocated by PD Agribisnis.</p> <p><b>Pre-conditions</b></p> <p>1. Demand for seed potato is increased in Indonesia.</p> <p>2. Public peace is stabilized.</p> <p>3. Ministry of Agriculture and Dinas Pertanian of each province allocate necessary budget for the Project.</p> <p>4. Counterpart personnel of MOA, BBL, BBU, BPSB and Dinas Pertanian of West Java are assigned properly.</p>
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PDM見直結果

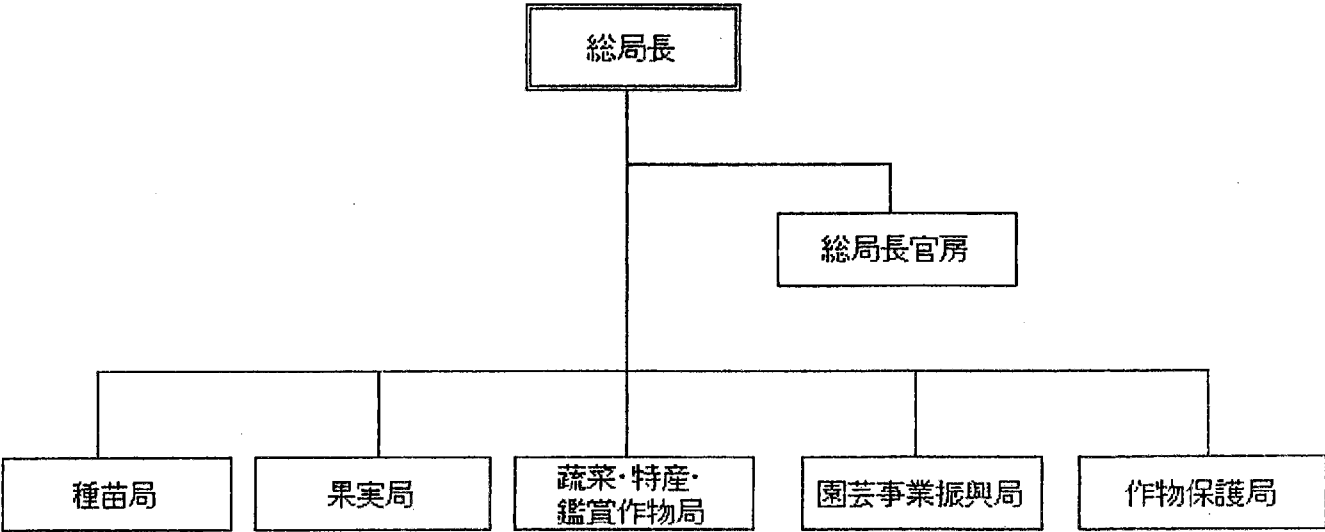
		PDM (0)		PDM (1)	
	項 目	現 行	変更案	変更理由	
1	Target area	Bundung, West Java	West Java	対象地域は西ジャワ州全体であり、西ジャワ州のバンドン市ではない	
2	Target group	MOA, Dinas Pertanian, BPSB, BBI, BBU and Seed growers	Seed growers	プロジェクトの受益者と実施者が混在している。MOA から BBU まではプロジェクトの実施者である。	
3	Overall Goal	To increase the amount of high quality seed potatoes. To develop the nationwide high quality seed potato multiplication system.	Production of high quality seed potato (G4) is increased in North Sumatra, Cenral Java, West Sumatra, Jambi, East Java and South Sulaweshi, as well as West Java. 但し今回は PDM の文言は書き換えない	プロジェクト終了後5年間で種馬铃薯増殖システムがインドネシア全土に整備されると想定するのは現実的でない。種馬铃薯は G4 と明記したほうがわかりやすい。	
4	Project Purpose	To develop the high quality seed potato multiplication system in West Java as a model for nationwide system.	Production of high quality seed potato (G4) is increased in West Java. 但し今回は PDM の文言は書き換えない	増殖体系の整備は複数掲げられた成果のまとめであり、成果の結果実現される具体的な意味が示されるべき。	
5	Outputs	4) The training system in West Java for staff of other provinces is strengthened. In particular, seed potato production technology at BBIs and inspection technology at BPSBs in North Sumatra and Central Java are improved through training program in West Java.	4) The guidance system in West Java for staff of other provinces, in particular of North Sumatra and Central Java, on seed potato production technology at BBI and inspection technology at BPSB is strengthened.	原因と結果が併記されている。活動の結果として実現された状態を記載し、実際には研修以外に専門家の技術指導も含まれるので指導に改めるほうが良い。	
6	Activities	Enhancement of training system in West Java.	Enhancement of guidance system in West Java.	上記変更に伴い字句を訂正するほうがよい。	
7	Important Assumptions	1. Counterpart personnel of BBI, BBU and BPSB in West Java are assigned properly.  3. Ministry of Agriculture and Dinas Pertanian allocate necessary budget for the Project.	3. Ministry of Agriculture and Dinas Pertanian of each province allocate necessary budget for the Project. 4. Counterpart personnel of MOA, BBI, BBU, BPSB and Dinas Pertanian of West Java are assigned properly. Pre-conditions に移動する。	いずれも満たされるべき条件であり外部条件ではない。削除しないなら前提条件に直す。	

