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REPORTS OF THE JOINT INSPECTION UNIT

United Nations activities in Indonesia  
(JIU/REP/71/3)

Addendum

COMMENTS OF THE SECRETARY-GENERAL AND THE  
ADMINISTRATOR OF UNDP

1. In accordance with established procedures, the Secretary-General transmits to the Advisory Committee the above-mentioned report, prepared by Inspector Robert M. Macy, together with his comments, as well as those of the Administrator, UNDP.
2. The United Nations has found this report to be a valuable assessment of the field programmes being carried out in Indonesia, including West Irian. It has been noted that many of the Inspector's criticisms and suggestions have a general application in most of the projects being undertaken by the agencies of the United Nations system. With regard to the specific projects for which the United Nations has executing responsibility, the following comments are offered.
3. Among his major recommendations, Mr. Macy included one (p. iii, para. 6) concerning project FUNDWI/30, in which he suggested that there should be a frank discussion between UN/OTC officials and the Government to determine how the vessels under construction are to be manned and utilized. UN/OTC has already taken action concerning these problems. In November 1970 the Programme Management Officer involved visited the project and had discussions with the Government officials concerned. At the time of writing, the United Nations Technical Adviser is in West Irian to pursue this matter further. With respect to the other observations concerning FUNDWI/30 (paras. 126-128), there is general agreement with Mr. Macy's views regarding the lack of suitable counterpart personnel for a number

of posts. However, it should be noted that the project manager, the marine engineer superintendent and the civil engineer for port construction have had their governmental counterparts at all times.

4. With regard to the question of the repair of government-owned ships and craft at the Karim Shipyard at Sorong, as the Inspector has noted an agreement has been reached between the Government and the shipyard which will now enable progress to be made in the repair of ships and other craft.

5. On the subject of delays in procurement and delivery of equipment for the UN/OTC-executed FUNDWI projects, it is possible to report considerable advances in this respect, and that most of the equipment purchased by ICAO was delivered some time ago.

6. One of the problems defined by Mr. Macy and recognized by agencies, and common to most if not all projects in the area, is that of the acute shortage of personnel in the technical ministries with any formal training in planning and programming. The Inspector suggests the desirability of establishing training facilities in Djakarta, to meet the needs of all technical ministries for basic skills required in planning and programming the development of human resources. It is agreed that the solution to this problem cannot be found only by granting a few fellowships for study and observation abroad. The suggestion made by the Inspector, however, would require an initiative on the part of the Government whereby it could consider the possibility of including in its country programme the establishment of such a training institution. A related problem encountered in practice, and not mentioned by the Inspector, concerns prospective fellows lack of language proficiency, which has been a source of difficulty in the selection of Indonesians for fellowships abroad. To meet this difficulty provision has been made in some cases, with UNDP approval, to finance some language training before the fellows actually take up their technical or specialized fellowships. It is anticipated that, where required, this practice will be continued.

7. Inspector Macy has made some remarks (in paragraph 92) which, while applying primarily to the ILO training, seem to bear some relationship to other fields of activity. It is admitted that the circulation of post-fellowship questionnaires directly by the agencies to the fellows is not an adequate procedure. Consideration is therefore being given to the idea of requesting the Resident Representative to review the cases of fellowship holders who have returned to Indonesia in the past few years.

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8. The fellowship programmes in the FUNDWI projects have been delayed because of the lack of suitable local candidates. To meet this, the possibility is being discussed of organizing more on-the-job training, seminars, and similar activities.
9. Mr. Macy notes further that most persons going to West Irian from other parts of Indonesia want to return to their homes after a comparatively short assignment. This factor underlines the necessity of training as quickly as feasible the largest possible number of West Irianese. Consideration is being given to the possibility of awarding special fellowships to non-West Irianese Indonesians, on condition that upon completion of their fellowship they will serve in West Irian for a certain specified period.
10. There is full agreement with the concept (set forth in paras. 63-64) of co-ordinating foreign aid in the field of population in Indonesia. However, the conclusion of a "project agreement" on population matters between UNFPA and the Government is, of course, only a first step, since such an agreement sets up a framework for co-ordinating the inputs of the members of the United Nations family alone. An initiative for the co-ordination of all foreign aid may originate from the Government. As far as the United Nations system is concerned, a notable first step in co-ordination at the country level has been taken in the appointment of a corps of Population Programme Officers who serve not only the United Nations, but also the ILO, FAO and UNESCO. It is perhaps relevant to mention a development in another country, namely the decision of the Government that all aid in population should be channelled through the Resident Representative of the UNDP. The United Nations would welcome a similar initiative in Indonesia, whether it originated from the Government or from the donors themselves.
11. Concerning the recruitment problems mentioned by Mr. Macy in paragraph 126 of the report, the position with regard to project FUNDWI/30 is much improved. Since the time of Mr. Macy's inspection of the project in August/October 1970, all the posts in the project have either been filled, or are in the process of being filled with actual offers of appointments accepted by the candidates concerned. It should be noted that a contributing factor to the delays in recruitment was the change in project manager which took place prior to the Inspector's visit.
12. On the subject of medical services in Djakarta (paras. 171-173), the following steps have been taken to improve the situation:

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(a) A new United Nations examining physician has been appointed in Djakarta and consideration is being given to the appointment of a second physician.

