



Analysis

Developing capacity for participatory development in the context of decentralisation

**Takalar district, South Sulawesi province,
Indonesia**

Anthony Land

A case study prepared for the project 'Capacity, Change and Performance'

Discussion Paper No 57B

October 2004

Study of Capacity, Change and Performance

Notes on the methodology

The lack of capacity in low-income countries is one of the main constraints to achieving the Millennium Development Goals. Even practitioners confess to having only a limited understanding of how capacity actually develops. In 2002, the chair of Govnet, the Network on Governance and Capacity Development of the OECD, asked the European Centre for Development Policy Management (ECDPM) in Maastricht, the Netherlands to undertake a study of how organisations and systems, mainly in developing countries, have succeeded in building their capacity and improving performance. The resulting study focuses on the endogenous process of capacity development - the process of change from the perspective of those undergoing the change. The study examines the factors that encourage it, how it differs from one context to another, and why efforts to develop capacity have been more successful in some contexts than in others.

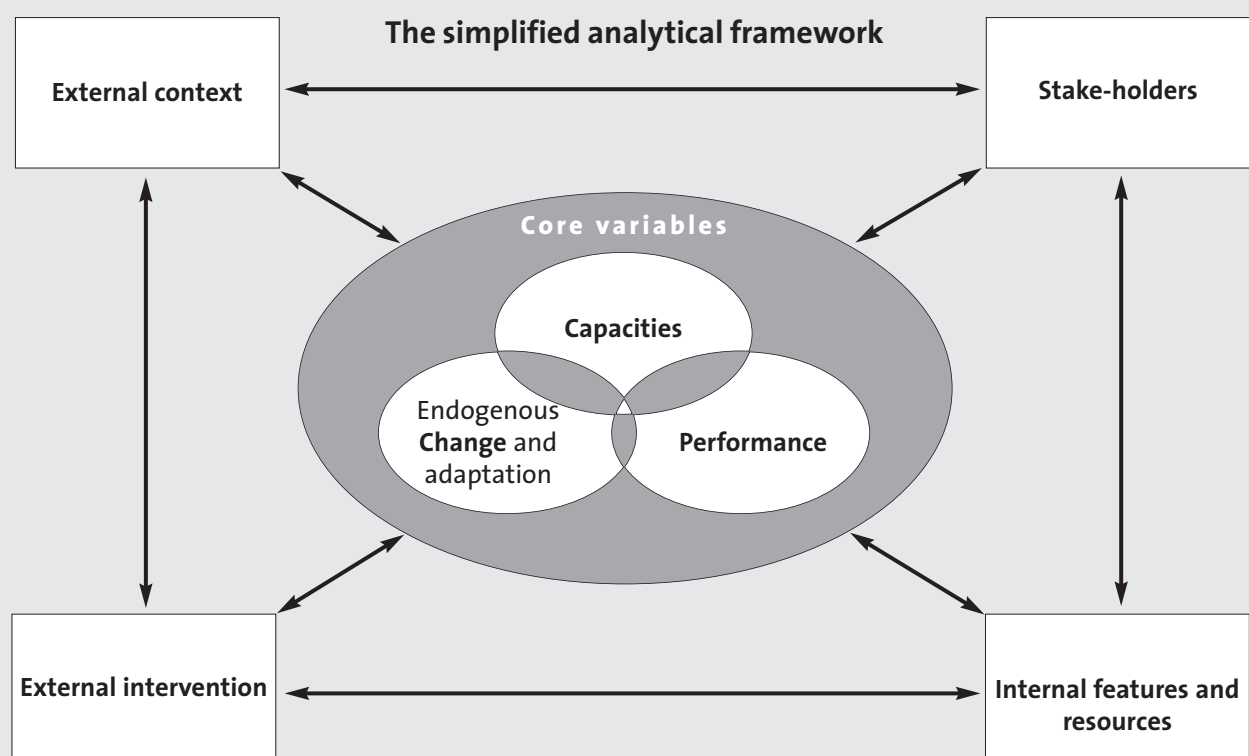
The study consists of about 20 field cases carried out according to a methodological framework with seven components, as follows:

- **Capacity:** What are the components of capacity, i.e. the capabilities, in a given context?
- **Endogenous change and adaptation:** How do processes of change take place within an organisation or system?
- **Performance:** What has the organisation or system accomplished or is it now able to deliver? The focus here is on assessing the effectiveness of the process of capacity development rather than on impact, which will be apparent only in the long term.

- **External context:** How has the external context - the historical, cultural, political and institutional environment, and the constraints and opportunities they create - influenced the capacity and performance of the organisation or system?
- **Stakeholders:** What has been the influence of stakeholders such as beneficiaries, suppliers and supporters, and their different interests, expectations, modes of behaviour, resources, interrelationships and intensity of involvement?
- **External interventions:** How have outsiders influenced the process of change?
- **Internal features and key resources:** What are the patterns of internal features such as formal and informal roles, structures, resources, culture, strategies and values, and what influence have they had at both the organisational and multi-organisational levels?

The outputs of the study will include about 20 case study reports, an annotated review of the literature, a set of assessment tools, and various thematic papers to stimulate new thinking and practices about capacity development. The synthesis report summarising the results of the case studies will be published in 2005.

The results of the study, interim reports and an elaborated methodology can be consulted at www.capacity.org or www.ecdpm.org. For further information, please contact Ms Heather Baser (hb@ecdpm.org).



**Developing capacity for
participatory development
in the context of decentralisation**
Takalar district, South Sulawesi province, Indonesia

Anthony Land

A case study prepared for the project 'Capacity, Change and Performance'

October 2004

Contents

Acronyms	iv
Acknowledgements	iv
Summary	v
1 Introduction	1
2 The Takalar model: SISDUK	2
2.1 Objectives and rationale	2
2.2 How SISDUK was designed to work	3
2.3 Tooling up for SISDUK	3
3 Stakeholders, institutional context and internal features	4
3.1 The stakeholders	5
3.2 A transforming institutional context	5
3.3 An emerging role for civil society	8
3.4 Summary	10
4 The capacity development process	11
4.1 The strategy: building ownership while developing capacity	11
4.2 Securing the necessary 'buy-in'	12
4.3 Developing capabilities	13
4.4 Achievements	16
5 Whither SISDUK ?	17
Annex: Individuals and organisations consulted	23
References	24

The Japan International Cooperation Agency financed the field work and the publication of the paper.

**The European Centre for
Development Policy Management**
Onze Lieve Vrouweplein 21
NL-6211 HE Maastricht, The Netherlands
Tel +31 (0)43 350 29 00
Fax +31 (0)43 350 29 02
info@ecdpm.org www.ecdpm.org

Japan International Cooperation Agency
6-13F, Shinjuku Maynds Tower
1-1, Yoyogi 2-chome, Shibuya-ku, Tokyo 151-8558
Tel +81-(0)3-5352-5311/5312/5313/5314
www.jica.go.jp

Acronyms

BAPPEDA	District Planning Agency
BAPPENAS	National Development Planning Agency
BPM	Provincial Village Empowerment Agency
CIDA	Canadian International Development Agency
DAC	Development Assistance Committee (OECD)
ECDPM	European Centre for Development Policy Management
FO	field officer
GOVNET	Network on Governance and Capacity Development (OECD)
GTZ	Deutsche Gesellschaft für Technische Zusammenarbeit (German Agency for Technical Cooperation)
ILGR	Initiatives for Local Governance Reform
JICA	Japanese International Cooperation Agency
NGO	non-governmental organisation
OECD	Organisation for Economic Cooperation and Development
PLSDP	participatory local social development planning
PMD	Village Empowerment Agency
SISDUK	<i>Sistem Dukungan</i> - Local Village Community Development Support System
UNDP	United Nations Development Programme

Acknowledgements

This case study was made possible due to the generous financial support of the Japanese International Cooperation Agency (JICA). Special words of thanks are due to the following:

- JICA Indonesia, in particular to Mr Sat Watanabe and Mr Ueda Daisuke in Jakarta for their logistical support, and to the JICA team in Makassar, in particular Mr Sakuma and Mr Henky, for making all the local arrangements and appointments for the field work;
- the researchers Dr A. Rampisela and Mr B. Bunna for their support, interpretation skills, insights and friendship, and again to Mr Sat Watanabe for his personal contributions to the research during the course of the assignment;
- all those individuals and organisations in Jakarta, Makassar and Takalar district for agreeing to be interviewed and for sharing with the team their valuable knowledge, insights and experiences; and
- the members of the ECDPM core team for the wider study on Capacity, Change and Performance - Heather Baser, Programme Coordinator; Volker Hauck, Senior Programme Officer, and Peter Morgan, ECDPM Associate - who accompanied this research and provided stimulating comments and reflections prior to and during the writing of this report.

Notwithstanding the above, the views and opinions expressed in this report are those of the author and do not necessarily reflect those of either JICA, the government of Indonesia or ECDPM. Whilst the draft final report was reviewed by a number of stakeholders, the author assumes full responsibility for any factual errors or omissions.

Summary

This case study examines how Takalar district in the Indonesian province of South Sulawesi took up the challenge of tackling rural poverty through the use of participatory development and community empowerment methodologies. The study looks at the capacity that was required of various local stakeholders, traces the processes through which the district, in partnership with the Japanese International Cooperation Agency (JICA), undertook to develop the necessary capacity, and discusses the challenges encountered in sustaining interest in and the capacity for participatory development. The case study is a contribution to a wider study on Capacity, Change and Performance that is being coordinated by the European Centre for Development Policy Management (ECDPM).

SISDUK

Between 1997 and 2002 Takalar district and JICA introduced a model of participatory development known as the *Sistem Dukungan*, or SISDUK. Influenced by a Japanese concept of participatory development planning, SISDUK recognises that all communities possess indigenous capabilities and resources that can be mobilised to address development needs. Rather than providing goods and services to communities as passive recipients, SISDUK seeks to mobilise community groups to help themselves by adopting a capacity development approach aimed at empowerment and facilitating local (village) institutions. SISDUK is both a programme facility offering small grants to stimulate community development initiatives, and a development concept that challenges conventional ways of tackling local development.

Much like other participatory development methodologies, it offers an alternative model of local development. In the Indonesian context, the notion of participatory development is particularly challenging as it demands a significant shift in the way government works and in the way it sees its relationship with other stakeholders. Inevitably, many capacity challenges arise, but perhaps most prominent is the issue of influencing attitude, or mindsets. The story of SISDUK is therefore as much about the dissemination of novel ideas and the inculcation of a different model of development as it is about developing specific capabilities. The characteristics of the SISDUK

system include a multi-stakeholder approach, a planning and decision-making framework that places community groups and community dynamics at the centre of the process, an emphasis on multidisciplinary thinking, and the adoption of performance indicators based on community empowerment outcomes.

Stakeholders, institutional context and internal features

Stakeholders include all those organisations or groups that played a role in the development and implementation of SISDUK, collectively constituting a 'task network'. The Takalar local government was at the core of the network, and was expected to work collaboratively with other stakeholders including service delivery NGOs, the provincial government and the province's main university.

SISDUK was launched on the eve of massive political and administrative transformation in Indonesia. When it began the country was still under a form of highly centralised military rule. With one of the most centralised administrations anywhere in the world, plagued by systemic corruption, patronage and political interference, the level of trust in government institutions was low. District government also enjoyed little discretion over the management of resources and the setting of development priorities. Little space existed for non-governmental actors to participate in the development process. Despite a formal but largely ceremonial process of 'bottom-up' planning, there was little substantive engagement with communities.

Barely into the design phase of SISDUK, Indonesia was thrust into political and economic crisis, which resulted in the overthrow of the military regime and the ushering in of a period of political and economic liberalisation. The new government rushed in legislation on regional autonomy that dramatically transformed the country's system of governance. The laws foresaw the transfer of substantial political, administrative and financial powers away from central government to the local level, redefining the role and legal status of local government, establishing new responsibilities and relationships, and offering opportunities for local governments to tackle local development needs in novel and locally determined ways.