4. 農業省新組織図

農業省新組織図(2001年1月31日発行「シナール・タニ」紙記事から  
2001年1月4日付 農業大臣決定に基づくもの。)



園芸作物生産総局



5. 原原種農場 (BBI) と種子検査所 (BPSB) の  
 予算措置状況＝東ジャワ、南スマラウエシ、西スマトラ、ジャンビ各州の状況

BUDGET ALLOCATION OF BBI

NO	ITEM	PROVINCE			
		EAST JAVA	SOUTH SULAWESI	WEST SUMATERA	JAMBI
1.	Land Areal of BBI	3 Hectar	35 Hectar	35 Hectar	10 Hectar
	Land Areal of BBU	3,5 Hectar			
2.	Location	Pujon, Malang	Sinjai	Solok	Kerinci
3.	Counterpart Have Been Trained	1. Sukarwo 2. Sugianto 3. Lili 4. Maryanto 5. Joko Widodo	1. Ir. Ramlah 2. Ir. Musnafir 3. Ir. Andi Odang 4. Abdul Rachman 5. Abdul Haris Sarro, SP 6. Ir. M. Amin	1. Ir. Maswal 2. Ir. Yul Agustinus 3. Safrudin 4. Abdul Gani Afan, SP	1. Murtamin, SP 2. Rismaini, SP 3. Ir. Susi H 4. Subroto
4.	The Equipments Allocation	1. Motor cycle 2. Hand sprayer 3. Storage 4. Hoe	1. Motor cycle 2. Hand sprayer 3. Storage 4. Hoe	1. Motor cycle 2. Hand sprayer 3. Storage 4. Hoe 5. Hand Tractor	1. Motor cycle 2. Hand sprayer 3. Storage 4. Hoe 5. Hand Tractor
5.	Allocation Budget (Fiscal Year 2000)	Rp. 22.000.000,00	Rp. 22.000.000,00	Rp. 145.000.000,00	Rp. 5.000.000.00
	Implementation : Seed Production	G2 Production Seed G2 Seed Production (100 kg G1 from CJ)	G2 Production Seed G2 Seed Production (100 kg G1 from CJ)	G2,G3 Production Seed G2 Seed production (130 kg = 0.1 ha from NS)	Seed Grower Meeting
	Harvested (Fiscal Year 2001)	Just Harvested Rp. 22.000.000,00	Just Harvested Rp. 22.000.000,00	G2= 1,6 tons, G3= 15 tons Rp. 353.000.000,00	None Rp. 50.000.000.-
	Seed Production	G2 Seed Production	G2 Seed Production	G2, G3, & G4 Seed production	G2 Seed Production

Note : Allocation budget for Central Java : 1.4 Billion Rp., and North Sumatera : Rp. 98.000.000,- in FY 2001