(b) The Resident Representative in Djakarta and the Director of the United Nations Health Service have discussed the need for United Nations experts and their families to travel to Singapore (90 minutes air travel) for medical investigations and treatment when these cannot be undertaken in Djakarta. The Director of the Health Service believes that the Resident Representative should have the authority to make such arrangements, without obtaining Headquarters prior approval, whenever he and one of the local examining physicians feel that a United Nations expert or one of his dependants must go to Singapore for adequate medical attention.

(c) The Health Service has been advised that the Resident Representative has already recommended to the Director of the WHO Regional Office in New Delhi that there should be a UNDP dispensary in Djakarta (which can, perhaps, be associated with a WHO technical assistance project). The Health Service has communicated its support of this recommendation to the WHO Regional Office. Such UNDP dispensaries have been opened, or will be established in some African countries.

(d) The Director of the Health Service has discussed with the responsible officials of UNDP the possibility of his visiting several Asian countries in 1972. It would be his intention to include Djakarta and Djajapura as essential places to visit, as well as New Delhi for discussions with the WHO Regional Director.

(e) It is intended to discuss the medical situation in Djakarta, among other places, at the annual meeting of Chiefs of Medical Services of the International Organizations to be held this year in New York.

13. The Director of the Health Service fully intends keeping abreast of developments and obtaining improvements in the medical services available to United Nations personnel and their dependants stationed in Indonesia.

#### Comments of the Administrator of the UNDP

14. The Administrator finds the observations contained in the Report on United Nations Activities in Indonesia to be positive, perceptive and constructive. The study has been carefully prepared with a view to identifying those types of planning best able to contribute to the formulation of a high priority programme of technical

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and pre-investment assistance in Indonesia. The Administrator expects to take into consideration the specific recommendations of the Inspector, Mr. Robert. M. Macy, on the occasion of the programming of UNDP assistance.

15. With respect to central planning, Mr. Macy describes the intention of the Indonesian Government to prepare, with UNDP assistance, a plan of total technical assistance requirements reflecting the priorities of the present Five-Year Plan which would be the basis for negotiations with all technical assistance donors, including the UNDP. In this connexion, he places considerable importance on the determination of the Government to place planners assigned to Bappenas under the direction of the Resident Representative in order to help ensure proper orientation toward national economic development programmes rather than toward the United Nations organizations which recruited them. At the ministerial or sectoral level, Mr. Macy suggests that the fielding in Indonesia of large, high-level capabilities should contribute importantly in helping Bappenas to establish over-all technical assistance priorities and to ensure ministerial development programmes of highest priority. Mr. Macy notes that much of the UNDP financed sectoral planning work in Indonesia would be subcontracted, and he suggests that if such planning were adopted elsewhere on a widespread basis, subcontracting would be one way to obtain the large numbers of planners required.

16. While the approach to planning taken in Indonesia to help ensure a UNDP country programme containing projects of highest national priority and usefulness is clearly not practicable or desirable in all countries in which country programmes will be formulated, the Administrator agrees that the Indonesian approach merits close, continuous observation for its implications for country programming elsewhere. The new Guidelines and Instructions for Country Programming recently sent to all UNDP Resident Representatives give full scope to these and to the Governments to take new initiatives, such as those suggested by Mr. Macy, in the light of local conditions and requirements.

17. The Administrator hopes to see the Country Programmes geared mainly to over-all country development in accordance with the consensus of the Governing Council and with the guidelines for country programming. He also hopes that planning efforts would not be restricted to the "period of action" of one to five years corresponding to the national five-year development plan period. It is essential to look ahead

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into two other time horizons - the period of clear vision of six to fifteen years and the period of notional vision beyond the first fifteen years - so that they will constitute, in a time context, various cycles of continuous planning and application of priorities.

18. It is important that the Government's planning activities are followed through with implementation and follow-up actions. UNDP headquarters will do everything possible to assist the Government and the Resident Representative accordingly.

19. The Government has now formally requested and UNDP has approved the assignment of a three-man Technical Assistance Advisory Team to the National Planning and Development Board (BAPPENAS). The other sectoral advisory teams, particularly at the Ministries of Manpower and Industries, will be reviewed with the Government and the Resident Representative during the country programme exercise with the purpose of strengthening them.

20. Mr. Macy's observations on selected projects assisted under the UNDP/(SF) sector will be kept in sight when ongoing and proposed projects are reviewed as a part of the country programme exercise. To this end three joint project review teams are being fielded during the first half of June 1971 on the request of the Government and on the recommendation of the Resident Representative, for the INS 16 Telecommunication Training Centre, INS 21 Offshore Exploration for Rin and Tin Ore-dressing Research, and INS 28 Office of Educational Planning, which were covered by the Report.



