



World Food Programme

A Report from the Office of Evaluation

*Full Report of the Evaluation of INDONESIA EMOP
6006.00 - "Emergency Assistance to Drought Victims"*

(26 April - 15 May 2000)

Rome, September 2000

Acknowledgement

The evaluation team visited Indonesia from 26 April to 15 May 2000. This document was prepared by the mission team leader on the basis of the mission's work in the field.

On behalf of the team, the author wishes to extend thanks to all those who facilitated the team's work in the field and in Headquarters.

Responsibility for the opinions expressed in this report rests solely with the authors. Publication of this document does not imply endorsement by WFP of the opinions expressed.

Mission Composition

- Mr. Jon Bennett, Mission Leader, WFP Consultant
- Mr. Detlev Puetz, Food Aid Targeting Expert, WFP Consultant
- Mr. Ian Palte, Socio-Economist, WFP Consultant
- Mr. Martin Ohlsen, Logistics Officer, WFP Burkina Faso
- Mr. Abraham de Kock, Evaluation Officer, WFP/OEDE

Table of Contents

THE MISSION.....	1
EVALUATION METHODS.....	1
OBJECTIVES.....	1
SUMMARY OVERVIEW	2
FOOD AID DISBURSEMENT	5
FOOD BASKET.....	5
FOOD RECEIPTS/DISBURSEMENTS.....	6
FOOD SECURITY	7
NATIONAL FOOD SITUATION.....	8
MONETARY & ECONOMIC CRISIS.....	8
ASSESSMENT OF URBAN FOOD SITUATION	8
ASSESSMENT OF RURAL FOOD SITUATION.....	9
CONCLUSION.....	9
IDP ASSISTANCE	9
INSTITUTIONAL ARRANGEMENTS FOR ISP ASSISTANCE.....	11
RURAL PROGRAMME.....	13
FIRST PHASE: AUGUST 1998-MARCH 1999	13
SECOND PHASE: APRIL 1999-MARCH 2000.....	15
OVERSUPPLY OF FOOD ASSISTANCE	16
NGOS IN RURAL DROUGHT RELIEF	17
FOOD-FOR-WORK	17
URBAN PROGRAMME	20
OPSM.....	20
SCHOOL FEEDING.....	21
URBAN FOOD-FOR-WORK.....	22
NUTRITIONAL ISSUES.....	23
VULNERABLE GROUP FEEDING	23
FORTIFIED FOOD DISTRIBUTION	24
OTHER VULNERABLE GROUPS.....	24
MONITORING.....	25
RELIABILITY OF GOVERNMENT REPORTING	26
REPORTING BY NGOS	27
WFP MONITORING CAPACITY	27
URBAN PROGRAMME MONITORING	28
IDP MONITORING	28

IMPACT ASSESSMENT	29
OVERALL NUMBER OF BENEFICIARIES AND FOOD RECEIVED.....	30
PLANNED AND ACTUAL RICE ALLOCATIONS.....	30
INCOME TRANSFERS FROM FOOD ASSISTANCE	31
USE OF SAVINGS IN URBAN PROGRAMME	31
PARTNERSHIPS AND COORDINATION	32
EXIT STRATEGY	33
LOGISTICS	34
RICE SWAP ARRANGEMENTS	34
COMMODITY TRACKING.....	35
ITSH	36

ANNEXES

- ANNEX 1: MISSION'S TERMS OF REFERENCE
- ANNEX 2: TECHNICAL REPORT OF THE FOOD AID TARGETING EXPERT
- ANNEX 3: TECHNICAL REPORT OF THE SOCIO-ECONOMIST
- ANNEX 4: TECHNICAL REPORT OF THE LOGISTICS OFFICER

(Annexes 2 – 3 and 4 are not included in this report but are available on request from the Office of Evaluation)

The Mission

Evaluation Methods

A full TOR for the mission is attached (Appendix 1). In brief, the evaluation seeks to contribute to the ongoing discussion to improve the formulation of WFP's role in alleviating the food insecurity experienced by large segments of populations living in developing countries whose livelihoods have been devastated by the combined effects of political instability and severe economic-financial crises.

Methods included:

- a review of documents provided by WFP Headquarters, the Country Office and implementing partners;
- a review and in-country presentation of the additional commissioned technical reports;
- extensive consultation with Country Office staff, government and NGO implementing partners and government representatives;
- group and individual interviews held with project beneficiaries on-site.

Objectives

1. To analyse the achievements of this EMOP, in particular the extent to which stated objectives have been achieved:
 - assist government efforts in assuring an adequate supply of food to the most deficit households;
 - establish conditions for and promote rehabilitation and restoration of self-reliance in the worst drought-affected areas of the country;
 - assist government efforts in preventing declines in the nutritional status of pregnant women, lactating mothers and children under five.
2. To assess the evolution in the programming of food aid under this operation, adjusting the targeting mechanisms in order to more adequately address the food insecurity experienced by large segments of Indonesia's population whose purchasing power, capability to buy basic food has been severely eroded by the economic crisis.

Key issues to be examined:

- Assessment, re-assessment of emergency food aid needs.
- Role of food aid.
- Targeting of food aid to the most food insecure population groups.
- Food aid logistics, delivery constraints.
- Food for Work activities within the EMOP

Summary overview

At its inception, EMOP 6006 was a response to geographically-specific drought compounded by regional economic crisis, the first of which 'peaked' at the end of 1997, the second in June/July 1998. Their effects were to have a varied impact on several sectors of Indonesia's poor in the coming 2-3 years. WFP re-opened its Indonesia office in May 1998 with EMOP 6006 providing for 208,000 mt of rice and 17,000 mt of blended food to assist 4.6 million people. Project implementation began with Phase I of the EMOP (August 1998-March 1999). It was initially conceived as emergency food aid to rural areas (FFW 78 percent, vulnerable group feeding 8 percent and general relief 14 percent) mainly implemented by GoI institutions. 18,000 mt was set aside for distribution by local and international NGOs. In early 1999, ethnic violence erupted in West Kalimantan and Maluku, signifying the first change of target groups as WFP started providing support to the resulting IDPs using the services of international NGOs (who worked closely with national organisations). The East Timor crisis created an additional IDP/refugee caseload in September 1999.

Following a Management Review in October 1998, WFP shifted its programme in favour of urban interventions from mid-1999 onwards. Phase II of the EMOP (April 1999 - March 2000) entailed an additional 69,334 mt of rice. Unutilized food from both Phase I and Phase II rural programmes (27,000 mt in 1998/99 and 38,000 mt in 1999/00) was programmed for use under both rural and urban activities covering some of the shortfall.

The mission notes the difficult operational environment the Country Office faced. These difficulties were not so much related to access and security as to a rapidly changing socio-political environment in a geographically, ethnic and socially diverse country. The programme traversed two electoral periods (the election of a parliament and the election of a president), changes in government, social unrest resulting in some 580,000 IDPs, and the closure, or restructuring of key government partners.

The evaluation of EMOP 6006 focuses on four central themes running through a complex chronology of events. The first theme concerns the analysis of the problem and the appropriateness of the chosen response mechanism. In Phase I of the EMOP, the assumption of food insecurity provoked by the failure of the rice crop underpinned the primary rural intervention, food-for-work. With the benefit of hindsight, the mission is concerned that the closure of the office in 1996 and the delays and lack of continuity inherent in re-opening in May 1998 left little time for a more thorough independent needs assessment prior to negotiating the coverage requested by the Government of Indonesia (GoI). The mission notes, however, that tumultuous events in 1997-98 would have made such an assessment difficult.

In the event, the selection criteria used to identify recipients was insufficient both geographically and in terms of household food security analysis. Significant changes in the programme occurred as a result of GoI budgetary constraints, civil unrest (Maluku and Aceh) and poor geographical access (Irian Jaya), reducing not only the number of provinces but also the number of districts within those provinces reached by the programme. These changes had more to do with operational constraints than problem analysis. In 1999, farmers continued to suffer from depleted assets following the 97/98 drought (notably livestock in many provinces), yet FFW intervention at this stage was neither perceived, nor implemented, in a traditional

manner. Several basic parameters were missing: standard work norms, review mechanisms, availability of technical and other non-food resources. FFW was, in fact, a negotiated way to avoid free handouts and encourage self-targeting. Thus, the objectives, as laid out in the EMOP, were both ambiguous and, ultimately, unmeasurable.

The second theme concerns the timeliness of response and the unforeseen delays in delivery and distribution of food aid. In the first phase of the EMOP (August 1998-March 1999), by far the greatest amount of food was distributed from January-March 1999, coinciding with the now-revived rice harvest. Contracts with the GoI committed WFP to continue with the rural FFW programme into 2000. In Phase II of the EMOP, with a reduced tonnage, beneficiary selection criteria were more stringently applied by GoI partners. Phase II also saw a repeat of budgetary and distribution delays in the rural programme. Most significantly, the BIMAS (Ministry of Agriculture) original allocation of 48,000 mt (572,423 beneficiaries) over eight months was reduced to 10,000 mt (216,085 beneficiaries) over, at most, only three months. New activities in the urban areas allowed WFP to reallocate the outstanding 38,000 tons (as it did with the outstanding balance of 27,000 tons from Phase I).

The third theme concerns beneficiary targeting, selection and output monitoring. The objectives of the EMOP focus on (a) food deficit households, and (b) the promotion of rehabilitation and restoration of self-reliance. For the Phase I rural programme, GoI geographical priorities were determined by pre-drought data, including - incongruously - data on irrigated rice crops and cultural practices. No post-drought surveys were undertaken in rural areas. Socio-economic data based on a 'scoring' system determined district-level allocations of food aid; WFP was able at least to limit its interventions to those scoring highest (i.e. poorest) on the scale, but was not at this stage able to make its own assessment. Line ministry monitoring reports then simply matched warehouse dispatch forms to planned beneficiary numbers. Although WFP's small monitoring staff conducted spot checks, there is no way of verifying actual beneficiary food entitlement and receipt against warehouse dispatches; hence no losses were reported. Irregularities were, however, frequently observed and reported by the Country Office.

By contrast, commodity tracking within the urban element of Phase II was more closely accountable. Urban programming offers the advantage of reaching large numbers of needy people in areas that are easily accessible and where control over resources is easier to enforce. Also, NGO implementers involved in the OPSM rice subsidy scheme were paid according to sales receipts gathered at the point of distribution.

The fourth, and perhaps most important cross-cutting theme concerns implementing partners. The EMOP was in response to a request by GoI. It was they who determined the mode of operational, partners and choice of beneficiaries as a condition of the LOU. WFP's room for manoeuvre was, especially at the beginning, limited. Indonesia has a highly developed National Logistics Agency (BULOG) with a mandate to ensure the availability and distribution of rice throughout the country. The National Development Planning Agency (BAPPENAS) is the primary counterpart agency and is the body through which all line ministry budgets, relating to delivery and project execution, are channelled. A consistent and still recurring problem for WFP has been delays in the release of these budgets. The consequence in several instances has been very late, or cancelled, project implementation and/or distributions, thus undermining the short-medium term objectives of the EMOP. Moreover, minimum reporting requirements from

the three implementing line ministries - BIMAS (Agriculture), DEPSOS (Social Affairs) and DEPKES (Health) - were either inadequate or late. It would appear that although government agencies had the capacity and finance to meet the requirements of the various LOUs, no 'fast track' mechanism was instigated in favour of an emergency operation as opposed to a regular development assistance programme¹. In a country where 'incentives' are an integral part of almost any transaction, WFP found itself constantly handicapped.

In part, the solution was found in shifting the programme emphasis towards the urban sector where NGOs became the sole implementers. A dialogue on urban programming had begun almost from the outset of the EMOP, but the modalities could not be agreed until the government's OPK rice subsidy initiative proved its worth. When it was found that coverage of OPK in urban slums (especially non-registered people) was inadequate, WFP was invited to assist, through NGOs, about 580,000 households in 650 urban 'villages'. The objectives of the urban programme were to increase consumption of food both in quality and quantity while preventing further deterioration in nutritional levels and retaining human capacity. WFP's assistance in this respect is part of the over all Social Safety Net Interventions of the GoI. The very success of this OPSM project is now held up as a model which the government wishes to emulate nation-wide. The mission has some small concerns over partner selection, targeting and monitoring, but is satisfied that this project is both appropriate and replicable.

Finally, the mission has noted the swift and full resourcing of the EMOP and current PRRO by major donors, notably USA (60 percent), Australia and Japan. Social and political unrest exacerbated by Indonesia's precarious economy is explicitly noted by those concerned with the broader geo-political arena. Where neither IMF structural adjustment nor bilateral food aid provided immediate solutions, the multilateral channel through WFP was both flexible and accountable. The global impact of the programme is, nevertheless, limited. The GoI Social Safety Net Interventions cover up to 50 million people; WFP's assistance covers only about 3 percent of the population.

¹ The exception was the school distribution project for which rice was released by BULOG in advance of the budget.

General lessons:

- Retrospective analysis suggests that the EMOP, as originally conceived, was flawed. Although WFP's presence depended upon the GoI's invitation, the initial programme design might have benefited from a more thorough prior analysis of government capacities and expectations. Unlike complex emergencies with collapsed governments, Indonesia's strong government, established food security policy and operational priorities were not always in line with the basic tenets of WFP assistance.
- By contrast, having acknowledged problems within the rural programme, WFP's shift, mid-EMOP, to addressing a universally recognised urban crisis was timely and appropriate in terms of scale and efficiency. It also facilitated a useful debate with government partners over food security priorities.
- The strength of the programme as a whole lay in its flexibility to respond to unforeseen and emerging challenges - IDPs, urban poverty - while simultaneously disengaging with government institutional partners. The government itself was persuaded by the logic of shifting the programme emphasis to the urban sector and of WFP's greater efficiency in implementing this programme component.

Food Aid Disbursement

EMOP 6006 was initially planned to distribute 208,000 mt of rice and 17,000 mt over a period of 395 days (July 1998-August 1999, according to the LOU with the government). The EMOP has been subject to various revisions, changing the nature/areas of implementation, tonnage and timetable of the operation. The EMOP expires on 30 June 2000, but will be extended (without additional resources) until 31 December 2000.

Timeline

As a consequence of the budgetary set-up of the GoI, dictated by its financial year, which ran from April to March during the period under review, the EMOP was divided into two phases: Phase I - Aug 98 to Mar 99 and Phase II - Apr 99 to Mar 2000. A third phase is now running, lasting from April 2000 to June 2000 (to be extended until December 2000).

Food Basket

Rice utilisation during Phase I was 130,000 mt, while the forecast for Phase II was 198,000 mt, bringing the total requirement in rice to 328,000 mt. In view of the possibility of local purchase from generated funds (from the OPSM), estimated to yield 28,000 mt of rice, and the better than forecasted exchange ratios obtained on the swap of wheat against rice, the additional rice required for Phase II was limited to 69,500 mt. A budget revision (BR # 4, dated 1 June 99) was issued and the new programme was confirmed by amendment # I to the LOU dated 3 August 1999.

As a consequence of the East Timor crisis, further changes to the food basket were necessary. Budget revisions were (i) BR # 5 of 23 November 99 for the procurement of 12,340 mt of rice and 300 mt of HEB, (ii) BR # 6 of 20 December 99 for the procurement of 440 mt of pulses

and (iii) BR # 7 of 17 March 200 for the procurement of 245 mt of oil, 36 mt of salt and 22 mt of sugar. Amendment #II to the LOU, which considers the tonnages under BRs # 4, 5 and 6 was signed on 3 January 2000. Amendment III reflecting the tonnage secured under BR # 7 is pending. The total food basket of the EMOP is therefore 340,000 mt of rice, 17,000 mt of blended food, 440 mt of pulses, 300 mt of HEB, 245 mt of oil, 36 mt of salt and 22 mt of sugar.

Lesson:

- The choice of commodity for an urban safety net programme is important. Subsidised rice was appropriate because rice accounts for a significant portion of household expenditure and the price of rice was highly volatile. A stabilised and reduced rice price offset the negative effects of high inflation and acted as 'insurance' for major household requirements, both food and non-food.

Food Receipts/Disbursements

Rice:

The total rice (and rice equivalent) received by the end of March 2000 was 243,000 mt. Between August 1998 and March 2000, WFP distributed 249,000 mt. For the first time in 18 months of project implementation, the WFP stock held by BULOG, the GoI's national logistics agency, ran into a negative figure. The shortage was covered by a rice loan from BULOG. However, in April 2000, WFP returned to a creditor position towards BULOG as 18,000 mt donated by Japan and Australia were received, while another 25,000 mt purchased directly by the Country Office in the region from project generated funds were due to arrive in April/May 2000. An arrival of 20,000 mt of rice from the USA is expected in June/July 2000, while it is expected that an additional 7,000 mt will be purchased with project funds during the same period. The tonnage will be used to supply NGOs in their urban FFW projects, IDP/refugee feeding and in an extended school feeding programme.

Blended Food:

8,600 mt of the 8,700 mt of WSB despatched were received in 1999 and distributed during the same year (exception made of a small stock of 40 mt, still available that will be distributed to IDPs in northern Sulawesi). 1,500 mt of CSB are expected to be received from the USA in June and September 2000. No other tonnage will be called forward.

Beans:

440 mt were received in January 2000. They will be distributed to refugees in NTT in the coming months.

HEB:

30 mt were received at the onset of the East Timor emergency and distributed to IDPs and refugees. The balance is expected to be received during the months of May and June 2000 and will be distributed to IDPs/refugees on a countrywide basis.

Oil, salt and sugar:

245 mt of oil, 36 mt of salt and 22 mt of sugar. These commodities were purchased on the local market in April 2000, for delivery in April and May 2000 and will be released for refugee feeding in NTT when it will be possible to do so.

Food basket quality

The mission came across several cases where the impact of the programme might have been somewhat diminished as the quality of the distributed rice was poor. This was the case, for instance, in one of the field visit sites of the urban OPSM programme, where beneficiaries reported poor quality. Beneficiaries continued buying the rice, however, as they were threatened by the distributing NGO to be otherwise dropped from the list of targeted beneficiaries and to lose their ration cards. Some rural NGOs reported problems with rice received from the Sub-Dulog, e.g. “rice was decayed, odor, broken over 25 percent and yellow” (Bina Swadaya), but usually the relative proportions of poor quality rice are not known. In contrast, World Vision reported that BULOG provided the “best quality rice” to them they could. The problem of poor quality was definitely not universal. It should also be pointed out that “rice quality” in the perception of Indonesian customers cannot always be equated with nutritional quality (for instance, there is a high preference for white rather than less polished, but more nutritious rice).

Lesson:

Where food assistance is swapped-- continuous monitoring of the quality of the rice is essential and should be a priority for programme monitoring.

Food security

Historically, Indonesia’s food security policy has been based on self-sufficiency wherein a Javanese-biased ‘eat rice’ policy for all the islands was qualified only by the introduction of wheat products in urban areas. Stable rice prices were maintained through trade control, government stockpiling, price support for producers and subsidised rice sales. In meeting the crisis, additional sweeping controls on rice prices and trade were introduced from mid-1997 to mid-1998 to maintain domestic food prices at 30-40 percent import parity price. The benefits reached all social classes. IMF conditions obliged the government to privatise the rice market (thus losing BULOG’s monopoly) and to abandon its general food price subsidy in favour of a targeted subsidy programme for lower income families. Thus, the social ‘safety net’ policy came to fruition through the OPK Special Market Operations - targeted subsidised rice to those qualifying as the poorest families in rural and urban areas.

By April 1999 OPK coverage reached a plateau of 10.5 million households.

National food situation

The 1997 drought coinciding with economic crisis in Asia, is believed to have caused serious food shortage in the country. Indonesia’s 1997/98 rice harvest fell by 8 percent. The

government responded by importing a larger amount of rice (5.9 million mt). Although the situation may have been worse for rainfed staples, in particular maize, there was at least enough rice in the country to secure an average intake of 2,100 kcal per capita. So, the net availability of food at the national level did not pose a problem in 1998. For 1999 the situation even improved following abundant rainfall. However, when the crisis is analysed at the meso and micro level, with a distinction between urban and rural areas, food security becomes a matter of access rather than availability.

Monetary & economic crisis

The crisis hit hardest from January 1998 onwards. Construction activities, in which many unskilled or semi-skilled poor found a living, came to a standstill. Tens of thousands of young unskilled women from urban and rural areas were affected by the closure of factories in the larger metropolitan areas of Java and Sumatra. With Indonesia's negative economic growth (minus 14 percent) in 1998 the number of people living below the poverty line increased by tens of millions. The majority are in rural areas.

Assessment of urban food situation

Since the urban poor are part of a fully monetised economy, with few coping mechanisms at their disposal (at best some savings in gold), their need is often more pressing. Daily average rice consumption is about 350 g per capita, with the lowest being as little as 280g. In 1998, to purchase this amount of rice for an average family of four would have required the entire monthly salary of a low-grade formal-sector worker (around 120,000 Rp.). For informal sector workers living in urban slums the situation was even worse; they have the additional burden of paying house rent. While lower middle-class city dwellers still employed under bankrupt employers economised by having two rather than three meals a day, the unemployed poor faced serious threats to their subsistence. The occurrence of a significant reversed migration, from urban to rural, seems to confirm this conclusion.

Nutritional indicators - particularly those relating to nutrient deficiency - suggest changing food consumption patterns at the expense of animal proteins. Malnutrition is confirmed, for instance, by Helen Keller International which noted that the prevalence of anaemia among under-fives rose from 40percent in 1995 to 50-85percent in 1999, mostly due to lack of micronutrients.² A study in the second half of 1999 revealed that the prevalence of malnutrition was highest in the slums of the largest cities.³

Assessment of rural food situation

The impact of either drought, economic crisis, or a combination of both, on rural Indonesia is difficult to assess. The situation is likely to vary between the islands, and even within islands, of this vast archipelago. Obviously, the rural areas did not suffer retrenchment (there are no factories to close) and the increase in cash crop prices (coconut, peanuts, coffee, etc.) may even have resulted in short-term advantages for farmers. On the other hand, the abolition of fertiliser subsidy in November 1998, resulting in a 300 percent price increase, will have

² Helen Keller International, *Crisis Bulletin*, Vol. 2, No. 1, Jan. 2000.

³ *ibid.*, Vol. 1, No.7, Nov. 1999.

dramatically reduced its use and affected yields. This has negatively affected the use of hired labour.

In general, rural dwellers are less vulnerable to food insecurity. Yet, almost one-third of the rural population of Indonesia is landless (ranging from 12 percent in NTT to around 50 percent on Java; pre-crisis figures) with very few assets. These people earn their livelihood as a wage labourers or in the informal sector and face the same levels of food insecurity as the urban poor, as they too have to purchase most of their food. Not surprisingly, one-third of the rural sub-districts reported deepening poverty in 1999. Again, malnutrition was widespread.⁴

Traditional coping mechanisms failed in some circumstances. In NTT, for instance, the outbreak of a virus among the livestock (pigs, goat and cattle) diminished the herds which serve as savings-on-the-hoof. There may have been a relation with the drought, as lack of fodder may have decreased the resistance of the animals.

Conclusion

The economic crisis, rather than the drought, appears to have had a larger and more enduring impact on food security of the poor, both in rural and urban areas. The mission is satisfied that a sustained food subsidy programme (continued within the PRRO) is an appropriate response to chronic urban poverty exacerbated by the crisis. Pending a more detailed assessment, it is not yet clear whether a total withdrawal from the rural areas by WFP is justified.

IDP assistance

Currently Indonesia has an estimated total of about 700,000 displaced people, of whom 570,000 are internally displaced (IDPs) and 130,000 are refugees from East-Timor. They are spread over several provinces and a number of locations (West-Timor, Maluku, North-Maluku, Sulawesi, Aceh, and Kalimantan). Their problems are rooted in various political, ethnic, and religious tensions (or a combination of these factors). Their situations differ widely, and they originate from various social and economic backgrounds. Their ability and willingness to return to their former homes or settle in their places of refuge varies accordingly. Many displaced people have moved out of their initial camps, and found temporary homes with host families. Others have returned home. For many, it is uncertain whether they may or may not be able to ever return to their former homes. This variety of situations and their different needs poses a number of special questions and problems for providing appropriate and targeted food assistance.

IDPs were not a programme category within the EMOP until budget revision IV of June 1999. 20,000 mt of rice, plus a small quantity of blended foods, was allocated for a total of 300,000 beneficiaries in West Timor (80,000), Maluku/Ambon (70,000), North Maluku (120,000) and Kalimantan (20,000). Conceptually, the IDPs in West Timor have presented the greatest challenge. Following the East Timor referendum, many genuine 'refugees' (de facto) fled west.

⁴ Helen Keller International, *op.cit.*; Lenard Milich, *The new Indonesian context and food insecurity: is it solely an urban phenomenon?* WFP, Jakarta, June 1999.

However, in addition to civilians these included civil servants, army and militia, and their families. Their status is not yet clear. The UN recognises them as refugees, even though they hold Indonesian identity cards. Moreover, many continue to receive a GoI salary. WFP has made clear its policy of not aiding armed factions; yet, in the absence of a thorough registration exercise - the responsibility of UNHCR - discriminatory assistance has been difficult. Since October 1999, UNHCR has accepted responsibility for encamped East Timorese as *prima facie* refugees.

Additional problems met by WFP (as well as other donors and NGOs) in providing food aid to the refugees in Timor are:

- hostility of refugees against the international community ('which took East Timor from Indonesia')
- registration of refugees that are afraid to have their name on a list
- different interpretations of what aid should be given

In NTT in particular, the coherence of the intervention was compromised by poor coordination among the various agencies involved with IDPs. Targeting, complementarity and even rations from different agencies were not always consistent, perhaps reflecting the simple 'information exchange' nature of inter-agency meetings rather than planning. The mission noted the unclear lines of authority and coordination between OCHA and UNHCR in NTT.

Elsewhere, continuing civil unrest, fluctuating numbers and levels of local integration present different challenges for WFP. On Ambon Island, registration and distribution are carried out by NGOs, in this case Action contre la Faim. Here too, identification and registration of IDPs is done by the NGO, with the help of the head of the camp. Lists are updated once a month.

In May 2000 ACF distributes the food to 143,700 IDPs of both parties. Like in Timor, an additional food package is provided along with WFP rice. From other donors recipients also receive non-food items as soap, sanitary napkins, blankets and sleeping mats.

Rice repackaging and distribution appears to be well organised. Unfortunately, ACF's programmatic scope is rather limited due to the difficulty to reach the many dispersed islands in the Molukus where IDPs are known to be settled.