At the same time, it imposed a major capacity development challenge upon local governments to tool up to their new responsibilities. Overall, the new dispensation offered a more supportive, albeit volatile, framework for the development of SISDUK.

Decentralisation also foresaw a more direct role for civil society in supporting local development efforts. It calls for a shift in attitude among development partners and also for new capacities to be developed that would enable organisations to collaborate on a more structured basis. Civil society has welcomed these new opportunities, but has recognised the need to reflect on its own strategies and development priorities, ways of working and organisational capacities.

South Sulawesi province and districts within its boundaries such as Takalar have declared their intention to pursue decentralisation aggressively. To do so, they need to overcome and address a number of key challenges, including bureaucratic inertia and resistance to change. Bringing in the new and sweeping away the old requires significant changes in mindsets and attitudes, as well as new styles of leadership and management. It also requires that there is a capacity to manage the very change process itself. Almost the same can be said for civil society. New attitudes are required, new concepts of governance are needed, and new organisational capacities and networking skills have to be developed.

For SISDUK, the new political and administrative dispensation afforded opportunities to test out novel development concepts that otherwise would not have been present. SISDUK makes more sense within the framework of decentralisation, offering an opportunity to bring into practice some of the concepts that underlie the principles of decentralisation. The delegation of authority to the district level has also meant that decision making has become a local affair. Issues concerning what SISDUK is and how it should function could now be decided locally.

At the same time, decentralisation has brought about instability and unpredictability as districts and their partners learn to adapt to the new dispensation and iron out legal and institutional discrepancies and contradictions. The environment for piloting

new concepts and practices could not therefore be said to be optimal. The promotion of participatory development approaches has to compete for the attention of senior decision makers who must contend with many other fundamental and urgent policy considerations associated with the new political and institutional dispensation.

The capacity development process

The process of capacity development took place in the context of a project initiative funded and guided by JICA. While Indonesian partners played a key role in the process, JICA functioned as a catalyst in stimulating change, inspiring new thinking and creating space for experimentation. The intervention strategy recognised the need to develop capacity, while at the same time securing ownership across a range of stakeholders. The strategy therefore focused on two things - shifting mindsets and attitudes as a basis for securing 'buy-in', and developing a set of core capabilities. To secure buy-in, an approach was adopted based on awareness raising, continuous learning and a process of internalisation of new concepts and approaches. The programme was also managed from within existing institutions rather than a special project implementation unit. The presence of JICA meanwhile created a 'protected' space within which the programme could develop and experiment.

Almost half of the life of the project was devoted to socio-economic and social systems research, socialising different stakeholder groups, undertaking training and designing an appropriate delivery mechanism. Experts were encouraged to work hand in hand with their local counterparts, while emphasis was placed on listening and on achieving consensus. The process approach succeeded in winning over many stakeholders. In addition, there were several propitious factors. First, the emerging policy context of decentralisation empowered districts to take initiatives and to develop their own projects and programmes, and offered a policy framework that emphasised participatory development, partnership and local accountability as cornerstones of a system of local democratic governance. Second, ownership and commitment at the highest levels were expressed through the local political leadership that played a crucial role in championing the process.

The JICA team used the preparatory phase to consider options for putting in place necessary capabilities. While the programme was embedded within the administrative structures of Takalar district, distinct rules and procedures, systems and structures were developed, and personnel conversant with participatory development methodologies had to be recruited. At headquarters level, a district coordination team was created with supervisory and management responsibilities, and it had the final say in the approval of projects. At sub-district level, an advisory team was constituted by co-opting existing staff serving at that level, to function as an interface between villagers and their respective field officers and the district coordination team. At the village level, it was envisaged that field officers would work hand in hand with community groups. Eventually the decision was taken to recruit a dedicated cadre of field officers specialising in participatory development methodologies, contracted through a provincial NGO. This represented a novel way of working both for the local government as well as for local NGOs, offering an alternative way to address capacity 'gaps'.

Programme rules and procedures were subsequently formalised in the form of a technical manual. It also resulted in the issuing of a legally binding district regulation. This was significant not only because of the formal status it conferred on SISDUK but because it meant that SISDUK could be incorporated into the development budget of the local government.

Considerable attention was also given to training in order to impart key skills and to sensitise personnel to wider concepts and ideas. Training was provided for provincial and local government decision makers and planners, for front-line officers working within technical departments at the district headquarters and sub-district levels, and for the field officers. A 'training of trainers' approach was used to develop a locally based capacity to promote and provide training on participatory development over the longer term. A cooperative framework was therefore developed that included the provincial university, the provincial government of South Sulawesi and a provincial NGO. This approach demonstrated the potential for pooling expertise and of building collaborative partnerships between NGOs and govern-

ment. These activities were not treated as stand-alone actions but were rather elements of the wider 'process' approach, and were accompanied by mentoring services. The programme was able to capitalise on a number of existing capabilities in the district; the Takalar tradition of community-level self-help; the local government's own experience of supporting village development initiatives; and local NGOs with growing expertise in community development work.

By 2002, significant strides had been made to put in place a functioning system to support SISDUK at the village, district and provincial levels. And although difficult to quantify, important steps had been taken in changing mindsets towards new ways of working among stakeholders. The process also yielded other capacity-related outcomes of relevance to the wider process of local government capacity development in the context of decentralisation.

Whither SISDUK?

JICA's assistance to SISDUK came to an end in 2002. Two years on, SISDUK remains in place, backed up by a local government regulation and financed through the local government's own budget. Senior management talk enthusiastically about SISDUK and of its contribution to local development and decentralisation. At the provincial level, training and promotion work continues to be provided. Some eight districts have shown interest in the Takalar experience and are considering doing something similar in their own localities.

Yet despite the achievements SISDUK has changed in fundamental ways. Key elements of the participatory development system are no longer being practised as intended, while many of the capabilities developed are no longer actively used. Two things happened. First, Takalar decided to expand SISDUK to all 73 villages that make up the district, representing a huge and traumatic shift for the programme. Second, SISDUK funding was linked to the budget of an existing village development programme. While this secured a much larger budget that enabled the programme to go to scale, it locked SISDUK into another programme logic with budget allocations based on equity and entitlement considerations, rather than on bottom-up participatory develop-

ment processes. Such innovations turned the SISDUK concept on its head.

On the ground, a number of changes could be noticed. The crucial function of community-level facilitation was no longer carried out as initially conceived. The elaborate system set up to guide the appraisal of project proposals began to be bypassed in favour of a simpler and more rapid approval process. In so doing, SISDUK was being transformed into a more traditional programme designed to disburse funds as rapidly as possible to as many villages as possible through a more conventional system of planning and budgeting. A number of explanations for the developments that have taken place over the years are proposed:

- institutionally, SISDUK may have been ahead of its time and could not easily be supported by the wider institutional environment;
- the concept of SISDUK may have been insufficiently embedded in the minds of local stakeholders to ensure its survival, and to withstand the challenge of other agendas and institutional pressures; or
- inadequate provision was made to ensure continuation of the capacity development process following JICA's departure, reflecting a possible underestimation of the challenge to mainstream SISDUK

A number of local stakeholders propose an alternative explanation. They argue that the SISDUK concept is in fact still alive in Takalar, but has simply adjusted itself to local institutional realities. In this regard, it is argued that SISDUK has proven itself to be a flexible concept, rather than a rigid model, that can mould itself to a variety of situations.

The report ends on a rather inconclusive note, suggesting that time will tell whether the recent developments point to an eventual disintegration of the SISDUK concept, or whether the events of the last few years represent no more than ripples in a longer process of adjustment and consolidation. The onus now rests with the political leadership of Takalar as well as with other champions of SISDUK to decide what is to become of the system in the years to come. In future, will it be looked at as something that sowed the seeds and catalysed a more systemic

change in the way in which local stakeholders work together to address community development challenges, or will it be regarded as an interesting experiment that had had good ideas but was simply not viable?

1 Introduction

This case study examines how Takalar district in the Indonesian province of South Sulawesi has taken up the challenge of tackling rural poverty through the use of participatory development and community empowerment methodologies. It looks at the capacity that was required of various local stakeholders to support a participatory development approach,¹ traces the processes through which the district, in partnership with the Japanese International Cooperation Agency (JICA), undertook to develop the necessary capacity, and discusses the challenges that have been encountered in sustaining interest in and the capacity for participatory development since the completion of the pilot project. The case study takes account of the period of JICA support to Takalar, which began in 1997 and ended in 2002, as well as the period since 2002 when the district has continued to support the initiative on its own.

This case study is a contribution to a wider study on Capacity, Change and Performance undertaken by the European Centre for Development Policy Management (ECDPM) under the aegis of the Network on Governance and Capacity Development (GOVNET) of the OECD's Development Assistance Committee (DAC). The wider study, which is grounded in some 18 case studies across the globe, aims to provide insights into how external organisations can best support endogenous capacity development processes. Through experiences drawn from the individual case studies, the wider study seeks a better understanding of the meaning of capacity, of the

complex relationship between capacity and performance improvement, and of the processes through which capacity is developed.

The analytical framework developed to guide the conduct of the case studies (see inside front cover) adopts a systems perspective, and identifies seven interdependent dimensions: the external context, stakeholders, internal features and resources, external intervention, capacity, endogenous change and adaptation, and performance.

This case study is therefore a learning initiative that seeks to draw lessons from the experiences in Takalar district that can inform the wider study on capacity, change and performance.² It is therefore important to note that the case study is not an evaluation and does not seek to pass judgement on any of the organisations or programmes described.

1.1 The case study methodology

On the basis of a selected literature review, the fieldwork was conducted over a two-week period in January 2004 by a research team comprising an international researcher, Dr A.M. Land, and two Indonesian researchers, Dr A. Rampisela and Mr B. Bunna. The team was accompanied by Mr S. Watanabe, JICA expert seconded to the Indonesian National Development Planning Agency (BAPPENAS) who, together with the JICA team based in Makassar and in Jakarta, ensured the smooth implementation of the assignment.

The first part of the assignment took place in Jakarta and consisted of interviews with a number of central government agencies and donor organisations involved in decentralisation and local (participatory) development matters. The second part of the assignment was based in Makassar, South Sulawesi, and comprised a series of interviews with district government officials, NGO staff and community members in Takalar and Maros district headquarters as well as in selected villages. A list of the individuals and organisations consulted can be found in the annex to this report.

Notes

- 1 'Participatory development' is a loosely used term. In the context of this study, it is understood as a process that empowers (creates capacity within) communities to take charge of their own development through a process of problem identification, needs analysis, and organisation for change/implementation. Mere participation by a community in a planning process, or alternatively, their contribution to the implementation of a project is not considered participatory development. Participatory development as defined here represents a different way to approach local development issues, particularly those relating to poverty reduction. It challenges conventional paradigms and delivery systems, demanding a redefinition of roles, responsibilities and functions of all parts of the system. It raises particular challenges for the ways in which local governments organise themselves, and how they relate to other (non-state) actors.
- 2 The term 'capacity' is used here to refer to the ability of an organisation or system *as a whole* to perform. As such, it is not equated with any subsidiary element such as a particular 'capability'. Capability refers to a specific ability of the organisation to do something in particular such as to facilitate or to learn or to manage projects. Finally, the term 'performance' is used here to mean accomplishment or execution or delivery

1.2 Structure of this report

Following this introduction, section 2 introduces the participatory development system that was initiated in Takalar district and which constitutes our 'unit of analysis'. The section describes the concept underlying the system and how it was expected to function, and outlines the main capacity challenges that Takalar was expected to face in making the system operational and sustainable.

Section 3 looks at the various stakeholders that were to become involved in the Takalar experience. It identifies some of the salient characteristics of these stakeholders, as well as features of the wider institutional environment within which they function. The section considers the extent to which this broader environment was likely to facilitate or constrain the introduction of the participatory development approach as well as the readiness and capability of the various stakeholders to assume their part in the process. In this regard, the section addresses three of the components of the analytical framework - the external context, stakeholders, and internal features and resources.