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United Nations activities in Indonesia  
(JIU/REP/71/3)

Addendum

OBSERVATIONS OF THE ADVISORY COMMITTEE ON ADMINISTRATIVE  
AND BUDGETARY QUESTIONS

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report by Inspector Robert M. Macy of the Joint Inspection Unit on United Nations activities in Indonesia, along with the comments thereon of the Secretary-General and the Administrator of the United Nations Development Programme (E/5048 and Add.1). The Inspector spent two-and-a-half months in Indonesia in the latter half of 1970; his report, dated April 1971, was transmitted to the Advisory Committee on 18 June. In accordance with established procedure, the Advisory Committee issued the report and the related comments to the Economic and Social Council.
2. The report gives a valuable insight into the conditions affecting United Nations activities and those of the specialized agencies in Indonesia. The inspector has devoted much of it to the implications of the new system of UNDP country-programming in that country, and to the possible wider application of techniques being tested there. The report is thus likely to be of special interest to the Governing Council of UNDP. However, specific recommendations are also addressed to the United Nations and a number of specialized agencies executing projects in Indonesia, including those financed from the Fund of the United Nations for the Development of West Irian (FUNDWI). In the Advisory Committee's view certain of the shortcomings identified by the Inspector in the FUNDWI operations are a matter of serious concern.

3. In his comments the Secretary-General has dealt specifically with project FUNDWI/30 (Coastal and River Transportation); the Advisory Committee trusts that the field visits by United Nations staff and the other measures taken by the United Nations Office of Technical Co-operation will prove productive. The Committee notes that the Secretary-General agrees with a number of the inspector's conclusions on more general matters, and that action is under way to improve medical services for experts in Djakarta, which the inspector identifies as "the No. 1 complaint" of United Nations personnel there.
4. The comments of the Administrator of UNDP deal principally with the planning and programming functions to which the Committee has referred in paragraph 2 above. As for the inspector's specific recommendations, a number of which relate to Special Fund projects, the Administrator undertakes to take them into consideration when existing and proposed projects are reviewed as part of the country-planning exercise in Indonesia. In view of the importance of the deficiencies identified by the inspector the Governing Council will no doubt wish to be kept informed of the remedial measures taken. The Advisory Committee regrets that the Administrator has not referred in his comments to several recommendations which in the inspector's view call for action either by the Governing Council, by the Resident Representative of UNDP or by the Administrator himself; as the Committee has observed in its comments on another report of the Joint Inspection Unit, it would be most helpful if the comments of the Secretary-General and the Administrator on such reports could deal specifically with each of the itemized recommendations.<sup>1/</sup>
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<sup>1/</sup> E/5049/Add.2, para. 4



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Addendum

COMMENTS OF THE SECRETARY-GENERAL OF WMO

1. The Report of Inspector Macy on Indonesia is very interesting and instructive and throws light on various problems relevant to the programme of our Organization. The WMO programme has not specifically been mentioned in the document and we have, therefore, no particular comments in this connexion. Neither do we have comments regarding the provision of medical services in Djakarta as our activities have not, since 1965, comprised expert services except for a three-month mission in 1968. Our programme has been confined to the provision of fellowships and the main problem we are experiencing in its implementation is the general lack of knowledge of foreign languages of the candidates. We are trying to overcome the difficulties to some extent by including, if necessary, some limited period of language training in the country of study prior to the technical training.
2. The recommendations for strengthening the planning capacity at all levels (central planning, sectoral planning and functional programming within sectors) are most welcome.
3. It is noted that the fact that Barppenas tend to gradually take over the activities for co-ordinating technical assistance from the Department of Economics and Social Affairs in an effort to establish a closer relationship between UNDP-supported projects and priorities expressed in the Five-Year Plan, seems in line with the basic concepts of the new country programming approach and have our support. Any development towards strengthening one competent authority dealing with the co-ordination of Technical Assistance should be encouraged. If UNDP assistance is given this should, as far as possible, ensure balanced programming, keeping also in mind the requirements of highly technical fields such as meteorology. Indeed, it may be desirable to have a medium-term mission at the policy-making level in the field of meteorology to advise on the further development of this sector in relation to the priorities of the Five-Year Plan.
4. It is also noted with interest and considerable reservation that it has become an established practice to "subsidize" counterparts in UNDP projects. It is very clear that under these circumstances, results of a Special Fund project can never be lasting and any action of the Government to find ways to supplement the basic salary of the officers concerned should be encouraged. Evidently, these supplements will have to be continued after the termination of UNDP assistance in order to score any real result.