From a targeting and monitoring perspective five issues require particular attention:

1. proper registration of displaced people, and of keeping track of their movements, including that of their immediate family members (in order to avoid inappropriate food allocations). For instance, as official registration by UNHCR in West-Timor was delayed by several months, significant double-counting of refugees who register in several camps cannot be excluded.
2. excluding certain categories of displaced people from some forms of assistance (e.g. government servants, militia and military personnel), and of how to treat immediate and extended family members of these groups;

3. avoid disincentive effects and dependency of continued food assistance that might keep people from moving on (or back). WFP is assisting about 50 percent of the returnees in East Timor.
4. deal with resentment in the general population about the perceived preferential treatment of displaced persons in terms of assistance. Possible solutions might include complementary FFW projects for general population in areas surrounding camps.
5. coordination of assistance across various agencies, including similar/equal treatment in terms of rations, beneficiary targeting etc.

Institutional arrangements for IDP assistance

Almost all WFP food assistance for IDPs is implemented by international and local NGOs – sometimes under direct guidance and supervision of WFP (West-Timor), or sometimes in coordination with government agencies (e.g. DEPSOS and SATKORLAK in Maluku). Based on their experience in other countries and their well motivated staff, international NGOs have developed very efficient registration and distribution systems. On the other hand local NGOs need more attention and micro-management, which may be time consuming and difficult for WFP supervision.

In Maluku, the major international NGO, ACF (Action contre la Faim) is widely credited with very effectively serving a large majority of IDPs and being a valuable partner for the government and local NGOs. Clear criteria for IDP registration and tracking have been developed, and the nutritional status of a sample of IDPs has been assessed. A socio-economic survey has been conducted on the origin and socio-economic background of IDPs which is currently analyzed. Nutritional requirements are regularly adjusted to reflect acceptance or rejection of certain food items (e.g. dried fish). Civil servants and military personnel are effectively excluded from receiving food assistance from the NGO through a system of social control and “camp-coordinators” with closer knowledge of each of the IDPs. As in most other settings, all other IDPs qualify for assistance independently of their food security or nutritional status as long as they are living in camps or with host families and have not returned to their original homes or found new permanent housing.

While the ACF operation is clearly very effective in IDP registration, food distribution, and targeting it has not yet designed any rehabilitation or exit strategy as opposed to short-term or long-term feeding. It has also caused some resentments among government and other local NGO aid agencies that are less well endowed with funds and technical skills and cannot offer the same working conditions and benefits for their local staff. While this does by no means diminish the positive and effective work by ACF, it raises several questions for WFP’s policy, both in terms of its long-term strategy for IDPs, of institution building of local organizations and public agencies, and of refunding NGOs for operational costs of distribution.

Lesson:

- Using NGOs as implementing partners should be designed to avoid long-term distortions and negative effects on building local capacity through assistance to international agencies. It also requires close monitoring and active institution building of less experienced local NGOs. Clear exit strategies have to be developed.

Recommendations:

- The Country Office should undertake a thorough analysis and policy review of (a) the long-term affects of IDP free food distribution; (b) options to avoid resentment in the 'host' population (FFW?); (c) recovery options and a realistic exit strategy for the PRRO.
- Such a review might also contribute to developing better models and modus operandi for coordination of assistance in terms of working with government and well as with sister UN organisations.
- The review might add some insights into determining WFP's proper role in advocating and promoting long-term reconciliation and recovery strategies. In this context it should also be considered to help establish and support local "think tanks" of independent civil society leaders to consider long-term solutions to the questions raised above.
- Such a review would also benefit from insights presented in WFP's global IDP Review. With reference to the IDP Guiding Principles (relating to the global legal regime over protection and assistance for IDPs), WFP Indonesia might explore, for instance, an advocacy strategy which includes a critical appraisal of government strategies such as providing housing in border areas or in remote rural areas (Maluku transmigrasi) unacceptable to many IDPs.
- A post-distribution monitoring system should also report cases of harassment of beneficiaries after collection, food transport systems and local market prices (including food aid items re-sold)
- Rather than indiscriminately adding to a growing list of tasks for food aid monitors, a focused training seminar should identify realistic priorities, workload and capacity.

Rural Programme

The extended dry season of 1997-98 and the slight rainfall during the subsequent 'wet' monsoon had reportedly caused a low harvest or even crop failure, particularly in those rural areas that depend on rainfed agriculture. At the same time, the severe monetary and economic crisis in Indonesia resulted in a deterioration of the purchasing power of the population. The bulk of WFP food assistance went to those areas that were generally regarded as most affected by the drought and which were/are relatively poor (NTT, NTB, Sulawesi). However, the rural programme in particular would have benefited from more informed analysis on district and inter-district production, marketing and consumption variations, different coping mechanisms, and data on agro-ecosystems. It is by no means clear that a single season drought would have equally affected the provinces selected.

First phase: August 1998-March 1999

Substantial deficiencies were found in targeting and implementation of the major part of the rural drought relief / FFW program which was implemented by government agencies between

Oct. 1998 and March 1999. These deficiencies are well known and openly acknowledged by most partners⁵. They include: (1) incomplete, inadequate, or unavailable data sets, (2) the lack of proper vulnerability and needs assessments, at province, district and household level, (3) the limited use of external experts with intimate knowledge of the situation in the Indonesian provinces most affected, and (4) too little coordination among government agencies, donors, and NGOs which led to oversupply of food and other assistance in certain districts and villages.

WFP targeted its assistance based on a composite index from 1997 data supplied by BAPPENAS and gathered through various government agencies⁶. This index includes:

- a) Poverty related data: collected by BKKBN (the government family-planning agency) which regularly records the percentage of “pre-welfare” households at district level (bi-monthly);
- b) Ministry of Health data, with districts ranked by prevalence of protein and energy malnutrition (PEM) of children < 5 years of age (1996 survey), and
- c) Ministry of Agriculture data on rice-growing districts reporting total crop failure or those “affected by drought” for 1997/98, ranked in terms of total acreage.

Scores for the above three categories were totaled. At the outset BAPPENAS proposed to distribute the food aid to all districts with total score (unweighted) of 6 and higher. When it was found that this would involve 150 districts in virtually all provinces, WFP decided to settle at a score of 8 and higher. 53 districts in 15 provinces were selected with this score, including East Timor (later removed). BIMAS (Ministry of Agriculture) covered 39 districts in 11 provinces. Of these, DEPSOS covered 7, plus an additional province (Aceh). DEPKES covered 8 provinces, two of which were not covered by the other ministries (Central Kalimantan and North Sulawesi). To discourage drought-related food aid in Java and Sumatra (originally on the GoI’s

The BKKBN index

The BKKBN “pre-welfare” index was used for targeting districts, sub-districts, and households. Pre-welfare households are defined as such households that do not fulfil all of the following criteria

1. conduct prayers according to religious conviction of each member of the family;
2. all family members have at least two meals per day;
3. all members have various types of clothing according to their activities, within and outside the house, work, and school;
4. the largest floor space of the house is not composed of dirt/earth;
5. When a child is ill and/or a reproductive-age couple seeks family planning advice, a public-health facility is consulted.

This means that any household that fails in fulfilling one of these criteria is eligible (or villages and districts etc. with a high proportion of these households).

⁵ see for instance WFP *Monitoring Report 1999*; BIMAS *Final Report for High Priority*
⁶ It should be noted that there are some discrepancies between the English version) and the version distributed by BAF. In any case, these differences do not seem to change the major conclusions significantly.

list), WFP did not provide ITSH for deliveries on these two islands.

It has been pointed out that the geographic targeting index was rather inadequate, as:

- non-rice growing areas were relatively disadvantaged in being selected
- BKKBN's "pre-welfare" indicator does not provide good measures of acute food insecurity and malnutrition, but represents a rather crude and arbitrary measures of "underdevelopment"⁷ (see box);
- data on one or more indices were missing for >10percent of districts;
- no meteorological information was included.

The mission is also concerned that the assessment of areas hit by the drought was to a large extent done on the basis of data that had little or no direct correlation with the climatic phenomenon and its impact. It is by no means certain that all districts selected were, indeed, seriously affected by the drought; worse still, areas that had suffered from the drought may have been excluded. In particular, the mission notes:

- BAPPENAS statistics were collected in the pre-drought period between 1995 to 1997. Apparently both BAPPENAS and WFP assumed that the districts that scored highest on these indicators would also be those prone to food security resulting from drought. However, an indicator such as the poverty line would reflect a level of development rather than an acute food shortage caused by this particular period of drought.
- The failed harvest measured was that of *rice*, mostly irrigated (!). Pests, such as locusts or grasshoppers may have caused the crop failures. Besides, these data were not relevant or available for Eastern Indonesia, except for Sulawesi. The use of data on rainfed staple crops, in particular maize, would have been more accurate.
- For those areas where the data on rice harvests *were* included (mostly Western Indonesia), these often had a major impact on the total score. Since these were pre-drought figures, and most of the land was irrigated, the correlation with 1997/98 is not established in the districts selected in Sumatra, Java and Kalimantan.
- The poverty line as established by the Family Planning Agency, includes not only socio-economic household characteristics, but also community facilities, such as the availability of places of worship and shelter features such as the lack of a stone floor. Such indicators are determined by a Java-based urban elite with little regard for deviant local cultures.
- The 2-3 day training given to BIMAS/DEPSOS could not have changed the mindset of government extension workers and officials. Implementation was generally undertaken and reported on what was expected rather than what actually occurred. The government was distributing entitlements, not needs.

Lessons

⁷ Nor does its "welfare 1" indicator which, however, was not relevant for targeting of WFP assistance.

- Incomplete and inadequate data sets may complicate geographic targeting. Crisis targeting is different from general poverty targeting; therefore the use of pre-crisis data sets should be handled carefully and may need to be complemented by vulnerability assessments for the appropriate final selection of districts, villages, and beneficiaries.
- The VAM unit became operational only in Jan. 99, far too late to have any major impact on programming the bulk of first phase EMOP assistance. The earlier establishment of VAM could have improved the programme.

Second Phase: April 1999 - March 2000

Targeting of the rural programme in 1999/2000 was more focused. In view of the improved harvest in 1999, a very limited amount of food was distributed in five provinces only, Sulawesi Tengah, Sulawesi Tenggara, NTT, NTB, and central Java. These provinces had either a chronically low agricultural production, were facing the effects of recent natural disasters (floods and locust plagues in NTB), migrants (returnees in Sulawesi Tenggara), or had a high concentration of landless farmers (central Java).

Food distribution problems in villages

(Excerpts from WFP field monitoring reports)

Report I - The problem of rice being evenly distributed to all households in a village (*bagi rata*) is prevalent. In many cases the government administrators of a village have been threatened with physical violence if the rice was not distributed evenly. For the sake of social harmony it is difficult to control this practice and difficult for local programme administrators to carry out the programme according to the stated regulations. In other villages officials retained between 10–20 sacks of rice for their own purposes. ... Targeting should be more oriented toward villages rather than households. ... Imposing clear targeting rules by outsiders may be more effective: BIMAS extension workers confide that it is more effective to use the expression of “WFP’s wish – *kemauan WFP*” as their reason for excluding some villages / villagers.

Report II - In most cases, targeting the most needy beneficiaries cannot be achieved. The most that can be achieved is excluding civil servants (usually not more than 6 – 10 people per village). The reasons include that (1) the difference in economic condition between households in most villages is only small; (2) village politics dominate: the village head is an elected official and targeting might mean the exclusion of certain groups of people whose support may be needed later. Rice is [also] often retained by the village head or village elders who may think they put in many efforts to assist the implementation of the project and deserve to be rewarded.

Report III - Government extension workers mostly are weak and easily swayed by the village heads. This has led to the changing of the number of beneficiaries and providing rice to the entire village population. In most provinces, rice was distributed freely, either equally among the villagers or for identified beneficiaries at 12 kilos / week for work supposed to have been done for 6 days. Most FFW schemes were no more than token efforts made in a half-hearted attempt to justify rice distributions. Often rice was apportioned regardless of FFW participation (to avoid “*social jealousy*”). Equal rice distribution was a disincentive for FFW participation.

Oversupply of food assistance

In certain provinces and districts, targeting has been affected by overcrowding of various assistance programmes (BIMAS, DEPSOS, various NGOs (WV, CARE, CRS), the World Bank’s ongoing cash-for-work programme; OPK subsidized rice programme). Food provision through aid programmes in many districts was larger than actual needs and requirements. Implementing agencies were not sufficiently flexible in redirecting assistance to other areas and beneficiaries. The main reasons for this were: (a) a time lag between the strong donor and GoI reaction to the crisis and the decreasing need for assistance when climatic conditions rapidly improved; (b) the relatively small number of districts selected by WFP compounded by administrative regulations by GoI that prevented re-allocation of counterpart funds between districts once they had been approved.

NGOs in rural drought relief

About 10-15 percent of rural drought relief assistance was administered through NGOs, with World Vision and Bina Swadaya being the most prominent ones for FFW, while the IRC (Indonesian Red Cross) was more concerned with general relief activities of special groups of beneficiaries. In general, NGOs in the rural programme appear to have been performing better, in particular in terms of generating lasting assets through food for work, and in restricting rice distribution to working FFW participants and enforcing work norms. NGO advantages included in particular the timely availability of complementary funds for non-food inputs, the number and motivation of food monitors and other staff in the villages. Particularly international NGOs appear to be less subject to political pressure at village level. Some of the larger NGOs also had the advantage of being more “in synch” with the targeting and development goals as well as the operational procedures of WFP.

Lessons:

- While, in general, programme implementation by government agencies has been poor - partly due to a lack of “relief-culture” and emergency preparedness in Indonesia - extension workers at sub-district and village level have proven to be the weakest link in the chain. More time, training, and funds need to be spent on those essential grassroot workers, particularly during the design phase. Extension workers’ incentives and disincentives to implement suggested work, including implementing the targeting process, needs to be better understood and considered.
- Besides delays in counterpart funds, often programme-related funds do not trickle down to the field level. In addition to food aid distribution, WFP should request better reporting of counterpart funds, including their distribution to different activities and levels, and make monitoring of financial expenditures for field level activities one of its priorities.

Food-for-Work

Although the original EMOP objectives state standard FFW objectives - asset generation, income transfer, rehabilitation and restoration of self reliance - the Country Office was aware of the different rationale and interpretation of the GoI. The GoI’s insistence on FFW was to prevent dependency and undue discrimination or jealousy within communities. It was general distribution by other means. No work norms were developed and a greater emphasis was given to distribution than to the quality of outputs.

Rural FFW activities undertaken by BIMAS and DEPSOS without complementary inputs included technically straightforward improvements such as secondary road improvement, live fencing and open well construction. Occasionally, the Forestry Service and CIDA provided additional materials for bridges, community health posts and the like. NGO partners in rural FFW provided complementary inputs for more substantial projects. In EMOP Phase I, 82,521 mt FFW were utilised by government agencies in the rural sector, with 9,573 mt utilised by NGOs. In Phase II, 10,168 and 14,382 were utilised respectively. In the urban sector, World Vision International (WVI) was the only NGO partner for FFW.

Selection of rural projects in Phase I was ‘top-down’ in the sense that district level BIMAS or DEPSOS officials chose the projects, with the local population merely providing labour and receiving wages in kind. Phase II changed to a ‘bottom-up’ approach: villages were consulted by the agencies at an early stage to identify projects and FFW was ‘socialised’ (i.e. explained) to the villagers.

Politics, entitlements, and mind-sets. Evidently, food distribution, particularly as it was coming from government agencies, got entangled in politics and entitlement attitudes by villagers. Village heads and government extension workers could not, or were not willing to enforce stricter targeting of households. The same is true for more effective targeting of poorer villages and communities. Secondly, it has to be considered that the general mandate and “mind-set” of the main implementing partner (BIMAS) is not geared towards strongly arguing for targeted distribution. BIMAS’ main mandate is agricultural intensification, which often deals with the better-off farmers. Food assistance thus may have served rather as a convenient vehicle for carrying out its regular agenda, that means agricultural intensification. Extension workers may not have wanted to put their relationship with their usual “customers” on the line in order to enforce better targeting. Last, but not least, it is also clear that there is limited acceptance or understanding of key WFP food security concepts among officials in Indonesia, and that the attitude of “everybody is poor” and “poor- equals-food-insecure” prevails in many officials and beneficiaries minds.

Inexperience of implementing agencies and lack of incentives. The inexperience, particularly of the main implementing agency BIMAS, in dealing with emergencies, the logistics involved, and food-for-work activities was a major factor. For instance, in most parts of the country BIMAS organized food transports for the first time, which was particularly difficult as the bulk of food had to be distributed during the rainy season. There are also indications that the food aid program meant an inappropriate additional workload for field staff, particularly extension workers at lower levels—often without proper compensation, incentives, and preparation-- which only the most energetic and motivated among them handled well.

Counterpart funds. Last but not least, late or insufficient availability of counterpart funds from Government agencies contributed significantly to overall poor performance. Organizing FFW activities, socializing communities, and planning programs from bottom-up requires budgets and incentives for all partners and members in the chain. It is not clear to what extent BIMAS and other government agencies have been available to provide the appropriate funds at all levels. Neither the total counterpart budget spent by the various government agencies on the program nor the distribution for various activities at different levels are reported in the final reports by BIMAS or other agencies to WFP. Apparently there were no reporting requirements for that.

Phase II also included urban FFW in slum areas of Jakarta and Surabaya, undertaken by WVI, with additional materials from other donors. 275,000 people benefited from projects consisting of small infrastructure improvements: pathways, gutters, public latrines, etc.

FFW women beneficiaries are not pre-selected as such, though female-headed households are generally the poorest, and where lists were available women appeared to have equal access to work opportunities. The mission noted that on the OPSM project and IDP distributions monitoring reports show that 80-90percent of those collecting food are women. Since a

majority of women hold the ration cards and the national registration cards, this is not surprising. At a community level, though, women are often absent at the so-called 'socialisation' information meetings in the villages, unless specifically asked to participate.

Comments:

- The EMOP should have been more explicit in terms of what was understood as food-for-work in Indonesia - i.e. an alternative to free distribution. Whether FFW was, in the event, developmentally useful cannot be ascertained. It was also not clear whether the drought had caused any sustained damage to infrastructure.
- The main implementing partner, BIMAS (an agency of the Ministry of Agriculture) is responsible for food crop intensification, usually through the distribution of high yield seed varieties, extension work, etc. The *padat karya* organisation of the Ministry of Home Affairs may have been a more logical choice for FFW. Not surprisingly, BIMAS rarely met the required standards normally applied to FFW.⁸
- Where 75-85 percent of beneficiaries within a village were 'selected', food was often given to all villagers rather than those reportedly meeting the criteria. Village heads would share food resources in accordance with the socio-cultural norm of *gotong-royong*. Indeed, criteria for beneficiary selection were not always well understood. If a stricter method of beneficiary selection had been applied, including only the poorest villagers such as landless and female-headed households (estimated at 15-20 percent of the population), the others may have more easily accepted the fact that they were not eligible to share in the food aid.
- Participation and a sense of ownership was greater in Phase II and that more communal projects were undertaken.
- WFP should explore ways of increasing the presence of women in 'socialisation' meetings. For instance, through separate meetings for the men and the women (especially, but not always, in the more orthodox Muslim areas).

⁸ W.L. Barclay, *Summary of findings of verification reports EMOP 6006 ITSH payment to BIMAS*, WFP Jakarta, 17 June 1999.

Urban Programme

Not only had the effects of the 1997/1998 drought on food security in rural areas been obviously overestimated, the impact of the economic crisis on the major urban centres and its potential threat to political stability started to loom larger, particularly after the urban riots of May 1998. In other words, the basic sectoral priority of rural areas of the EMOP was questioned. The Management Review of Oct. 1998 stated among others that: “The geographic focus of poverty, and in particular of food insecurity, has changed after the outbreak of the economic crisis. With the effects of the drought now rapidly diminishing household food security has improved and it can be expected that the situation returns to normal with the arrival of the new harvest during the first quarter of 1999 (*an assessment that was later confirmed by the FAO/WFP crop and food supply assessment mission of April 1999*). ... Whereas underdeveloped rural areas might still have the same needs of development assistance and to a certain degree even of emergency assistance, priorities now definitively have shifted towards providing a social safety net to the urban areas ... where coping capabilities are less developed and the danger of political unrest is biggest.” Most of the basic management review recommendations were adopted by the country team in the EMOP extension of 1999.

In September 1998, WFP launched a pilot urban FFW project with World Vision in Cilincing, Jakarta. The bulk of the urban programme, though, started in September 1999 consists of three components: (1) sale of subsidized rice in urban slums (OPSM), (2) free distribution of rice in schools for home consumption, and (3) urban food-for-work programmes.

OPSM

Geographic targeting. The mission found that the OPSM programme was well targeted in urban conglomerates. Partner selection and geographical access have to date limited the programme to the four largest urban centres in Indonesia, Jakarta/Jabotabek, Bandung, Surabaya, and Semarang, all located in Java. The limited input by the VAM unit in assessing and selecting the urban sites is in part due to this being a relatively new assistance category for WFP. More refined targeting and a greater role for VAM is anticipated in the forthcoming PRRO.

As the programme targets in particular shanty-towns with a high share of illegal (unregistered) squatters, official government data cannot be used by definition. Most sites are therefore identified by making use of local knowledge of areas with high poverty, under-employment and destitution, particularly through the local NGOs involved in programme implementation. In some cases, BKKBN data is being used for identification of poor areas with higher shares of legal inhabitants (e.g. in Bogor).

Individual household screening. In the selected geographic areas households are eligible and receive a ration card when they fulfil one of the following criteria, provided they do not currently have access to the OPK programme:

- i) are unable to have a meal at least twice a day;
- ii) are unable to consume protein rich food at least one a week;
- iii) are unable to provide the required school fees for the primary school education of their children;
- iv) can no longer afford medical treatment prescribed by a *Puskesmas*;
- v) where the main wage earner has been victim of mass retrenchment.

About 60 percent of households are screened through door-to-door surveys according to five economic and food-related factors of food insecurity. The information collected is self-reported and verified by the interviewers. Community participation and mutual control is used where such surveys have not yet been possible. To some extent self-targeting of beneficiaries is involved by using medium-quality rice, and frequent distributions in small quantities in selected locations. From a targeting perspective it is recommendable that overlaps with other programmes (e.g. OPK) are avoided. Specific efforts are being made to target female headed households and families with malnourished children.

In summary, although a lot of effort is put into targeting individual households, it is the principle of “exclusion” - those 10-20 percent of households that obviously are not eligible - that rules the selection of beneficiaries. It is by no means certain that all families benefiting from the subsidized rice are deserving according to stricter food insecurity criteria.

Overall effectiveness. The OPSM programme has successfully identified a niche in urban slums where the government’s main programme for targeted food subsidies (OPK) has not been working well or at all. It is also by now widely accepted that targeted food subsidy programmes should become a cornerstone of a long-term effort to combat food-insecurity⁹. The fact that the OPSM programme is working effectively can be explained at least partly by the commitment of many of the NGOs involved, the strong monitoring and follow-up by WFP and the programme’s capable WFP manager and food aid monitors.

School feeding

“School feeding” is a misnomer, since this is actually an extension of the subsidized rice programme through other means. It is a mechanism to deliver food to poor families via school children (thus increasing family consumption), with a decrease in the school drop-out rate as its second objective. It has been operating in the same four cities as the OPSM programme, yet it has been tried to avoid overlaps. The programme will be discontinued in the PRRO phase.

Targeting assistance to those districts and sites with the highest school drop-out rates was difficult. Although available, drop-out rates within schools could only be partly used as a targeting criteria. In most schools, the Parent-Teacher’s Association and the School Principle were responsible for selecting the poorest families. The mission was able to visit only three schools and noted that although efforts were made to be selective, the average 70-80 percent children/families receiving assistance was often based on food availability rather than verifiable

⁹ *The OPK Program: Economy-wide Impacts*, Steven R. Tabor, M. Husein, Sawit, Study prepared for the State Ministry for Food and Horticulture, Sept. 1999

selection criteria. Also, too many institutions and vested interests apparently were involved in programme design and targeting. It should be noted, however, that many supported schools are indeed in relatively poor slum areas and the income-transfer benefits of the programme are self-evident.

Urban Food-for Work

Urban food-for-work projects (began in Phase I: Sept/Oct '98) constitute only a relatively small part of the urban programme, yet offer an interesting alternative option for food-assistance, as they are self-targeting. The capacity of the various NGOs to carry out such programmes varies, but some interesting prototypes have been carried out that could be the basis for expansion.

Lessons:

- The success of the OPSM programme - WFP's largest urban programme anywhere in the world - depends upon its consistency with an established, larger government-implemented safety net programme financially supported by key donors such as the World Bank.
- Design modifications and advocacy within the programme can influence the larger safety net programme of which it is part.
- It is generally easier to target and work in homogenous areas. Although the poor live in heterogeneous areas, problems of differentiation and social conflict arising from selecting individual households may overwhelm the project.
- Food used for community improvements, particularly in heterogeneous areas, may adversely affect the poor through, for example, increased rents.
- Geographical proximity does not necessarily equal 'community'. There may be large differences that exist across different locations with regard to how people work together on joint activities such as FFW, informal safety nets, choosing beneficiaries or participating in programme implementation. Being aware of these differences avoids uniform approaches across all locations.
- Greater impact is achieved through complementarity with other related programmes. This is particularly true where an NGO, for instance, has existing community projects. WFP should actively encourage strategic planning in which food aid is clearly used as a component of longer term development planning.

Recommendations:

For the OPSM programme WFP should review the selected geographic areas of operation in view of the prevalence of food insecurity of current sites compared to urban settings outside of Java, preferably with the assistance of the VAM unit.

- The mission supports WFP in discontinuing the school feeding programme within the PRRO.
- WFP needs to invest more time in qualitative and contextual studies on urban food insecurity, taking into account, inter alia:
 - (i) legal obstacles (registration/identity cards) preventing the poorest from accessing formal safety net programmes;
 - (ii) levels of competition for wage earners within the informal sector when mass retrenchment occurs;
 - (iii) the strength and/or weakness of informal community safety nets;
 - (iv) the seasonal dimension of food insecurity in urban areas;
 - (v) patron-client relationships in local neighbourhoods;
 - (vi) linkages between rural and urban migration;
 - (vii) women are often the poorest and may have the most difficulty accessing formal safety net programs for a variety of reasons, and women often suffer the most when retrenchment occurs.

Nutritional Issues

Nutritional problems in children under five and their mothers have considerably increased as a result of the crisis. The increase is most certainly related to a declining diversity of family diets. By late 1998 it was clear that as a result of the crisis the quality more than the quantity of the food diet of the Indonesian poor had suffered, with detrimental effects on nutrition (as reported by Helen Keller and World Vision among others). The diversity of the diet had been reduced with a decreased consumption of more costly protein and micro-nutrient rich foods, such as fish, eggs, dairy, vegetables and fruits. These were replaced with cheaper and often less nutritious foods (rice, cassava, maize grits, tempe or tofu). The rapid decline in the nutritional status of children under five and their mothers as measured by anthropometrics and micro-nutrient deficiencies (iron and Vitamin A) particularly in urban areas was one of the major factors for shifting WFP assistance from rural to urban areas.