**BUDGET ALLOCATION OF BPSB**

NO	ITEM	PROVINCE			
		EAST JAVA	SOUTH SULAWESI	WEST SUMATERA	JAMBI
1.	Location	Surabaya	Maros	Bukittinggi	Jambi
2.	Counterpart have been Trained	1. Sarwaji 2. Ir. Hidayat 3. Ir. Taufik 4. Ir. Nur mahmudiyah	1. Ir. Abdul Kadir 2. Ir. Faisal Wahab 3. Ir. Hajrah Sofian 4. Ir. Nur Jannah	1. Indra Suardi 2. R. Munawaroh 3. Ir. Herman 4. Awaludin 5. Adriati	1. M. Puadi 2. Efrin 3. Endang Laxa Miana
3.	Allocation Budget Fiscal year 2000	Rp. 8.750.000,00	Rp. 9.000.000,00	Rp. 7.500.000,00	Rp. 3.000.000,00
	Fiscal year 2001	Rp. 32.750.000,00	Rp. 9.000.000,00	not available	Rp. 21.550.000,00

Note : Allocation budget for BPSB West Java : Rp. 163.870.000.00 ; and Central Java is not available



THE 10 ECONOMIC RECOVERY  
ACCELERATION PROGRAM

COORDINATING MINISTER FOR ECONOMIC AFFAIRS  
REPUBLIC OF INDONESIA

# THE 10 ECONOMIC RECOVERY ACCELERATION PROGRAM

COORDINATING MINISTER FOR ECONOMIC AFFAIRS  
REPUBLIC OF INDONESIA

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## 1. CREATING STABILITY IN THE FINANCIAL SECTOR

### Program:

1. Strengthen the financial sector in order to improve the economic fundamentals. Improvement of indicators in the real sector should be followed by improvement of indicators in the financial sector.
2. Increase coordination and synchronization of fiscal and monetary policy between the Economic Team and Bank Indonesia (*the Indonesian central bank*).
3. Improve the trust and create positive expectation among the investors and the public at large towards the recovery of national economy.

## 2. BOOST EXPORT INCREASE

### Program:

1. Utilize the excess capacity in the manufacturing industry sector to boost export.
2. Utilize the excess liquidity in the banking sector to boost credit lending, both for working capital credit as well as investment credit, for export oriented activities.
3. Promote the creation of a competitive and hazard free business environment in order to boost export.
4. Utilize the momentum of a competitive Rupiah value in order to boost export.

### 3. INCREASE THE PRODUCTIVITY AND WELFARE OF FARMERS

#### Program:

1. Conduct seed policy programs in order to boost productivity in the agriculture sector and increase the income of farmers. Through the seed policy, productivity could be increased in the same area of land.
2. Promote the mechanization process in Indonesia's agriculture sector, especially for area outside of Java, in order to increase agricultural productivity.
3. Choose the top 20 agricultural commodities to be intensively developed in order to be competitive in the domestic as well as international market.
4. Promote processing industries in order to increase the quality and added value of agricultural products, especially post-harvesting processing.
5. Promote the development and use of technology in order to increase agricultural productivity.

### 4. PRIORITIZE ON EQUITY-BASED RECOVERY INSTEAD OF LOAN-BASED RECOVERY

#### Program:

1. Increase the support from multilateral organizations, such as the IMF, World Bank, Asian Development Bank, OECD, Islamic Development Bank, etc.
2. In order to accelerate Indonesia's economic recovery and create millions of job opportunities, the government should support infrastructure projects with the following criteria :
  - 2.1. It should create many job opportunities, whether directly or indirectly.
  - 2.2. It should promote the development of economy in the respective region.
  - 2.3. It should create maximum economic benefit to the local community near the infrastructure project.
  - 2.4. It should be feasible both economically and financially, in order to attract domestic and foreign investors.

3. In order to finance these infrastructure projects, the government should emphasize on the participation of domestic and foreign investors by maximizing the leverage from multilateral loans or G-to-G. It is expected that infrastructure projects in the area of Gus Dur-Megawati should be cheaper comparing to the New Order Era due to the decrease in KKN (*collusion, corruption, and nepotism*).