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5. In connexion with the utilization of increased knowledge of returning fellows, the problems identified, viz.:

(a) the graduates lack elementary tools necessary to make use of their newly acquired skills;

(b) the graduates find that chiefs are unsympathetic to new ideas;

(c) employees refuse to change their old ways of doing things  
are not only typical of Indonesian circumstances. As far as returning fellows in the field of meteorology are concerned we do not believe that the last two problems play a significant role. The candidate would simply not have been sent abroad if the Chief had not thought good of new approaches. The lack of modern equipment is surely a great handicap to returning fellows in all branches. In some cases small amounts of meteorological equipment have been provided together with the fellowships, but this has been confined mainly to instruments for agricultural meteorological purposes.

6. In connexion with FUNDWI, it is regretted that the Inspector had no opportunity of speaking to the Project Manager of the WMO project FUNDWI-32 who had already left West Irian after completion of his first term, before the arrival of the Inspector. In spite of the fact that most of the equipment has been delivered and that a Project Manager has been appointed, the meteorological project has hardly got off the ground because the delay in releasing the counterpart fund makes it impossible to commence even minor project activities. We agree that the only chance of some lasting impact will be for the West Irians to be trained for top management positions, as well as in technical skills. In the meteorological project, observers and assistants are being trained to fill the lower grade positions but there are no candidates available for training for the top positions. Of considerable concern is the further conviction of the Inspector that most of the FUNDWI projects will tend to disintegrate rapidly after the termination of the FUNDWI assistance. It is felt that serious attention should be given to some way of continuing assistance to West Irian on a special basis.

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Report on United Nations activities in  
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Addendum

COMMENTS OF THE DIRECTOR-GENERAL OF UPU

Teams of foreign technical experts

Last March the UPU put a postal development specialist at Indonesia's disposal for a short mission of 6 weeks. This specialist carried out an inquiry into the situation of the country's postal services and made recommendations as to the amount and nature of the assistance to be sought from the UNDP for the next few years.

This mission was thus similar to those carried out by the teams of experts sent by other specialized agencies.

Organizational and administrative arrangements for proposed United Nations staff  
(para. 27)

While the strengthening of relations between Bappenas (central planning agency) and the Resident Representative's Office appears desirable, this should not result in a decrease in the technical aid that could be provided by the consultant's belonging to the specialized agencies. It would simply be necessary to define the procedures for co-operation between all the parties concerned.

Non-consultation of the technical ministries during preparation of the five-year  
plan (para. 30)

The reason why Bappenas did not consult the technical ministries when drawing up the plan may have been a lack of staff capable of preparing sectoral plans

or programmes in some of these ministerial departments. Hence the importance of training qualified staff in this field.

To meet this shortage in the developing countries, the UPU is endeavouring firstly to instil an awareness of the importance of planning in the postal administrations of young countries, and secondly, to initiate certain officials into these techniques. For example, a seminar - in which Indonesia took part - devoted to "Postal development planning in Asia" was held in Manila at the end of 1970 for the benefit of the countries of that region.

In the particular case of Indonesia, it emerges from the UNDP Resident Representative's report (for the period 1 July 1970 - 31 March 1971) that the country's postal administration was granted a fellowship in statistics and economics for one of its officials. Of the fellowships that might be obtained from the UNDP, it could devote two to the initiation of middle-grade staff into statistics and planning.

#### National vocational training structure (para. 57)

The UPU will endeavour to help Indonesia improve postal training facilities at local level, while at the same time encouraging it to take advantage of the existing facilities at the Regional Postal Training Centre set up at Bangkok, with UNDP financial aid, for the training of cadres.

#### Utilization of training (paras. 92 and 93)

It is essential that after his training the fellow should be able to use the knowledge acquired in his speciality.

The UPU has always endeavoured to keep tabs for a certain time on the fellows' activities after their return home. In particular, it checks to see whether ex-fellowship holders are performing duties that are in keeping with the skills they have acquired abroad.

The training experts engaged by the UPU are very often, if not always, entrusted with the job of preparing or updating course manuals which are then made available to their students.

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United Nations activities in Indonesia  
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Addendum

COMMENTS OF THE DIRECTOR-GENERAL OF THE ILO

General Observations

The Director-General considers that the report has provided a good insight into the problems faced by the Indonesian authorities with respect to the programmes of technical assistance of the United Nations and other agencies. The report is interesting and instructive and merits serious examination, particularly on the issues concerning country programming and interagency co-ordination. The Director-General fully supports those recommendations in the report which call for international assistance in strengthening the planning capacity at all levels (central planning, sectoral planning and functional programming within sectors).

The Director-General has noted the importance the Inspector attaches to establishing Bappenas (National Development Planning Agency) as the focal point for co-ordinating technical assistance and promoting closer relationship between UNDP-supported projects and priorities expressed in the Five-Year Plan. He would agree that any development towards strengthening Bappenas should be encouraged in order to ensure balanced programming among the United Nations organizations.