Section 4 reflects on the process of capacity development that was undertaken with JICA's assistance to put in place a system that could support and sustain the participatory development approach in Takalar district. It looks both at what was done but also at how things were done, and takes stock of the overall achievements recorded by the time that external assistance came to an end. This section therefore addresses the four other components of the analytical framework - external intervention, the process of endogenous change and adaptation, capacity and performance.

Section 5 takes stock of the development of SISDUK after the departure of JICA and considers the ways in which the programme was transformed in a relatively short period of time. The reasons for this transformation and the implications for capacity development are then discussed.

1.3 Limits of the study

The findings of this case study are based primarily on an aggregation and interpretation of the views and opinions of stakeholders directly and indirectly involved in the Takalar experience. Conducted over a two-week period, the study provided opportunities for stakeholders to reflect and think critically about

the processes of capacity development and change with which they had been associated. For many stakeholders this was perhaps a first opportunity to do so. Whilst this approach was able to garner a wide range of views and opinions based on the experiences of stakeholders, the research team was not itself able to directly witness the programme in action, particularly the interactions among stakeholders. More time would have enabled the use of participant observation or action-learning techniques that could have served to reinforce the findings of our interviews. Similarly, the conduct of a more systematic capacity self-assessment exercise could have perhaps added further qualifications to the results of our enquiries. As SISDUK evolves, such techniques could prove useful to stakeholders as they think about charting the future course of the initiative.

2 The Takalar model: SISDUK

This section introduces the participatory development system that was initiated in Takalar district and which constitutes our 'unit of analysis'. It first describes the concept underlying the system and how it was expected to function, and then outlines the main capacity challenges that Takalar would face in making the system operational and sustainable.

Over a period of five years (1997-2002), with the support of JICA, Takalar district introduced a model of participatory development aimed at empowering local community groups to take charge of their own development.³ By providing a practical mechanism for bottom-up planning and community project management, and by making available small grants, the *Sistem Dukungan*, or SISDUK, has complemented Takalar's existing system of development planning and support for village community development.

2.1 Objectives and rationale

As a concept, SISDUK is influenced by a Japanese model of participatory development known as participatory local social development planning (PLSDP). This concept recognises that all communities possess indigenous capabilities and resources that can be

Notes

- 3 Takalar district was selected by the then provincial government as a pilot study after a lengthy design process conducted by JICA.

mobilised in order to address development needs through a process of empowerment. The focus of SISDUK in Takalar is on assisting the poor to tackle the causes of poverty through initiatives that provide social and economic benefits and through experience-based learning. Rather than providing goods and services to communities as passive recipients, SISDUK seeks to mobilise community groups to help themselves. SISDUK aims to improve the resource management capability of communities by means of organisational strengthening and utilisation of local resources. As such, SISDUK adopts a capacity development approach aimed at empowerment and facilitating local (village) institutions to help themselves, rather than providing services or proving infrastructure on behalf of communities. For instance, the stated objectives of SISDUK include improved social, economic and institutional capacity of communities, improved participatory management capabilities of local communities, and improved management capability of government officials to support rural community development.

SISDUK interprets communities as not only formal administrative village jurisdictions, but as any grouping that shares common interests, whether a particular development issue that needs to be addressed (e.g. depletion of forest resources) or potential opportunities to be exploited (e.g. access to certain skills or resources). These are described as 'natural communities'. The micro-projects that the programme supports are identified and managed by community members themselves, and can fall under any sector. The principle is that they should be 'small-scale, clear and simple' to enable a progressive step-by-step process of capacity development. SISDUK is not a replacement for formal local government planning and service delivery, but rather a complementary mechanism aimed at providing opportunities for and direct support to community initiatives that normally are excluded from formal processes.

2.2 How SISDUK was designed to work

In line with the conceptual framework and agreed rules and procedures, SISDUK is supposed to be implemented through a cycle that includes the following steps:

- Community extension workers, called field officers (FOs), work with community groups to sensitise them to the concept of SISDUK, to assist them in thinking through the development challenges confronting them, and to develop solu-

tions for identified problems. Such groups may be informal and not necessarily linked to formal village government structures. The work of the FO is not simply to identify good, fundable projects but to assist community groups in organising themselves into functioning and accountable entities, including the development of skills, systems and procedures and through the mobilisation of local resources. The FO is *the key player* in the SISDUK system, being the focal point for social mobilisation and facilitation work, and acting as the link between the community and official structures.

- On the basis of this 'empowerment' work, the FO can assist groups to formulate project proposals and will then present them to the village head for review and formal endorsement.
- Endorsed proposals are then brought to the sub-district level (*Kacamatan*) where a presentation is made to the SISDUK 'assistance team' that comprises the head and secretary of the sub-district as well as co-opted technical staff. On the basis of agreed criteria, the proposals are scrutinised while follow-up field visits are carried out for verification purposes.
- After verification at the sub-district level, proposals are brought to the SISDUK secretariat, which is housed within Takalar district's Village Empowerment Agency (PMD), and reviewed by members of SISDUK's district coordination team (chaired by the head of the District Planning Agency, BAPPEDA). The meeting is usually followed by a final site visit.
- If approved, the FO assists groups to access funding and to procure equipment, and thereafter monitors the implementation of the project.

This cycle is supposed to be flexible. There are no pre-determined budget allocations or planning deadlines. SISDUK functions as a fund that can be accessed throughout the year according to the pace at which communities are able to organise themselves and identify projects that require assistance from the programme.

2.3 Tooling up for SISDUK

SISDUK needs to be understood at two levels. At one level it is a programme facility offering small grants to stimulate community development initiatives, and at a second and more significant level, it is a development concept that challenges conventional ways of tackling local problems by redefining the roles and responsibilities of local actors in the development

process. As such, SISDUK, much like other participatory development methodologies that have emerged around the world, offers an alternative model of local development that can be contrasted with more established government programmes of community development and welfare provision. In the Indonesian context, with its a tradition of highly centralised decision making and planning, the notion of participatory development is particularly challenging as it demands a significant shift in the way government works and how it sees its relationship with other stakeholders. Inevitably, many capacity challenges arise, but perhaps most prominent is the issue of influencing attitudes, or mindsets. The story of SISDUK is therefore as much about the dissemination of novel ideas and the inculcation of a different model of development as it is about developing specific capabilities to manage a particular programme fund.

To understand the Takalar case, it is useful to think of SISDUK as a discrete 'system' made up of a number of organisational and societal stakeholders, each with particular roles to perform and each possessing a set of capabilities that in combination enable SISDUK to function. Besides formal capabilities, incentives - formal and informal - are required to mobilise the capabilities of the system and to ensure that these are oriented towards achieving the agreed objectives. Characteristics of the SISDUK system include the following:

- a multi-stakeholder approach that brings together governmental and non-governmental stakeholders at the provincial, district and community levels to work together through principles of partnership;
- adoption of a planning and decision-making framework that places community groups and community dynamics at the centre of the process and other stakeholders as facilitators of the process;
- emphasis on a multidisciplinary approach that encourages cooperation between technical departments, the harnessing of available resources and expertise within local government and assuming shared responsibilities for results; and
- recognition of performance indicators based on community empowerment outcomes rather than solely on levels of disbursements or physical target achievements.

On the basis of these characteristics, it is also possible to identify a set of key capabilities that the SISDUK system would need to have in place in order to function effectively:⁴

- the capability to reach out to community groups and to engage in empowerment and organisational development processes;
- the capability to manage stakeholder relationships among organisations as well as among departments within a single organisation;
- the capability to disseminate and promote new ideas, to provide leadership and vision, and to develop constituencies of support; and
- the capability to learn, draw lessons from experience, identify emerging needs and manage the further development of the SISDUK system.

Based on the foregoing, the question arises as to how far stakeholders in Takalar district were prepared for SISDUK. To what extent was there sufficient interest in the participatory model being espoused under SISDUK, how far was the institutional environment supportive of such an approach, and to what extent were the necessary capabilities in place among stakeholders to enable the system to function? What kind of intervention strategy was required to foster change, to facilitate the development of necessary capabilities and ultimately to achieve programme goals? Was the development of capabilities sufficient to ensure the success of the programme or was there need to first build up a constituency of support for the process? The remainder of this report tries to address these and related questions.

3 Stakeholders, institutional context and internal features

This section looks at the various stakeholders that were involved in the Takalar experience. It identifies some of the salient characteristics of the different stakeholders, as well as features of the wider institutional context within which they function. It then considers the extent to which this broader environment was likely to facilitate or constrain the intro-

Notes

- 4 Other capabilities to do with the basic functioning of any system such as planning, financial management, monitoring and reporting are of course necessary but are not elaborated upon here.

duction of the participatory development approach, as well as the readiness and capability of the various stakeholders to assume their part in the process. In this regard, this section addresses three components of the analytical framework - the external context, stakeholders, and internal features and resources.

3.1 The stakeholders

For the purposes of this report, stakeholders are taken to include all those organisations or groups that were expected to play a role in the development and implementation of SISDUK. Together, these stakeholders constitute what may be termed a 'task network' that would form the core of the eventual SISDUK system.

The Takalar district government was to be at the core of the task network, and within this entity key roles were to be ascribed to the community development and planning departments. Sub-district administrative units were also expected to support the initiative. The political leadership of Takalar government was also counted on to play a key role in mobilising support for the initiative, while village-level government was also expected to endorse the initiative and encourage participation by village members.

The Takalar government was expected to work collaboratively with other stakeholder groups that could enhance the effectiveness of the programme, including service delivery NGOs based either in Takalar district or elsewhere in South Sulawesi. To reinforce efforts at the district level, the provincial government's planning and community development departments, as well as the main university (Universitas Hasanuddin), would be mobilised to provide capacity development and technical backstopping services.

All of these stakeholders are themselves influenced by a wider institutional context. For instance, the Takalar government is today part of a devolved system of over 400 local government structures that are part and parcel of Indonesia's overall public administration. This 'super-system', which is guided by a mix of formal and informal rules and regulations, systems and procedures, norms and values, can have a significant influence on the actions and behaviour of individual parts of the system. Although NGOs enjoy a greater degree of autonomy of action from any larger system as compared to a government department, they must recognise national laws and policies that can set limits

on their actions. They can also be influenced by sometimes informal norms and values embedded in society at large regarding their perceived role within the country's system of governance.

The following sections consider in broad terms the extent to which the broader institutional context was likely to facilitate or constrain the introduction of the participatory development approach, and the readiness and capability of the various stakeholders to assume their part in the process.

3.2 A transforming institutional context

SISDUK was launched on the eve of massive political and administrative transformation in Indonesia. When the programme began in 1997, the country was still under a form of highly centralised military rule. There was a complete absence of democratic rights and principles and the concept of participation in any real sense was unknown. The country was classed as having one of the most centralised administrations anywhere in the world, plagued by systemic corruption, patronage and political interference that had become the norm after 30 years of military dictatorship.

The concept of public service, performance and accountability to end users was absent; rather, the notion of 'power and authority' characterised the relationship between government, public servants and society at large. The level of trust in government institutions was low and people had few expectations of government service.

District-level government such as in Takalar enjoyed little discretion over the management of resources and the setting of local development priorities, functioning as a deconcentrated tier of central government. Its principal role was to execute projects and programmes of line ministries and was closely supervised by the provincial government. The staff were part of the central government's civil service and were accountable to their parent ministries rather than to any form of local representation. They were accustomed to a highly centralised form of management that provided few incentives for initiative taking and creativity. The level of cooperation and coordination between technical departments was limited, with local departments reporting directly to their parent departments at headquarters and provincial levels rather than to any kind of district-based authority. District development plans were not produced and the district had no role in formulating local policies and passing local legislation. The politi-

cal head was an appointee of central government and there was no real mechanism in place for downward accountability.