Vulnerable Group Feeding

EMOP 6006 defines vulnerable groups (VG) as pregnant women, lactating mothers and children under five. DEPKES (Ministry of Health) was initially charged with distributing 17,000 mt of blended food (WSB) during Phase I of the EMOP. In the event, only 8,579 mt was distributed (68 mt of which was diverted to newly arriving IDPs in Maluku and Kalimantan). Due to begin in November 1998, there was an initial two month delay caused by the late arrival at port of the USA-supplied WSB. 25-kg bags were used, sustaining heavy damage and further delays. Since the fiscal year was nearly over (March 1999), an extension to

the budget enabled distribution to take place from April-June. The release of the 1999/00 budget was not authorised until March 2000, 11 months too late. Meanwhile, the monitoring and reporting of the 8,579 mt also came to a halt with DEPKES explaining that the lack of a 1999/00 budget curtailed also these activities.

It is unknown what happened with most of the foodstuff. The 8,525 mt was earmarked for distribution through midwives at community health centres at sub-district level: 28 percent to pregnant or lactating women, 72 percent to children under five. Part of the WSB is traceable up to the district level, where 5 percent losses were found. Here it might lie for months. The repackaging in small bags has presumably not taken place since the standard sized cellophane bags did not arrive at destination (i.e. the district warehouses). Consequently, receipt by the beneficiaries is very uncertain. Quantities per beneficiary that did arrive are unknown.

Only scant monitoring was possible given WFP's limited staff and the large geographical area covered. The donor (USAid) expressed no interest in supporting a second phase of the VGF programme and the second half of the WSB consignment was never released.

Fortified food distribution

Prevailing food habits in Indonesia limit the options to provide beneficiaries with fortified foods within a food assistance programme. Yet, in practice, blended foods for children are suitable, and wheat products like noodles are acceptable for pregnant women and nursing mothers (Dijkhuizen, December 1998). WFP has looked at the possibility of producing dry fortified noodles, but not instant noodles since this is a highly developed industry in Indonesia with powerful business interests.

The management review of Oct. 1998 concluded that a principal WFP activity within its expanded emergency programme should be the participation in a joint programme with UNICEF for the manufacture and distribution of VITADELE (a supplementary food based on rice flour, soya, and sugar). The distribution should be done through the Posyandu network. But EMOP revision # 4 of 1999 only refers to the continuation of the WSB programme.

The distribution of supplementary foods so far has not materialized but is due to start under the upcoming PRRO. It is planned to distribute vitamins and fortified food along with rice at a nominal charge of 100 Rp. per package of 100 grams (called "Delvita"). This activity would be targeted to households with children aged from 6 – 24 months that are severely and moderately malnourished (60-80 percent weight/height) or considered at risk. Simultaneously, mothers would be provided with nutrition education and the opportunity to participate in income generating programmes. WFP will also provide technical assistance to a few selected local factories to establish blended food production capacity.

Other vulnerable groups

In addition to mothers and children other vulnerable groups have been served under the EMOP, through programmes implemented by the Indonesian Red Cross (IRC) and the Ministry of Social Affairs (a total of about 14,000 mt of rice were allocated for these activities in Phase II of the programme). About 9,000 mt of rice were distributed by the Indonesian IRC which identified poor female headed households, elderly, and orphans either not receiving any

assistance or who could not participate in the OPK programme, in urban and peri-urban areas. 5,000 mt of rice were allocated to DEPSOS for orphans. [The mission did not further explore or evaluate these activities.]

Recommendations:

- In order to alleviate the effect of limited micronutrient supply the mission strongly supports the efforts of the Country Office to make the provision of supplementary food, adequately fortified, to vulnerable groups one of WFP's highest priorities in Indonesia.
- While the Mission welcomes the renewed emphasis on supplementary feeding and micro-nutrients in the urban programme under the PRRO, efforts should be intensified. WFP might consider in particular to: (a) continue to find ways to produce blended food locally. Such foods should not necessarily be limited to fortified noodles, but may include commonly used items such as cooking oil. A better utilisation of WSB, possibly with other partners, may also be pursued; (b) use part of the generated funds from OPSM rice sales for fortified food distribution, research, and extension; (c) possibly expand the nutritional assistance for mothers and children beyond urban areas.

Lessons:

- The experience from Latin American countries with major economic crises in the late 1980s and early 1990s is that its nutritional effects linger on for several years, largely because of the semi-permanent collapse in real wages and incomes and the declining capacity of the poor to rely on various short-term coping mechanisms (informal safety networks, borrowing, savings, short-term migration etc.).
- A general lesson learnt for WFP from its response to the Indonesian crisis is that in countries with relatively high income levels and general food availability and access to staple foods, more emphasis should be given from the beginning of a crisis to diet quality, micro-nutrient deficiencies, and supplementary feeding.

Monitoring

Close monitoring of local NGOs in urban areas has proven to be a main factor for that programme's success. In contrast, WFP's monitoring system for rural areas and IDPs has only to a limited extent been able to provide timely feed back on programme implementation, to ensure accountability, and to measure basic performance and impact on beneficiaries. Much of monitoring and reporting focuses on specific aspects of food logistics, such as uptake from sub-dologs, rather than on full accountability, generation of lasting assets, and beneficiary impact.

The planned comprehensive monitoring and reporting system, including adequate performance indicators to be designed by WFP in close consultation with BAPPENAS during the project start-up period turned out to be very rudimentary at least for the rural programme. Initial reporting forms and requirements included mainly the amount of food distributed by location and the number of beneficiaries. For the first phase of the rural programme they did not even

include information on FFW outputs as planned (see EMOP, para. 8, and LOU 2.10). With lessons learned from Phase I, the reporting system in Phase II of the rural programme improved to allow the programme to provide information on the actual quantity of rice distributed, the gender composition of beneficiaries, and, if required, the physical output of FFW activities.

The mission obtained some well written narrative, and analytical field reports by WFP food aid monitors (FAM). But in general, the quantity and sometimes the quality of WFP food aid monitors for the rural and IDP programmes was found to be highly inadequate (given the size of the operation and the country). There was a high staff turnover. As a result of inadequate staffing monitoring was often seen more as an exercise in “putting out fires”. Although field reports made available to the mission often show severe problems with almost every aspect of the rural programme, they regularly deplore that very rarely any remedial or punitive actions were (or could be) taken at the field level.

Contrary to EMOP plans, the nutritional status of the vulnerable groups in areas where WFP intervenes was never monitored through periodic surveys of village health center records or nutrition surveys.

Field monitoring on food distribution and impact has been mainly left to implementing agencies. Yet monitoring and reporting by government agencies often has been of poor quality and slow. NGOs usually produced better quality reports on a more timely basis, with the exception of some local NGOs.

Monthly, quarterly, and final reporting by government agencies (BIMAS, DEPSOS, DEPKES) was usually slow and of poor quality. This was largely explained with the multiple layers of bureaucracy as well as few “incentives”, and the culture of “late reporting” in Indonesia. Other reasons given for late and poor reporting from government agencies include the limited number of extension workers and their work overload with WFP and other problems, the distance between locations and poor communication in Eastern Indonesia and limited operational funds provided in the budget for supervision from province to district and from district to village.

Reliability of government reporting

The EMOP states that food aid would be monitored from the loading port through the discharge port and ultimately to the beneficiary. Implementing partners would provide the data on the quantity of food distributed and the amounts received by the various categories of beneficiaries on a regular basis.

Yet, the main problem in reporting by most government agencies, besides the delays, is that reports submitted to WFP continued to report the planning figures of rice received, and not the actual numbers at village or households level. This is not surprising, as there was no formal requirement for a waybill system. No losses were reported as there usually were no scales at village level. Village and beneficiary receipts and withdrawals from sub-dologs could not be matched: although forms of beneficiary receipts and work records (A-7 forms) had been developed they were generally poorly maintained and unavailable.

Reporting by NGOs

Some NGOs, notably the international ones and some of their Indonesian affiliates involved in rural programmes (World Vision, Bina Swadaya), produced better quality reports on a more timely basis. However, in several cases these reports were standard, or slightly modified reports of their activities for various donors and umbrella organizations, rather than reports specifically produced for WFP.

WFP monitoring capacity

The quantity, and sometimes the quality, of WFP food aid monitors (FAM) for the rural programme was found to be highly inadequate and their distribution across different programmes was uneven during the second phase of the EMOP (1999-2000). Work pressure is high and salaries to hire qualified monitors for rural areas where work conditions are difficult and not very attractive for educated national professionals apparently have not been sufficient. There has been high staff turnover, and vacancies have been long.

During the main phase of the programme in late 1998/early 1999 there were only three groups of 3 WFP staff each monitoring rural food distribution (Source: Philip Clarke, WFP Representative Jakarta; initial mission briefing). As stated in WFP's 1999 project report: "The monitoring capacity of WFP was somewhat limited primarily due to the size of the country and scope of the project. Of the total WFP staff of 59, 15 are national food aid monitors [who] cover a territory that spans 1/8 of the earth circumference. Monitoring visits were generally aimed at spot-checking and evaluating the performance of implementing partners. [From: *Project Reporting EMOP 6066 1/1/99 – 12/31/99*].

Most food aid monitors have been concentrated in the last couple of months on the emerging urban programme. While there is only one FAM for the whole of Maluku islands, the urban programme in Surabaya has two FAMs (one of whom is responsible for IDPs in Sulawesi and West Kalimantan), plus 1 international staff. Five monitors cover the urban programme in Jakarta (Jabotabek), and two in Semarang.

It has been estimated by WFP staff that at least 50 food monitors would have been needed for a programme of the size of the original EMOP.

Urban programme monitoring

In contrast to the rural programme, the urban programme has developed a very comprehensive system of monitoring distribution efficiency, beneficiary targeting, and food utilization. WFP staff regularly visits distribution sites and checks on various data such as productive activities, gender segregated data, income, food prices and consumption patterns, actual number of beneficiaries, accuracy in reporting etc. Extensive monitoring check lists and various reporting formats to collect and analyze such data have been established. A three-month impact study has been conducted.

IDP monitoring

Independent reporting and monitoring of the IDP programmes by implementing agencies is satisfactory as they are mainly carried out by international NGOs. As a result, WFP places

relatively little emphasis on monitoring these NGOs. WFP has however, made some major efforts in improved monitoring of IDP programmes in East-Timor, particularly those run by local NGOs. With the help of an international consultant, WFP food aid monitors are being instructed to systematically assess a variety of monitoring issues related to effectiveness of distributing agencies, food utilization, and beneficiary impact (see box). Yet, some problems regarding the motivation, analysis capacity, and 'courage' to report the problems by monitoring staff have still to be overcome.

**IDP monitoring issues
(Atambua, West-Timor)**

- Effectiveness and efficiency of implementing agency in food distribution
- How are IDP lists assembled and maintained ?
- Post-distribution monitoring system: random household checks; number of beneficiaries children and children present; utilisation of food
- Food transport arrangements by beneficiaries;
- General condition of beneficiary health and nutritional status;
- Local market monitoring (are food aid items available/ and at what price?)

Lessons:

- Agreement on principles of operations with implementing agencies alone is not sufficient for effective programme implementation. For the rural programme better monitoring by WFP could probably have led to higher accountability and more effective design of activities and targeting, faster reaction of management to implementation problems, and improved reporting by partner agencies.
- For the rural and the IDP programmes, better monitoring methodologies and performance indicators that correspond to the range of management information and evaluation needs, programme objectives, and different categories of beneficiaries should have been identified at an earlier stage and been supported by corresponding financial and staff allocations.
- To ensure better accountability in a setting known in general for a relatively high amount of corruption and nepotism it should be considered for future operations to hire “independent watchdogs”, NGOs that could more flexibly and effectively monitor transactions and effectiveness of government agencies and ensure transparency, particularly at the field level.
- In future, WFP might also want to consider to involve more high level professionals in field monitoring (e.g. UNVs), and to establish a sufficiently senior focal point for monitoring in its Country Office. Alternatively, experienced consultants should be hired to design and implement comprehensive monitoring systems.
- Capacity building of monitoring by implementing agencies, particularly of government agencies and local NGOs is extremely important to ensure quality monitoring. Incentives and negative sanctions have to be in place.

Impact assessment

By providing free or heavily subsidized rice the various programmes under the EMOP transferred substantial amounts of income and increased the capacity of served households to purchase complementary food items to improve the quality of their diet. For poor households savings can be as high as 20-40 percent of household income per month. The mission came across very few reports of rice being sold by beneficiaries. Most rice appears to have been used for home consumption. Essentially, the programmes served as a safety-net to maintain poor households' socio-economic and nutritional status, even when they were less than optimally targeted to the most food-insecure and vulnerable households.

With about 8.1 million beneficiaries in 1999 the total number served through the EMOP has been larger than planned, mainly as a result of its extension and the shift to a different clientele (urban and IDPs). The extent to which lasting assets (in terms of physical or human capital, i.e. training on improved farming practices etc.) were generated in the rural FFW programmes has not been summarized, but appears to be relatively small. The ultimate impact on the nutritional status of mothers and children is not known as the planned monitoring of community health records was never carried out.

Overall number of beneficiaries and food received

As reported in the WFP monitoring report 1999 for EMOP 6006, the total number of beneficiaries receiving food assistance during 1999 was about 8.1 million (4.7 m in rural drought relief programmes, 3.2 m in urban programmes, and 0.2 m in IDP programmes). The actual number of beneficiaries served was 13 percent higher than the revised plans for that year, although food distribution was 23 percent under target for the period. The increase in the total number of beneficiaries served, compared to the initial EMOP figure of 4.6 million, is due to the EMOP extension through to the year 2000 and the shift from rural to urban and IDP beneficiaries.

It was also reported that women represented 51 percent of beneficiaries under rural FFW and general distributions, while under OPSM, it was over 90 percent. It should however be pointed out that these figures are somewhat misleading. In rural areas, beneficiaries are counted as all members of the households served. But in each household only one person is entitled to participate in FFW activities and to receive food assistance, usually the head of household. For urban areas, female beneficiaries were counted as those actually picking up the rice in OPSM subsidized sales, and not as the share of household members benefiting from the subsidy.

Planned and actual rice allocations

Within the urban programme and the IDP programme distribution of rice to beneficiaries has been close to 100 percent of planned allocations. For the rural programme, however, it is by no means clear how much rice was eventually distributed in the villages, and how much went to eligible households. As reported quantities of distributed rice can hardly be trusted and food movements and transfers beyond the sub-Dolog warehouse cannot be verified, the actual impact of the rural programme on beneficiaries can only be approximated (see box for excerpts from field reports).

Field Report Sulawesi / Kalimantan ; May/June 1999

A May 1999 FAM mission to Sulawesi and Kalimantan found among others that there is no proof or reliable evidence that rice was indeed distributed in the quantities reported and that it went to the intended beneficiaries. We know that a considerable, though indeterminate amount of rice went to beneficiaries not on the list and not participating in FFW activities. **Nevertheless, WFP received seldom complaints from the public that food was not received or not distributed fairly.** Only a few isolated cases of misappropriation or diversion have been reported, and such cases were exposed with great enthusiasm on the part of the public.

Field report West Timor, Feb. 5-12, 1999:

“Major issues identified included: overlapping villages (DEPSOS and BIMAS), blanket distribution of rice to all community members, very poor record keeping and written reports on project progress, false reports on work completed to date, and use of rice for political purposes.”

In **other reports** it was mentioned that there were many reported problems of bags obtained from the sub-Dolog not being full, resulting in losses between at least 5 to 10 percent (**Bina Swadaya, Final report Region I**).

Income transfers from food assistance

The income transfers resulting from WFP's food assistance can be substantial. The approximate value of distributed food for an average household in rural areas per month could reach between Rs. 75,000 and Rs. 90,000 (assuming 75 percent of allocated rice was actually distributed), and Rs. 100,000 for IDPs (see Table 1). In the urban programmes the average monthly family saving would be much lower, close to Rs. 20,000. In contrast to the rural programme, however, where the assistance has been restricted to about 3-4 months/year, the urban programme is designed to run for the whole year. In a country where average daily wages do not exceed Rs. 5,000 per day and where under-employment is high, the savings from the distributed food for a poor household can easily reach an income share between 20-40 percent.

Use of savings in urban programme

A survey of the urban beneficiaries over a period of three months by WFP confirms a marked increase in the consumption of rice and supplementary food. The consumption of rice increased by an average of 50 grams/person per week. 58 percent of the savings was used to buy more rice and supplementary food items, while 30 percent went for the schooling expenses. It was also estimated that about 4.5 percent of the urban poor have been reached by OPSM programmes.

Table 1 - Food aid income transfers (per family and month)

Programme	Rice received per month	Notes	Maximum No. of months/year	Income transfer per month (Rs. 2000/kg of rice)
Rural				
BIMAS	50 kg	FFW, 25 days	3 – 4	Rs. 100,000 (full ration) Rs. 75,000 (75 percent)
DEPSOS	60 kg	Free, family of 5	3 – 4	Rs. 120,000 (full ration) Rs. 90,000 (75 percent)
Urban				
OPSM	20 kg	Subsidized sales at savings of Rs.1000/kg	No limit	Rs. 20,000
Schools	10 kg	Free, per child	No limit	Rs. 20,000
IDPs	50 kg	Free distribution	No limit	Rs. 100,000

Partnerships and coordination

Activities undertaken under the urban programme - OPSM, school assistance and urban FFW - as well as new initiatives under PRRO 6195 (notably the supply and production of blended food) are the outcome of joint consultations among GoI, donors, the World Bank, UN agencies and NGOs. The VAM unit which came into operation in mid-1999, plays an increasing role in the selection of project areas. Project proposals submitted by NGOs are reviewed by a joint committee comprising WFP, the Ministry of People's Welfare and Poverty Eradication and a few selected NGOs. Implementing NGOs are charged with forming a food aid committee (FAC) of 5-8 members in each urban 'village' responsible for activity identification, supervision and monitoring of outputs.

WFP works with over 20 NGOs countrywide, including 14 national NGOs for the OPSM programme. The mission noted inherent constraints in the selection of partners due to varying NGO capacities. Pre-project and on-job training has been intensive and improvements over time are indicated by average (and acceptable) cumulative losses of under 1 percent in the OPSM programme. WFP's beneficiary selection criteria (similar to the national OPK programme) was perhaps too complex for many NGOs at the outset, presenting obstacles to the efficiency of distributions and reporting. This is now rectified, though with the 120 rupiah/1000 rupiah rice sale incentive there remains a tendency by NGOs to push for greater tonnage sometimes beyond their capacity. The 'break even' average of about 12,000 households/month is exceeded in all cases, with the NGO UPC distributing the greatest tonnage (to about 150,000 households).

On a national level, WFP's initiatives on capacity building with GoI line ministries include:

- An agreement in principle from the Minister of Agriculture to second a staff member for training as a national VAM officer. This person would be placed in the new (pending) Bureau of Food Security (previously the Food and Nutrition Surveillance System). Although there is some concern that the urban poor will be neglected by the Bureau, WFP will ensure that this programme category is written into the negotiated TOR.

- The Ministry of Education has offered a staff member to work with WFP's VAM office in assessing school drop-out rates from enrolment data. This will be one way of monitoring the impact of WFP's incentive-based school feeding programme.
- WFP's VAM unit has offered training to the Bureau of Meteorology and Geophysics on how to analyse El Nino/La Nina episodes.
- The Centre for Agricultural Data (Ministry of Agriculture) has expressed interest in working with WFP to rationalise the collection of reliable national agricultural statistics.

Lessons:

- Where partners have no previous experience in food aid implementation the time required to enhance capacity should be built into project planning from the beginning. A 2-day workshop for NGOs in the urban programme was insufficient to avoid some basic mistakes;
- Well-established local NGOs in urban projects may have a political agenda not initially understood by WFP (as was notably the case with one of the NGO partners in Indonesia). A longer probationary period with fewer initial resources may help minimise negative consequences of this.

Exit strategy

In the urban programme WFP has established a useful niche: primarily unregistered people often living in squatter areas in major urban conurbations. The GoI for various reasons prefers not to address the political implications of working with 'illegal' residents (though many have been there for decades). Handing over such a programme to the government as part of an exit strategy is, therefore, inherently problematic. Although the economic situation is gradually improving, with evidence of at least some new job opportunities, it may be some years before levels of pre-crisis development return. WFP's interventions cannot, in the current economic climate, have a major impact on self-reliance.

Lessons:

- Having established the rationale for the urban programme, WFP should build on its success by encouraging government institutions to recognise and incorporate this relatively neglected urban population in future institutional safety net programmes.
- Types of data gathered for identifying and targeting project beneficiaries may not be the same as those required for an exit strategy. Nutritional and chronic poverty indices should be supplemented and/or replaced by livelihood security indices (wage employment, newly-generated informal sector income, out-migration, etc).
- Partners will need to be trained in gathering and analysing such data so that informed decisions are made regarding when and where a programme can be phased out.

Logistics

The GoI agreed that incoming rice or wheat grain be swapped or merged with national rice stocks and that the same quantity be released from their warehouses in the provinces at district level.

The National Logistics Agency, BULOG, manages and oversees a countrywide network of 1,506 warehouses at provincial and district level with covered storage space of over 3 million mt. BULOG is a fully operational entity and can within the private market arrange for receipt, customs clearance, storage and any transport services whether by sea, road or air. The management of WFP commodities represents less than ten percent of BULOG's warehousing and transport activities. The most important activities are the distribution of rice to government employees (40 percent) and support to the government sponsored Special Market Operations (OPK) (50 percent). BULOG's activities are funded from regular government budget allocations. All expenditures incurred by BULOG for transport and related expenditures of WFP food depend on the allocation of extra-budgetary funds to BULOG and other GoI implementing partners.

Comment

- WFP assistance consisted of 97 percent of rice. Since the GoI funded internal handling, storage and transportation for food distribution practically throughout the entire country, BULOG was the most appropriate logistics partner, reducing start-up time, operational costs and eliminating pipeline problems and losses.
-

Rice Swap arrangements

In accordance with the provision of the LOU with the GoI, rice or wheat grain delivered to main ports by WFP chartered vessels were merged or exchanged with national stocks based on negotiated ratios. From August 1998 to March 2000 WFP shipped a total of 347,000 mt to five different ports in Indonesia, 70 percent (234,000 mt) of which was wheat supplied by the

United States, Australia and France. The total rice “credit” generated by the end of March was 243,000 mt.

The applied rice/wheat exchange ratio was always based on the comparison of the prevailing CIF value of the wheat received against the value of standard 25 percent broken Thai rice. WFP should continue to use this swap and delivery mechanism for all rice and wheat shipments, providing it with a number of operational advantages:

- Absence of losses during inland transport;
- Easy accounting of the inland rice stock;
- No warehouse costs whether at port or EDP level;
- Low operational impact on WFP logistics management staff;
- Flexibility to shift the operation geographically to other areas of the country;
- Speedy delivery without any time lost in transit.

Commodity tracking

The Country Office commodity tracking system (CTS) does not include the Pipeline Management Programme (PMP) developed by WFP. The PMP specifically tracks the resource status of an operation and all food starting with confirmed donations to the SI number. It is designed to capture project distribution cycles, planned utilisation of the various project activities over time and related food requirements.

On the receiving side the CTS tracks all typical SI related data including the swap rate and rice credit generated from the swap of commodities at entry port. On the disbursement side the commodity tracking system records the relevant data of the recognised rice release mechanism at district warehouse.

The data utilised to track the distribution to beneficiaries originates from the time of release of the food from the district warehouse. Data on the physical distribution that tracks each individual up-lift from the EDP and acknowledged receipts by beneficiaries are not recorded in the CTS. Detailed data on effected food distribution with the number of beneficiaries at village and project site are available at sub-office level.

WFP’s urban programme unit has, since August 1999, maintained a detailed database on the sale of rice to beneficiaries. Tracking physical distribution to families has been possible through active involvement of WFP monitoring staff and the linkage of the rice distribution to a commercial transaction (sales). The database also records distribution losses. All deliveries to schools are based on a delivery voucher system signed by the head master of the school upon receipt the food.

Comments:

- For the monitoring of the food pipeline WFP should immediately introduce the PMP pipeline management programme into the Food Aid Monitoring Database.
- The level of data recorded in the database was acceptable. The Country Office needs however to make sure that the data provided by implementing partners on beneficiaries reached and quantities distributed can be verified.
- The WFP database should be adapted to capture desegregated distribution data on effected distribution, closing stocks and eventual losses.
- Distribution data compiled by the urban unit should be merged with the central database.

ITSH

The ITSH subsidy of USD 15.00/ton established at the beginning of the operation included a negotiated rate of USD 12.67/ton. The subsidy was agreed upon a specific request from the GoI in support of financial constraints faced by local government authorities for the transport to the distribution sites. As per the agreement with the GoI the rate was not applicable for transport costs in Java and Sumatra. The same subsidy was applied to NGOs in the operation during the second phase. A share of USD 2.33/ton was meant to fund transport of food to remote areas by air.

Donors paid the ITSH rate of USD 15/ton over the total quantity of 347,000 mt shipped under the EMOP. With the swap mechanism in place and about 70 percent of the donated food arriving in the form of wheat, the actual quantity credited to the WFP rice account was reduced to 243,000 mt. Only negligible expenses were incurred for air transport and substantial ITSH savings were generated.

Agreements with NGOs involved in the food assistance to IDPs in Maluku and Timor was signed during Phase II. The agreed ITSH costs, which came up to a rate of USD 35.00/ton, were based on detailed budgets submitted by the NGOs and verified by WFP before its approval.

An ITSH element was incorporated in the agreements with 14 local NGOs involved in the OPSM (urban) scheme. NGOs were allowed to retain Rp 120 /kg or about USD 15.00/ton from the proceeds of the sale of subsidised rice. The funds were supposed to cover the costs of transport, handling, the salary of distribution workers and related administrative costs. As per indication from the Country Office the OPSM concept was planned as a self-financing scheme. The NGOs were small entities financially not in the position to support the costs of a weekly distribution cycle, thus depending entirely on the subsidy.

Comment:

- WFP HQ should have supported the Country Office in its request to reduce the ITSH subsidy to zero when the budget revision IV was introduced in May 1999. In the second year the programme was shifting more than half of its food resources to the assistance to urban areas without requirement for ITSH funding.
- The mission found the ITSH rate incorporated in the OPSM scheme justified. For better accounting and in recognition of the ITSH element direct cash payment of ITSH to the NGO should have been considered.