The strengthening of technical ministries, to which Inspector Macy has referred in his report, is entirely in accordance with the ILO policy. In connexion with Inspector Macy's comment in paragraph 33 expressing disappointment at the ILO's lack of aggressiveness to strengthen the planning function in the Ministry of Manpower, it should be observed that earlier the ILO had offered the Department of Manpower assistance in the field of manpower planning and assessment and related fields, but at that time the Indonesian authorities had committed themselves to assistance in this field from the Dutch bilateral agency as well as the Ford Foundation. However, as pointed out in paragraph 6 below, as a result of the technical mission to Indonesia, the current revisions of the draft project for instructor and supervisory training provide for a reinforcement of the Ministry of Manpower.

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Inspector Macy has mentioned a number of proposals in paragraph 172 for improving medical services in Djakarta, which he thinks are at present inadequate and causing concern to the United Nations personnel. The Director-General welcomes the proposal to upgrade the list of United Nations physicians in Djakarta and to improve diagnostic facilities. He is of the opinion, however, that the proposal to adopt a unified procedure for medical travel by all members of the United Nations families should be treated with caution. The provisions for medical travel in the ILO are governed by the rules and regulations of the ILO/ITU Joint Staff Health Insurance Fund and have proved quite satisfactory. Nevertheless, the Director-General does not object to the Inspector's recommendation that UNDP take the initiative to seek adoption of standard unified procedures for medical travel by all members of the United Nations family, and the ILO would be willing to participate in an examination of the problem through the appropriate interagency machinery.

#### Specific Observations

With respect to the Inspector's recommendations on page (ii), paragraph 5 (b), the ILO, regarding the proposed trade instructor and supervisory training project, the Director-General agrees that there is a need for strengthening the capacity of the Ministry of Manpower to plan and programme its activities. The strengthening of this Ministry has been under discussion with the Government for some time now and a technical mission composed of staff of the Regional Office in Bangkok visited Indonesia recently to revise the draft project. The revisions have resulted in the preparation of an outline of a new project which calls for strengthening the Ministry of Manpower by providing the necessary expertise. The mission has also recommended that the Directorate for Skill and Vocational Development be raised to the level of a Department of Vocational Training, Productivity and Management. The outline of the new project is now under discussion with the Indonesian authorities and is expected to be included in the 1972-76 Country Programme for Indonesia.

In paragraph 60 the Inspector says that the instructor and supervisory training project has not been properly co-ordinated with the World Bank Technical Education Investment Project. In an appraisal report received by the Office from the Bank in November 1970 on its technical education project, it was underlined that the IBRD project proposal would benefit from the ILO project in respect of the training of vocational training instructors. In fact, it is foreseen that the instructor staff (240 workshop instructors) for the five technical training centres being set up by the IBRD training project, will be trained in the proposed ILO project. Furthermore, a crash programme for training the first batch of 90 instructors is under preparation and will be executed at the Bandung Centre, which is at present a UNDP-financed ILO project.

In the same paragraph the Inspector states that he did not find any evidence of close co-ordination between the ILO's work and UNESCO's education activities. It should be pointed out that when the request for the instructor and supervisory training project was received, plans for the UNESCO project had apparently not crystallized or at least the ILO had not been informed of them.

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However, in the meantime, as pointed out by Inspector Macy in a foot-note, the ILO staff in Indonesia have participated in meetings in Djakarta with representatives of UNESCO, the World Bank and government officials from the Education and Manpower Departments, where an understanding was reached on interagency co-ordination. The Director-General is satisfied that the present arrangements provide for sufficiently close co-ordination on the spot.

The Inspector's comment, also in paragraph 60, suggesting that the results of the National Assessment of Education Project for the assessment of manpower and education needs to be taken into account in designing the proposed ILO instructor and supervisory training project has been noted. The technical mission which visited Indonesia has examined this matter and has reported that the results of the National Assessment of Education Project, which are already overdue, have not yet been published. However, the mission members did consult with the UNESCO Adviser in Educational Planning and the new project will reflect the co-ordinated views of the ILO and UNESCO.

With respect to the doubts expressed by the Inspector in paragraph 37 on the usefulness of specialized TA projects, it should be observed that the UNDP/ILO/TA project 68/70 (Training for Industry) located in Bandung and Pasar Rebo has made a considerable impact in the field of vocational training. It is true that at one stage no workshop training was possible owing to the complete run-down of the equipment. Great strides have since been made, especially in rehabilitating the Bandung and Pasar Rebo Centres, which are now in full operation. The Bandung Centre has contributed to the training of instructors in the field of management development under an ILO project in West Irian (FUNDWI).

The Director-General has noted the Inspector's observations in paragraph 77 under the heading of "Selection of Experts", where he suggests that the ILO should follow the experience of UNESCO and UNIDO in the use of subcontracting. The Director-General agrees that the feasibility of subcontracting should be explored. A decision concerning subcontracting will be taken when the final structure of the project becomes clear.

The Director-General has taken note of the comments of the Inspector in paragraph 78 on the assignment of specific functions to individual expert positions. Decisions on such matters will of course depend on the final project design and the skills and experiences of available candidates for the expert posts in question.