Very little space also existed for non-governmental actors to participate in the development process. The relationship between government and such actors was at best strained. There was virtually no tradition of working with non-state actors. Despite a formal but largely ceremonial process of 'bottom-up' planning that accompanied the national planning process, there was little substantive engagement with communities. Village leaders - mostly appointed by the ruling party - were the main point of contact for formal consultation at the village level. Whilst a number of service delivery NGOs had begun to emerge, the most active NGOs were those engaged in advocacy work, challenging government authority and policy, and these were based mainly in urban centres.

Such an institutional context seemed hostile to the kind of development model that SISDUK sought to introduce, and one might speculate just how far SISDUK could have succeeded in implementing its vision of participatory development and multi-stakeholder partnership under such circumstances. Yet, barely into the design phase of SISDUK, Indonesia was thrust into political and economic crisis, which resulted in the overthrow of the military regime and the ushering in of a period of political and economic liberalisation.

As part and parcel of the process of democratisation that lay at the foundation of this process, the new government rushed in legislation on decentralisation (law 22/1999 on local autonomy and law 25/1999 on fiscal relations between central and local government) that dramatically transformed the country's system of governance. The highly centralised and technocratic government machinery was replaced by one that is politically accountable to local constituents and which is expected to respond to local development needs and priorities. The legislation foresaw the transfer of substantial political, administrative and financial powers away from central government to the local government level. District governments were thrown into a state of turmoil as they prepared themselves to assume unprecedented authority to manage local development. In 2001, the decentralisation law - nicknamed 'the big bang' - was formally adopted and local

governments were transformed into largely autonomous spheres of government with their own law-making functions and discretionary budgets. From the perspective of this case study, this dramatically transformed policy and institutional context cannot be ignored. The laws on regional autonomy redefined the role and legal status of local government, establishing (or seeking to establish) new responsibilities and relationships, and offering opportunities for local governments to tackle local development needs in novel and locally determined ways. At the same time, they have imposed a major capacity development challenge upon local governments to tool up to their new responsibilities from both political and technical points of view. It is also a period of transition and uncertainty that makes it difficult to ensure predictability and stability. Yet, overall, the new dispensation would seem to have offered a more supportive, albeit volatile, framework for the development of SISDUK.

We now look at several aspects of this emerging system of local democratic governance that are of particular relevance to SISDUK. These include the emergence of a new form of devolved decision making and accountability, new systems of local planning and budgeting, the management of human resources and capacity development, and the management of inter-governmental relations.

Devolved decision making and accountability

Formerly deconcentrated government departments are now accountable to locally elected politicians who are responsible for defining, supervising and monitoring local development processes. The most important local political figure is the district regent, or *Bupati*, who enjoys significant powers and commands substantial respect. The Bupati provides political leadership and development vision, and is responsible for preparing the district's medium-term development plan and for appointing and supervising senior management within the district administration. Discussions in Takalar confirmed the pre-eminent position of the Bupati. Several interviewees argued that getting the Bupati on board is a precondition for anything to work or to happen in the district. Both the former and present Bupati have set the tone for development in the district and have been instrumental in moving forward the decentralisation agenda. The Bupati is supported by a local parliament consisting of councillors that are responsible for voting in the budget, making laws and mon-

itoring the performance of both the Bupati and the administration. For now, councillors are appointed by the majority party. They in turn appoint the Bupati. In the future, there will be direct elections of both Bupati and local councillors.

The political side of decentralisation is the most challenging, as it represents 'new territory' with little previous experience to fall back on. The local political system is in transition and can be said to be very much 'under construction'. There are concerns about the calibre and motives of local politicians. Inexperienced, and with little or no previous experience to draw upon, councillors are assuming major responsibilities for managing local development processes. Critics argue that local politicians lack the necessary management or technical skills and do not understand their roles and responsibilities. Others query the motives of politicians whom it is argued are merely self-serving. They fear that decentralisation has served to transfer corruption from central government to the local level. Discussions with the chair of Takalar's local parliament revealed that councillors do face a number of capacity challenges, and require orientation and training in relation to the core duties they are expected to perform.

The anticipated direct elections of the Bupati and councillors in April 2007 should provide opportunities for improving local democracy, by strengthening the link between the electorate and the local government, and the quality of leadership. In principle, this should make the process of local planning and budgeting more participatory and accountable. In the near future, the gradual introduction of performance budgets and the suggestion of setting minimum performance standards as a basis for benchmarking, may offer additional mechanisms for strengthening accountability and enhancing performance, whilst also mitigating the risks of corruption.

Localising development planning and budgeting

The framework for development planning is changing. Whereas previously plans were largely determined at the national and provincial levels, with districts serving principally as the executing arms of central government departments, the districts now have authority to determine the content of those plans. With discretion over 75% of funds transferred from central government (which constitute 90% of the total district budget), districts have been given an unprecedented opportunity to set their own priori-

ties and to determine the content of their development programmes (although a large part of the budget is allocated to meeting salary costs).⁵ From an essentially technical exercise, the district planning process now embraces a political or legislative dimension requiring a negotiated process of reconciling technocratic and political considerations. As before, there are requirements in the law to 'consult' with communities represented by their village head and council, who are expected to identify village priorities that are to be incorporated into the wider planning process. Yet critics have described this process as largely 'ceremonial'. The government intends to review the entire planning process in light of the experiences gained in this phase of decentralisation.

These trends are evident in Takalar. The district secretary emphasised that planning is no longer solely a technical exercise, but must take account of political priorities and include the views of civil society, although for now there are no structured opportunities for such an exchange of views with civil society. The head of planning in Takalar also acknowledged that the legislative process plays an increasingly important role in determining planning priorities and budget allocations. Discussions were described as tough, as technocrats and politicians negotiate a common view that is acceptable to all sides. Yet the overall impression is that the new planning process enables a better and more appropriate allocation of resources that is better matched to local needs. At the same time, the system is still new and there remain a number of 'grey areas' that need sorting out with respect to the transition from the old to the new system. Planning capacities also need attention, particularly now that districts must support a locally determined strategic planning and policy-making process. In this regard, analytical skills both within the planning department and in the technical departments are considered inadequate. Local policy making and planning have therefore become considerably more political than in the past. This has required technocrats who are unaccustomed to political 'interference' to redefine their roles and to develop the appropriate capacity to work with a local political leadership.

Human resources management and capacity development

The decentralisation law has granted individual districts significant discretion over the management of human resources and capacity development matters.

Notes

⁵ Laws 29/2002 and 17/2003 go further to reform public financial management at central and local levels through the introduction of, *inter alia*, unified and performance-based budgets that are linked to medium-term expenditure frameworks.

At the same time, a number of laws remain contradictory, creating some confusion over where responsibilities lie, since some important responsibilities are still retained by the centre. Thus, for the time being, a unified pay structure and conditions of service has been retained but staff are no longer part of a unified civil service that can be transferred from one locality to another. The centre also determines staffing levels. By contrast, the district regents are responsible for appointing senior staff (echelons 1 and 2) and for matters of promotion and discipline. The districts have been given responsibility for determining training needs, identifying appropriate service providers and budgeting for training activities. They are also responsible for determining an appropriate structure for the district organisation, although a maximum of 14 departments has been prescribed by central government.

But the capacity to manage this core function is considered inadequate, and districts generally lack a framework for thinking about how to tackle capacity issues.⁶ The speed at which decentralisation has been introduced has not given the districts the opportunity to develop the required capacity to manage a now autonomous institution. It was also pointed out that there really is no clear focal point within district institutions where capacity issues can be adequately addressed. Thus capacity development tends to be looked at from a training perspective and in piecemeal fashion, with attention given to tackling the more obvious functional skills gaps looked at from a sectoral perspective. The process of decentralisation raises a series of other cross-cutting capacity issues related to the new status of local government, and few districts have in place an adequate plan to tackle them. Examples, some of which are of direct relevance to SISDUK, include:

- dealing with attitudes and mindsets that are resistant to change;
- developing the capacity to plan, strategise and monitor as independent entities;
- developing the capacity to manage and work horizontally across departments;
- learning to work with other stakeholders such as NGOs;
- developing the concept of 'service' and accountability rather than 'power' and authority; and
- assuring the competency of legislatures to fulfil their functions as elected representatives.

Sorting out inter-governmental relations

The implementation of the decentralisation law has revealed a series of important contradictions, overlaps and tensions between the provisions of the law and other existing laws, rules and regulations. Examples include inconsistencies between sector laws and the decentralisation law, which result in overlapping mandates and unclear lines of command. Meanwhile, the previously hierarchical relationship between the centre, province and district is now unclear, with uncertainties regarding boundaries of authority and responsibility. In particular, the role of the province remains ambiguous, while central government agencies are slow to assume their new functions *vis à vis* support to the districts.

3.3 An emerging role for civil society

The law on regional autonomy also foresees a more direct role for civil society in supporting local development efforts. The law does not provide any blueprint on how this should be done, emphasising instead the responsibility of individual districts to determine how stakeholders should engage with one another. This opportunity to forge development partnerships between state and non-state actors marks a significant break with the past. It calls for a shift in attitude among development partners and also for new capacities to be developed that will enable organisations to collaborate on a more structured basis. Since the implementation of the law, various initiatives have been launched to promote joint action, often with donor backing, but these remain only first steps. Usually, they have involved local governments contracting out a specific service delivery task to an NGO, or inviting selected NGOs to participate in *ad hoc* working groups to address specific development issues.⁷ A particular role ascribed to civil society is to act as the 'watchdog' of local government, and to function as a countervailing power and as critical element of a system of local accountability.

Civil society organisations have welcomed these new opportunities, but recognise the need to reflect on their own strategies and development priorities, ways of working and organisational capacities. This is particularly the case for advocacy organisations used to a confrontational relationship with the government. The new dispensation requires that civil society work as a partner of government rather than as an

Notes

- ⁶ The Ministry of Home Affairs, with the assistance of GTZ, has developed a national framework for capacity building and has introduced a number of tools and processes to assist local governments deal with capacity issues
- ⁷ In Takalar, for instance, the Initiatives for Local Governance Reform (ILGR) programme set up multi-stakeholder working groups to prepare local poverty reduction plans, and legislation on transparency and accountability.

adversary. The idea of development partnerships also requires that civil society organisations learn to work together among themselves, something that was quite rare in the past.

There is much that needs to be done to get civil society's own house in order, particularly with respect to establishing credibility and legitimacy in the eyes of government, as well as in terms of developing basic organisational capacities. Typical problems facing the sector include:

- an unprecedented 'snowballing' of development NGOs, many of them created by former civil servants in order to secure funding opportunities;
- weak internal management capacities and poor governance;
- organisations built on the reputation and interests of individuals, who often have hidden political agendas;
- the absence of sustainable financing strategies, resulting in dependency on project funding;
- the lack of clear mandates and areas of specialisation/professionalism;
- the lack of resources to invest in strengthening their own capacity, especially in relation to core areas (advocacy work, policy analysis, service delivery);
- poor access to information, inadequate networking skills and weak representative structures; and
- poorly defined (blurred) relationships with other stakeholders, which affect their independence and integrity. Many NGOs are said to be linked to political parties, or to have strong family ties to officials serving in government.

Civil society is still in its infancy, and much needs to be done by the sector to ensure that it becomes a viable and credible development partner. Local governments also need to recognise the potential role that civil society can play, and to create opportunities for meaningful collaboration. Various initiatives are under way at national, provincial and district levels to support the further institutional development of the 'sector' and to facilitate the creation of partner-

ships.⁸ Looking to the future, key challenges for civil society include:

- developing sustainable funding strategies that will enable organisations to maintain their independence and invest in their own organisational development;
- weeding out those organisations that lack credibility and integrity by setting mechanisms to self-regulate based on agreed norms and standards;
- improving basic management skills to ensure good governance;
- for advocacy NGOs, learning to negotiate and to develop analytical skills, maintaining independence and keeping out of politics, and avoiding being co-opted;
- for service delivery NGOs, maintaining independence while providing services to government; and
- learning to cooperate and to build strength through organisational networking and resource sharing.