Annex 1

TERMS OF REFERENCE

Evaluation of EMOP Indonesia 6006 'Emergency Assistance to Drought Victims'

Background

Serious El Nino related drought conditions prevailed in large parts of Indonesia throughout 1997 and the early months of 1998, causing a significant reduction of yields and widespread failure of the main staple crop, rice. At the same time, the country was greatly affected by political turmoil and a severe economic crisis which greatly diminished its ability to import the needed quantities of rice. The emergency situation affecting Indonesia has been further compounded by an escalation of civil strife between ethnic and religious groups, which has led to internal displacement of large numbers of inhabitant of the affected areas.

The number of people living under subsistence conditions rose dramatically. A joint WFP-FAO assessment mission estimated that 7.5 million people would require food aid. Under EMOP 6006, at a total cost of US\$ 88 million, WFP would target food aid to 4.6 million drought victims in the period from 1 May 1998 until 30 May 1999. The GOI and NGOs are expected to cover the food needs of the remaining 2.9 million people facing acute household food insecurity. Through a Budget Revision an additional food aid commitment was approved and the period of assistance extended until March 2000.

With generous support from main donors (notably World Bank, IMF and Asian Development Bank), the Government initiated policy-institutional reforms aimed stabilising the exchange rate and inflation, stimulating domestic demand, restructuring the corporate (banking) sector and reforming public institutions. In order to protect rice farmers from unruly price fluctuations, a floor price was introduced. Under this price stabilisation programme BULOG (State Logistics Agency) is to procure unhusked rice from farmers at the established floor price.

In addition to these recovery measures, programmes were launched to mitigate the worst effects from the economic crisis, alleviating the hardship faced by the most seriously affected segments of the national population. The social safety net programmes included the Special Market Operation (Operasi Pasar Khusus/OPK) which allowed poor households, mainly in rural areas, to purchase rice at a subsidised price, below its market value. Other activities are the creation of productive employment through labour intensive schemes, preservation of access to basic social services (health and education) and development of small-medium scale enterprises. Adopting OPK's modalities, WFP – in partnership with NGOs – started to implement a similar programme, exclusively oriented towards urban centres on the main island of Java. Part of the sales proceeds are retained by the NGOs for paying transport and distribution costs and the balance deposited in bank account. Funds thus generated will be used to purchase additional quantities of rice in support of other programmes.

Responding to the continued need for assistance, and specifically the increased food insecurity among the urban population, additional WFP aid has meanwhile been approved under PRRO 6195 ('Food Assistance for the Urban Poor Affected by the Economic Crisis'). At a total cost

to WFP of US\$ 62.0 million, assistance will be provided to some 2.4 million people over a period of 18 months (April 2000 to September 2001).

In consultation with the GOI, and with due consideration of the country's favourable economic outlook, it was decided to close down the WFP Country Office in March 1996. Following the official request for WFP emergency food assistance, the CO was re-established in June 1998.

Proposal

An evaluation of EMOP INS 6006 is proposed in order to learn from the experience in programming and implementing this large scale operation in a fast-developing country facing drought induced food shortages, profound political instability and severe economic shocks.

The evaluation of this complex emergency is expected to contribute to the ongoing discussion to improve the formulation of WFP's role in alleviating the food insecurity experienced by large segments of populations living in developing countries whose livelihoods have been devastated by the combined effects of political instability and severe economic-financial crises.

Objectives

- (1) To analyse the achievements of this EMOP, in particular the extent to which stated objectives have been achieved:
 - a) assist government efforts in assuring an adequate supply of food to the most deficit households;
 - b) establish conditions for and promote rehabilitation and restoration of self-reliance in the worst drought-affected areas of the country;
 - c) assist government efforts in preventing declines in the nutritional status of pregnant women, lactating mothers and children under five.
- (2) To assess the evolution in the programming of food aid under this operation, adjusting the targeting mechanisms in order to more adequately address the food insecurity experienced by large segments of Indonesia's population whose purchasing power, capability to buy basic food has been severely eroded by the economic crisis.

Key issues to be examined

- Assessment, re-assessment of emergency food aid needs.
- Role of food aid.
- Targeting of food aid to the most food insecure population groups.
- Food aid logistics, delivery constraints.
- Food for Work activities within the EMOP

Mission schedule

The evaluation is planned to take place over a period of three weeks: from 26 April until 15 May 2000.

Mission composition

The evaluation team will be composed of the following members:

- Team leader/emergency expert (planning/design of the operation, implementation and co-ordination issues).
- Socio-economist (rural and urban food insecurity, coping mechanisms, role of food aid, social safety net programs).
- M&E expert (targeting of WFP food aid, monitoring and evaluation, VAM).
- Logistics expert (efficiency/effectiveness of delivery arrangements, BULOG's services, ITSH).

In accordance with OEDE practice, the Evaluation Officer managing this mission will join at its last stage, including the country-level debriefing in Jakarta.

Reporting

The mission is expected to yield the following reports:

- Aide Memoire to be written during the country visit, with contributions from each team member. This document will contain the mission's tentative findings and recommendation, and serve as the basis for the debriefing at both the CO and WFP Hqs level.
- Evaluation Summary, maximum of 5,000 words, prepared by the team leader and to be submitted to OEDE by 5 June 2000. It should be noted that this Summary will be presented to the WFP Executive Board in October 2000 (EB3/2000) for its consideration; RECC (WFP Rome editors) deadline for this document is 28 July 2000.
- Technical reports to be prepared by the Socio-economist, Food Security and Logistics experts, covering the issues under their responsibility, by 30 May 2000.
- Consolidated mission report by the Team Leader, based on the inputs from all team members, before the end of June 2000; technical reports by mission members will be presented in conjunction with (possibly as Appendices to) the consolidated report.

Methods

It is anticipated that the evaluation mission will:

- a) review relevant documents and (primary and secondary) information to be made available through WFP Headquarters and the Country Office, or locally gathered while visiting Indonesia;
- b) consult Country Office staff, WFP implementing partner agencies, representatives of central and provincial/local government authorities;
- c) undertake field visits to a representative sample of sites where FFW activities under EMOP 6006 can be reviewed;
- d) use participatory approaches to seek the views of beneficiaries and, where appropriate, non-beneficiaries.

It should be noted that, at the request of the Country Office, fielding of this mission was postponed until April/May 2000. Due to this delay, the mission will arrive in Indonesia at a time when activities under EMOP have ceased, whereas the subsequent PRRO will be in its

initial implementation stage. Therefore, while the mission may not be able to actually witness EMOP activities, it will still be able to view and examine assets created, and also have in-depth discussions with beneficiaries and all those involved in the preparation and execution of the WFP-supported activities. Moreover, arriving at the transition from EMOP to PRRO will allow the mission to focus more clearly on the forward linkages with the programming of the newly implemented PRRO.

INDONESIA EMOP 6006

'EMERGENCY ASSISTANCE TO DROUGHT VICTIMS'

**BENEFICIARY TARGETING
AND
PERFORMANCE MONITORING**

TECHNICAL REPORT PREPARED BY

**DETLEV PUETZ,
CONSULTANT, WFP/OEDE**

**ANNEX 2
TO THE FULL MISSION REPORT**

SEPTEMBER 2000

Table of Content

- I. Program objectives and rationale
- II. Targeting of rural drought relief programs
- III. Targeting of urban programs
- IV. Targeting of IDP's and other displaced people
- V. Targeting vulnerable groups / food quality and nutrition
- VI. Performance monitoring and reporting
- VII. Program Impact

I. Program objectives and rationale

Foreword

1. Usually, evaluating a program or an operation means to compare its outcomes to what was planned in the beginning. Yet this tends to be difficult where plans either are frequently changed and modified, often for good reasons, and/or explicit objectives do not adequately reflect the actual or underlying objectives of the various partners. Both cases apparently apply to the Indonesian setting with some consequences for beneficiary targeting, monitoring and overall accountability. One of the most intriguing features of EMOP 6006 and its evolution is that at the very onset of project implementation and food distribution (Sept./Oct. 1998) its rationale and basic premises were already questioned by WFP.
2. Not only had the effects of the 1997/1998 drought on food security in rural areas been obviously overestimated, the impact of the economic crisis on the major urban centers and its potential threat to political stability started to loom larger, particularly after the urban riots of May 1998. In other words, the basic sectoral priority of rural areas of the EMOP was questioned. The Management Review of Oct. 1998 stated among others that: "The geographic focus of poverty, and in particular of food insecurity, has changed after the outbreak of the economic crisis. With the effects of the drought now rapidly diminishing household food security has improved and it can be expected that the situation returns to normal with the arrival of the new harvest during the first quarter of 1999 (*an assessment that was later confirmed by the FAO/WFP crop and food supply assessment mission of April 1999*). Whereas underdeveloped rural areas might still have the same needs of development assistance and to a certain degree even of emergency assistance, priorities now definitively have shifted towards providing a social safety net to the urban areas ... where coping capabilities are less developed and the danger of political unrest is biggest." Most of the basic management review recommendations were accepted by the country team and adopted in the EMOP extension of 1999 .
3. Secondly, the extent to which the Government of Indonesia and the WFP Country Office were committed to implement and monitor the rural program according to plans and to ensure targeting of the most food insecure rural villages and beneficiaries below the district level has not been clear, and has not become much clearer during this evaluation mission. What has become clear and is conceded by all partners is that the rural operations were not implemented as effectively as had been hoped for, although a substantial amount of income was transferred to the most drought-affected areas in the form of rice.
4. This may have been partly related to the fact that the implementation and targeting modalities of the rural program were not full-heartedly subscribed to by all partners. The WFP country office in Indonesia claims, for instance, that parts of the implementation and targeting mechanisms have been only agreed to reluctantly by WFP as the GoI strongly insisted on them. Particularly food for work and asset generation, the major part of the operation, had not been part of WFP's initial objective, and WFP was not really ready to deal with FFW. It appears that general distribution or vulnerable group feeding was the preferred option for WFP.
5. Yet, GOI was wary of creating a sense of dependency or raising expectations on limited government resources once external assistance was phased out (EMOP, chapter 9). GoI had a policy in place "of providing relief food assistance ...only to the most destitute families.... If a crisis persists local governments try to organize community development labor intensive mini projects at the village level. ... To face the current drought and financial crisis, the government is introducing, in line with an overall IMF program, community labour intensive work programmes in order to assist the poor while maintaining their personal dignity." (EMOP, p.5).
6. In the end, no FFW work norms were agreed on, nor were any other specific modalities and mechanisms for targeting below district level in rural areas specified in the Letter of Understanding of July 1998 beyond the general statement that: "No food will be distributed without an agreed distribution plan signed by all concerned parties" (para. 3.10, LoU). Nor, to the best knowledge of this mission, were they agreed on formally at a later stage.

7. In sum, already from the beginning of the operation there was a general sense at WFP that the rural program was not optimally designed, was likely to be poorly implemented by partners with limited experience in the kind of operations proposed, and may not address the most urgent priority needs of the country. In many ways, a “push-and-pull” effect set in: increasing implementation problems in rural areas, particularly by government agencies, declining needs and very difficult monitoring pushed WFP out, while higher urgency, easier management, and more control over NGO implementation partners pulled the organization quickly into urban areas.
8. Against this background, this report tries to assess how effectively EMOP 6006 was targeted and monitored, and what lessons can be learnt for future WFP operations under similar circumstances, and for continued operations in Indonesia.

What had been planned ?

9. It appears to be helpful to start with a review of what had originally been planned according to the basic project documents. The initial objectives of the EMOP for program implementation are clearly formulated in the original EMOP document of April 1998 and the Letter of Understanding (LoU) with GoI of July 1998. Although they slightly differ in words, their spirit is the same.
10. According to the LoU the overall objective of WFP assistance under EMOP 6006 was to prevent the food shortage from developing into a famine situation, alleviating the hardship faced by the most vulnerable segments of the population. Although the official EMOP title is “Emergency Assistance to Drought Victims”, both the EMOP document and the LoU clearly refer to the effects of the drought and the economic emergency. Yet, it was the drought aspect that primarily was to determine food allocation in rural areas.

More specifically, the intention was to:

1. distribute food to most seriously affected families who are unable to secure their daily food requirements;
 2. support agricultural rehabilitation and reconstruction through FFW activities, enabling the beneficiary communities to re-establish their livelihoods; [and]
 3. maintain and/or improve the health/nutritional status of pregnant women, lactating mothers, and underfives in selected areas which have been particularly affected by the drought and economic crisis.
11. The first objective referred to activities to be carried out by DEPSOS as general relief. Some 208,690 families (or 750,000 people) would be receiving food assistance. The main targeting criteria for these beneficiaries would be that they were “surviving on only one meal a day with no means of supporting themselves”. 30,000 mt were allocated for that activity. At a later stage DEPSOS was joined some local NGOs, such as the Indonesian Red Cross and Bina Swadaya.
 12. The second objective referred to the main activity of the EMOP to be performed by BIMAS, a Government entity in charge of agricultural intensification under the Ministry of Agriculture. BIMAS would organize about 771,000 participants in FFW activities. No further targeting criteria for beneficiaries are mentioned for this activity. The total number of beneficiaries, including these workers families would be 3.85 million. While BIMAS would be the main implementing agency with 160,000 mt, a small part of this program would be implemented by NGO’s. World Vision and others are mentioned in the EMOP document.
 13. The third objective of addressing the particular needs of the particularly vulnerable group of pregnant women, lactating mothers, and malnourished children under 5 would mainly be covered by DEPKES, which would use 17,000 mt of blended food for this activity. The plan was to reach a total of 708,000 beneficiaries.

14. The EMOP (p.2) refers to specific geographic areas that had been affected by the drought, in particular the rainfed areas of the country, i.e. from Nusa Tenggara Barat eastward to Irian Jaya, the southern portions of Maluku and Sulawesi, Eastern and Central Kalimantan, and portions of Eastern Java. It also refers to 31 districts particularly hit (p.7) and to 53 districts that would be covered in 15 provinces (p.1 and p.10). Criteria for prioritizing specific villages would be worked out with BAPPENAS.

II. Targeting of rural drought relief programs

Overview

15. **Substantial deficiencies** were found in targeting and implementation of the major part of the rural drought relief / FFW program which was implemented by government agencies between Oct. 1998 and March 1999 (phase I). These deficiencies are well known and openly acknowledged by most partners¹.
16. Some of the **main problems in geographic targeting** included (1) incomplete, inadequate, or unavailable data sets, (2) the lack of proper vulnerability and needs assessments, at province, district and household level, (3) the limited use of targeting experts (e.g. WFP VAM unit) and external experts with intimate knowledge of the situation in the Indonesian provinces most affected, and (4) too little coordination among government agencies, donors, and NGO's which led to oversupply of food and other assistance in certain districts and villages.
17. **Effective targeting of the most vulnerable communities and individuals** within selected districts proved almost impossible, particularly for government agencies. The selected targeting indicator for villages and households generally qualified about 80 percent of the population in targeted districts although less than about one-third of the population was estimated to be highly vulnerable. Entitlement attitudes and political pressures at district and village level contributed to poor targeting performance and many cases of "blanket distribution" of food aid.
18. **Self-targeting through the proposed FFW** activities was very limited, as agencies were incapable of effectively organizing meaningful activities (particularly in phase I) within the short-time frame given for program preparation, training, and delayed or non-availability of Government counterpart funds. This was aggravated by the relative inexperience of the main implementing agencies with emergency situations, food-for-work, and the logistics involved in it. Institutional capacity and field staff motivation in organizing a program of this nature were not properly assessed and considered in advance.
19. **NGO's** in the rural program appear to have been performing better, relying on more and better motivated staff, timely availability of complementary inputs, and being subjected to less political pressure.
20. While there were a number of problems with geographic targeting it should be noted that the bulk of WFP food assistance indeed went to those areas that were generally regarded as most affected by the drought (NTT, NTB, Sulawesi). To what extent other rural areas that had been affected by the drought, other agricultural calamities, and the crisis have been targeted well, in particular in Java and Sumatra, is not clear.

Geographic targeting of provinces and districts

Targeting mechanisms

21. WFP targeted its assistance as planned geographically on 53 districts in 15 provinces that were selected based on a composite index from 1997 data supplied by BAPPENAS and gathered through various government agencies². This index includes:

¹ see for instance WFP *Monitoring Report 1999*; *BIMAS final reports for phase I and II*

² It should be noted that there are some discrepancies between this set of three indicators (which is the English version) and the version distributed by BAPPENAS in Indonesian (which contains 5 indicators). In any case, these differences do not seem to change the major conclusions significantly.

- a) Poverty related data: collected by BKKBN (the government family-planning agency) which regularly records the percentage of “pre-welfare” households at district level (bi-monthly);
- b) Ministry of Health data, with districts ranked by prevalence of protein and energy malnutrition (PEM) of children < 5 years of age (1996 survey), and
- c) Ministry of Agriculture data on rice-growing districts reporting total crop failure or those “affected by drought” for 1997/98, ranked in terms of total acreage.

22. Scores for the above three categories were totaled and WFP assistance mostly went to districts with the highest score. It has been pointed out that the geographic targeting index was rather inadequate, as

- non-rice growing areas were relatively disadvantaged in being selected
- BKKBN’s “pre-welfare” indicator does not provide good measures of acute food insecurity and malnutrition, but represents a rather crude and arbitrary measures of “underdevelopment”³ (see box);
- data on one or more indices were missing for >10% of districts;
- no meteorological information was included (limited accessibility).

Targeting effectiveness

23. As result, it is not completely clear to what extent those rural areas that have been affected most by the drought and the crisis have indeed been reached. But it should be noted that in the end, the bulk of WFP food assistance went to those areas that were generally regarded as most affected by the drought and are relatively poor (NTT, NTB, Sulawesi). This outcome may have been helped by the fact that WFP did not provide any reimbursement to implementing agencies for ITSH for activities in Java and Sumatra.

24. The process of district selection based on the proposed list was complex and involved both BAPPENAS and WFP officials. Upon WFP insistence, a significantly lower number of districts was chosen for food distribution than originally proposed by the Government (53 rather than 150 districts). While this may have been a positive decision from a management and monitoring point of view, it may also have contributed on the other hand to the “overcrowding” of food assistance in certain districts of the country.

Targeting rural FFW in 1999 (second phase)

25. Targeting of the rural program in 1999/2000 was more focused. In view of the improved harvest in 1999, a very limited amount of food was distributed in five provinces only, Sulawesi Tengahy, Sulawesi Tenggara, NTT, NTB, and central Java. These provinces had either a chronically low agricultural production, were facing the effects of recent natural disasters (floods and locust plagues in NTB), migrants (returnees in Sulawesi Tenggara), or had a high concentration of landless farmers (central Java).

The BKKBN index

The BKKBN “pre-welfare” index was used for targeting districts, sub-districts, and households. Pre-welfare households are defined as such households that do not fulfill all of the following criteria

1. conduct prayers according to religious conviction of each member of the family;
2. all family members have at least two meals per day;
3. all members have various types of clothing according to their activities, within and outside the house, work, and school;
4. the largest floor space of the house is not composed of dirt/earth;
5. When a child is ill and/or a reproductive-age couple seeks family planning advice, a public-health facility is consulted.

This means that any household that fails in fulfilling one of these criteria is eligible (or villages and districts etc. with a high proportion of these households).

³ Nor does its “welfare 1” indicator which, however, was not relevant for targeting of WFP assistance.

Community and household targeting

Targeting mechanisms

26. **Sub-districts and villages** were selected through a combination of the BKKBN “pre-welfare” index as well as practical and political considerations (e.g. remoteness, coordination with other drought relief efforts and other overlaps (e.g. WB/ADB “cash-for-work in marginal areas project”). In the end, in many districts >75 percent of villages “qualified” for assistance.
27. To determine **eligible households at village level**, BIMAS used the BKKBN index: “Considering the data on the number of the pre-welfare families and the availability of rice for each district, the district WG creates an allocation plan that will indicate the number of families selected and the amount of rice that will be provided in each sub-district and village” (Source: *Targeting instructions – from “BIMAS - Technical Guidelines”*). DEPSOS targeted food to beneficiaries according to the following criteria (Source: *Final Report*): (1) Surviving only on one meal a day, (2) Poor widows, and (3) Family/person having irregular income or having < Rp.25.000 / person / month. Based on these criteria, both BIMAS and DEPSOS village lists of eligible households generally included more than 80% of all households.

Food distribution problems in villages

(Excerpts from WFP field monitoring reports)

Report I - The problem of rice being evenly distributed to all households in a village (*bagi rata*) is prevalent. In many cases the government administrators of a village have been threatened with physical violence if the rice was not distributed evenly. For the sake of social harmony it is difficult to control this practice and difficult for local program administrators to carry out the program according to the stated regulations. In other villages officials retained between 10–20 sacks of rice for their own purposes. ... Targeting should be more oriented toward villages rather than households. ... Imposing clear targeting rules by outsiders may be more effective: BIMAS extension workers confide that it is more effective to use the expression of “WFP’s wish – *kemauan WFP*” as their reason for excluding some villages / villagers.

Report II - In most cases, targeting the most needy beneficiaries cannot be achieved. The most that can be achieved is excluding civil servants (usually not more than 6 – 10 people per village). The reasons include that (1) the difference in economic condition between households in most villages is only small; (2) village politics dominate: the village head is an elected official and targeting might mean the exclusion of certain groups of people whose support may be needed later. Rice is [also] often retained by the village head or village elders who may think they put in many efforts to assist the implementation of the project and deserve to be rewarded.

Report III - Government extension workers mostly are weak and easily swayed by the village heads. This has led to the changing of the number of beneficiaries and providing rice to the entire village population. In most provinces, rice was distributed freely, either equally among the villagers or for identified beneficiaries at 12 kilos / week for work supposed to have been done for 6 days. Most FFW schemes were no more than token efforts made in a half-hearted attempt to justify rice distributions. Often rice was apportioned regardless of FFW participation (to avoid “*social jealousy*”). Equal rice distribution was a disincentive for FFW participation.

Targeting effectiveness

28. But effective targeting of even these 80% of households listed according to the selection criteria was the exception rather than the rule, at least in phase I of the project. Blanket distribution of the food delivered seems to have been common practice, although sometimes clearly better off villagers, such as civil servants, seem to have been excluded (see box with excerpts from WFP monitoring reports). Better targeting simply could not be realized.
29. Moreover, following the conventional wisdom of aid workers in the areas most affected by the drought and the economic crisis, less than about one-third of households were unable to deal with the effects without resorting to unacceptable coping mechanisms (estimates of households that were urgently in need of food assistance ranged from 20 to 40 percent). This means that (1) there is a relatively high “*inclusion error*”: people have been served who have not really been vulnerable, and (2) that the indicator selected for household level targeting by government agencies may not have been appropriate.

Factors contributing to ineffective targeting

30. Several factors contributed to the difficulties of targeting the most needy villages and households:

Oversupply of food assistance

31. In certain provinces and districts, targeting has been affected by overcrowding of various assistance programmes (BIMAS, DEPSOS, various NGOs (WV, CARE, CRS), the World Bank’s ongoing cash-for-work programme; OPK subsidized rice programme). Food provision through aid programs in many districts was larger than actual needs and requirements. Implementing agencies were not capable of targeting distribution effectively, or, if necessary, redirect assistance to other areas and beneficiaries. Reasons for this were, first, the strong donor and GoI reaction in the most drought affected areas and the decreasing need for assistance when climatic conditions rapidly improved, and secondly, the relatively small number of districts selected by WFP compounded by administrative regulations by GoI that prevented re-allocation of counterpart funds between districts once they had been approved.

Politics, entitlements, and mind-sets

32. Evidently, food distribution, particularly as it was coming from government agencies, got entangled in politics and entitlement attitudes by villagers. Village heads and government extension workers could not, or were not willing to enforce stricter targeting of households. The same is true for more effective targeting of poorer villages and communities. Secondly, it has to be considered that the general mandate and “mind-set” of the main implementing partner (BIMAS) is not geared towards strongly arguing for targeted distribution. BIMAS’ main mandate is agricultural intensification, which often deals with the better-off farmers. Food assistance thus may have served rather as a convenient vehicle for carrying out its regular agenda, that means agricultural intensification. Extension workers may not have wanted to put their relationship with their usual “customers” on the line in order to enforce better targeting. Last, but not least, it is also clear that there is limited acceptance or understanding of key WFP food security concepts among officials in Indonesia, and that the attitude of “everybody is poor” and “poor- equals- food-insecure” prevails in many officials and beneficiaries minds.

Inexperience of implementing agencies and lack of incentives

33. The inexperience, particularly of the main implementing agency BIMAS, in dealing with emergencies, the logistics involved, and food-for-work activities was a major factor. For instance, in most parts of the country BIMAS organized food transports for the first time, which was particularly difficult as the bulk of food had to be distributed during the rainy season. There are also indications that the food aid program meant an inappropriate additional workload for field staff, particularly extension workers at lower levels—often without proper compensation, incentives, and preparation--which only the most energetic and motivated among them handled well.

Counterpart funds

34. Last but not least, late or insufficient availability of counterpart funds from Government agencies contributed significantly to overall poor performance. Organizing FFW activities, socializing communities, and planning programs from bottom-up requires budgets and incentives for all partners and members in the chain. It is not clear to what extent BIMAS and other government agencies have been available to provide the appropriate funds at all levels. Neither the total counterpart budget spent by the various government agencies on the program nor the distribution for various activities at different levels are reported in the final reports by BIMAS or other agencies to WFP. Apparently there were no reporting requirements for that.

NGO's in rural drought relief

35. A relatively small percentage of rural drought relief assistance (about 10-15%) was administered through NGO's, with World Vision and Bina Swadaya being the most prominent ones for FFW, while the IRC (Indonesian Red Cross) was more concerned with general relief activities of special groups of beneficiaries. In general, NGO's in the rural program appear to have been performing better, in particular in terms of generating lasting assets through food for work, and in restricting rice distribution to working FFW participants and enforcing work norms. NGO advantages included in particular the timely availability of complementary funds for non-food inputs, the number and motivation of food monitors and other staff in the villages. Particularly international NGO's appear to be less subject to political pressure at village level. Some of the larger NG's also had the advantage of being more "in synch" with the targeting and development goals as well as the operational procedures of WFP.

Conclusions / Lessons learnt / Recommendations

In line with "conventional targeting wisdom" the emphasis of targeting in emergency situations should initially be placed on geographic targeting or on targeting of specific vulnerable groups that can be easily identified and treated separately.

Geographic targeting and VAM

36. Yet, incomplete and inadequate data sets may complicate geographic targeting. Also, crisis targeting is different from general poverty targeting. Therefore the use of pre-crisis data sets should be handled carefully and may need to be complemented by vulnerability assessments for the appropriate final selection of districts, villages, and beneficiaries. In this context the possible contributions of WFP's VAM unit seems to have been underutilized. Yet, the VAM unit became operational only in Jan. 99, far too late to have any major impact on programming the bulk of first phase EMOP assistance. Contradiction here. Earlier establishment of VAM and involvement in EMOP could have improved the program. The eventual overcrowding of assistance in the most drought and crisis affected districts suggests that a strong point should be made for a joint donors / government assessment under similar situations.