Coming now to the Inspector's recommendation on page (iii), paragraph 7, ILO, concerning FUNDWI/2, that the ILO should take the necessary steps to strengthen the management of this project and accelerate its construction programme, the Director-General agrees that unfortunately this project had very severe teething problems. He would not, however, share the Inspector's view in paragraph 132 that the staff on the project have been underutilized. During what the Inspector terms the "slack period" much had been achieved and progress had been made towards full project implementation, including the following essential work items:

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(a) the project office was set up and working relations were established with all institutions concerned;

(b) site plans, detailed sketch plans and the supply of essential building materials were prepared by project staff;

(c) construction of the Centre's facilities was initiated and Phase 1 of the construction work was completed during the first quarter of 1971; this included construction of facilities for automechanics, machine shop, woodwork and building trades training;

(d) the Government made funds available for the second phase of construction work, which includes the remaining buildings of the Centre and the hostel;

(e) arrangements were completed for building the roads on and to the site and for the supply of electricity;

(f) training equipment valued at about \$US200,000 was delivered and checked. Also, three project vehicles were delivered;

(g) teaching materials, syllabi and lesson plans were prepared by the experts and counterparts;

(h) counterpart instructors, who were assigned to the project, completed special training courses for further upgrading;

(i) supplementary lists of tools and teaching materials were prepared for the machine shop, automotive, woodwork and electrical trades.

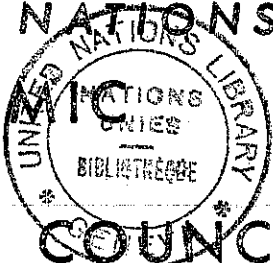
The vocational training centre was officially inaugurated on 15 March 1971. Mr. Edmond F. Janssens, Executive Secretary of FUNDWI, during his visit to the ILO headquarters on 26 August 1971, expressed his complete satisfaction with the project and emphasized that it was now considered as one of the model FUNDWI projects in the region. The Inspector's query, in paragraph 132, as to why the project manager and the staff of the ILO/FUNDWI project did not prepare a really penetrating manpower survey, is pertinent. The Director-General would observe that unfortunately no expert in manpower planning had been requested by the Indonesian authorities. However, an ILO/FUNDWI project review mission will visit West Irian and Djakarta in January 1972 to discuss with the Indonesian authorities ways of remedying this weakness.

The Director-General is gratified to learn of the encouraging comments made by the Inspector in paragraphs 162 and 163 concerning the ILO handicrafts and small industries project. Steps have been taken to assist the Indonesian handicraft exporters in overcoming their marketing problems by the provision, under UNDP/TA, of three experts, one of whom would be dealing with general marketing aspects while the other two would be advising on changes in production processes and quality standards needed to produce batik and silk products meeting the requirements of export markets. This may eventually lead to the development of a Special Fund/UNCTAD project to which the Inspector refers, although it could also become a joint ILO/UNCTAD project.

For information and observations.

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Addendum

PRELIMINARY OBSERVATIONS OF THE DIRECTOR-GENERAL OF UNESCO  
AND DECISION ADOPTED BY THE EXECUTIVE BOARD OF UNESCO

A. Preliminary observations of the Director-General  
of UNESCO

General observations

1. This report comes at an opportune time. Its conclusions and in particular the lessons emerging from the novel pattern of UNDP assistance to Indonesia will be useful for UNESCO's contribution to the country programming exercise foreseen for Indonesia and also for those of other developing countries.

2. The Director-General visited Indonesia from 12 to 19 June 1971 and reviewed the programme of co-operation between Indonesia and UNESCO with senior officials of the Government. The Government has launched a broad programme for the regeneration of the educational system, aimed at increasing the effective participation of the people in the national production and at reinforcing and expanding a modern and equitable society. This calls for a new approach to education designed to provide the entire population with the required knowledge and skills. Innovative solutions are being sought to adapt education to development objectives and to a rational utilization of national human resources. This requires the use of modern techniques for both the actual process and the management of education, including the increased use of the mass media. Such an approach was endorsed by the Third Regional Conference of Ministers of Education and those Responsible for Economic Planning convened by UNESCO in Singapore from 31 May to 7 June 1971. In the field of science, the Government, with UNESCO participation, intends to reinforce the Office of Science Policy (LIPI) and to

prepare a National Science Development Plan. Cultural and communication policies are to be strengthened with the participation of UNESCO. These plans of the Government provide a useful context for considering the recommendations of the Inspector.

3. Further observations of the Director-General are presented below on items of concern to UNESCO under the various headings, and in the order, of the table of contents of the report.

Introduction (paragraphs 1 to 14 of report)

4. The Director-General endorses the observations of the Inspector concerning the preparation of the over-all country programme and, in particular, that this new approach could be applied in other developing countries. For its part, UNESCO has constantly supported the new approach by having its experts participate in task forces set up by the Government and composed of officials of Bappenas and the Ministries concerned. Thus, the Office of Educational Development (BPP) and the Indonesian Institute for Science (LIPI) took full responsibility for the preparation of various reports. The UNESCO experts participated in this approach which was country- and not UNESCO-oriented; they did not attempt to stress projects for which UNESCO might be named Executing Agency.