## 5. VALUE-CREATION PRIVATIZATION

### Program:

1. Avoid fire-sales of assets belonging to SOEs and IBRA by creating an added value before privatization is conducted through business as well as financial restructuring.
2. Value-creation privatization will be conducted for sectors that has appeal to foreign investors, such as telecommunications, transportation, estate crops, hotel and tourism, infrastructure, as well as oil and gas.
3. The government should promote foreign parties to be majority shareholders as secondary operators through an open, fair and transparent tender process. With the increasing number of foreign parties as majority shareholder, the secondary operators could attract foreign loans with competitive interest rates in order to increase additional investment. The majority shareholder of prime operators should be in the hands of the government.
4. Try to maintain the government's long-term buy-back share option.
5. The government should promote to the people to own shares of SOEs, either through the capital market or in form of unit trusts.

## 6. CONDUCT ECONOMIC DECENTRALIZATION

### Program:

1. Apply Law No.22/1999 and No.25/1999, especially in aspects that deal with economic decentralization. The decentralization process should be conducted in stages in order to maintain macro and fiscal balance between the central and local government.

2. Promote the implementation of economic decentralization in the local level, namely in areas of basic infrastructure development, such as hospitals, schools, etc.
3. Boost economic development in the regions through trade and investment cooperation between areas and regions.

## **7. UTILIZE THE NATURAL RESOURCES ENDOWMENT**

### **Program:**

1. Promote the optimum utilization of maritime resources by taking into consideration the principles of sustainability and environmental safeguards.
2. Promote reform in the maritime sector and provide attractive incentives for the participation of the private sector, both domestic and foreign, in order to maximize the state revenue from the maritime sector.
3. Participation of the traditional fishermen in the utilization of maritime sector is a must, through the modernization of fish catching equipment.
4. Conduct gradual liberalization in the oil sector, especially in the downstream industry. Through this strategy, it is expected that efficiency in processing, distribution and marketing in the oil sector could increase, therefore increasing the government's revenue.
5. Provide incentive in the upstream industry from the oil and gas sector in order to attract investor in increasing the supply of oil and gas.
6. Conduct domestic gas policy to increase the domestic use of natural gas in order to minimize the energy sector cost for industries and households. This policy would minimize the domestic use of oil, therefore increasing the proportion of oil to be exported which automatically increase the government's revenue.

**8. BOOST THE DEVELOPMENT OF MICRO, SMALL AND MEDIUM SCALE BUSINESSES**

**Program:**

1. Increase the credit allocation for micro, small, and medium scale entrepreneurs through experienced and reputable financial institutions in managing micro, small and medium scale credits.
2. Increase the incentive for financial institutions, in form of administrative subsidies and technical supports for micro, small and medium scale businesses.
3. Promote the development of primary products in the existing productions centers by providing financial and non-financial support.
4. Promote the integration, modernization, and credit expansion to traditional financial institutions.
5. Provide tax incentive, administrative ease and support the establishment of a competitive business climate in order to increase productivity of small and medium scale enterprises.
6. Conduct revision towards financing schemes of micro, small and medium scale businesses.

**9. INCREASE THE PEOPLES' WELFARE IN THE RURAL AREAS IN ORDER TO STRENGTHEN SOCIO-POLITICAL STABILITY**

**Program:**

1. Increase the level of real rural wages by improving the terms of trade for agricultural commodities.
2. Accelerate infrastructure projects in the district (*kecamatan*) and rural sub-district (*pedesaan*) level, such as tertiary irrigation, rural roads, etc. as part of the strategy to increase real rural wages. The government is planning to increase the volume of this program comparing to the previous years.

## 10. ACCELERATION OF BANKING AND PRIVATE SECTOR RESTRUCTURING

### Program:

1. Conduct internal restructuring, both to the management and business, for the re-capitalized banks in order to be healthier, more prudent, competitive and profitable.
2. Promote the establishment of a consolidated national banking structure, but not concentrated through merger and acquisition among banks.
3. Persuade banks to provide bigger credit allocation for small and medium scale businesses as an effort to improve the loan portfolio quality of the banking sector.
4. Apply a more profitable exit strategy for the government in selling the assets of the banking sector.

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