These generic features of civil society in Indonesia are reflected in South Sulawesi province as well as in individual districts such as Takalar. The province has, for example, witnessed a proliferation of NGOs in recent years, in large part in response to perceived opportunities for funding arising from official (government and donor) pronouncements that development initiatives must today include the participation of civil society organisations.

Mindful of these trends, a group of province-based NGOs has taken the step to create an umbrella forum, *Fig Orsorp*, to try to bring some order to the sector.⁹ The main priorities of the forum, which currently has some 40 members (less than 10% of registered NGOs), are to develop the capacities of its members through training and information dissemination, to share ideas, to join forces on particular issues, and to introduce a code of conduct. In turn, the members are expected to provide support to district-based civil society organisations, which are generally much weaker and less well organised than their provincial counterparts.

Takalar district is a case in point. A number of service delivery NGOs have emerged in the district and from time to time are contracted to provide services to the Takalar government. The district regent has recognised the added value such organisations can bring, especially in relation to community development work. Yet, these experiences remain the exception

Notes

⁸ For example, UNDP's Community Recovery Programme (CRP) works through NGOs, focusing on building capacities to support community empowerment. The CRP strategy includes promoting a networking approach, exchanging knowledge and creating alliances. It also provides small grants to local NGOs for advocacy work, and for initiatives to work with government. The programme is also developing the capacity of advocacy NGOs to engage in dialogue. Another example is the work of CIDA in South Sulawesi to promote partnerships and networking among civil society groups, and to encourage NGOs and local governments to move away from adversarial relationships.

⁹ *Fig Orsorp* is by no means the only forum. Several others focus on specific sector concerns or reflect different political viewpoints.

rather than the rule, and the motives underlying cooperation can be self-serving. NGOs, for example, might be attracted to government in order to access funding. Meanwhile the local government has been known to approach NGOs to try to access sources of donor funding linked to particular NGOs.

To a lesser extent, the district government has begun to engage with NGOs on policy and planning matters, but not on a systematic basis. Examples include the Initiatives for Local Governance Reform (ILGR), where two multi-stakeholder forums have been created. These are good initiatives but exist for now by virtue of this externally supported project. Local politicians argue that they now regularly canvass the views of civil society groups, recognising the value of their contributions to the formulation of local legislation. They also acknowledge their role as 'watch-dog' that can reinforce local accountability mechanisms. It was pointed out, however, that there is a tendency for the local government to engage with selected individuals whose support or expertise they value rather than to engage formally on an organisational basis. Critics argue that this is often done to co-opt vocal NGO activists in order to silence their criticisms.

3.4 Summary

The landmark legislation introduced by the government of Indonesia in 1999, aimed at decentralising government authority to provincial and district levels, has precipitated an unprecedented transfer of political, administrative and financial responsibilities from central to local government. As we have seen, it has also created space and legitimacy for civil society to engage more actively in local development processes.

Decentralisation is barely three years old, and it will take a considerable time to dust away the attitudes and practices associated with more than 30 years of centralist military rule. At the local level, Indonesia's over 400 autonomous district governments and their civil society partners face a huge challenge to fulfil the ambitions of decentralisation. There are no blueprint approaches to follow, and in line with the principles of decentralisation, each region is expected to make progress in accordance with local priorities and circumstances.

South Sulawesi province and districts within its boundaries such as Takalar have declared their intention to pursue decentralisation aggressively. To do so,

they need to overcome and address a number of key challenges, including bureaucratic inertia and resistance to change on the part of those who stand to lose out. Bringing in the new and sweeping away the old requires significant changes in mindset and attitudes, as well as new styles of leadership and management. It also requires that there is a capacity to manage the very change process itself. Almost the same can be said for civil society. New attitudes are required, new concepts of governance are needed, and new organisational capacities and networking skills have to be developed.

For SISDUK, the new political and administrative dispensation afforded opportunities to test novel development concepts that otherwise would not have been present. SISDUK makes more sense within the framework of decentralisation, offering an opportunity to bring into practice some of the concepts that underlie the principles of decentralisation. The delegation of authority to the district level also means that decision making has become a local affair. Issues concerning what SISDUK is and how it should function could now be decided locally by local stakeholders rather than being referred to a higher authority.

At the same time, decentralisation has brought about instability and unpredictability as districts and their partners learn to adapt to the new dispensation and iron out legal and institutional discrepancies and contradictions. The environment for piloting new concepts and practices could not therefore be said to be optimal. The promotion of participatory development approaches has to compete for the attention of senior decision makers who must contend with many other fundamental and urgent policy considerations associated with the new political and institutional dispensation.¹⁰

Despite a more conducive policy and institutional context, the architects of SISDUK would need to take account of the following realities:

- Communities at large have been wary of government intentions, having had few positive experiences of working with government departments, while from the point of view of government officials, communities are perceived as apathetic and unwilling to improve their own livelihoods, depending instead on government handouts.
- Technocrats have been used to planning and

Notes

- ¹⁰ There is widespread concern that the law swung the pendulum too far, and that in the haste of getting the law approved, driven by political imperatives, insufficient attention was paid to its implementability, particularly in relation to issues of capacity. The government is criticised for having tried to do too much too quickly, raising expectations, and creating a recipe for instability and turmoil, rather than measured change.

delivering services *for* rather than *with* the people. Extension workers well versed in technical fields and accustomed to implementing demonstration projects lack skills and exposure to social mobilisation and group facilitation techniques.

- Technical departments of local government have been used to working with their separate portfolios (based on their former role as central government executing agencies) and have comparatively little experience of working cross-sectorally in the development of district development plans.
- The relationship between local governments and NGOs had tended to be confrontational and there had been little opportunity or willingness to collaborate.
- Local governments (including local politicians) have been used to implementing projects that deliver tangible goods and services and are unfamiliar with the idea of providing process facilitation and empowerment support.

4 The capacity development process

This section reflects on the process of capacity development that was undertaken with JICA's assistance to put in place a system that could support and sustain the participatory development approach in Takalar district. It looks not only at what was done, but also at how things were done, and takes stock of the overall achievements recorded by the time that external assistance came to an end.

There are two points to make at the outset. First, the capacity development process that we are concerned with was primarily directed through JICA's assistance programme, rather than through a purposefully designed local process. The Indonesian partners played a key role in the formulation and implementation of the programme strategy, but JICA also made a significant contribution in designing and guiding the overall process. JICA functioned as a catalyst in stimulating change, inspiring new thinking and creating space for experimentation. Second, the capacity development process associated with SISDUK took place within a much broader and complex process of institutional transformation

linked to decentralisation. This larger agenda is clearly a 'home-grown' endeavour that emerged out of the political and economic crises of the late 1990s, whilst being supported by a considerable number of donor-financed initiatives. At this macro-level, one might be able to talk of an endogenous change process. The decentralisation process has itself raised a myriad of capacity challenges linked to fundamental issues of governance and service delivery, some of which impinge on issues of direct concern to the SISDUK experience.

This section therefore focuses on the four other elements of the analytical framework: the role of external intervention, the process of endogenous change and adaptation and the interplay between them, and the emergence of capacity within the SISDUK system to perform.

4.1 The strategy: building ownership while developing capacity

JICA's intervention strategy recognised the need to develop capacity while at the same time securing ownership across a range of stakeholders, by means of a carefully managed process approach. It was apparent from the start that for SISDUK to succeed, significant changes would need to take place within the immediate institutional environment within which SISDUK was embedded. The strategy had to focus on two things - first, shifting mindsets and attitudes as a basis for securing 'buy-in' from key stakeholders so that they would take ownership and provide leadership of the programme and associated concepts, and second, developing a set of core capabilities among concerned stakeholders to ensure that SISDUK could perform as intended. In the absence of broad-based ownership and commitment to the principles of participatory development, it was recognised that the adoption of new skills and systems alone could achieve little.

The intervention was divided into three main phases:

- a two-year preparatory 'socialisation' and design phase that comprised the conduct of baseline research, various social mobilisation activities and the development of training modules;
- a two-year training and pilot testing phase that included training of various cadres of personnel, the development and testing of systems and procedures, and the full implementation of the programme in pilot villages with the allocation of small grants to eligible community projects; and

- a one-year evaluation, dissemination and preparation for the 'handing-over' phase.¹¹

It is important to note that at the outset this 'strategy' had not been worked out in any degree of detail. On the contrary, the first two years were used to thoroughly understand the local context and, on the basis of this understanding, to co-design a detailed intervention strategy together with local participants.

4.2 Securing the necessary 'buy-in'

As we have suggested, the SISDUK approach ran counter to mainstream bureaucratic thinking and practice, challenging stakeholders to look at community development from a new perspective.¹² It required stakeholders - the political leadership, technocrats, NGOs and the community at large - to accept new roles and responsibilities, to accept a shift in the locus of decision making and resource management from formal government structures to community organisations, and to find ways to work across organisational and departmental boundaries.

Although the wider decentralisation process provided a more sympathetic framework for thinking about participatory development and partnership between local stakeholders, and in this regard could help provide needed legitimacy to the programme, the majority of stakeholders had little or no practical experience of implementing such concepts in the field.

SISDUK could only succeed if the participants believed in the concept, were willing to provide space to experiment and to learn, and were prepared to adopt new practices and working relationships. Accordingly, an approach was adopted based on awareness raising, continuous learning and a process of internalisation of new concepts and approaches. In this regard, it is interesting to note that the JICA team defined the main purpose of the programme as being to promote organisational learning, rather than of necessarily achieving measurable results on the ground. For the same reason, it was decided to establish the programme within existing institutions rather than to create a special project implementation unit that could have otherwise expedited the delivery of project results. At the same time, JICA's presence served to create a 'protected' space within which the programme could develop. As we shall discuss later, this protected space buffered the pro-

gramme from the larger local government system within which it was located.

Significantly, almost half of the life of the project was devoted to conducting socio-economic and social systems research, socialising different stakeholder groups, undertaking training, and designing an appropriate delivery mechanism based on the participatory development methodology that the JICA experts brought from Japan. Throughout, JICA experts were encouraged to work hand in hand with their local counterparts. Emphasis was placed on listening and on achieving consensus, although at times the team would request departmental heads to issue directives to subordinate staff when it was felt that persuasion and demonstration approaches alone were not having the desired impact.

Interestingly, this somewhat lengthy process approach generated some impatience both within JICA headquarters as well as within the Takalar local administration. Both were anxious to see tangible results on the ground and for some time remained unconvinced of the institutional learning approach that the team was using.¹³ Yet with time, local stakeholders began to appreciate the approach, as did JICA. The district regent (Bupati), responding to critics, made the point that he understood the role of external agents to assist the district to develop its organisational capacities, including changing mindsets to manage the programme, and that in turn the district should be held to account for the delivery of results on the ground based on acquired capacities - not the project. This more enlightened view was later acknowledged by a number of other senior personnel who recognised the value of having invested in a long preparatory phase in order to socialise a wide range of stakeholders in the use of this approach.¹⁴

The process approach clearly succeeded in winning over many stakeholders to SISDUK. During interviews they continued to express a high level of enthusiasm and conviction for everything that SISDUK stands for.

Notes

- ¹¹ A post-completion evaluation was conducted in December 2003
- ¹² This is not to say that SISDUK was the first or only participatory development model to be tried out in Indonesia, but it presented an approach that differed significantly from traditional community development programmes that had operated in the district.
- ¹³ Several informants criticised the Indonesian government for typically rushing through policies without thinking about the downstream (implementation) consequences. Too much emphasis, it was felt, was given to the issuing of laws and decrees to bring about change without paying sufficient attention to process considerations.
- ¹⁴ Nevertheless, they felt that in future the process could be quickened now that most of the groundwork had been completed.