5. Thus, UNESCO's practice in the fields of education and science has been to contribute to the Government's effort in over-all programming as opposed to a piecemeal project-by-project approach. This made more useful the procedure of informal "club meetings" which facilitates the co-ordination of external assistance from all sources and stimulates the interest of donors.

Structure of technical assistance (paragraphs 15 to 39 of report)

6. The Inspector's findings concerning the concentration of technical assistance at four levels (paragraph 15) and his observations on the preparation of a five-year plan (paragraph 30) coincide with the views of the Director-General. UNESCO has contributed to the preparation of sector studies. But as illustrated by the task force which prepared a report on the Application of Science and Technology to Development in Indonesia, sectoral planning need not be limited to the area of competence of one technical ministry but may require the participation of several ministries. For example, when reviewing the development of educational broadcasting, it was agreed to consider the issues in the broad context of national communication policies.

7. Many recommendations evolving from sector studies in which UNESCO has participated are aimed at strengthening the planning and management capacity of the ministries concerned. Furthermore the Inspector's recommendations are now reflected in an aide mémoire which contains the definition of new areas for UNESCO action conceived as a global approach to develop local capability. This includes teacher education, educational management, new secondary development schools, higher education centres of excellence and population education.

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Organization of ministry (paragraph 66 of report)

8. The success of the Office of Educational Development (BPP) in meeting its objectives has contributed to the total programming and management capacity of the education sector. A similar effort could be equally useful for the science sector, in particular, to follow up on the recommendation contained in the report on the Application of Science and Technology to the Development of Indonesia. This should result in strengthening of the scientific infrastructure of Indonesia including both science policy formulation at a central level and the provision of a wide range of scientific supporting services (e.g. documentation, data collection and processing). The Government, with the assistance of UNESCO, intends to strengthen the Indonesian Institute of Sciences (LIPI) and to draft a National Science Development Plan which would be part of the second National Development Plan.

Selection of experts (paragraph 77 of report)

9. The Inspector's endorsement of subcontracting as used by UNESCO reinforces the Secretariat's intention to use this technique when highly specialized expertise is required under flexible arrangement, provided that high standards can be maintained.

Training of counterparts (paragraphs 80-81 of report)

10. The proposal for a training facility in Djakarta is endorsed. UNESCO had felt the need for more counterparts with basic skills in planning and programming. An early start was made under the Office of Educational Development project with a training course in programme-budgetary techniques for 15 counterparts. These counterparts have in turn trained others. In liaison with Bappenas this training has been extended to other ministries with operational responsibilities for education.

11. In confirmation of the Inspector's proposal, the study conducted in the science sector pointed to the need for: (i) a pool of persons competent in systems design and related management techniques to be made available to technical ministries; (ii) inclusion in the curricula for the training of all engineering, technical and scientific personnel of instruction in modern management and decision-making techniques such as operations research.

Duration of projects (paragraphs 82 to 84 of report)

12. The Director-General agrees that the initial duration of one and a third years for the project for the Office of Educational Development (BPP) is too short. This had already been the position of UNESCO in 1969 when three years were proposed for the first phase. However, financial constraints imposed the shorter duration. The Indonesian Government is preparing, with the support of UNESCO, an official submission for a five-year second phase for this project. The main objectives of

this second phase will be the training of government personnel and the developing of BPP's potential to enable it to introduce plans and to meet long-term commitments in educational research, planning and management.

13. Three requirements already stated in 1969 are now more important and urgent. They are: (i) the need to reach a decision on the second phase soon, to remove uncertainty which discourages initiative; (ii) the need for the project's earmarkings to coincide with the medium-range time horizon of BPP's planning; (iii) the need for flexibility in view of the promotional character of BPP activities, with constant emphasis on innovation in the design of the educational system. It should be possible to meet these requirements under the country programming process.

Role of resident Director (paragraph 85 of report)

14. The Director-General supports the proposal that the resident Director hold periodic meetings with agency staff to develop "linkages" between projects. These meetings would provide a needed supplement to the regular "club" meetings already being organized in the education sector and to be extended to other sectors. They would promote an integrated approach to development which it is hoped would extend well beyond the programmes supported by UNDP assistance.

Funds for maintenance and repair (paragraph 89 of report)

15. The Inspector's proposals on equipment maintenance and repair are endorsed. Their implementation requires urgently a joint training effort by UNDP and agencies in skills necessary to carry out repairs and replace parts.

16. As part of the science programming exercise, recommendations were made for the strengthening of centres for maintenance and repair of equipment. These recommendations should be taken into account in the training effort described above.

Training counterpart (paragraphs 90-91 of report)

17. Salary supplements were provided for counterpart staff in the first phase of the BPP project. As stated by the Inspector, there does not seem to be a practical alternative at this time, but this practice should not continue indefinitely. Perhaps in the future the Indonesian development budget may be able to bear this cost.