Targeting of individual households

37. The only targeting mechanism for households at community level that could be applied and enforced in at least some of the villages served by government agencies was that of "exclusion", i.e. of not providing rice to the most obviously better-off households (usually 10-20%), mostly civil servants and larger land-owners. Effective targeting of the most vulnerable households through community targeting or other mechanisms proved to be socially divisive or was simply politically not acceptable. As the experience in some selected BIMAS projects in phase II of the program and by NGO's shows self-targeting through FFW can work in Indonesia, but needs to be well prepared, a process that can be rather costly and time-intensive, which is not necessarily applicable to emergency situations.

Field level implementation

38. While, in general, program implementation by government agencies has been poor—partly due to a lacking “relief-culture” and emergency preparedness in Indonesia--it should particularly be pointed out that extension workers at sub-district and village level have proven to be the weakest link in the chain. More time, training, and funds need to be spent on those essential grassroots workers, particularly during the design phase. Extension workers’ incentives and disincentives to implement suggested work, including implementing the targeting process, needs to be better understood and considered. Yet, besides delays in counterpart funds, often program related funds do not trickle down to the field level. In addition to food aid distribution, WFP should request better reporting of counterpart funds, including their distribution to different activities and levels, and make monitoring of financial expenditures for field level activities one of its priorities.

III. Targeting of urban programs

39. The urban program --the bulk of which was launched in September 1999 -- consists of three components: (1) sale of subsidized rice in urban slums (OPSM), (2) free distribution of rice in schools for home consumption, and (3) urban food-for work programs.

OPSM

Geographic targeting

40. It appears that the OPSM program is targeted well to the deserving poor in those urban conglomerations where it is operating. The program is, however, limited to the four largest urban centers in Indonesia, Jakarta/Jabotabek, Bandung, Surabaya, and Semarang that are all located in Java. It is not completely clear that there are no other urban areas in Indonesia that are worse off than those currently served and that may be insufficiently covered by other programs (such as OPK). Apparently, there has been very limited input by the VAM unit in assessing and selecting the sites of operation.
41. As the program targets in particular shanty-towns with a high share of illegal squatters official government data cannot be used -- by definition. Most sites are therefore identified by making use of local knowledge of sites with high poverty, under-employment and destitution, particularly through the local NGO’s involved in program implementation. In some cases, BKKBN data is being used for identification of poor areas with higher shares of legal inhabitants (e.g. in Bogor).

Individual household screening

42. In the selected geographic areas households are eligible and receive a ration card when they fulfill one of the following criteria, provided they do not currently have access to the OPK program:
- i) are unable to have a meal at least twice a day;
 - ii) are unable to consume protein rich food at least once a week;
 - iii) are unable to provide the required school fees for the primary school education of their children;
 - iv) can no longer afford medical treatment prescribed by a *Puskesmas*;
 - v) where the main wage earner has been victim of mass retrenchment.
43. About 60 percent of households are screened through door-to-door surveys according to five economic and food-related factors of food insecurity. The information collected is self-reported and verified by the interviewers. Community participation and mutual control is used where such surveys have not yet been possible. To some extent self-targeting of beneficiaries is involved by using medium-quality rice, and frequent distributions in small quantities in selected locations. From a targeting perspective it is

recommendable that overlaps with other programs (e.g. OPK) are avoided. Specific efforts are being made to target female headed households and families with malnourished children.

Overall effectiveness

44. The OPSM program has received high marks, as it has successfully identified a niche in urban slums where the government's main program for targeted food subsidies (OPK) has not been working well or at all. It is also by now widely accepted that targeted food subsidy programs should become a cornerstone of a long-term effort to combat food-insecurity⁴. The fact that the OPSM program is working effectively can be explained at least partly by the commitment of many of the NGO's involved, the strong monitoring and follow-up by WFP, and the program's very qualified WFP manager and food aid monitors.

School feeding

45. The "school feeding" program has been in effect a mechanism to deliver food to poor families via school children with the main objective to increase consumption of food in poor households and to reduce school drop-out. It has been operating in the four same cities as the OPSM program, although overlaps have been largely avoided. The school feeding program will be discontinued in the PRRO phase.

46. The programme faced substantial difficulties in targeting its assistance to those districts and sites that had the highest school drop-out rates, particularly in slum areas, as families could no longer afford to pay the school fees. Although they were available, drop-out rates by school could only be partly used for targeting as there was little commitment to targeting by school authorities. Also, too many institutions and vested interests apparently were involved in program design and targeting.

47. Principles in targeted schools again were not able, or willing, to narrowly select the most deserving students. During the field visit the mission again encountered the general "everybody is poor and therefore deserving" mentality. Usually 70-80 percent or more of the students received the food assistance, regardless of family background and formal criteria that had been established. It should be noted, however, than many supported schools are indeed in relatively poor and in slum areas

Urban Food-for Work

48. Urban food-for-work projects constitute only a relatively small part of the urban program, yet offer an interesting alternative option for food-assistance, as they are self-targeting. The capacity of the various NGO's to carry out such programs varies, but some interesting prototypes have been carried out that could be the basis for expansion.

Conclusions / Lessons learnt / Recommendations

49. As far as the OPSM program is concerned WFP may wish to review the selected geographic areas of operation in view of the prevalence of food insecurity of current sites compared to urban settings outside of Java, preferably with the assistance of the VAM unit. Secondly, the mission supports WFP in discontinuing the school feeding programme in its current form and implementation and encourages the expansion of urban FFW projects.

⁴ *The OPK Program: Economy-wide Impacts*, Steven R.. Tabor, M. Husein, Sawit, Study prepared for the State Ministry for Food and Horticulture, Sept. 1999

IV. Targeting of IDP's and other displaced people

50. Currently Indonesia has an estimated total of about 700,000 displaced people, of whom 570,000 are internally displaced (IDP's) and 130,000 are refugees from East-Timor. They are spread over several provinces and a number of locations (West-Timor, Maluku, North-Maluku, Sulawesi, Aceh, and Kalimantan). Their problems are rooted in various political, ethnic, and religious tensions (or a combination of these factors). Their situations differ widely, and they originate from various social and economic backgrounds. Their ability and willingness to return to their former homes or settle in their places of refuge varies accordingly. Many displaced people have moved out of their initial camps, and found temporary homes with host families. Others have returned home. For many, it is uncertain whether they may or may not be able to ever return to their former homes. This variety of situations and their different needs poses a number of special questions and problems for providing appropriate and targeted food assistance.
51. Yet, it appears that from a targeting and monitoring perspective five issues require particular attention:
1. the question of **proper registration** of displaced people, and of keeping track of their movements, including that of their immediate family members (in order to avoid inappropriate food allocations). For instance, as official registration by UNHCR in West-Timor was delayed by several months, significant double-counting of refugees who register in several camps cannot be excluded.
 2. the question of **excluding certain categories** of displaced people from some forms of assistance (e.g. government servants, militia and military personnel), and of how to treat immediate and extended family members of these groups;
 3. how to **avoid disincentive effects and dependency** of continued food assistance that might keep people from moving on (or back). For instance, refugees returning to East-Timor might receive less assistance once they return to West-Timor. Related to that is the question of how to best combine the instrument of food aid with that of assistance for [re-]integration (**exit-strategy**).
 4. how to **deal with resentment in the general population** about the perceived preferential treatment of displaced persons in terms of assistance. Possible solutions might include to have displaced persons work for their assistance or to generate complementary FFW projects for general population in areas surrounding camps.
 5. The question of **coordination of assistance** across various agencies, including similar/equal treatment in terms of rations, beneficiary targeting etc.

Institutional arrangements for IDP assistance

52. Virtually all WFP food assistance for IDP's is implemented by international and local NGO's – sometimes under direct guidance and supervision of WFP (West-Timor), or sometimes in coordination with government agencies (e.g. DEPSOS and SATKORLAK in Maluku). Based on their experience in other countries and their well motivated staff international NGO's have developed very efficient registration and distribution systems. On the other hand local NGO's need more attention and micro-management, which may be time consuming and difficult for WFP supervision.
53. In Maluku, the major international NGO, AcF (Action contre la Faim) is widely credited with very effectively serving a large majority of IDP's and being a valuable partner for the government and local NGOs. Clear criteria for IDP registration and tracking have been developed, and the nutritional status of a sample of IDP's has been assessed. A socio-economic survey has been conducted on the origin and socio-economic background of IDP's which is currently analyzed. Nutritional requirements are regularly adjusted to reflect acceptance or rejection of certain food items (e.g. dried fish). Civil servants and military personnel are effectively excluded from receiving food assistance from the NGO through a system of social control and “camp-coordinators” with closer knowledge of each of the IDPs. As in most other settings, all other IDPs qualify for assistance independently of their food security or nutritional

status as long as they are living in camps or with host families and have not returned to their original homes or found new permanent housing.

54. While the AcF operation is clearly very effective in IDP registration, food distribution, and targeting it has not yet designed any rehabilitation or exit strategy as opposed to short-term or long-term feeding. It has also caused some resentments among government and other local NGO aid agencies that are less well endowed with funds and technical skills and cannot offer the same working conditions and benefits for their local staff. While this does by no means diminish the positive and effective work by AcF, it raises several questions for WFP's policy, both in terms of its long-term strategy for IDPs, of institution building of local organizations and public agencies, and of refunding NGO's for operational costs of distribution.

Conclusions / Lessons learnt / Recommendations

55. In general, working mainly with NGO's to assist displaced people has worked well for WFP, as opposed to working through government agencies with limited "relief experience" and less flexible, systematic, and responsive mechanisms for providing assistance. The Indonesian experience shows, however, that using NGO's as implementing partners should be designed to avoid long-term distortions and negative effects on building local capacity through assistance to international agencies. It also requires close monitoring and active institution building of less experienced local NGO's. Clear exit strategies have to be developed.
56. It is clear that most of the relief organizations are too much absorbed in the challenges of immediate assistance, day-to-day distributions, etc. to address long-term solutions for the refugee problem. For this reason WFP might want to consider to undertake a **thorough analysis and policy review** of (a) the long-term effects of free food distribution; (b) options for rehabilitation and a realistic exit strategy for the PRRO, (c) options to avoid resentment in the 'host' population (FFW?) for the various settings. Such a review might also contribute to **developing better models and modus operandi for coordination** of assistance—in terms of working with government and well as with sister UN organisations. It might, last but not least, add some insights into determining WFP's proper role in advocating and promoting **long-term reconciliation and recovery strategies**. In this context it should also be considered to help establish and support **local "think tanks"** of independent civil society leaders to consider long-term solutions to the questions raised above.

V. Targeting vulnerable groups / food quality and nutrition

Overview

57. Mothers and children under five were a specific target group of the EMOP, which aimed to "maintain and/or improve the health/nutritional status of pregnant women, lactating mothers, and underfives in selected areas which have been particularly affected by the drought and the economic crisis" as one of its main objectives. But the program has yet to capitalize on the immense benefits to be gained from directly and comprehensively addressing the issue of malnutrition in small children and their mothers. The main part of the program, the distribution of WSB appears to have been poorly implemented.
58. Less than half of the allocated amount of WSB was actually distributed, due to delays in shipping and availability of counterpart funds. No final report has yet been received on distribution and outcome from the implementing partner (DEPKES). Cultural acceptance of the product (WSB) was low and problems in packaging and social marketing were prevalent.
59. At several stages during EMOP implementation plans were formulated to encourage the local production of fortified foods to address the main problem of diet quality, possibly in cooperation with UNICEF. These plans have yet to be realized.

60. Overall it appears that this part of the EMOP has not received the attention by WFP that it might have deserved, and was poorly planned and monitored. It should however be noted that the issue of children's and mothers' nutrition, food quality, and micro-nutrient deficiencies are about to be addressed more prominently in the urban program under the upcoming PRRO. It should also be pointed out that WFP's rice assistance helps families to save money on this staple food, and thus, indirectly increase their capacity to purchase and consume higher quality food items.

Need for a stronger focus on food quality and child nutrition

61. Nutritional problems in children under five and their mothers have considerably increased as a result of the crisis. The increase is most certainly related to a declining diversity of family diets. By late 1998 it was clear that as a result of the crisis the quality more than the quantity of the food diet of the Indonesian poor had suffered, with detrimental effects on nutrition (as reported by Helen Keller and World Vision among others). The diversity of the diet had been reduced with a decreased consumption of more costly protein and micro-nutrient rich foods, such as fish, eggs, dairy, vegetables and fruits. These were replaced with cheaper and often less nutritious foods (rice, cassava, maize grits, *tempe* or tofu). The rapid decline in the nutritional status of children under five and their mothers as measured by anthropometrics and micro-nutrient deficiencies (iron and Vitamin A) particularly in urban areas was one of the major factors for shifting WFP assistance from rural to urban areas.

Blended food distribution (wheat-soya bean blends) - DEPKES

62. The program in place to specifically address the problem of malnutrition in children and mothers was the distribution of blended wheat fortified through a government counterpart, DEPKES, in rural areas. DEPKES (Ministry of Health) was initially charged with distributing 17,000 tons of blended food (WSB) during Phase I of the EMOP. Due to delays in shipments and counterpart fund availability only about 8,700 tons, i.e. about half the allocated 17,000 tons, were distributed in the end. Monitoring and reporting of the food distribution also suffered, with DEPKES explaining that the lack of a 1999/00 budget curtailed these activities. It is assumed that most of the WSB was distributed through community health centres (*posyandu*) to pregnant or lactating women and children under five. No final report has been received yet from DEPKES. But there appear to have been a number of problems in distributing the food, partly because of re-packaging needs (into bags of 4 kg/month), quality and limited acceptance of the food, and little knowledge of beneficiaries on how to utilize it.
63. Prevailing food habits in Indonesia limit the options to provide beneficiaries with fortified foods within a food assistance program. Yet, in practice, blended foods for children are suitable, and wheat products like dry noodles are acceptable for pregnant women and nursing mothers (Dijkhuizen Dec. 1998). But the proposed use of fortified noodles faced two principle obstacles. Both the wheat flour industry as well as the instant/dry noodle industry in Indonesia were in the hands of an oligopoly. Secondly, the manufacturer was reluctant to expand his production of cheap dry noodles, being concerned that a mass distribution of dry noodles will negatively affect marketing efforts.
64. The management review of Oct. 1998 concluded that a principal WFP activity within its expanded emergency programme should be the participation in a joint programme with UNICEF for the manufacture and distribution of VITADELE (a supplementary food based on rice flour, soya, and sugar). The distribution should be done through the Posyandu network. But EMOP revision # 4 of [...] 1999 only refers to the continuation of the WSB program.
65. The distribution of supplementary foods so far hasn't materialized but is due to start under the upcoming PRRO. It is planned to distribute vitamins and food fortified with minerals along with rice at a nominal charge of 100 Rp. per package of 100 grams (called "*Delvita*"). This activity would be targeted to households with children aged from 6 – 24 months that are severely and moderately malnourished (60-80% weight/height) or considered at risk. Simultaneously, mothers would be provided with nutrition education and the opportunity to participate in income generating programmes. WFP will also provide technical assistance to a few selected local factories to establish blended food production capacity.

Other vulnerable groups

66. In addition to mothers and children other vulnerable groups have been served as well under the EMOP, through programs implemented by the Indonesian Red Cross and the Ministry of Social Affairs (a total of about 14,000 mt of rice were allocated for these activities in phase II of the program.). About 9,000 mt of rice were distributed by the Indonesian Indonesian Red Cross who identified poor female headed households, elderly, and orphans that were either not receiving any assistance or could not participate in the OPK programme, in urban and peri-urban areas. 5,000 mt of rice were allocated to DEPSOS for orphans. [The mission did not further explore or evaluate these activities.]

Conclusions / Lessons learnt / Recommendations

67. Conclusions:

- In order to alleviate the effect of limited micronutrient supply the mission strongly supports the efforts of the Country Office to make the provision of supplementary food, adequately fortified, to vulnerable groups one of WFP's highest priorities of the current PRRO in Indonesia.
- The experience from Latin American countries with major economic crises in the late 1980's and early 1990's is that its nutritional effects linger on for several years, largely because of the semi-permanent collapse in real wages and incomes and the declining capacity of the poor to rely on various short-term coping mechanisms (informal safety networks, borrowing, dissavings, short-term migration etc.).
- While the Mission welcomes the renewed emphasis on supplementary feeding and micro-nutrients in the urban program under the PRRO, efforts should be intensified. WFP might consider in particular to:
 - continue to find ways to produce blended food locally. Such foods should not necessarily be limited to fortified noodles, but may include commonly used items such as cooking oil. A better utilization of WSB, possibly with other partners, may also be pursued.
 - use part of the generated funds from OPSM rice sales for fortified food distribution, research, and extension.
 - possibly expand the nutritional assistance for mothers and children beyond urban areas.
- A general lesson learnt for WFP from its response to the Indonesian crisis is that in countries with relatively high income levels and general food availability and access to staple foods more emphasis should be given from the beginning of a crisis to diet quality, micro-nutrient deficiencies, and supplementary feeding.

VI. Performance monitoring and reporting

Overview

68. **Close monitoring of local NGO's in urban areas** has proven to be a main factor for that program's success. In contrast, WFP's monitoring system for rural areas and IDPs has only to a limited extent been able to provide timely feed back on program implementation, to ensure accountability, and to measure basic performance and impact on beneficiaries. Much of monitoring and reporting focuses on specific aspects of food logistics, such as uptake from sub-dologs, rather than on full accountability, generation of lasting assets, and beneficiary impact.

69. The planned **comprehensive monitoring and reporting system, including adequate performance indicators** to be designed by WFP in close consultation with BAPPENAS during the project start-up period turned out to be very rudimentary at least for the rural program. Initial reporting forms and requirements included mainly the amount of food distributed by location and the number of beneficiaries. For the first phase of the rural program they did not even include information on FFW outputs as planned (see *EMOP, para. 8, and LoU 2.10*). With lessons learned from phase I, the **reporting system in Phase II of the rural program** was improved to allow the program to provide information on the actual quantity of rice distributed, the gender composition of beneficiaries, and, if required, the physical output of FFW activities.
70. The mission obtained some well written narrative, and analytical field reports by WFP food aid monitors (FAM). But in general, the **quantity and sometimes the quality of WFP food aid monitors** for the rural and IDP programs was found to be highly inadequate (given the size of the operation and the country). There was a high staff turnover. As a result of inadequate staffing monitoring was often seen more as an exercise in **“putting out fires”**. Although field reports made available to the mission often show severe problems with almost any aspect of the rural program, they regularly deplore that very **rarely any remedial or punitive actions were (or could be) taken** at the field level. Moreover, the distribution of food aid monitors across different programs was uneven during the second phase of the EMOP (1999/2000), partly reflecting the programmatic concentration that WFP has been placing on the urban program.
71. Unlike planned in the EMOP, the **nutritional status of the vulnerable groups** in areas where WFP intervenes was never monitored through periodic surveys of village health center records or nutrition surveys.
72. Field monitoring on food distribution and impact has been mainly **left to implementing agencies**. Yet monitoring and reporting by government agencies often has been of poor quality and slow. NGO’s usually produced better quality reports on a more timely basis, with the exception of some local NGO’s.

Reporting by government agencies

73. Monthly, quarterly, and final reporting by government agencies (BIMAS, DEPSOS, DEPKES) was usually slow and of poor quality. This was largely explained with the multiple layers of bureaucracy as well as few “incentives”, and the culture of “late reporting” in Indonesia. Other reasons given for late and poor reporting from government agencies include the limited number of extension workers and their work overload with WFP and other problems, the distance between locations and poor communication in Eastern Indonesia; and limited operational funds provided in the budget for supervision from province to district and from district to village.

“Although reporting is essential to know whether the program took place timely, in reality ...[BIMAS] reports were always late and not of the expected quality. Some of the reasons were insufficient preparation of BIMAS staff in the field, lack of equipment (computers), and frequent changes of the reporting format. In fact reporting has been the most serious weakness of the project implementation.”

From; **BIMAS report of phase I** (p.13):

Reliability of government reporting

74. It had been stated in the EMOP that food aid would be **monitored from the loading port** through the discharge port and **ultimately to the beneficiary**. Implementing partners would provide the data on the quantity of food distributed and the amounts received by the various categories of beneficiaries on a regular basis.
75. Yet, the main problem in reporting by most government agencies, besides the delays, is that reports submitted to WFP continued to report the planning figures of rice received, and not the actual numbers at village or households level. This is not surprising, as there was no formal requirement for a waybill system. No losses were reported as there usually were no scales at village level. Village and

beneficiary receipts and withdrawals from sub-dologs could not be matched: although forms of beneficiary receipts and work records (A-7 forms) had been developed they were generally poorly maintained and unavailable.

Reporting by NGOs

76. Some NGO's, notably the international ones and some of their Indonesian affiliates involved in rural programs (World Vision, Bina Swadaya), produced better quality reports on a more timely basis. It is interesting to note, however, that in several cases these reports were standard, or slightly modified reports of their activities for various donors and umbrella organizations, rather than reports specifically produced for WFP.

WFP monitoring capacity

“WFP monitors would routinely visit project sites to verify implementation reports and the continued need for food assistance (EMOP).”

77. The quantity, and sometimes the quality, of WFP food aid monitors (FAM) for the rural program was found to be highly inadequate and their distribution across different programmes was uneven during the second phase of the EMOP (1999/2000). Work pressure is high and salaries to hire qualified monitors for rural areas where work conditions are difficult and not very attractive for educated national professionals apparently have not been sufficient. There has been high staff turnover, and vacancies have been long.
78. During the main phase of the program in late 1998/early 1999 there were only three groups of 3 WFP staff each /group monitoring rural food distribution (*Source: P. Clarke initial mission briefing*). As stated in WFP's 1999 project report: “The monitoring capacity of WFP was somewhat limited primarily due to the size of the country and scope of the project. Of the total WFP staff of 59, 15 are national food aid monitors [who] cover a territory that spans 1/8 of the earth circumference. Monitoring visits were generally aimed at spot-checking and evaluating the performance of implementing partners. [From: *Project Reporting EMOP 6066 1/1/99 – 12/31/99*].”
79. Most food aid monitors have been concentrated in the last couple of months on the emerging urban program. While there is only one FAM for the whole of Maluku islands v, the urban program in Surabaya is endowed with 2 FAM , plus 1 international staff. Five monitors cover the urban program in Jakarta (Jabotabek), and two in Semarang. It has been estimated by WFP staff that at least 50 food monitors would have been needed for a programme of the size of the original EMOP.

Urban programme monitoring

80. In contrast to the rural program, the urban program has a very developed a very comprehensive system of monitoring distribution efficiency, beneficiary targeting, and food utilization. WFP staff regularly visits distribution sites and checks on various data such as productive activities, gender segregated data, income, food prices and consumption patterns, actual number of beneficiaries, accuracy in reporting etc. Extensive monitoring check lists and various reporting formats to collect and analyze such data have been established. A three-month impact study has been conducted.

IDP monitoring

81. Independent reporting and monitoring of the IDP programs by implementing agencies is regarded as satisfactory as they are mainly carried out by international NGOs. As a result, WFP places relatively little emphasis on monitoring these NGOs . WFP has however, made some major efforts in improved monitoring of IDP programs in East-Timor, particularly those run by local NGO's. With the help of an international consultant, WFP food aid monitors are being instructed to systematically assess a variety of monitoring issues related to effectiveness of distributing agencies, food utilization, and beneficiary impact (see box). Yet, some problems regarding the motivation, analysis capacity, and “guts” to report the problems by monitoring staff have still to be overcome.

**IDP monitoring issues
(Atambua, West-Timor)**

- Effectiveness and efficiency of implementing agency in food distribution
- How are IDP lists assembled and maintained ?
- Post-distribution monitoring system: random household checks; number of beneficiaries children and children present; utilization of food
- Food transport arrangements by beneficiaries;
- General condition of beneficiary health and nutritional status;
- Local market monitoring (are food aid items available/ and at what price?)

Conclusions / Lessons learnt / Recommendations

82. Conclusions:

- **Agreement on principles of operations with implementing agencies** alone is not sufficient for effective program implementation. For the rural program better monitoring by WFP could probably have led to higher accountability and more effective design of activities and targeting, faster reaction of management to implementation problems, and improved reporting by partner agencies.
- For the rural and the IDP programs, better monitoring methodologies and **performance indicators** that correspond to the range of management information and evaluation needs, programme objectives, and different categories of beneficiaries should have been identified at an earlier stage and been supported by corresponding financial and staff allocations.
- To ensure better accountability in a setting known in general for a relatively high amount of corruption and nepotism it should be considered for future operations to hire “**independent watchdogs**”, NGO’s that could more flexibly and effectively monitor transactions and effectiveness of government agencies and ensure transparency, particularly at the field level (→SMERU).
- In future, WFP might also want to consider to involve more **high level professionals** in field monitoring (e.g. UNVs), and to establish a sufficiently senior focal point for monitoring in its CO. Alternatively, experienced consultants should be hired to design and implement comprehensive monitoring systems.
- **Capacity building** of monitoring by implementing agencies, particularly of government agencies and local NGO’s is extremely important to ensure quality monitoring. Incentives and negative sanctions have to be in place.

VII. Program impact

Overview

83. By providing free or heavily subsidized rice the various programs under the EMOP transferred substantial amounts of income and increased the capacity of served households to purchase complementary food items to improve the quality of their diet. For poor households savings can be as high as 20-40 % of household income per month. The mission came across very few reports of rice being sold by beneficiaries. Most rice appears to have been used for home consumption. Essentially, the

programs served as a safety-net to maintain poor households' socio-economic and nutritional status, even when they were less than optimally targeted to the most food-insecure and vulnerable households.

84. With about 8.1 million beneficiaries in 1999 the total number served through the EMOP has been larger than planned, mainly as a result of its extension and the shift to a different clientele (urban and IDP's). The extent to which lasting assets (in terms of physical or human capital, i.e. training on improved farming practices etc.) were generated in the rural "FFW" programmes has not been summarized, but appears to be relatively small. The ultimate impact on the nutritional status of mothers and children is not known as the planned monitoring of community health records was never carried out.

Overall number of beneficiaries and food received

85. As reported in the WFP monitoring report 1999 for EMOP 6006 the total number of beneficiaries receiving food assistance during 1999 was about 8.1 million (4.7 m in rural drought relief programs, 3.2 m in urban programs, and 0.2 m in IDP programs). The actual number of beneficiaries served was 13% higher than the revised plans for that year, although food distribution was 23% under target for the period. The increase in the total number of beneficiaries served, compared to the initial EMOP figure of 4.6 million, is due to the EMOP extension through to the year 2000 and the shift from rural to urban and IDP beneficiaries.
86. It was also reported that women represented 51 percent of beneficiaries under rural FFW and general distributions, while under OPSM, it was over 90 percent. It should however be pointed out that these figures are somewhat misleading. In rural areas, beneficiaries are counted as all members of the households served. But in each household only one person is entitled to participate in FFW activities and to receive food assistance, usually the head of household. For urban areas, female beneficiaries were counted as those actually picking up the rice in OPSM subsidized sales, and not as the share of household members benefiting from the subsidy.