Yet, credit is also due to two critical local factors that facilitated the task of securing ownership and building commitment:

Favourable policy context. It was a matter of chance that the introduction of SISDUK coincided with the adoption and then implementation of the law on local autonomy (law 22/1999). As we saw in section 3, the law provided a somewhat favourable policy framework for testing a participatory development approach, and was important in at least two respects. First, it empowered district authorities to take initiatives and to develop their own projects and programmes. Previously, local governments had functioned as the executing arms of central government departments with little or no discretionary authority. Second, it offered a policy framework that emphasised participatory development, partnership and local accountability as the cornerstones of a system of local democratic governance. It therefore sent out the right policy signals. The JICA programme offered a practical opportunity for the district to test and give practical meaning to these policy statements, and was therefore welcomed by a political leadership anxious to move forward with decentralisation.¹⁵

Ownership and commitment at the highest levels. While SISDUK relied to a significant extent on expatriate technical assistance to work with counterpart technical personnel, the local political leadership - in the form of the regent (Bupati) - played a crucial role in championing the process and in giving political support to the initiative. This proved particularly important in terms of bringing on board rank-and-file civil servants who were not necessarily willing to change their ways of working, and in terms of eventually passing a law to formalise the process and allocate funds from the district budget. In an administrative culture that largely depended on the issuing of instructions and directives to get things done and where subordinate staff were not accustomed to taking the initiative on their own, the securing of support at the highest levels was of paramount importance. Moreover, in the context of political decentralisation, local political decision makers had been given a key role to play in providing vision and

guidance in a change process, and in giving legitimacy to any capacity development processes.

Securing ownership and commitment of local stakeholders to SISDUK was not a stroke-of-the-pen affair but a process that accompanied the entire life of the programme, including its more tangible capacity development components that are examined here. Whilst it might be assumed that the ownership of a concept or policy is a precondition for investing in capacity development work, the case suggests that the participation of stakeholders in training activities, as well as in the design and field testing of the overall SISDUK system, served to reinforce the general level of ownership and commitment. The two processes proved themselves to be mutually reinforcing.¹⁶

4.3 Developing capabilities

Besides securing the necessary 'buy-in' of stakeholders, the challenge facing the JICA team and its partners was to ensure that the necessary capabilities were in place to allow SISDUK to function on a sustainable basis and eventually without external assistance. Although there is no evidence of a formal capacity needs assessment having been carried out, the JICA team used the preparatory phase to consider options for putting in place the necessary capabilities.

Working within existing structures

As a point of principle, whatever system was to emerge had to be anchored within the existing local government system of Takalar district; as noted before, the creation of a parallel structure was not considered appropriate. An approach was eventually adopted that embedded the programme within the district's administrative structures. At the same time, it was necessary to develop distinct rules and procedures and to put in place dedicated systems and structures, supported by personnel conversant with participatory development methodologies. Crucially, this envisaged setup would serve to complement rather than replace Takalar's existing planning and service delivery systems and procedures, and would ensure the effective functioning of SISDUK.

The management setup

The development of a programme management system at the district and sub-district levels was a comparatively uncontroversial process. The JICA team together with local partners were able to devise a management structure that co-opted personnel from

Notes

- 15 Note that South Sulawesi is one of the more progressive provinces as regards the implementation of the regional autonomy law. Moreover, the region has a tradition of chieftainship - the re-establishment of local politics and local accountability has been welcomed as an opportunity to reunite government and people.
- 16 One government official noted that literacy levels are generally low and that local stakeholders, including local government personnel, embrace ideas more easily through practical experience rather than through theoretical explanations. Even for professionals, knowledge and ideas are often best transferred and assimilated through practical exposure.

the existing local government establishment. At headquarters level, a district coordination team was created with supervisory and management responsibilities, and the final say in the approval of projects. The team was expected to provide policy guidance and technical assistance during implementation and to monitor and evaluate activities on the ground. It was decided to locate the secretariat within Takalar's community development department,¹⁷ which from a professional point of view was the logical place to embed the programme. The head of BAPPEDA, the district planning agency, was however appointed chairperson of the secretariat. Members of the secretariat were co-opted from various technical departments of Takalar administration, so that they could offer advice during the appraisal of proposals. Such representation in the secretariat was also intended to broaden ownership for SISDUK across technical departments.

At the sub-district level, an advisory team was constituted by co-opting existing staff serving at that level, to function as an interface between villagers and their respective field officers (see below), and the district coordination team. Members included the head and secretary of the sub-district as well as representatives of technical departments. The advisory team was charged with responsibility for reviewing initial proposals, verifying information in the field and completing proposals for final submission to the headquarters level. As these were considered to be extra responsibilities that fell outside the formal job descriptions of such officers, it was decided to offer a small honorarium to compensate them for the extra work involved.

At the village level, it was envisaged that field officers would work hand in hand with community groups to facilitate the process of empowerment and project identification. This was seen to be the most important function within the entire SISDUK system. However, it proved to be an area where the kind of expertise required was lacking within government structures. For example, departments such as agriculture and forestry had their own extension staff, but these were not considered competent to work with participatory development methodologies. Besides, it would not be possible for such personnel to give the level of commitment required without compromising their main responsibilities. The role of the field officers was also sensitive - by empowering groups that traditionally lacked authority and status within the

community they risked challenging the authority of village leaders.

Drawing on NGO expertise

Eventually the decision was taken to recruit a dedicated cadre of field officers specialising in participatory development methodologies, who would function as the critical link between the community and formal structures. Despite some initial reluctance on the part of the Takalar administration, the field officers were finally contracted through a provincial NGO based in Makassar,¹⁸ rather than from within the government service. This represented a novel way of working both for the local government as well as for local NGOs. It offered an alternative way to address capacity 'gaps' and provided an opportunity for unfamiliar partners to work together around common objectives. Salaries and allowances of the field officers were initially paid for through the JICA project and subsequently by the Japanese NGO PeaceWinds. But since the termination of Japanese assistance, Takalar district has in principle assumed responsibility for meeting these staff costs.

Laws, rules and procedures

Rules and procedures were also drawn up to guide the implementation of SISDUK. These were subsequently formalised in the form of a technical manual setting out the programme's objectives, roles and responsibilities, the project cycle, eligibility criteria, management arrangements and related procedures for the appraisal of proposals. They also resulted in the issuing of a legally binding district regulation by the Takalar parliament. This was significant not only because of the status it conferred on SISDUK as a formal district programme (rather than as a donor project), but also because it meant that SISDUK could be incorporated into the development budget of the local government. It also implied that the programme would be ultimately accountable to Takalar parliament.

Training

Considerable attention was also given to the provision of training to various groups of stakeholders. Training was seen to perform two functions - to impart key skills to staff to enable them to implement SISDUK effectively, and to sensitise personnel to wider concepts and ideas associated with participatory development methodologies, thereby helping

Notes

¹⁷ The secretariat supports the district coordination team and ensures that all parties fulfil their responsibilities. It takes care of the day-to-day management of the programme and prepares monitoring reports.

¹⁸ Although initially rejected by the local government, the idea was eventually accepted when it was recognised that the NGO could mobilise individuals with the necessary technical competences.

to generate interest in and support for SISDUK in general.

The main objective of the training was to address skills gaps. Training needs were identified for three groups of personnel - provincial and local government decision makers and planners; front-line officers working within technical departments at the district headquarters and sub-district levels; and the field officers seconded to the local government from the provincial NGO.¹⁹

From the start, it was decided to adopt a 'training of trainers' approach so as to minimise reliance on external expertise and in order to develop a locally based capacity to promote and provide training on participatory development over the longer term.²⁰ This required that the programme identify suitable training service providers and to establish a cooperative working relationship between the different parties involved. A cooperative framework was therefore developed that included the provincial university, South Sulawesi's Provincial Village Empowerment Agency (BPM), and the provincial NGO that had been contracted to supply the field officers to Takalar district. This tripartite group was expected to work together to develop a set of training modules and to deliver courses, initially to personnel in Takalar district, but eventually to other districts across the province. In this respect, the training component had a provincial dimension from the outset that may be contrasted with the pilot implementation programme that focused only on Takalar district.

The division of tasks among the three training providers was as follows. The university, with the assistance of Japanese experts, was tasked with the production of a localised 'mother' module based on a pre-existing Japanese version. On the basis of this module, customised training packages were developed with the assistance of the other partners. The university was responsible for training planners and decision makers, while the provincial government trained front-line technical staff. Meanwhile, the

NGO offered training to their field officers and other interested NGOs. The three institutions shared expertise so that, typically, an NGO trainer would participate in the training events offered by the other partners and vice versa.

Besides training, the three institutions could also offer technical guidance and support to districts interested in applying participatory methodologies. In this regard, the BPM has played a lead role through their institutional links with district-level PMD offices, but the university has also provided consultancy services directly to several districts. The BPM has also been involved in organising study tours to Takalar district for staff from other districts.

Not only did this approach contribute to the development of a core group of organisations at the provincial level that could be counted upon to promote the SISDUK concept in other districts, it once again demonstrated the potential for pooling expertise and of building collaborative partnerships between NGOs and government. This again was timely, as the law on regional autonomy allowed local governments the discretion to identify local partners or service providers, something that had been less easy to do when local governments functioned as deconcentrated units of line ministries.

Mentorship

The activities aimed at developing a set of core capabilities to manage SISDUK were not treated as stand-alone actions but as elements of the wider 'process' approach that characterised the overall development of SISDUK. Discrete activities such as training were typically accompanied by what may be termed *mentoring* services provided by the project team.

Mentoring was important in terms of helping to link up the different elements of the capacity development strategy, particularly with respect to bridging the divide between formal training and system development and practice on the ground. It also helped to promote dialogue and exchange between the various stakeholders involved in the programme and outside experts. As an illustration of its value, field officers noted with appreciation the routine coaching they had received from the JICA team, emphasising the weekly and sometimes daily interactions they had had with the team to plan and review their work and to discuss issues and challenges as they arose. This made them feel part of a team, inspiring confidence and an interest in learning.²¹ Meanwhile, one senior

Notes

- 19 Of course, the communities with which the programme eventually worked were also a target group, and were exposed to various forms of formal, informal and on-the-job training provided by the field officers as well as other technical staff.
- 20 Selected individuals were also sent on study tours and short courses in Japan. Some interviewees who had participated in such trips felt that the opportunity had served to open their minds to the participatory development concept and gave them the enthusiasm to introduce it in Takalar.
- 21 Unfortunately, this type of working relationship ended as soon as the project stopped. Field officers now feel that they are viewed as 'tools' rather than as 'partners'.

district official commented that the emphasis on learning from practical experience and exposure, as well as from textbooks, had played an important part in changing mindsets and winning support for the programme.

Local capacity and know-how

The programme was able to capitalise on a number of *existing capabilities* that were present in the district and which facilitated the implementation of SISDUK. The recognition that there were programmes and individuals with relevant knowledge, skills and experiences that could be worked with surely contributed to the relative success of the initiative, complementing the knowledge and ideas that were being brought in from outside.

This could be observed at a number of levels. Takalar district, for instance, had a tradition of community-level self-help, including savings and credit schemes, so that the concept of working in groups to address community needs was not really so new. The local government itself had had some experience of supporting village development initiatives, albeit in a more top-down manner, as well as microcredit schemes, a number of which had been introduced by the district's political leadership that was now anxious to support SISDUK. A number of NGOs at the provincial level had meanwhile been accumulating experience in working with community groups and this expertise was seen as a resource that could fill a gap within the local government's outreach capability.²²

4.4 Achievements

Between 1997 and 2002 significant strides were made to put in place a functioning system to support participatory development in Takalar. Furthermore, capacity had been created at the provincial level to provide ongoing backstopping support to Takalar as well as to other districts interested in participatory development approaches.

The achievements recorded over this period can be largely attributed to the process approach that characterised JICA's support strategy, and which very much reflected conventional wisdom on good practice for capacity development (see box). The approach recognised the importance not only of developing skills and systems but, equally, of working on the mindsets of local stakeholders so as to ensure

that there was sufficient ownership for SISDUK and a demand for it to function successfully.