Utilization of training (paragraphs 92-93 of report)

18. UNESCO is in the process of setting up a system for the organized follow-up of returning fellows as part of a continuing evaluation of the fellowship programme (paragraph 92).

19. The other recommendations under this heading will be brought to the attention of the UNESCO staff members concerned.

West Irian - project review

UNESCO (paragraphs 115 to 119 of report)

20. As the Inspector states, the six UNESCO/FUNDWI projects are operated as a single programme under one project manager (paragraph 115).

21. The Inspector states that the teaching staff for the teacher-training projects is inadequate (paragraph 116). The number of staff is limited by the FUNDWI education budget. Recently \$48,000 were shifted to the project to reinforce the fellowship component as the most economical means of increasing the teaching staff. The teacher-training project now accounts for almost 50 per cent of the total FUNDWI/UNESCO budget.

22. The Inspector's suggestion that the project for Educational Planning and Administration (FUNDWI/7) could be "played in low key" until the Djakarta project is more advanced (paragraph 117) is acceptable.

Documentation (paragraphs 156-161 of report)

23. The proposal that UNESCO take the initiative to explore with the rest of the United Nations family the use of UNESCO-supported Documentation Centres as central depositories for technical assistance reports and studies prepared by United Nations agencies is supported by the Director-General.

24. At present the Secretariat at Headquarters maintains a file of technical assistance reports and supplies several thousand copies per year on request. Bibliographical lists of these reports are published each year and distributed to United Nations organizations, to major national documentation centres and to regional centres. UNESCO's regional offices are being supplied with microfiches of all UNESCO technical assistance reports concerning their region as well as with reader-printers. They are expected to serve these regions with off-prints of these reports as required.

25. Thus, as far as UNESCO is concerned, the extension of existing services to the national documentation centres supported by UNESCO and to UNDP would be relatively simple. The same service could be provided to national documentation centres not receiving UNESCO assistance since these centres frequently serve national policy-making bodies.

26. The Inter-Organization Board for Information Systems and Related Activities (IOB) is considering proposals by UNDP and others for compatible computer systems in United Nations agencies for the processing of documentation related to development. Since the Inspector's proposal calls for interagency action, the representative of UNESCO to IOB will suggest that IOB introduce the recommendation of the Inspector into any new system.

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Medical services in Djakarta (paragraphs 171-173 of report)

27. The observation of the Inspector concerning medical travel (paragraph 171 (b)) requires amplification. Since 1 March 1969 the UNESCO Staff Rules provide for reimbursement of medical travel. A standard procedure would be acceptable, although the UNESCO rule appears satisfactory.

28. The proposal for a small clinic with a full-time nurse (paragraph 173) deserves full consideration.

29. The Inspector does not mention medical services in West Irian. The situation is the same as for Djakarta and any solution should be applied to both localities. UNESCO reimburses medical travel expenses for staff members stationed in West Irian.

B. Decision adopted by the Executive Board of UNESCO

3.2.1 Report of the Executive Board's Special Committee (88 EX/34)

Report on United Nations activities in Indonesia (88 EX/35, Part I)

Report on the Asian Institute for Teacher Educators in Quezon City (88 EX/38)

Report on the Asian Regional Institute for School Building Research (ARISBR) (88 EX/39)

Report on the activities of UNESCO's Regional Educational Building Institute for Africa (REBIA) (88 EX/40)

The Executive Board,

1. Having received and considered the preliminary examination by its Special Committee of reports of the United Nations Joint Inspection Unit contained in documents 88 EX/35, Part I, 88 EX/38, Parts I and II, 88 EX/39, Parts I and II, and 88 EX/40, Parts I and II,

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2. Expresses its appreciation to the Joint Inspection Unit for the quality and objectivity of its reports, and for having agreed to the request of the Director-General to inspect numerous regional institutes and centres created by UNESCO,

3. Notes that the Joint Inspection Unit has already begun to introduce a common methodology for reports on UNESCO's regional centres and to present them in a broadly common form as suggested by the eighty-seventh session of the Executive Board, and hopes that this practice will be extended to all reports,

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## II

4. Aware of the procedures within the secretariat for follow-up to ensure that the agreed recommendations of the Inspectors are implemented in good time.

5. Requests the Director-General to present annually to the Executive Board a succinct document reporting on the follow-up action on the major recommendations of the Inspectors that were accepted by the Director-General and the Executive Board.

6. Decides that this report shall be examined beforehand by the Special Committee which shall then present any observations on it to the Executive Board.

## III

7. Endorses the observations of the Special Committee contained in document 88 EX/34, paragraphs 11 to 17, on the Report of the United Nations Activities in Indonesia.

## IV

8. Having received the reports on UNESCO regional institutes during this present session of the Executive Board,

9. Endorses the observations of the Special Committee on these institutes contained in document 88 EX/34, paragraphs 18 to 30, subject to any further observations the Board may wish to make at its next session.