Planned and actual rice allocations

87. For the urban program and the distribution of rice among IDPs chances are that beneficiaries have received close to 100 percent of planned allocations. For the rural program, however, it is by no means clear how much rice was eventually distributed in the villages, and how much went to eligible households. As reported quantities of distributed rice can hardly be trusted and food movements and transfers beyond the sub-Dolog warehouse cannot be verified, the actual impact of the rural program on beneficiaries can only be approximated (see box for excerpts from field reports). What appears to be clear, however, is that there are very few cases where beneficiaries received the maximum amount of rice allocated. On the other hand, in some cases, where different implementing agencies supported by WFP have been overlapping in serving the same villages (like BIMAS and DEPSOS in West-Timor), beneficiaries may actually have been served twice.

Field Report Sulawesi / Kalimantan ; May/June 1999

A May 1999 FAM mission to Sulawesi and Kalimantan found among others that there is no proof or reliable evidence that rice was indeed distributed in the quantities reported and that it went to the intended beneficiaries. We know that a considerable, though indeterminate amount of rice went to beneficiaries not on the list and not participating in FFW activities. **Nevertheless, WFP received seldom complaints from the public that food was not received or not distributed fairly.** Only a few isolated cases of misappropriation or diversion have been reported, and such cases were exposed with great enthusiasm on the part of the public.

Field report West Timor, Feb. 5-12, 1999:

“Major issues identified included: overlapping villages (DEPSOS and BIMAS), blanket distribution of rice to all community members, very poor record keeping and written reports on project progress, false reports on work completed to date, and use of rice for political purposes.”

In **other reports** it was mentioned that there were many reported problems of bags obtained from the sub-Dolog not being full, resulting in losses between at least 5 to 10 percent (**Bina Swadaya, Final report Region I**).

Income transfers from food assistance

88. The income transfers resulting from WFP's food assistance can be substantial. The approximate value of distributed food for an average household in rural areas per month could reach between Rs. 75,000 and Rs. 90,000 (assuming 75% of allocated rice was actually distributed), and Rs. 100,000 for IDP's (see Table 1 below). In the urban programs the average monthly family saving would be much lower, close to Rs. 20,000. In contrast to the rural program, however, where the assistance has been restricted to about 3-4 months/year, the urban program is designed to run for the whole year. In a country where average daily wages do not exceed Rs. 5,000 per day and where under-employment is high, the savings from the distributed food for a poor household can easily reach an income share between 20-40 percent.

Use of savings in urban program

89. A survey of the urban beneficiaries over a period of three months by WFP confirms a marked increase in the consumption of rice and supplementary food. The consumption of rice increased by an average of 50 grams/person per week. 58% of the savings was used to buy more rice and supplementary food items, while 30% went for the schooling expenses. It was also estimated that about 4.5% of the urban poor have been reached by OPSM programmes.

Table 1 - Food aid income transfers (per family and month)

Program	Rice received per month	Notes	Maximum # of months/year	Income transfer per month (Rs. 2000 / kg of rice)
Rural				
BIMAS	50 kg	FFW, 25 days	3 – 4	Rs. 100,000 (full ration) Rs. 75,000 (75 %)
DEPSOS	60 kg	Free, family of 5	3 – 4	Rs. 120,000 (full ration) Rs. 90,000 (75 %)
Urban				
OPSM	20 kg	Subsidized sales at savings of Rs.1000/kg	No limit	Rs. 20,000
Schools	10 kg	Free, per child	No limit	Rs. 20,000
IDP's	50 kg	Free distribution	No limit	Rs. 100,000

Rice quality

90. The mission came across several cases where the impact of the program might have been somewhat diminished as the quality of the distributed rice was poor. This was the case, for instance, in one of the field visit sites of the urban OPSM program, where beneficiaries reported very poor quality. Beneficiaries continued buying the rice, however, as they were threatened by the distributing NGO to be otherwise dropped from the list of targeted beneficiaries and to lose their ration cards. Some rural NGO's reported problems with rice received from the Sub-Dulog, e.g. "rice was decayed, odor, broken over 25% and yellow" (Bina Swadaya), but usually the relative proportions of poor quality rice are not known. In contrast, World Vision reported that Bulog provided the "best quality rice" to them they could. The problem of poor quality was definitely not universal. It should also be pointed out that "rice quality" in the perception of Indonesian customers cannot always be equated with nutritional quality (for instance, there is a high preference for white rather than less polished, but more nutritious rice). In any case, it should be concluded that--where food assistance is swapped-- continuous monitoring of the quality of the rice is essential and should be a priority for program monitoring.

INDONESIA EMOP 6006

'EMERGENCY ASSISTANCE TO DROUGHT VICTIMS'

SOCIO-ECONOMIC ASPECTS

TECHNICAL REPORT PREPARED BY

**JAN G.L. PALTE,
CONSULTANT, WFP/OEDE**

**ANNEX 3
TO THE FULL MISSION REPORT**

SEPTEMBER 2000

CONTENTS

1	Introduction.....	4
2	Drought, economic crisis and food security.....	4
3	Coping mechanisms.....	6
4	Geographical selection of beneficiaries.....	7
	<i>First phase: April 1998-March 1999</i>	<i>8</i>
	<i>Second phase: April 1999-March 2000.....</i>	<i>9</i>
5	Food-for-work	9
6	Vulnerable group feeding.....	10
7	Urban relief programmes.....	11
8	IDPs/refugees	12
9	Community participation in beneficiary selection	14
10	Gender concerns.....	14
11	Conclusions and lessons learned	15

ABBREVIATIONS

BAPPENAS	<i>Badan Perencanaan Pembangunan Nasional</i> , National Development Planning Agency
BIMAS	<i>Bimbingan Masal</i> , Agency of the Ministry of Agriculture in charge of intensification of food production
BULOG	<i>Badan urusan logistik</i> , National Logistics Agency
CO	WFP Country Office
CSB	Corn soy blend
DEPKES	<i>Departemen Kesehatan</i> , Ministry of Health
Depsos	<i>Departemen Sosial</i> , Ministry of Social Affairs
Dolog	<i>Dinas urusan logistik</i> , Provincial Logistics Agency
EMOP	Emergency Operation
FFW	Food-for-work
GoI	Government of Indonesia
IDPs	Internally displaced persons
ILO	International Labour Organisation
MT	Metric Ton
NGO	Non-governmental organisation
NTB	<i>Nusa Tenggara Barat</i> (Western Lesser Sunda Islands)
NTT	<i>Nusa Tenggara Timur</i> (Eastern Lesser Sunda Islands)
OPK	<i>Operasi Pasar Khusus</i> , Special Market Operation (by GoI)
OPK/SM	<i>Operasi Pasar Khusus/Swadaya Masyarakat</i> , Special Market Operation/Private (by NGOs and WFP)
WFP	UN World Food Programme
WSB	Wheat soy blend

1 Introduction

From 26 April to 16 May a mission visited Indonesia for the evaluation of the WFP emergency programme for drought victims EMOP INS 6006.

The terms of reference of the socio-economic expert largely focused on the effects of the crisis on the food security of the poor, their coping mechanisms and the difference WFP food aid made to them. The assessment of the adequacy and effectiveness of the programme included the selection of beneficiaries and participation of the communities in the programme, with special attention for gender issues.

EMOP INS 6006 started in 1998 with basically two activities:

- food-for-work in rural areas affected by the drought, and
- vulnerable group feeding

Later on, in 1999, the focus shifted from rural to urban areas. In the same year, the emergence of conflicts in various part of Indonesia resulted in large numbers of internally displaced persons (IDPs); food aid to these IDPs became also included in the operation, which then comprised:

- food-for-work (FFW) in rural areas
- food-for-work in urban areas
- feeding of poor households through primary schools students
- selling of subsidised rice (OPK/SM)
- food distribution to IDPs/refugees

Since the EMOP due to expire at the end of 2000, the findings of the external evaluation mission are not meant to improve its programming (if such was the expectation, a mid-term evaluation would have been more appropriate ¹). In fact, the results of this mission may rather provide lessons to be learned for any comparable interventions in the future.

2 Drought, economic crisis and food security

The extended dry season of 1997 and the slight rainfall during the subsequent 'wet' monsoon had reportedly caused a low harvest or even crop failure in many parts of Indonesia, particularly in those areas that depend on rainfed agriculture. This climatic setback is believed to have caused serious food shortages in the country. Unfortunately, it coincided with the outbreak of a monetary and economic crisis in Southeast Asia, resulting in a deterioration of the purchasing power of the population.

Both the Government of Indonesia (GoI) and donors interested in political stability in the region feared that this situation could result in social unrest and asked WFP to provide emergency food aid (under EMOP 6006) to the areas that were presumably hit most by the drought.

National food situation

At the production level, the 1997/98 harvest of the major staple crop rice was, indeed, somewhat below expectations (viz. less 8%). The government responded by importing a larger amount of rice

¹ It should be noted that since the start of the EMOP there were three monitoring missions undertaken to review and/or assess various aspects of the operation. The outcome of these missions have led to shifts in programme and various other changes in the programming and have served the purpose of the mid term evaluation, which is usually never undertaken in case of an EMOP of less than one year duration.

(5.9 Million. MT). Although the situation may have been worse for rainfed staples, in particular maize, there was at least enough rice in the country to secure an average intake of 2,100 kcal per capita. So, the availability of food at the national level did not constitute a problem in 1998. For 1999 the situation even improved thanks to abundant rainfall.² However, although availability may have improved, the population could still experience problems in accessing food. It is at this point that the monetary and economic crisis exerts its influence. Since the consequences are not the same for all socio-economic segments of the national population, the impact has to be analysed at the meso and micro levels, with a distinction between urban and rural areas.

Monetary & economic crisis

Indonesia became fully submissive to the monetary and economic crisis in January 1998. Construction activities, in which many of the unskilled or semi-skilled poor had found a living, came to a standstill. Many factories, concentrated around the larger metropolitan areas of Java and Sumatra, in which tens of thousands of young unskilled women from both rural and urban areas had found a job, were closed. In 1998 economic 'growth' in Indonesia was minus 14% (in previous years plus 7% on an annual base).

It is estimated that within a short period of time, the number of people living below the poverty line doubled from 20 or 40 million (depending on the definition, respectively by World Bank or ILO) to 40 or 90 million. About two-thirds of the poorest families live in rural areas. WFP's EMOP served not more than 10 to 15% of these.

Assessment of rural food situation

The impact of either drought, economic crisis, or the combination of both, on rural Indonesia is difficult to assess. Besides, the situation is likely to vary between the islands, and even within islands, of this vast archipelago. On first sight, the rural areas did not suffer retrenchment (there are no factories to close) and the concurrent increase in cash crop prices (coconut, peanuts, coffee, etc.) may even have represented a short-term advantage for farmers. However, many factory workers originated from rural areas, such as Central Java. Besides, the abolition of fertiliser subsidy in November 1998, resulting in a 300% price increase, has dramatically reduced its use and affected yields. This would have undoubtedly affected the use of hired labour, but quantitative information on the scale of such rural retrenchment is not yet available.

It is generally assumed that rural dwellers are less vulnerable to food insecurity. This may, indeed, be true for those with access to land, in particular the (larger) landowners, because they are able to fall back on their own farm production in times of crisis. However, almost one-third of the rural population of Indonesia is landless, with very few assets. Their numbers range from about 10% of the rural population in NTT to around 50% on Java (pre-crisis figures). They have to pay to meet the basic needs of their families, including food. Apart from a few civil servants, these people earn their livelihood as a farm hand or a worker in the informal sector. On Java many became circular migrants and worked in factories and construction sites in the metropolitan areas. As a consequence of the monetary and economic crises, however, such sources of income have dried up and many landless families face a severe food insecurity. Not surprisingly, one-third of the rural sub-districts

² It should be noted in this context that during the past three decades the GoI has pursued a policy of stimulating the consumption of rice in those areas that traditionally depend on staples such as maize, sweet potatoes and sago. This Java centred view has created a dependency on imported rice in large parts of Eastern Indonesia.

reported a deepening poverty in 1999. The result is widespread malnutrition, which is supported by several studies.³

Assessment of urban food situation

Since the poor living in urban areas are part of a fully monetised economy, their need is often seen as most pressing. Daily average rice consumption is about 0.5 liter (350 gram) per capita. In 1998, when prices soared as a consequence of the monetary and economic crises, the purchase of this amount of rice for an average family of four would have required the entire monthly salary of a low-grade formal-sector worker (around IDR 120,000). Such a family not only has to buy all its basic needs, but it has to pay rent for housing as well. So, even if the lower middle-class city dweller did not lose his job because of bankruptcy of his employer, he would still have to economise on food expenditures, for instance, by having two meals per day instead of three. Of course, for those who became jobless the situation is even more daunting. Most of them have no other option than to turn to petty informal sector activities.

The urban slum dwellers, who already belonged to the poor before the onset of the crisis, now faced a threat to their very subsistence. The occurrence of a significant reversed migration, from urban to rural, seems to confirm this conclusion (source: interviews with slum dwellers).

It may thus be concluded that the urban slum dwellers, which became WFP's target population in 1999, undoubtedly suffered from a rapid onset of inflation and retrenchment resulting from the economic crisis. Nutritional indicators - particularly those relating to nutrient deficiency - suggest changing food consumption patterns at the expense of animal proteins. High urban malnutrition rates were confirmed, amongst others, by Helen Keller International, noting that the prevalence of anaemia among under-five's rose from 40% in 1995 to 50-85% in 1999, mostly due to lack of micro-nutrients.⁴ A study in the second half of 1999 revealed that the prevalence of malnutrition was highest in the slums of the largest cities.⁵ Such findings provided a strong argument for WFP to shift its activities to the urban poor.

3 Coping mechanisms

Coping mechanisms vary between those with access to land resources and those without. As can be expected, the latter category is mostly found in urban areas, but a large portion of the rural population also lacks access to land (see above).

In the rural areas of the densely populated parts of Indonesia, coping mechanisms have become a common feature of the rural economy. Most farming households are engaged in small-scale off-farm activities, such as bamboo weaving and sugar making, to supplement their farm income. Besides, farmers in Indonesia usually tend livestock, mostly small or large ruminants, as savings-on-the-hoof. In areas with agro-forestry activities, tree crops provide an additional source of income. So, a farmer experiencing a crop failure (e.g. because of drought) may be able to recuperate by the next season. In the meantime his family will try to bridge the gap through such coping mechanisms; if necessary, they may turn to paid labour.

³ Helen Keller International, Crisis Bulletin, Vol. 2, No. 1, Jan. 2000; Lenard Milich, The new Indonesian context and food insecurity: is it solely an urban phenomenon? Jakarta, June 1999)

⁴ Helen Keller International, *op. cit.*

⁵ *Ibid.*, Vol. 1, No.7, Nov. 1999.

A crisis situation arises when the traditional coping mechanisms fail to function. In NTT, for instance, the mission found that the outbreak of a deadly virus among the livestock (pigs, goats and cattle) had diminished the herds in 1997/98. Large numbers of animals died, causing a severe loss of savings capital. There may have been a relation between the livestock disease's outbreak and the drought, as lack of fodder may have decreased the resistance of the animals.

In such cases, the introduction of food-for-work projects through the EMOP seems justified, as it will certainly help the people to cope with the combined effects of crop failure and collapse of their own coping mechanism. FFW projects should, however, be followed-up with more substantial external assistance focusing, for instance, on the re-establishment of the herds as coping mechanism.

Urban households depend on cash earning activities as they are fully integrated in the monetary economy. As a consequence, they have few coping mechanisms at their disposal. Usually, any savings are transferred into gold jewellery, which can be sold again in times of need. When this option is depleted, the next step is to borrow from relatives or neighbours, if they are in a better position. Also, buying of food on credit from local stalls or traders may offer a way out. However, such mechanisms provide only short-term relief. Moreover, borrowing bears the danger of causing a family to become lifelong indebted and losing its independence.

The ultimate 'coping mechanism' for the urban poor is to leave and migrate back to their villages of origin, in the hope of finding better-off relatives who could support them⁶. (Most urban slum dwellers are former rural migrants who, at the earliest, started to move to the cities in the 1950s.) The monetary and economic crises have, indeed, caused such a reversed migration of desperate urbanites. When they find, however, that the situation in the rural areas is hardly any better, they are forced to return to the city again.⁷

Comment

WFP food aid may be considered as an additional coping mechanism for both rural and urban households. The rice distributions, issued either freely (school children) or against labour (FFW), or subsidised (OPK/SM), do not merely make available basic food. Often, the rice rations give the recipients some room to spend their sparse money on other basic needs, ranging from additional food (e.g. vegetables, proteins) to school fees.

4 Geographical selection of beneficiaries

The coincidence of drought and monetary crisis incited many organisations to offer assistance, sometimes at the request of the GoI. Among those providing aid to the victims are international multilateral organisations, including WFP and the World Bank, and international NGOs, such as World Vision, CARE and CRS. Apparently, all obtained the same set of data from the GoI on poverty, with the consequence that they went for the same areas. This is not to say, of course, that all assistance has been targeted to the same people within these areas.

Lack of co-ordination of the assistance between the (international) organisations, resulted in a rather disorganised type of effort. The mission found that in some villages more than one international

⁶ The village remains to form the ultimate social safety net for urban migrants, who - as a last resort - may appeal to traditional rural sharing mechanisms. This happened before only in the 1930s.

agency had been active, each with its own programme and conditions for assistance. On the island of Semau (NTT), for instance, WFP's food-for-work was carried out next to a cash-for-work intervention funded by a Japanese aid organisation (OECF) within the same village. WFP was the only agency providing food assistance in urban areas.

First phase: April 1998-March 1999

The identification of the areas that were to receive WFP assistance under the EMOP 6006 was done in 1998 on the basis of a scoring system designed by the National Development Planning Agency (BAPPENAS). This included five statistical indicators:

- body weight of children under five (source: Ministry of Health)
- percentage of households below the poverty line (source: National Family Planning Agency)
- number of families with regular food shortage (source: Ministry of Social Affairs)
- areas with failed rice harvest (source: Ministry of Agriculture)
- areas with chronic food shortage (source: Ministry of Agriculture and UNICEF)

At the onset, BAPPENAS proposed to distribute the food aid to all districts with a total (unweighted) score of 6 and higher. When it was found that this would involve 150 districts in virtually all provinces, WFP decided to raise the benchmark to a score of 8 and higher. 53 districts located in 15 provinces, including East Timor, had this score and were selected for the EMOP. East Timor was subsequently excluded for political reasons. Distribution was done through three government implementing partners: BIMAS of the Ministry of Agriculture) in eleven provinces, Ministry of Social Affairs (DEPSOS) in eight provinces, and Ministry of Health (DEPKES) in seven provinces. Due to overlap in area, a total of 39 districts received FFW activities. DEPSOS was the only partner present in Aceh, while DEPKES was present in Central Kalimantan and North Sulawesi.

Comment

1. The statistical indicators were collected in the pre-drought period between 1995 to 1997. Apparently both BAPPENAS and the CO assumed that the districts that scored highest on these indicators would also be those prone to drought. However, an indicator such as the poverty line would reflect a level of development rather than an acute food shortage caused by this particular period of drought.
2. The failed harvest measured was that of *rice*, mostly irrigated (!). Pests, such as locusts or grasshoppers may have caused the crop failures. Besides, these data were not relevant or available for Eastern Indonesia, except for Sulawesi. The use of data on rainfed staple crops, in particular maize, would have been more accurate.
3. Where data on rice harvests were included (mainly Western Indonesia), these often had a major impact on the total score. So, it seems questionable whether the districts selected in Sumatra, Java and Kalimantan were indeed, those most seriously affected by the drought of 1997/98. Worse still, areas that had been hit by the drought, but with few paddy lands, may have been excluded.
4. The poverty line, as established by the Family Planning Agency, includes not only socio-economic household characteristics, but also community facilities, such as places of worship. In addition, features of the dwelling place, such as a stone floor are taken into account. The views of a Java-based urban elite, which pay little attention to diverging local cultures and norms, determine many of these indicators.

⁷ Information from interviews with slum dwellers during visits.

5. No use was made of precipitation statistics from the Meteorological Service, which would have revealed the areas with unusually low rainfall in 1998.

Second phase: April 1999-March 2000

In 1998 rainfall returned to normal or even abundant quantities, depriving the EMOP for drought victims of its *raison d'être*. Indeed, for the second phase of EMOP 6006 no specific reference was made to drought affected areas. Instead, five provinces were selected where food production failed due to various chronic causes.

The Lesser Sunda Islands (NTB and NTT) belong to those areas within Indonesia that - already for decades - suffer from an unsteady agricultural productivity, and have always been prone to food insecurity. Recently, abundant rainfall caused again a (fungi-induced) failure of the major staple crop (maize). Income support through FFW, as given by WFP during the past two years, could be effective when provided over a longer period and complemented by critical inputs and services.

5 Food-for-work

The mission visited a number of rural FFW locations in NTT Province, on the islands of Rote and Semau (Kupang district, NTT). In Surabaya a number of urban FFW locations were visited.

The GoI had insisted on FFW activities, rather than free distributions to particular beneficiaries, with the rationale to prevent animosities within the targeted communities. One consequence is that most projects were of a rather simple nature, such as road improvement, life fencing and open well construction, with or without some technical designs. During the first phase, even regular cultivation was included in the FFW activities. The few exceptional cases seen by the mission included a bridge and a few community health posts, for which third parties, such as the Forestry Service and CIDA, had provided the necessary materials. A local WFP staff member, who happens to be an architect, had made the designs.

The second phase included also urban FFW, in some slums in Jakarta and Surabaya. The projects consisted of small infrastructure improvements: pathways, gutters, public latrines, etc. Food distribution, design and monitoring were carried out by an international NGO (World Vision); materials were provided by third parties (e.g. USAid).

Comment

1. The FFW carried out under this EMOP was not so much rehabilitation orientated as well as an alternative for free distribution insisted upon by the GoI. To begin with, it was not clear what actually had to be rehabilitated. At the time when the operation started, it was not even known what *sustainable* damage the drought had caused, in addition to a failed harvest. This is not to say that any (infrastructure) constructions that were accomplished during the first phase, in particular, are useless. Rather, it points out that the FFW efforts should be judged as 'disguised' distributions instead of real developmental works.
2. Implementation of FFW was largely entrusted to BIMAS, an agency of the Ministry of Agriculture that is responsible for promoting an increase of the food crop production through the distribution of high yielding seed varieties, extension, etc. FFW activities are actually alien to this organisation, which makes the Mission wonder why it was selected at all to implement this programme. The unit within the Ministry of Home Affairs in charge of the *padat karya*

scheme (labour intensive public works), with a modality that is comparable to FFW, might have been a more logical choice. Not surprisingly, BIMAS could not meet the standards set.⁸

3. In the villages visited by the mission (i.e. in NTT), food had often been given to all villagers instead of to only those beneficiaries that met the selection criteria. This decision was made by village heads, with the blessing of the implementing agencies, mostly BIMAS. As a matter of fact, sharing of (external) resources among villagers is very much sanctioned by the socio-cultural institution of *gotong-royong*. From that point of view it is not surprising that blanket coverage took place. Yet, the mission is of the opinion that this was also stimulated by the fact that the criteria for beneficiary selection were not always well understood. When, as a result, 75-85% of the village population was included in the work force, it would, indeed, be difficult to explain to the remaining 25-15% why they were not allowed to join.

6 Vulnerable group feeding

EMOP 6006 defines vulnerable groups (VG) as:

- pregnant women
- lactating mothers
- children under five

During the EMOP's first phase (1999), 8579 MT wheat-soy blend (WSB) was released, which was donated by US-AID. The commodity was delivered in standard 25 kg-bags; and subsequently transported by BULOG to its district-level (DOLOG) warehouses within the relevant provinces. The Ministry of Health (DEPKES) was responsible for its repackaging and distribution to beneficiaries at *Posyandu* (sub-district infant welfare centres).

The programme was a failure: DEPKES had no experience with large-scale handling and distribution of a commodity like WSB. It is unknown what happened with most of the WSB; part of the foodstuff is traceable up to the district level. Up to 5% losses were reported due to rough handling of the 25 kg-bags. The commodity might remain here for months. The repackaging in small bags has presumably not taken place, since the standard sized cellophane bags did not arrive at destination (i.e. the district warehouses). Consequently, receipt by the targeted beneficiaries is very uncertain. If they did, quantities per beneficiary are unknown.

Only scant monitoring was done by WFP because of lack of staff and the large area they had to cover. In 1999, a total of nine staff members was available for monitoring in the national and sub-offices. In practice they could only dedicate themselves to "putting out fires". When informed about the situation, the donor (US-AID) seemed indifferent. At the same time, they expressed no interest in supporting a second phase of the VGF programme. It was realised that DEPKES had not effectively used the WSB and therefore it was pointless to call forward the second tranche, which could be used more appropriately elsewhere. The balance of the WSB donation was thus never released.

Comment

1. DEPKES was familiar with a small(er) scale UNICEF-sponsored operation, but could not handle the WFP distribution. At hindsight, WFP should have given DEPKES management

⁸ W.L. Barclay, Summary of findings of verification reports EMOP 6006 ITSH payment to BIMAS. WFP-CO Jakarta, 17 June 1999

support and/or training. On the other hand, DEPKES indicated that it was not interested in receiving such assistance.

2. WSB is not known by the rural people in Indonesia (little wheat is eaten by them whereas bread is considered to be a snack); recipient women did not know how to prepare it. Corn-soy blend (CSB) would have been a more acceptable alternative, or even better: fortified noodles.
3. From a nutritional point of view, more attention should be given to foodstuffs fortified with multi-micronutrients, not necessarily limited to noodles; commonly used food items such as cooking oil could also be considered.
4. Other vulnerable groups, such as the elderly and orphans, were not included in the programme; for unclear reasons

7 Urban relief programmes

The urban relief programme that started at the second phase of the EMOP comprises:

- Food assistance to primary school children
- Subsidised rice (OPK/SM)
- Urban food-for-work

For the findings on the urban FFW we refer to section 4. In this section the other two programmes are discussed.

The food assistance to primary school children is basically just another way to distribute food to poor households. The (additional) rationale of this programme is that poor parents will continue to keep their children in school if they receive such aid. The schools are located in the four largest metropolitan areas of Java and are selected by the Ministry of Home Affairs and the Ministry of Religious Affairs. Each selected child receives 10 kg of rice per month.