Key features of the intervention strategy

- A focus on process facilitation and institutional development;
- a significant upfront investment in the social mobilisation of key stakeholders;
- avoidance of project implementation units;
- emphasis on developing the capacities of a system to deliver rather than focusing on achieving quick results on the ground;
- mobilisation of available expertise through collaboration with civil society;
- creating the capability for providing training and advice at the provincial level to enable wider replication and ongoing facilitation;
- a capacity development strategy combining training, systems development, networking and mentoring; and
- a focus on empowering communities to develop their own capacities to address local development challenges.

But, JICA's support could only serve as a catalyst for change. To succeed, it required the active engagement and support of local stakeholders. The process that JICA initiated was able to take advantage of a number of features in the local institutional environment that helped provide legitimacy to the initiative and which provided space and the opportunity to innovate. The most significant factor was a comparatively favourable policy framework brought about by the new law on regional autonomy, strong and visionary political leadership at the local level, as well as the existence of a number of relevant capabilities among local stakeholders that provided a foundation upon which to build. By the end of the project period, an identifiable and viable 'system' was in place within Takalar district, capable of promoting participatory development according to SISDUK's principles.

At the village level,²³ the programme had succeeded in:

- orienting village leaders and villagers towards the concept of SISDUK to the point that they were willing to support its implementation and engage in the process;
- creating a more positive climate of cooperation and trust between government officials and com-

Notes

²² Although many respondents conceded that in many instances NGOs were not much better than governments in terms of practising participatory development. The point was made that all too often, NGOs prepare proposals for rather than with communities.

²³ Pilot villages only.

munity members to the extent that there was a greater willingness on both sides to engage in joint activities; and

- contributing to a gradual process of community-level empowerment, as reflected in an emerging capacity among the groups that had been involved in the SISDUK pilot programme to identify their needs, to organise themselves into viable groups and to mobilise local resources.

At the district level, the programme had succeeded in:

- securing broad-based political support for the SISDUK concept, as reflected in the leadership and commitment of the district regent;
- putting in place a legal framework that served to recognise the programme as a district responsibility and which assured access to the district's budget resources;
- establishing a management structure, systems and procedures that were embedded within the administrative setup of Takalar district that served to operationalise SISDUK;
- nurturing a core group of local government staff with skills and aptitudes to support the implementation of the programme, and a growing awareness of the potential benefits that participatory development approaches can bring to local development and poverty reduction; and
- facilitating the recruitment of a cadre of field officers by the Takalar administration that were trained and supplied by a contracted NGO.

At the provincial level, the programme had succeeded in:

- putting in place a basic capacity to provide districts with ongoing training and organisational support/backstopping on participatory development, based on a tripartite institutional arrangement between the university, the provincial government and a provincial NGO;
- developing a set of core modules and training programmes; and
- sensitising a core group of committed individuals conversant with the SISDUK approach and willing to promote its use across the province.

The capacity development process associated with SISDUK also yielded a number of unanticipated but positive capacity-related outcomes. Whilst these are less specific in nature and do not necessarily relate directly to the capacity to support SISDUK, they are of potential relevance to the wider process of local

government capacity development in the context of decentralisation. In this regard, it may be argued that the SISDUK experience contributed to:

- an improved understanding between government and citizens about their respective roles and responsibilities;
- a growing awareness of the potential benefits to be gained from joint action between governmental and non-governmental actors;
- an emerging understanding of what is meant by community empowerment and participatory development that is helping to shift thinking away from conventional top-down approaches;
- providing insights into how the formal district planning process can be enhanced through more meaningful processes of dialogue and consultation with community groups;
- rethinking the way in which other community-oriented programmes can be implemented; and
- raising awareness among stakeholders about issues of accountability and transparency in the context of decentralisation.

5 Whither SISDUK ?

This final section takes stock of the development of SISDUK after the departure of JICA and considers the ways in which the programme was transformed in a relatively short period of time. It then discusses the reasons for this transformation and the implications for capacity development.

5.1 Recent developments

In 2002, after five years of intensive support, JICA's assistance to SISDUK came to a close. The period since JICA's departure offers an opportunity to examine how far the achievements recorded during the period of assistance have been sustained, and to consider the extent to which an endogenous process of capacity development led by local actors themselves has taken over the task of promoting SISDUK. Admittedly, the time period since JICA's departure is a short one. Takalar has been running SISDUK on its own for just over two years, yet a number of interesting lessons of experience have begun to emerge.

SISDUK remains in place, backed up by a local gov-

ernment regulation and financed through the local government's own budget. It is regarded by the Takalar authorities very much as a locally owned programme. An association of alumni of SISDUK trainees has even been set up that, according to its members, meets on a regular basis to discuss community development issues. Senior management talk enthusiastically about SISDUK and of its contributions to local development and to the strengthening of the decentralisation process in general. All of these anecdotes serve as encouraging indicators of ownership and commitment. Moreover, at the provincial level, the university, provincial government and the NGO continue to provide training and promotion work related to SISDUK. Some eight districts have shown interest in the Takalar experience and are considering doing something similar in their own localities. Maros district has perhaps gone furthest. It has already identified a pilot village to test the approach, and has secured the services of a number of field officers who were involved in the Takalar pilot project.

Yet on closer examination, and despite the achievements recorded during the pilot phase, it becomes apparent that SISDUK has changed in a number of fundamental ways. Crucially, key elements of the participatory development system that reflected the central tenets of the SISDUK approach are no longer being practised as originally intended. As a result, many of the capabilities that had been developed to make the SISDUK concept operational are not being used. Why is this so?

Two interrelated things seem to have happened. First, in 2002, Takalar decided to expand SISDUK from the initial four pilot villages to all 73 villages in the district. This represented a huge and traumatic shift for the programme, catapulting what had been a closely managed pilot project into a large and more politically sensitive district programme. This inevitably carried implications for the way in which the programme could be managed, and raised important questions to do with the ability and willingness of Takalar to safeguard the values, principles and practices of SISDUK at this scale of operation.

Second, the Takalar government decided to link the funding of SISDUK to the budget of an existing village development programme that predated both SISDUK and, for that matter, the decentralisation law. This decision enabled SISDUK to secure a much larg-

er budget than would otherwise have been possible and was crucial for enabling the programme to go to scale. Yet, in so doing, it locked SISDUK into another programme logic that differed substantially from that of SISDUK. The village development budget in question is a block grant that was traditionally distributed to village heads. There are few criteria to determine how funds are used and, crucially, responsibility for the use of the funds rests with the village head, not with the community at large. Budget allocations are made on the basis of equity (equal access for all villages) and entitlements, rather than on the basis of bottom-up participatory development and community empowerment processes. Traditionally, the purpose of the grant is mainly to enable villages to implement local infrastructure projects.

This meant that from 2002 onwards, each village has been allocated a predetermined sum of money to be used at its own discretion. The flexible project cycle that characterised SISDUK has also been tied back into the district's more formal annual planning cycle, with the consequence that villages are required to submit project proposals according to a predetermined calendar. Another innovation was to set aside 30% of the SISDUK budget for exclusive use by the village head. This was done to appease village leaders who argued that the entire budget should be under their control and who were not inclined to allow other independent groups to control resources. Such innovations, which were implemented over a relatively short period of time, turned the SISDUK concept on its head. The fundamental principle of a community-based, bottom-up planning process has been replaced with a more conventional technocratic and disbursement-based process. The emphasis given to community empowerment has been replaced by an emphasis on infrastructure development.

Why have the authorities allowed SISDUK to change so dramatically? What has this meant in terms of the level of ownership and commitment that had been built up in support of the SISDUK concept? What has this meant for the SISDUK system and related capabilities that had been carefully crafted? On the ground, a number of changes can be noticed.

First, the crucial function of community level facilitation that was at the heart of SISDUK could no longer be carried out as initially conceived. There were simply not enough field officers available to do the kind

of community work envisaged under SISDUK now that the programme had expanded to 73 villages, and now that the timeframe for the identification and planning of project proposals had been significantly reduced. Perhaps more significantly, the rationale for their work had changed, especially as many village heads believed that the funds were rightfully theirs to use. At best, the field officer was seen as someone who could assist the village head to draft project proposals, and not to work in a more substantive way with community groups. Field officers reported numerous difficulties in winning over the support of village heads, citing many instances when village heads would refuse to countersign project proposals. This was particularly the case in villages where the village heads had not been sensitised to the (original) concept of SISDUK. This pointed to a general problem associated with the expansion of the programme - that insufficient attention was given to ensuring that stakeholders were adequately sensitised to the concept of SISDUK and how it was supposed to work. Moreover, during the first six months of 2002 when the programme was undergoing expansion, there were actually no field officers in station. Without them, the crucial mechanism for communicating SISDUK and engaging local participants in a learning process was lost, and communities and village heads were left to interpret the programme as they wished.

Second, the elaborate system that had been set up to guide the appraisal of project proposals began to be bypassed in favour of a simpler and more rapid approval process. According to several informants, the assistance teams replicated at the sub-district level on the basis of the experiences of the pilot project exist in name only. Members have not received the required training and orientation regarding their expected roles and functions. Moreover, it is no longer entirely clear what they are supposed to be doing. Instead of reviewing proposals on the basis of set criteria and following up in the field, as originally foreseen, the teams simply process applications, endorse them and send them up to the headquarters level. A dispute over honorariums for assistance team members has also led to disaffection and unwillingness to support the process more attentively. Increasingly, this component of the SISDUK system is simply bypassed so that proposals are submitted directly to headquarters level by field officers or village heads. It may also be noted that the headquarters has

apparently emphasised the importance of processing applications as quickly as possible in order to ensure timely disbursement of project funds. This has perhaps discouraged a more thorough scrutiny of proposals. At the headquarters level, the project review process has also been shortened and simplified. Field visits are rarely carried out, and the kind of interdepartmental review process that had been encouraged during the pilot phase rarely takes place. Again, emphasis is given to processing applications as quickly as possible so as to ensure that the 73 villages receive their disbursements on time.

These developments suggest that the SISDUK system, which had been designed as a flexible instrument to respond to community initiatives and contribute to community empowerment, is gradually being transformed into a more bureaucratic instrument designed to disburse funds as rapidly as possible to as many villages as possible through a more conventional system of planning and budgeting.

5.2 Lessons learned

What can be learned from these recent developments? The remainder of this section considers a number of explanations for the changes that have taken place over the past few years.

First, institutionally, SISDUK may have been ahead of its time and could not easily be supported by the wider institutional environment. Conceptually, SISDUK may have proven too challenging for local stakeholders. Despite the achievements made in diffusing new ideas and in developing a number of specific capabilities to support the SISDUK approach, traditional norms, values and practices associated especially with the local bureaucracy set limits on what could be achieved by one programme.

Although decentralisation had created a more favourable framework for testing ideas such as SISDUK, institutional stakeholders at the local level are still learning to adjust to the new decentralised dispensation. Local democracy and concepts of participatory development remain novel ideas. Different local stakeholders need to learn what these concepts mean for themselves. The bureaucracy is still emerging from decades of centralist rule. The concept of local partnerships between civil society actors and state institutions is still new. Decentralisation has also transformed the relation-

ship between provincial and local government. From a previously unambiguous hierarchical relationship, to one that is now supposedly one of equals, where the role of the province is supposed to be to guide rather than instruct, officials are still learning to adapt to the new dispensation. Thus, local governments, civil society organisations and the community at large are just beginning a journey of institutional adjustment learning to adopt new roles and responsibilities and to question old practices and norms.

Bureaucracies are, under any circumstances, not known for encouraging innovation and for departing from tried and tested procedures. Delivery systems built on novel conceptual frameworks such as SISDUK that place significant time and management demands on government departments already understaffed and lacking critical capacities, risk being simplified in order that they conform more easily to existing systems, procedures norms and values. This pressure to comply with mainstream bureaucratic practice also makes the task of forging cooperative links with other stakeholder groups especially challenging.