The mission visited two schools, both Islamic *Madrasah*, in Indonesia's capital city. One was located in a notorious slum area in eastern Jakarta, the other in the less deprived southern urban-rural fringe. At the first school, 75% of the students received the WFP rations. They are children of garbage collectors, unemployed parents, or orphans. At the second school, the principal did not bother to be selective and distributed the rations to all children.

When the (rice) prices soared because of the monetary crisis, the GoI established the opportunity for poor households to buy rice at a subsidised price of IDR 1000 per kg (the market price of medium quality rice is presently about IDR 2500). This so-called *Operasi Pasar Khusus* (OPK) is part of the Social Safety Net programme funded by a World Bank loan. However, many people who live in the slums of the large cities are considered as illegal residents (viz. migrants from rural areas) and, therefore, are not entitled to enjoy this formal government subsidy. The WFP assisted OPK/SM programme is specially designed for these (excluded) people and is based on the same principles as the GoI OPK. The money obtained through the rice sales is used for buying more rice for this programme

The mission visited three slums in northern and eastern Jakarta (one of which is located along a railway) and a longer established *kampung* in Bogor. At two locations a distribution took place, carried out by local NGOs. These distributions proceeded orderly. Those lining up for distribution were mostly women, as they apparently were holding the distribution cards. The recipients expressed their satisfaction with the opportunity to buy cheap rice (the surrounding stall owners were less happy). It gave them some financial room to procure other food and non-food items. They

were less content about the quality of the rice: sometimes this was of a very low grade. Yet, they were obliged to buy it, as the executing NGO personnel threatened to exclude them from the distribution list.

Comment

1. The (secondary) objective of keeping the children in school appears to be met. A school principal explained that the food aid has helped to reduce malnutrition. Before, children would sometimes faint in the classroom because of hunger. It was also noted that many suffer from tuberculosis and other illnesses.
2. The income transfer resulting from a subsidised rice ration of 20 kg/family/month (OPK/SM) and/or 10kg/month/family (school programme) would be the equivalent of an average family saving of up to IDR 24,000 (\$3.00). This represents a significant supplement to the family income and relieves the burden to obtain sufficient food. The question arises, however, how long such support will be needed and whether WFP should become the long-term provider of this assistance. Serious urban poverty is not a new phenomenon in the metropolitan areas of Indonesia, and it is expected to remain there for a long time to come.
3. The mission found that the selection of schools and pupils was not consistent. The school visited in the urban-rural fringe was located in a definitely less deprived area than the school in the slum. Also, all children in the former received food aid, although it is questionable whether they all met the criteria. The mission is of the opinion that the limited resources available to this programme should be directed to the poorest areas and children only. In view thereof, the Country Office is advised to subject the lists of schools proposed by the Ministries to closer scrutiny.

8 IDPs/refugees

In addition to the monetary crisis, in 1999 Indonesia was hit by a number of serious internal conflicts. In East Kalimantan and the Moluccas clashes occurred between ethnic and religious groups. After a referendum in East Timor, an armed conflict took place between the Indonesian army and pro-Indonesian militias, on one side, and independence fighters, on the other. This conflict resulted in the displacement of hundreds of thousands of East Timorese to West Timor. WFP agreed to provide food aid to these IDPs (who are now recognised as refugees in Indonesia). The mission visited one refugee camp in West Timor, witnessing a food distribution, and a few IDP camps on Ambon island where either Christian or Muslim victims of the bloody civil strife are accommodated.

The problems encountered by WFP (as well as other donors and NGOs) in providing food aid to the refugees in West Timor are:

- hostility among some refugees against the international community ('which took East Timor from Indonesia');
- identification of dispersed refugees;
- registration of refugees who are afraid to have their names on a list;
- mixed presence of civil servants, military and militia with 'ordinary' refugees in a camp (the former are not entitled to receive WFP food aid);
- lack of co-ordination between donors;
- different interpretations of what type of aid should be given.

At the onset, UNHCR mostly focused on repatriation and less on assistance to the people in the camps. Recently it has been agreed upon that UNHCR would also assume the responsibility for aid co-ordination. Nevertheless, co-ordination remains a weak point. It is not yet fully understood, for instance, what role WFP should play in relation to other agencies.

On West Timor, registration of beneficiaries and distribution of food are done through international and local NGOs. Beneficiary lists are usually updated once a month. The mission attended a distribution carried out by CRS. The monthly rations issued to the refugees included the 12 kg/capita of rice provided by WFP; cooking oil (3 liter), mung beans (1.8 kg), sugar (450 g) and salt (250 g) donated by other international donors were also distributed. Although the collectors of the food aid were mostly women, the beneficiaries are the refugee families as a whole.

Problems encountered in Ambon are of an entirely different nature and related to the unsafe environment, as the clashes between the warring population groups may re-emerge any moment. Because of this insecurity, IDPs are afraid to return to their places of origin, although some have already stayed for more than one year in the camps under very poor circumstances. An additional reason why people prefer to stay in the camps is that food aid will stop when they leave. Apparently, there is a lack of programmes to support the IDPs in starting a new livelihood.

On Ambon island, the NGO Action contre la Faim (AcF) conducts the registration of IDPs and distributes food on behalf of WFP; beneficiary lists are also updated once a month. In May 2000 AcF has distributed food to 143,700 IDPs of both parties involved in the conflict. Like in Timor, other food items are provided in addition to the WFP rice. Furthermore, the IDP population receives non-food items such as soap, sanitary napkins, blanket and sleeping mats. These non-food items are supplied by other donors. The repackaging and distribution appears to be well organised. Unfortunately AcF's range of action is rather limited. This is mainly due to the difficulty to access the many dispersed islands in the Moluccan archipelago and identify the IDPs there.

9 Community participation in beneficiary selection

Community participation is particularly relevant in the case of the FFW projects. Both the selection of beneficiaries and the selection of projects should preferably be done through consultation and participation of the villagers, in order to ensure ownership and prevent jealousies.

Selection of the rural FFW projects during the first phase had been rather 'top-down' in the sense that these were incepted at the district level by the implementing agency (either BIMAS/Ministry of Agriculture or Ministry of Health). The local population merely provided the labour, receiving their wage in kind.

The second phase saw the change to a 'bottom-up' approach: villages were consulted by the implementing agencies at an early stage to identify projects. As a result, the projects more adequately reflected local needs and preferences, whereas the purpose of FFW was 'socialised' (i.e. explained) to the villagers.

The 'socialisation' of the FFW projects had also a secondary effect: the beneficiaries appeared to be well informed about their entitlements, particularly the amount of food to be received. They would report to the WFP sub office monitors in case the expectations were not met.

The participation of villagers already at the planning stage of the local FFW projects is expected to increase their sustainability. The villagers will presumably feel a higher sense of ownership towards the resulting assets and may be expected to maintain them accordingly.

In the urban programme, community participation is expected to take place in the selection of primary school students eligible for food assistance through the school-feeding programme. The school principal, teachers and parents should jointly compose the list of beneficiaries. In the schools visited by the mission, the principal appeared to independently decide how and to whom the food was distributed. Community participation was more effective in the case of WFP assistance under the OPK/SM. Informal community leaders have contributed significantly in selecting the poor households within the targeted communities.

10 Gender concerns

Equal rights for men and women have been a fundamental issue during the independence movement since the 1920s and are anchored in the country's basic legislation. Moreover, the Malay-rooted cultures in Indonesia are traditionally characterised by a strong matriarchal tendency. Restrictions for women are found, though, in certain orthodox Muslim circles and seem to have increased here during the past three decades under the influence of fundamentalist movements in the Middle East.

Gender issues in Indonesia should be viewed in the light of the above summary: equal opportunities for women are generally accepted. WFP's commitment to pay specific attention to female beneficiaries would hence meet little resistance. On the other hand, because Indonesians are used to equal rights (not equal roles!) for men and women, they may view an extreme emphasis on benefits for women as overbearing and discriminatory.

This general attitude may explain why, in practice, women beneficiaries do not stand out as such in the WFP assisted activities. Men and women, alike, are involved in FFW activities, families as a whole benefit from food provided to school children and to IDPs, and, likewise, all family members consume the cheaper rice sold through the OPK/SM programme. When female-headed households represent a relatively large group, this is because they are among the poorest and not so much because of gender considerations. Many female civil servants and NGO staff implementing and monitoring the projects received training, because they do as a rule share such positions with men. It is however misleading to claim in NGO monitoring reports that 80-90% of the beneficiaries of OPK/SM or IDP feeding are women: they are the ones that *collect* the food items at distribution points, as most men will be occupied trying to earn some money. A majority of women hold the ration cards for the same reason.

A point that needs attention, though, is that attending meetings is considered a man's job. Consequently, the mission found that women beneficiaries were often absent at the so-called 'socialisation' information meetings in the villages, if they were not specifically asked to participate. However, even if women were invited, they are most likely to constitute a minority at such meetings.

11 Conclusions and lessons learned

1. Justification of the EMOP programme on the basis of food shortage caused by drought appears to be rather weak, at least at the macro level. The economic crisis, which started to hit Indonesia in a severe way in January 1998, had a larger and more enduring impact on the food situation of the poor, both in rural and urban areas, as it affected their access to food.
2. The assessment of areas hit by the drought was for a large part done on the basis of data that had little or no direct relationship with this climatic phenomenon and its impact. As a consequence, it is not sure whether all districts selected were, indeed, seriously affected by the drought, whereas, on the other hand, areas that had suffered from the drought might have been excluded.
3. Stricter application of criteria should be adopted when selecting beneficiaries. If, for instance, only the poorest villagers (such as landless and female-headed households, estimated at 20-50% of the population depending on the area) had been selected to participate in FFW activities, the other villagers would probably have accepted their exclusion.
4. Monitoring appeared to be a critical point during the first phase: too large an area had to be covered with too few staff members. In total nine monitors were available for all areas and programmes: in Jakarta CO 2 national officers and 3 monitors; in Makassar and Kupang sub offices 2 monitors each. Too much trust was placed in the capability of the government agencies to implement the programmes as agreed upon in the LOU. At hindsight, a greater effort should have been made in the monitoring and training of these agencies. This would have required the recruitment of more local staff. Realising this constraint the CO turned to NGOs in the second phase which proved to be a right choice.
5. Women and girls have certainly benefited from EMOP 6006. Yet, related to the different roles assigned to women, encouragement of the presence of women in the 'socialisation' meetings remains necessary. The organisation of separate meetings for men and women should be considered for those areas where it would be inappropriate for women to attend a male dominated meeting (e.g. in the predominantly orthodox Muslim areas).
6. As stated above, the rationale of the EMOP 6006 - viz. an emergency operation because of the drought - is open to question. In fact, the EMOP soon turned into a poverty alleviation programme, for which it is not the right instrument. The mission is satisfied that a sustained food subsidy programme (continued within the PRRO) is an appropriate response to chronic urban poverty exacerbated by the crisis. Whether such an intervention is 'rehabilitative' is a moot point.
7. Pending a more detailed assessment, the mission doubts whether a total withdrawal from the rural areas by WFP in 2000 is justified. The latest analyses point to a slower recuperation process in the rural areas, especially on Java where half of the rural population has no direct access to land resources.
8. When reviewing the WFP assistance to IDPs, it should be taken into consideration that the displaced people in such areas as the Moluccas are probably better off with a development programme supporting their integration in safe areas, instead of keeping them in camps.

INDONESIA EMOP 6006

'EMERGENCY ASSISTANCE TO DROUGHT VICTIMS'

**FOOD AID LOGISTICS
AND DELIVERY CONSTRAINTS**

TECHNICAL REPORT PREPARED BY

**MARTIN OHLSEN,
REGIONAL LOGISTICS OFFICER, WFP/SAHEL CLUSTER**

**ANNEX 4
TO THE FULL MISSION REPORT**

SEPTEMBER 2000

TABLE OF CONTENTS

I.	Introduction and Methodology	1
II.	Implementation of Emergency Operation	1
III.	Effectiveness of the Rice Swapping Arrangement	3
IV.	Evaluation of the WFP Logistics System in Indonesia	4
	- Effectiveness of the BULOG Transport and Logistics Services	4
	- Effectiveness of Secondary Transport, Commodity Management and distribution Services provided by Government Implementing Partners	5
	- Management capability of NGOs transporting, managing and distributing WFP food aid assistance.....	6
	- Possible use of Private Transport for Primary and Secondary Transport	8
V.	Adequacy of the ITSH rate.....	8
VI.	Utilisation of the ITSH Funds by the Country Office.....	9
VII.	The Country Office Organisational structure and staffing level.....	9
VIII.	Effectiveness of the CO Commodity Tracking system.....	10
IX.	Conclusions and Principal Recommendations.....	12

Annexes

Annex I	Implementation phases and food utilisation
Annex II	WFP Rice/ Wheat stock Report
Annex III	Country Office Staffing structure

ABBREVIATIONS

BIMAS	Bureau of the Ministry of Agriculture in charge of the intensification of agricultural product
BULOG:	National Logistics Agency
CO	Country Office
CR	Commitment Request
CTS	Commodity Tracking System
DEPSOS	Social Department of Ministry of Social Affairs
DOLOG	BULOG implementing office at provincial level
DO	Delivery Order
EDP	Extended Delivery Point
EMOP	Emergency Operation
FDP	Final Distribution Point
FFW	Food For Work
GIP	Government Implementing Partners
GoI	Government of Indonesia
GS	General Service
HQ	Headquarters
IDP	Internal Displaced People
ITSH	Internal Transport, Storage and Handling
LAGLOG	Food release order from Dolog to Sub-Dolog at the district level based on WFP release request
LoU	Letter of Understanding
NGO	Non-Governmental Organisation
OPK	Government of Indonesia Special Market Operation
OPSM	WFP Special Market Operations
PMP	Pipeline Management Programme
PRINTLOG	Food release order from BULOG to DOLOG at the provincial level based on WFP release request
RISI	Request for Issuance of Shipping Instruction
RR	Release Request
SI	Shipping Instruction
SUBDOLOG	BULOG implementing office at district level
WFP	World Food Programme

I. Introduction and Methodology

The terms of reference for the logistics expert included to a large extent generic tasks of a technical review of the logistics system. The Evaluation Mission's objectives however were defined to review the overall achievement of the Emergency Operation. The objectives included the examination of the food aid management system followed by the Country Office and the implementing partners. The four main areas therefore examined by the logistics expert were :

- the logistics system and the rice swapping arrangement ;
- the distribution system ;
- ITSH management, and
- the Country Office Commodity Tracking System.

Most logistics aspects of the operation were covered within the three weeks programme. The mission travelled to three major interventions areas in the provinces of Jakarta, Surabaya and Kupang. Meetings were scheduled with the WFP sub-offices, BULOG/DOLOG (National Logistics Agency), the official government-implementing partners and a number of NGOs (Non-Governmental Organisations). At all locations the logistics expert visited the ports, the EDP (Extended Delivery Point) warehouses and project/ distribution sites in rural and urban areas. With BULOG managing almost all aspects of the logistics chain up to EDP, not much time was spent over the usual operational and practical details such as port-/warehouse and transport operation. No visit was paid to the WFP superintendent.

In the WFP Jakarta office, the mission was able to review the commodity tracking and food management system. The mission also reviewed the office staffing structure and the ITSH management practices. Due to time constrains the logistics expert was not able to look into the effectiveness of local or regional food purchases undertaken by the Country Office.

The Country Office's communication system in Jakarta consisted of office provided mobile telephones for practically all officers. It applies to the international staff in the sub-offices. A large number of local staff had own mobile telephones. The Internet connection to Rome and the sub-offices functioned well. Due to the particular security concerns in West-Timor and in order to ensure communication with the WFP office in Dili/ East-Timor, the sub-offices and the four offices cars in West-Timor were equipped with CODAN base and mobile stations. In addition nearly all staff had obtained a hand-held radio.

II. Implementation of the Emergency Operation

Right from the design stage of the Emergency Operation in March 1998 the implementation of the food aid assistance and the related transport operation was entrusted to the Indonesian Government (GoI). The GoI appointed its specialised National Logistics (and Rice Procurement) Agency BULOG. In the Letter of Understanding (LoU) signed with the GoI in July 1998 for a thirteen (13) month period and amended a year after to cover a second year of operation until June 2000, BULOG was officially designated to ensure the receipt of the food aid at first port of entry and its transportation to EDPs. Following the plan WFP intended to provide food assistance in 15 out of total 26 provinces. Within the provinces WFP's operation targeted 53 districts to where BULOG was providing the transport services and made warehouses space available. The GoI paid for all transport costs. WFP exceptionally agreed to pay a maximum fee of USD 12.67/ton for secondary transport costs in provinces with significant logistics constrains. The agreement to pay excluded Java and Sumatra, where no logistics constrains was expected. The total ITSH resourced through the EMOP was USD 15.00/ton, with a provision for airlift costs of USD 2.33/ton.

In the first year, GoI appointed implementing partners up-lifted from the district warehouse and distributed to the project sites 92 percent or 118,132 tons of the food. In WFP terms the district warehouse is the Extended Delivery Point (EDP), the project site at village level is the Final Distribution Point (FDP). In the same period the food distribution by NGOs accounted for only 8 percent or 10,050 tons. The total rice distributed between August 1998 and March 1999 was 119,482 tons against an estimated requirement of total 216,000 tons. Total rice received during the period was 217,801 tons with a stock balance by April of 98,319 tons. The 8,700 tons blended food, which arrived at district level by February 1999, was distributed between March to June. Total food distributed during the first phase of the operation was 128,182 tons (Annex I).

In order to match its estimated project needs of 198,000 tons of rice for the project extension from April 1999 to March 2000, WFP introduced a budget revision (IV) with additional requirement for 69,334 tons. The budget revision took into account the above mentioned inland stock and the possibility for local or regional purchase of rice from funds generated through the Special Market sales under OPSM. 8,300 tons of blended food as a balance of the initially required 17,000 tons was now planned to arrive during this second projects phase. Total estimated food requirements was 206,300 tons. An amendment to the LoU was signed with the Government in August 1999. The original provision for ITSH subsidies was maintained.

Under this second phase 128,849 tons of rice were distributed. The call forward of the 8,300 tons blended food was delayed and no additional blended food was finally distributed. Due to the ongoing election campaign the food distribution was held back by WFP until after the parliamentary elections in June 1999. GoI implementing partners played only a minor role in the implementation of WFP food aid assistance during the second phase. Instead WFP contracted local and international NGOs and significantly changed the project orientation from food assistance to rural population to an urban programme. During this second phase food assistance was also provided to internal displaced people (IDPs) and refugees. Up to March 2000, NGOs directly distributed 100,299 tons or 77 percent, mainly in urban areas. Of the remaining 23 percent or 29,550 tons left for distribution by the Government, DEPSOS distributed 11,431 tons with the direct assistance of NGOs.

Since the beginning of the operation and until March 2000, WFP distributed 258,031 tons of food. Of the above mentioned quantity 249,331 tons or 97 percent was rice. Total rice received by end of March 2000 was 242,745 tons. The theoretical stock at the end of March made up for a balance of 6,586 tons in favour of BULOG. The following month, 17,995 tons rice from Japan and Australia had arrived and 25,000 tons of rice purchased directly by WFP in the region had started to arrive during the month of April. These arrivals were expected to leave an estimated balance of 36,400 tons of rice in stock by end May 2000.

III. Effectiveness of the Rice Swapping Arrangement

From the start of the WFP assistance in Indonesia and with a specific provision made in the LoU, rice or wheat grain delivered to main ports by WFP were merged or exchanged with national stocks. For standard rice (25 percent broken), the GoI agreed to supply WFP with the same quantity at the district level. For non-standard rice and wheat grain an exchange rate was agreed prior to the arrival of the shipment.

Between August 1998 to April 2000 WFP shipped a total of 383,370 tons to five different ports in Indonesia (Annex II). Over 80 percent of the food were discharged either in Jakarta or Surabaya port. 234,900 tons or 61 percent of the deliveries were made in wheat supplied by the United States, Australia and France. The American and French wheat were exchanged at a ratio of 1 ton of wheat

equals 0.52-0.56 ton of rice. Australian wheat was always exchanged at a higher exchange rate: 1 ton of wheat = 0.62 ton of rice. Except for 28,800 tons of US rice (20 % broken) exchanged at 0.90 ton for one ton of rice, all other rice (143,480 tons) was exchanged 1:1 with rice from BULOG. The total rice “credit” generated by 25 April 2000 against 383,370 tons of food delivered was 280,291 tons. It is clear that by merging the WFP provided cereals at the port of entry with government stocks, rice provided by WFP therefore lost its identity.

For the exact quantities discharged and the quality control of both commodities, BULOG accepted the reports of the WFP contracted superintendent SGS. The applied rice/wheat exchange ratio was always based on the comparison of the prevailing CIF value of the wheat received against the value of standard 25 % broken Thai rice. The ratio was reviewed after the arrival of the vessel and re-negotiated if necessary.

The mission found the overall arrangement most satisfactory. The arrangement provided WFP with a number of operational advantages:

- Absence of losses during inland transport;
- Easy accounting of the inland rice stock based on the SGS report and release request (RR) made out by WFP to BOLOG;
- No warehouse costs whether at port or EDP level;
- Low internal transport and transshipment costs compared to the costs of shipping and forwarding from the entry ports to up to 53 districts all over the country;
- Low operational impact on WFP logistics management staff;
- Flexibility to extend the operation to more EDPs, thus reducing secondary transport cost to the beneficiary communities ;
- Speedy availability of food at EDPs, specially from port of entry to EDP;
- Possibility to shift the operation geographically and respond quickly for food aid assistance in other areas of the country.

IV. Evaluation of the WFP Logistics System in Indonesia

Effectiveness of the BULOG Transport and Logistics Services

BULOG managed and controlled a countrywide network of 1,506 warehouses at provincial and district level with standard warehouses providing for 2,000, 3,500 or 9,000 tons capacity each. This warehouse infrastructure with over 3 million tons covered storage space, had been put in place and maintained by the Government to ensure equal availability of rice, the main staple food, throughout the country. Under its mandate, BULOG is entrusted to allocate and maintain a three-month reserve in all warehouses at district level. To fulfil its mandate BULOG used to purchase substantial amounts of rice from the local and international market.

At each province level BULOG was represented by a so-called DOLOG, which in turn supervised a number of SUBDOLOGs at district level. BULOG and all DOLOGs were fully operational entities and within the private market arranged for receipt, customs clearance, storage and any transport services whether by sea, road or air. The transport and procurement activities followed the BULOG “Standard Operational Guidelines and Procedures” available at all levels of the organisation. Following the guidelines, BULOG Jakarta managed transport contracting between provinces at central level. The DOLOG at provincial level issues regular transport tenders to an approved list of contractors. Approval of contracts and freight payments were made centrally from Jakarta.

The management of WFP commodities presented less than four percent of BULOGs warehousing and transports activities comparing to nearly 6 million tons BULOG imported during the last fiscal year. The most important activities were the distribution of rice to government employees (40 percent) and the support to the government sponsored Special market operations i.e. the sale of rice at subsidised prices occupies about 50 percent. The regular activities were planned and funded by a regular government budget allocation. While the chairman of BULOG had some flexibility within this regular budget, all expenditures incurred by BULOG for the transport and related expenditures of WFP food were depending on extra budgetary funds received through the GoI. Only after its receipt, BULOG was able to engage those funds. Funds had to be spent within the fiscal year but latest by the month of March. The rigid government spending rules and the late allocation of the funds in both years certainly contributed to delay WFP's operation in the country.

The mission concluded that since WFP assistance consisted of 97 percent rice, BULOG was the most appropriated transport organisation and system to be used, thus reducing start-up time, operational costs and eliminating pipeline problems and losses. Given the fact that the GoI was supposed to fund the internal handling, storage and transportation and with initially a one-year programme on hand for food distribution practically throughout the entire country, there was no justification for WFP establishing a complex self-managed logistics system.

The disadvantage of the system was that WFP did not physically monitor the port-operations and the transfer of the food from the EDP warehouse to the implementing partners. While WFP was able to ensure a relatively good control mechanism at the port through the appointment of a superintendent firm, the mission noted several problems at EDP and distribution points. The problems mostly concerned :

- the quality of the rice delivered,
- the receipt of underweight bags,
- the shortages of rice at district warehouse level delaying distribution and sometimes creating breaks in the food pipeline, and
- the additional funds asked from beneficiaries for transport costs, although specific budgets had been made available by the government.

The mission also observed rough handling of rice in the ports of Kupang and holes caused by hooks over a large number of bags received from the recent regional purchase of Vietnamese rice by WFP at the DOLOG warehouse in Surabaya. The damage will lead to further warehouse losses, worsened further by spillage when the food is handed out for distribution.

The mission recommends to reinforce the control over the WFP appointed superintendent. Duties of monitoring staff must include quantitative monitoring at the EDP and the control of the quality of rice ready for delivery. Increased direct control by WFP staff becomes even more important with the planned extension of the food basket including food commodity, which can no longer be merged with government stocks.

Effectiveness of Secondary Transport, Commodity Management and Distribution Services provided by Government Implementing Partners

After the official confirmation of the transport and monitoring budget at provincial level and the issuance of the delivery orders at the sub-DOLOG the rice was collected by the Government implementing partners (GIP) at the district warehouse for direct transport to the distribution site. As per the information received private truck owners were contracted following normal tender procedures.

The major operational constrain mentioned during discussions with GIPs was the late allocation of the transport budget by the Government. As a result the two projects implementation phases were reduced to six and four months respectively. In addition most Government officials at province level deplored the absence of guidance or management support from the line ministry.

In order to determine the ITSH payment due to BIMAS, a verification exercise by WFP staff in all provinces disclosed that in some instances BIMAS signed for the receipt of food by signing Bulog's Letter of Acceptance, although it was physically remaining in the district warehouse. BULOG confirmed that such food would no longer be recorded in their warehouse inventory. Waybills although existing in the BULOG operational procedures, were hardly used. Thus, no document was available to prove that an actual transport move had taken place. Due to time constrains the missions could unfortunately not proceed with an audit and control of delivery documents.

It became clear to the mission that the organisational structure and management capacity to deal with a WFP assisted food aid programme was in the main not existing at provincial level. The problem was not the actual up-lift and the organisation of the transport. Large quantities of food were released from the district warehouses in a relatively short period. The internal report established instead that there were considerable doubts about the quality of the distribution and the validity of distribution reports received. The accountability of the utilisation of food by GIPs became better in the second phase of the emergency operation with reduced quantities on hand and the direct involvement of the WFP sub-offices in the project identification and implementation.

Management capability of NGOs transporting, managing and distributing WFP food aid assistance

While NGOs implemented only 8 percent of the projects in the first phase, 86 percent of WFPs food resources was made available to NGOs in the second phase of the EMOP. For all NGOs distributing WFP food under one of the major activities (urban FFW projects, relief support to IDP and Special Market Operation) contracts were established between them and WFP. All contracts included specific conditions for reporting and the payment of the transport costs either on full cost recovery basis or as a subsidy. The agreed ITSH rates ranged from USD 12.67/ton to a cost-rate of USD 35.00/ton.

As usual, the NGOs took delivery of the food at the DOLOG district warehouse. NGOs normally signed a "letter of acceptance" once the up-lift at the DOLOG warehouse was terminated. The mission did not find out if NGOs actually used waybills to document the transfer from the EDP to the distribution point or the NGO warehouse. At the time of the mission some 16 international and national NGOs had signed agreements with WFP.

National NGOs were less well organised than the international ones. They did normally not have strong financial structures. WFP staff was therefore required to actively get involved in the management of all aspects of the projects and provided a substantial amount of time for training and the setting up of a proper administrative system. At distribution site, the mission observed various types of control systems (beneficiary lists, lists of household, ration card, ticket system). The systems were normally correctly managed with an appropriated number of NGO staff on site, who ensured correct recording of the beneficiaries and the physical distribution.

Compared to the national NGOs, the organisational level and professionalism of international NGOs was higher and so was their performance in all project aspects. From project formulation to its practical implementation and reporting, the observed project quality was good.

The mission found that ITSH agreements were generally supported by a detailed budget provided by the NGO. WFP approved the rates only after proper assessment of costs. The operational guidance for the preparation of NGO budgets for the Country Office systematically followed food distribution.

The Special Market Operations (OPSM) became the largest distribution mechanism for WFP in urban areas. During the second phase of the emergency operation 66,383 tons were distributed. In very detailed agreements (Operational Guidelines) with 14 local NGOs, a mechanism was built to support the NGOs operational costs with Rp 120 /kg or about USD 15.00/ton. The funds were generated from the proceeds of the sale of rice to the beneficiaries at a subsidised price of Rp 1,000/Kg. In the agreement WFP allows for up to 1- percent loss without engaging the NGOs liability. All losses had, however, to be justified.

The mission found that the OPSM operations were well implemented in the cities. The selection process, after which 14 national NGOs were finally selected, took around two months. Parallel to the process, the office set-up a tight food management system able to track the release of the food and its utilisation. The receipt of distribution reports was automatically recorded. Failure to provide the reports was immediately followed up by the WFP staff in the unit. To this a payment control system was added, which recorded the net amounts (sales proceeds less Rp 120/kg) transferred to WFPs bank account based on the actual quantities up-lifted. Failure to transfer the funds two weeks after the planned distribution resulted in an immediate cancellation of release requests already issued.

The Country Office indicated that the OPSM programme constantly required very active and direct monitoring by WFP staff. The impact on the Country Office and the number of WFP staff involved was always high. At the time of the mission nearly all market sales had been terminated and funds were recovered at 99 %. A consolidation exercise was on going and no payment defaults were expected. From the above it becomes clear that a commercial transaction (sales) linked to the food distribution considerably increases the quality of the accounting for the food distributed to beneficiaries.

For the mission the agreed Rp 120/kg retained by the NGO after the sales of the rice, was an ITSH subsidy. The rate had been properly assessed by Country Office and was based on the following main elements and costs :

- The Government OPK scheme includes a monthly distribution of 20 kg of rice. It allows the retention of Rp 80/kg.
- OPSM distributes on a weekly basis 5 kg per distribution cycle.
- OPK operates within the usual government structure, which absorbs most overhead costs.
- NGOs depend entirely on the subsidy raised from the sales. With the funds, the NGOs pay not only the distribution workers, but also provide for transport, intermediate storage and the administration.

As indicated by the Country Office, the OPSM concept was planned as a self-financing scheme. The NGOs were small entities not in the financial position to support the costs of a weekly distribution cycle, thus depending entirely on the subsidy. Although one NGO indicated that it could break even with the incurred distribution costs at a weekly throughput of 200 tons the mission did not have the impression that the surplus generated actually meant a substantial net profit to the NGOs.

Possible Use of Private Transport for Primary and Secondary Transport

Indonesia has a well-developed transport infrastructure and large trucking capacities. As for the ship transport there are a large number of smaller sailing ships of 2-600 tons capacity available, which belong however to the informal transport market. Larger ocean-going vessels with 6-12,000 tons capacity are not always readily available. At several occasions BULOG experienced delivery delays due to the in-availability of vessels. Some areas of the country remain without road access; therefore the provision for air transport at the beginning of the operation was justified.

After discussion with BULOG, the estimated average costs for the transport of rice from the port of entry to the district warehouses was indicated at around Rp 235,000 tons or USD 28.00/ton. The rate did not include warehouse rental, stock treatment and administrative costs. Transport costs from district warehouse to distribution site differ and following the budget estimated by the GIPs at the beginning of the operation, was in the range of USD 21 – 39.00/ton. A realistic transport rate may therefore be in the range of USD 60 – 75.00/ton.

Private warehouses are available in cities and in all locations with a direct link to a port. The warehouse infrastructure becomes spare in the interior of the country. The best and often only available storage spaces at district level are the DOLOG and sub-DOLOG warehouses. With the gradual move of WFPs operation to urban areas and IDPs assisted through NGOs with mostly their own warehouses, WFP could -if necessary- opt for private operated EDPs for all other food but rice. As a matter of fact, private owned warehouses have already been rented by WFP in West-Timor.

There are good and efficient possibilities for WFP to use private transport carriers and service providers for the primary and secondary transport. For sea-transport and in the case of food being supplied from the region, smaller vessels could be chartered for direct delivery to specific entry ports. However, the current system with BULOG as a partner provides such a large number of operational and cost advantages, that the mission recommends using the private transport sector only for targeted interventions. These interventions could be the storage of food commodities other than rice in private warehouse or direct contracting of sea and road transport between provinces.

V. Adequacy of the ITSH rate

In the LoU the Government had agreed to provide for the receipt, handling, transport and distribution of the WFP food assistance from the port of entry to the beneficiaries. However, to facilitate the distributions in the eastern part of the country where the transport infrastructure is less developed, an ITSH subsidy system, based on a reimbursement of USD 12.67/MT distributed, payable against distribution reports was introduced. It was envisaged that this subsidy would be paid on 80% of the rice tonnage, i.e. the tonnage distributed outside of Java and Sumatra. As a matter of principle the same subsidy was paid to national and international NGOs once they became involved in food distribution.

Given the fact that WFP supplied only about 50 % of the actual costs required for secondary distribution from the EDP (see paragraph 35) and did not grant a subsidy for the primary transport, WFP's food aid programme had certainly an important impact on the extra-budgetary funds to be provided by the government. Those additional funds were in the range of 45 – 60.00/ton. The mission was not able to establish whether or not the Government provided budget was sufficient to ensure smooth delivery of WFP food. None of the government-implementing partners complained about shortage of funds. Their main problem always was its late approval. It seemed to the mission that the systematic late budget allocation for both project phases were in reality budgetary constrains at national level.

VI. Utilisation of the ITSH Funds by the Country Office

More than 20 agreements, inclusive of BIMAS, DEPSOS and the Indonesian Red Cross were approved and signed by the Country Office. The ITSH subsidy applied was USD 12.67/ton. Six agreements with ITSH rates of up to USD 35.00/ton, were signed with NGOs starting from November 1999. The rate reflected more realistically the transport and distribution costs that related to the distribution of around 10,490 tons to IDPs. NGOs were systematically requested to submit detailed budgets for the activities to be carried out which were directly related to the distribution of WFP food.

The total contract value of the agreements signed was USD 1,299,000 for the distribution of 102,092 tons of food up to date. At the time of the mission around 65 percent of the amount had already been paid. ITSH payments were only made after the receipt of distribution reports. The reports were compared with the ITSH claim and the data available on the actual quantity of food distributed before the payment was authorised. The Country Office kept normal financial records and administrative procedures were followed.

The mission initiated a de-obligation exercise against the ITSH balance available in HQ. With the current level of ITSH funds on hand at the Country Office (approved PA) and all outstanding obligations towards partners, the additional requirement against the ITSH balance available in HQ was around USD 1,264,430. The mission therefore recommended de-obligating USD 829,461 of ITSH funds against seven SI-numbers. The details of the de-obligation exercise were recorded in a separate inter-office memorandum to the Country Director.

VII. The Country Office Organisational structure and staffing level

As per the attached Annex III the initial budget with 54 staff had not changed over the last two years. It had foreseen eleven (11) international staff from the professional category, four (4) international GS staff, five (5) national officers and twenty-one (21) general service staff. Between June and October 1998 12 international staff, 5 national officers and 14 general service staff had been recruited. WFP staff based in Rome occupied three of the four international GS posts. At the same time sub-offices headed each by a P 3 officer were opened in Kupang, Jakarta (September 1998) and in Ujung Padang (October 1998).

With the orientation of the emergency programme from assistance in rural areas to urban population and the increasing number of IDPs in 1999 (Kalimantan in January, Maluku in April, East Timor in September), WFP changed its Jakarta and suboffice structure. The sub-office in Jakarta was closed in April 99, the office in Ujung Pandang was moved to Surabaya in August 1999 and a new sub-office opened in Semarang. In order to reinforce WFPs monitoring capacity in West-Timor an additional field office under the direct supervision of the Kupang office was opened in Atambua. A specific unit for urban activities was created in the Jarkata office headed by an experienced P 4 officer. The first regular food distribution in the city (OPSM) started by mid August 1999.

By end 1999, WFP Indonesia had 58 staff employed in five offices throughout the country with 12 internationals, 5 national officers and 41 general staff. Three-GS staff was based in the HQ in Rome. In addition two international consultants were recruited at P 2 and P 3 level. One was assigned as logistics officer to Kupang in West-Timor, the second as the head of field-office in Atambua. Total staff funded under the operation by the time of the mission was 63 staff.

The increase by 27 staff members within a period of one year was mainly due to the recruitment of more than 15 monitoring staff, secretaries, additional drivers and data entry/finance clerks. After the mission evaluation of tasks within the offices, the number of general service staff is felt to be appropriate. With the extension of the programme in West-Timor, where WFP plans to operate its own warehouses and transport, a P 2 logistics officer or qualified UNV needs to be recruited.

VIII. Effectiveness of the CO Commodity tracking system

The current commodity tracking system (CTS) was designed within the so-called “Food Aid Monitoring Database”. The database therefore included various reports for ex-post monitoring data with a number of data queries mainly used by the programming unit and for the issuance of statistical reports on the food aid assistance.

The database did not include the PMP tool “Pipeline Management Programme”, which specifically tracks the resource status of an operation from confirmed/ unconfirmed donations, funded and unfunded RISIs, Sis or shipments with the estimated arrival time, inland stock level and estimated consumption over time and distribution cycle.

The actual range of commodity tracking at the receiving side included the:

- SI/ CR tracking with detailed information on all related shipping, donor and the commodity. Main source of up-date was the SI hardcopy, daily information exchange between the Logistics Section and operational partners including OTS in Rome and suppliers.
- Arrival details such as the Bill of Lading quantity, ETA/ATA date, ports of entry, landed quantity (both in net and gross weight) following the SGS report and numbers of units.
- the agreed commodity-swapping rate with actual quantities generated by the swap and credited to WFP rice account with BULOG.

The dBase report contains information on the quantities as per B/L and the quantities as per SGS reports

On the disbursement side the commodity tracking system included:

- WFP programming allocation;
- The details of the WFP Release Request (RR); with the corresponding PRINLOG, LAKLOG and Delivery Order (DO) issued by Bulog to the district/ EDP warehouse authorising the release of commodities and the distribution reports up to district level, submitted by the implementing partners.

The distribution data are inserted in the dBase once the Programming unit clears them. The WFP Sub-offices used the Prinlog, Laklog and DO information during field visits to verify whether the distribution reports were realistic Data and information available at their level confirmed the effected food distribution to beneficiaries at village and project site level.

Since the start of the urban programme in August 1999 the responsible unit tracked with a separate database all details of the sale of rice to beneficiaries. The active involvement of WFP monitoring staff in the management of the project and the linkage of the rice distribution to a commercial transaction (sales) enabled WFP to account in detail for the food physically distributed. The database recorded the losses and the exact number of beneficiaries reached. All delivery records to schools were based on a delivery voucher system signed by the head master of the school upon receipt the food.

As explained by the Country Office the commodity tracking system captured in the best possible manner the food release data from close to 200 EDPs. In the rural programmes, 5610 deliveries were organised to 1,375 sub-districts until March 2000. With an average of 10 villages per sub-district, this represents 56,100 deliveries. In the OPSM, 134 subdistricts/676 villages were covered, with up to four distributions/month. With this already large range of data collection in place, the recording of transport movements and beneficiaries reached was unrealistic. The distribution reports provided were therefore considered representative and used for the purpose of the database. The mission was satisfied with the explanation and considered the level of commodity tracking reached for the first phase of the project fully satisfactory. In order to increase the quality of the data and to manage food pipeline better, the mission recommended to :

- introduce the PMP pipeline management programme into the Food Aid Monitoring Database;
- request BULOG to re-introduce the truck-way bill or delivery voucher for the release per truck load to implementing partners;
- request NGOs to provide distribution reports with consolidated list of all distribution effected, closing stock and eventual losses. ITSH payment should only be effected based on proven and actual distribution.

IX. Conclusions and Principal Recommendations

Logistics System and Rice Swapping arrangements

Bulog with its large technical and management capacities in place was the most appropriate logistics partner. The arrangement reduced considerably the start-up time and the operational costs. Being the Government Rice Procurement Agency and with the rice swap arrangement in place it eliminated practically all supply problems and transit losses. It further kept the operational impact on WFP staffs (logistics, Head of sub-office) low and freed them up for programme and other managing tasks.

The choice of the logistics system from entry port to EDP (district) had direct and overall positive impact on the availability of food at district level. The collaboration between BULOG and WFP on all technical and management aspects was excellent.

Food distribution system

In both project phases the planned quantity of food to be distributed was behind target and only reached an average of 60 percent. Still in the second phase food distribution targets in specific programmes reached close to 98 % in the OPSM, 80 % in the School Programme 80 %, 100% in case of Urban FFW for Surabaya and 60 % for Urban FFW in Cilincing. Reasons for not achieving the overall distribution targets were the late allocation of extra-budgetary funds by the GoI and weaknesses in the organisational structure and management capacity of the Government implementing partners.

The distribution management was strengthened through the larger involvement of national and international NGOs in the food distribution. At the same time WFP staff got more actively and directly involved in the project management and its implementation.

A countrywide food distribution system can only function efficiently, if Government partners receive direct management assistance from central level. WFP was able to compensate for the weaknesses by assisting government partners and national NGO directly during the project implementation.

ITSH Management

Donors paid the ITSH rate of USD 15/ton over the total quantity of food shipped under the EMOP. With the swap mechanism in place and about 70 % of the donated food arriving in the form of wheat, the actual quantity credited to the WFP rice account was reduced by 26 percent, increasing the total ITSH available to about USD 19.00/ton. In addition, the OPSM scheme making up for nearly 50 percent of all food distributed in the second phase of the project, generated its own transport subsidy. Only negligible expenses were incurred for air transport and substantial ITSH savings were generated. As a result the operation was generating large amounts of ITSH in excess of the actual requirements. Some of the excess funds allowed the CO to pay for the increased costs incurred by the NGOs for the feeding of IDPs, an activity that was not included in the programme when originally designed and budgeted.

WFP HQ should have supported the Country Office in its request to reduce the ITSH subsidy to zero when the budget revision IV was introduced in May 1999.

Commodity tracking system

The Country Office commodity tracking system (CTS) did not include the Pipeline Management Programme (PMP) developed by WFP. It was true that with the generous donor contribution, shortfalls were not expected and pipeline management was not really required. With the larger food basket foreseen for IDP programme and the EMOP in West-Timor, Pipeline Management will be required and is necessary to match arrivals, inland stocks and the distribution requirements.

For better monitoring and control of the food pipeline WFP should immediately introduce the PMP pipeline management programme into the Food Aid Monitoring Database.

The data utilised to track the distribution to beneficiaries originated from the time of release of the food from the district warehouse. Data on the physical distribution that tracks each individual up-lift from the EDP and acknowledged receipts by beneficiaries were not recorded. Detailed data on effected food distribution with the number of beneficiaries at village and project site were available at sub-office level.

Since the start of the urban programme in August 1999 the responsible unit tracks with a separate database all details of the sale of rice to beneficiaries. The linkage of the rice distribution to a commercial transaction (sales) enabled WFP to account in detail for the food physically distributed to the beneficiaries. The database also recorded the distribution losses.

The WFP database should be adapted to capture desegregated distribution data on effected distribution, closing stocks and eventual losses.

Distribution data compiled by sub-offices or other office units should be merged with the central database.

EMOP 6006.00 IMPLEMENTATION PHASES AND FOOD UTILISATION FROM AUGUST '98 - MARCH '00

GOI	Implementation Phase I (8/98 - 3/99)		Implementation Phase II (4/99 - 3/00)	
	Requirements	Utilisation	Requirements	Utilisation
FFW	160,000	82,521	48,000	10,168
VGF	17,000 ¹⁾	8,527	8,300	0
Relief	30,000	27,084	21,300 ²⁾	19,382 ³⁾
TOTAL	207,000	118,132	77,600	29,550
NGO				
FFW	18,000	9,573	26,000	14,382
VGF		57	9,000	5,381 ⁴⁾
Relief/IDP		121	10,000	14,153
OPSM		299	83,700	66,383
TOTAL	18,000	10,050	128,700	100,299
G. TOTAL	225,000	128,182	206,300	129,849

¹⁾ Blended food

²⁾ 21,300 tons food assistance through schools

³⁾ 11,431 tons through Ministry of Social Affairs/Depsos and 7,951 tons food assistance through schools by MORA & MOHA

⁴⁾ VGF through Indonesian Red Cross using rice

WFP RICE/WHEAT STOCK REPORT

31/03/2000

Commodity	Donor	SI No.	Vessel	ETA/ATA	Port of Discharge	B/L Tonnage	Tonnage offloaded		Exch Ratio	Rice credit MT
							Tonnage	SGS ref		
wheat (ASW)	Australia	9820109	Tatry	25/08/1998	Jakarta	40,000.00	40,000.00	80 ID 100059	0.62	24,844.72
wheat (ASW)	Australia	9820123	Tatry	25/08/1998	Jakarta	4,900.00	5,008.60	80 ID 100059	0.62	3,110.93
rice (25% broken)	Japan	9820153	Jon Jin	06/09/1998	Jakarta	15,000.00	15,000.00	80 ID 100066	1.00	15,000.00
rice (25% broken)	Norway	9820154	Jon Jin	06/09/1998	Jakarta	404.00	404.00	80 ID 100066	1.00	404.00
rice (25% broken)	IRA (UK)	9820155	Jon Jin	06/09/1998	Jakarta	953.00	952.70	80 ID 100066	1.00	952.70
rice (25% broken)	Germany	9820151	Bong San	15/09/1998	Surabaya	4,460.00	4,460.00	80 ID 100070	1.00	4,460.00
rice (25% broken)	Germany	9820150	Bong San	15/09/1998	Surabaya	5,540.00	5,540.00	80 ID 100070	1.00	5,540.00
rice (25% broken)	Germany	9820151	Zang San	20/09/1998	Surabaya	3,047.00	3,047.00	80 ID 100069	1.00	3,047.00
rice (25% broken)	IRA (UK)	9820152	Zang San	20/09/1998	Surabaya	4,810.00	4,810.00	80 ID 100069	1.00	4,810.00
rice (25% broken)	Japan	9820162	Jon Jin	25/09/1998	Jakarta	16,150.00	16,149.47	80 ID 100072	1.00	16,149.47
rice (25% broken)	Japan	9820162	Wang Jae San	20/09/1998	Surabaya	8,300.00	8,299.00	80 ID 100071	1.00	8,299.00
wheat (HR12%)	USA	9820181	Libert Wave	20/01/1999	Jakarta	30,000.00	30,031.00	80 ID 100104/5	0.56	16,871.35
wheat (HR12%)	USA	9820181	Libert Wave	30/01/1999	Ujung Pandang	15,000.00	14,696.00	80 ID 100124	0.56	8,256.18
wheat (DNS13%)	USA	9820181(B)	Moko Pahu	28/01/1999	Semarang	15,000.00	14,974.60	80 ID 100119	0.56	8,412.70
wheat (DNS13%)	USA	9820181(B)	Moko Pahu	28/01/1999	Jakarta	17,000.00	17,010.30	80 ID 100109	0.56	9,556.35
wheat (HRWO)	USA	9820183 (P1)	Tai An Hai	05/01/1999	Jakarta	25,000.00	24,047.00	80 ID100092/3	0.53	12,656.32
wheat (HRWO)	USA	9820183 (P1)	Tai An Hai	13/01/1999	Ujung Pandang	20,000.00	20,270.00	80 ID 100111	0.53	10,668.42
wheat (HRWO)	USA	9820183	Liberty Sun	22/01/1999	Surabaya	40,000.00	40,015.40	80 ID 100113	0.53	21,060.74
wheat (DNS13%)	USA	9820186(B)	Pan Queen	05/02/1999	Ujung Pandang	8,000.00	7,997.90	80 ID 100126	0.56	4,493.20
rice (20% broken)	USA	9820142(P)	Green Island	05/11/1998	Jakarta	4,275.00	4,274.00	80 ID 100077	0.90	3,846.60
rice (20% broken)	USA	9820142(P2)	Stonewall Jack	24/11/1998	Jakarta	1,162.10	1,162.00	80 ID 100079	0.90	1,045.80
rice (20% broken)	USA	9820142(B)	Robert E Lee	20/12/1998	Jakarta	4,534.00	4,531.70	80 ID 100086	0.90	4,078.53
rice (20% broken)	USA	9820141	Sam Houston	28/01/1999	Surabaya	1,110.00	1,110.70	80 ID 100115	0.90	999.63

ANNEX 2 CONTINUED

Commodity	Donor	SI No.	Vessel	ETA/ATA	Port of Discharge	B/L Tonnage	Tonnage offloaded		Exch Ratio	Rice credit MT
							Tonnage	SGS ref		
rice (20% broken)	USA	9820141	S/L Endurance	28/12/1998	Jakarta	18,700.15	18,600.05	80 ID 100214	0.90	16,740.05
rice (20% broken)	USA	9820141(P2B)	S/L Innovator	15/01/1999	Surabaya	143.50	178.70	80 ID 100137	0.90	160.83
rice (30% broken)	Australia	9820273	Aust Enterprise	14/01/1999	Surabaya	1,987.20	1,984.32	80 ID 100122	1.00	1,984.32
rice (30% broken)	Australia	9820273	APL Ivory	19/01/1999	Surabaya	1,892.00	1,899.00	80 ID 100106	1.00	1,899.00
rice (30% broken)	Australia	9820274	APL Emerald	27/01/1999	Surabaya	1,554.80	1,554.80	80 ID 100118	1.00	1,554.80
rice (30% broken)	Australia	9820273/4	Kasugai/15	03/02/1999	Surabaya	2,548.80	2,548.75	80 ID 100132	1.00	2,548.75
rice (30% broken)	Australia	9820274	Cardigan Bay	09/02/1999	Surabaya	648.00	648.00	80 ID 100128	1.00	648.00
rice (30% broken)	Australia	9820273	Aust Enterprise	18/02/1999	Surabaya	1,598.40	1,598.00	80 ID 100136	1.00	1,598.00
rice (30% broken)	Australia	9820273	APL Ivory	23/02/1999	Surabaya	730.00	732.50	80 ID 100142	1.00	732.50
rice (30% broken)	Australia	9820273	APL Ivory	23/02/1999	Surabaya	1,244.40	1,242.50	80 ID 100145	1.00	1,242.50
rice (30% broken)	Australia	9820274	Kasugai/16	14/02/1999	Surabaya	128.79	128.79	80 ID 100170	1.00	128.79
wheat	France	9820206	Wu Chang Hai	03/10/1999	Cilacap	20,000.00	20,002.85	80 ID 100287	0.52	10,418.15
rice (20% broken)	USA	9920339	Project Orient	17/01/2000	Surabaya	5,900.00	5,912.66	80 ID 100351	1.00	5,912.66
rice (30% broken)	Australia	20030	Levantgracht	25/01/2000	Surabaya	8,600.00	8,613.41	80 ID 100352	1.00	8,613.41
rice (25% broken)	Japan	20033	Andhika Tarunaga	03/04/2000	Jakarta	6,200.00	6,199.87	80 ID 100393	1.00	6,199.87
rice (25% broken)	Japan	20033	Bangmunnak	21/04/2000	Jakarta	240.00			1.00	240.00
rice (25% broken)	Australia	20034	Bangmunnak	21/04/2000	Jakarta	5,960.00			1.00	5,960.00
rice (25% broken)	Australia	20034	Delight	27/04/2000	Jakarta	4,658.00			1.00	4,658.00
rice (25% broken)	Australia	20035	Delight	27/04/2000	Jakarta	937.00			1.00	937.00
rice (15% broken)	EMOP6006	LP1/2000	Lu Chang	21/04/2000	Surabaya	5,550.75		80 ID 100400	1.00	5,550.75
rice (15% broken)	EMOP6006	LP1/2000	Jinggangshan	02/05/2000	Surabaya	4,615.00			1.00	4,615.00
rice (15% broken)	EMOP6006	LP1/2000	Asian Jade	03/05/2000	Surabaya	9,500.00			1.00	9,500.00
rice (15% broken)	EMOP6006	LP1/2000	Zhe kun	09/05/2000	Surabaya	4,800.00			1.00	4,800.00
Total						378,481.89	355,635.57			285,206.01

INDONESIA COUNTRY OFFICE STAFFING STRUCTURE
as of 30 April 2000

	BUDGET 1998/99	ACTUAL STAFFING	BUDGET 1999/00	ACTUAL STAFFING	REMARKS
D1	1	1	1	1	
P5	2		2	1	Promotion TJK
P4	1	3	1	2	
P3	7	6	7	6	
P2		1		1	
P1					
TOTAL	11	11	11	11 ²⁾	plus 2 internat. Consult.
UNV	0	0	0	0	
TOTAL	0	0	0	0	
GS INTERN ¹⁾	4	4	4	4	3 staff based in Rome
TOTAL	4	4	4	4	
NO	18	5	18	5	
TOTAL	18	5	18	5	
G7	2		2		
G6	14	5	14	5	
G5				14	
G4		3		8	
G3		2		5	
G2	5	4	5	10	
G1				2	
TOTAL	21	14	21	44	
G. TOTAL	54	34	54	64	

1) One GS International is based in Jakarta, three GS staff based in Rome

2) Two consultants have been recruited as logistics officer and head of sub-office in West Timor at P2 and P3 level respectively.