Second, the concept of SISDUK may have been insufficiently embedded in the minds of local stakeholders to ensure its survival, and to withstand the challenge of other agendas and institutional pressures. The concepts and practices associated with SISDUK had not been sufficiently disseminated beyond a core group of stakeholders who had participated directly in the pilot project. In a context of regular staff transfers and a rapidly changing political context, this meant that the programme could quickly lose the policy 'champions' who really understood SISDUK, and who could safeguard its further development after the ending of external assistance. Already, a number of persons who had participated in the pilot phase of the programme are no longer in positions where they can influence the direction of the programme. Meanwhile, those who perhaps had the most intimate knowledge of the system - the field officers - lack the authority and influence needed to defend the programme and to call into question emerging new practices. Crucially, changes in political leadership have also brought in new perspectives and priorities.

From an incentives perspective, it might well be the case that SISDUK as a new and innovative concept offered insufficient benefits to those with power and

influence to justify the level of effort required to keep the programme on course. In other words, who stood to gain from a programme that aimed to empower community groups? Politicians might be more interested in being associated with a fast disbursing project covering as many villages as possible, rather than a slow disbursing project that offers few short-term and visible benefits. Village heads might also prefer the idea of retaining control of budgets rather than seeing resources distributed among groups over which they hold little influence. Technocrats may well prefer to remain in control of the project cycle, using systems and procedures with which they are familiar and taking decisions on behalf of communities. By contrast, those who were likely to understand the system best - the field officers - or those who stood to gain from the process - the community at large - are those with the weakest political and administrative influence.

Third, provisions to ensure the continuation of the capacity development process following JICA's departure had been inadequate, reflecting a possible underestimation of the challenge to mainstream SISDUK. During the pilot phase SISDUK evolved as a kind of subsystem embedded within the larger system of local government. This subsystem was composed of a number of stakeholders with defined roles and responsibilities and guided by clear systems, rules and procedures. A certain set of norms and values also characterised the SISDUK system, spearheaded by the vision and leadership of the JICA team.

JICA's presence buffered the SISDUK system from the larger local government system, creating space for experimentation and innovation and, to some extent, enabling it to develop its own organisational culture, whilst remaining part of the local government system. The presence of JICA also created an alternative set of incentives and accountability arrangements that generated a demand for the system to perform in a certain way. JICA could also play a critical 'umpire' role, monitoring the evolution of the programme and 'blowing the whistle' if the process appeared to be going astray. This provided an important quality assurance function.

Things changed dramatically once JICA's assistance was withdrawn. All of a sudden, the protected space that SISDUK had enjoyed was removed and, crucially, there was no facility put in place to mediate a super-

vised process of integration and absorption. SISDUK was therefore exposed to a number of challenges and pressures from the wider system to adapt, and in the process, key elements of the SISDUK concept and practice were compromised. With the emergence of new policy priorities guiding SISDUK, namely to expand the programme across the district and to shift back to a more bureaucratic mode of planning and budgeting, the specific capabilities that had been developed to make the SISDUK concept operational slowly became redundant. The systems and procedures that had been established were bypassed, the programme management structure failed to function as foreseen, while the field officers were transformed into administrators rather than process facilitators.

Could local stakeholders have assumed the role that JICA had played? Although capacity was developed at the provincial level, among NGOs, the university and the provincial government, these collaborators had not been mandated to monitor or supervise the continued development of the programme in a way that the JICA team had done. In this regard, it may be recalled that the NGO and university stakeholders had functioned primarily as service providers to the Takalar government. They had offered training and personnel services but had not enjoyed partner status with a seat at the decision-making table. Meanwhile, as the principal stakeholder, it was not appropriate for the Takalar government to monitor itself. In hindsight, the programme could have benefited from the services of a process facilitator to guide the further development of the system, manage the absorption process and hold all stakeholders to account.

There is however an alternative interpretation of events, put forward by a number of local stakeholders, that questions some of the arguments put forward above. They suggest that the SISDUK concept, as originally conceived, is in fact still alive in Takalar. What has been witnessed is the adjustment of the concept to take account of local institutional realities. In this regard, they argue that SISDUK has proven itself to be a flexible concept - rather than a rigid model - that can be moulded to a variety of situations. Compared with other districts in Indonesia, especially South Sulawesi, Takalar is seen as the only one to have a relatively clear guideline on how to support local development initiatives in a bottom-up manner, notwithstanding some imperfections.

Whilst it is recognised that some of the key elements of the SISDUK approach have been weakened in the past two years, the fact remains that the political leadership continues to support it, as evidenced by the ever-larger budget allocations made to the programme and their continued willingness to meet the costs of field officers.

The fact that SISDUK continues to exist despite the various challenges it has been exposed to is further evidence that the SISDUK flame burns on and that there are enough people willing to ensure its survival. The decision to allocate a third of the budget to village heads is seen as an effectively negotiated compromise responding to institutional and political realities. Whilst allocating the full SISDUK budget to community groups as initially conceived might be desirable, it is politically risky in a situation where local leaders have been used to a patronage culture, and to unquestioned authority and control of resources. Through this 'win-win' solution, communities still retain access to 70% of the funds, whilst the village heads do not feel that their authority has been compromised. Meanwhile, a recent decision by the Takalar government to increase the number of field officers and to prioritise one village per sub-district is also seen as an acknowledgement that the earlier decision to expand the programme to all 73 villages had underestimated the impact of this move on the programme's implementation capacity and impact. A number of senior field officers have also taken the initiative to empower their young colleagues and to try to embrace them as closely as possible into the ideal SISDUK, providing further evidence that stakeholders are willing to learn and adapt new practices.

5.3 A final word

This case study perhaps ends on a rather inconclusive note. A number of explanations have been proposed as to why the achievements recorded during the pilot phase were seemingly reversed in a relatively short time. There are two perspectives on this. One perspective suggests that the participatory development concept was not sufficiently embedded in the minds of key stakeholders and that it was gradually taken over by other processes and agendas. An alternative perspective is more confident that the future of SISDUK is assured and that what has been witnessed represents the expected 'teething problems' of any new initiative that will be overcome in time. It remains to be seen whether the recent develop-

ments will mark an eventual disintegration of the SISDUK concept, or whether the events of the last few years represent no more than ripples in a longer process of adjustment and consolidation. For sure, the period of time that has elapsed is a short one. Institutional development processes by their nature need to be looked at in a longer-term perspective. The onus now rests with the political leadership of Takalar as well as with other champions of SISDUK to decide what is to become of the system in the years to come. In future, will it be looked at as something that sowed the seeds and catalysed a more systemic change in the ways in which local stakeholders work together to address local development challenges, or as an interesting experiment that had had good ideas but that was simply not viable?

This case has provided some fascinating insights into the ways in which we think about capacity and capacity development issues. One of the messages emerging from the case is that in some situations, developing the formal capabilities that allow a system to perform can be a comparatively straightforward exercise. A far more difficult task is to know how best to diffuse new and challenging development concepts that are needed to give direction and meaning to such systems. This is especially so within organisational cultures that are less open to innovation and change.

Whilst we can say that the pilot project succeeded in creating a capacity to implement the SISDUK concept through training, creating a management setup and defining rules and procedures, it is less easy to argue that it was as successful in securing ownership of the SISDUK concept among key stakeholders. This is in part a measurement problem. How does one go about measuring changes in attitude? Over what time frame should this be done, given the lag that exists between translating knowledge into new attitudes, and new attitudes into changed practices? And how broadly must the concept be owned for it to be sustainable? Other questions also arise. Does it really matter that the original concept of SISDUK was adapted to suit local agendas. Is that in fact an indicator of local ownership or rather evidence that a good idea has been captured by particular interest groups?

Finally, on what criteria should the SISDUK experience be judged? Narrowly, in terms of how well it managed to set up a particular delivery mechanism

(thus seeing SISDUK as an end in itself), or more broadly, in terms of its contribution to the larger process of strengthening local governance in Takalar district?

Annex: Individuals and organisations consulted

In Jakarta

J. Arulpragasam	Senior economist, World Bank
H. Basuki	Programme officer (development), Embassy of Canada
S. Dwikardana	Deputy team leader, Asian Development Bank
M. Ibrahim	Sub-directorate, village development, Ministry of Home Affairs
Y. Kobari	Representative, PeaceWinds, Japan
B. May	Team leader, support for decentralisation measures, GTZ Indonesia
J. Murray	Counsellor (development), Embassy of Canada
T. Oiwa	Deputy resident representative, JICA Indonesia
M. Pohan	Director, regional autonomy development, BAPPENAS
A. Prouty	Programme coordinator, community initiatives unit, UNDP
E. Rahman	Consultant, governance reform initiatives, World Bank
R. Rohdewohld	Policy adviser, support for decentralisation measures, GTZ Indonesia
A. Rudiyanto	Directorate cooperation for sectoral and regional development, BAPPENAS
C. Sumadilaga	Director, bilateral foreign cooperation, BAPPENAS
M. Suwadi	Director-General, regional autonomy, Ministry of Home Affairs
A. Syebubakar	Programme officer, community initiatives unit, UNDP
P. Thorpe	First secretary (development) Embassy of Canada
D. Ueda	Assistant resident representative, JICA Indonesia
S. Watanabe	Adviser, foreign aid coordination and management, JICA
T. Wiranto	Deputy chairperson for regional autonomy, BAPPENAS

In South Sulawesi

Abd Rajab Gani	Village head of Desa Barugaya
Akhmar	ILGR coordinator, Takalar district
Ashar Arsyad	Vice-chair, provincial NGO forum (Fig Orsorp)
Asirah	SISDUK field officer
Ali Bas	SISDUK field officer
Bachtiar	PLSD trainer, Universitas Hasanuddin
Darmawan	PLSD trainer, Universitas Hasanuddin
H. Dahyar	Director, BAPPEDA, Takalar district
M. Firda	Community Empowerment Board, South Sulawesi provincial government
Hassim	PMD, community empowerment department, Takalar district
Ms Kasmawati	Head, Community Empowerment Board, South Sulawesi provincial government
H. Napsah Baso	Chair, Takalar district parliament
H. Natsir Husain	Chief executive (SEKDA), Takalar district
Nurlinda	SISDUK field officer
Oyang	Former JICA counterpart, PMD, Takalar district
A. Parawansa	Former chair, sub-district assistance team, Takalar district
A. Rahman	Community Empowerment Board, South Sulawesi provincial government
Diagusta Randa	BAPPEDA, South Sulawesi
Ibrahim Rewa	Bupati, Takalar district
Sakuma	Former JICA expert, SISDUK
A.M. Sallatu	Director, Centre for Public Policy and Development Management Studies, Universitas Hasanuddin
Tamsir Gading	Village head of Desa Bontokassi
H. Zainal Abidin	Former Bupati, Takalar district

References

- ECDPM, 2002. *Capacity, Change and Performance: Inception Report*.
- ECDPM, 2003. Capacity development: the why's and the how's. *Capacity.Org*, No. 19, www.capacity.org.
- Government of Indonesia, 2000. *Kecamatan Development Programme - Second Annual Report 1999/2000*.
- Government of Indonesia, n.d. *National Development Plan 1999-2004*.
- Government of Indonesia, 2002. *National Framework for Capacity Building to Support the Decentralisation Framework*.
- Government of Indonesia, 2003. *Interim Poverty Reduction Strategy Paper*.
- GTZ, 2000. *Decentralisation in Indonesia: The Framework for Local Governance*. Discussion paper.
- GTZ/SfDM. *Decentralisation Newsletters*, www.gtzsfdm.or.id.
- JICA, n.d. *Study on Characteristics and Effectiveness of Japanese Technical Cooperation in the Project on Strengthening Sulawesi Rural Community Development to Support Poverty Alleviation Programs*.
- Morgan, P., 2003. Draft background paper on methodology, DAC study on Capacity, Change and Performance, ECDPM, Mimeo.
- Mokshen, n.d. *Decentralisation in the Post New Order Era of Indonesia*.
- Rasyid et al., 2003. *Local Government Capacity Constraints and Fiscal Decentralisation in Indonesia*.
- Rohdewohld, R., 2004. *Building Capacity to Support Decentralisation: The Case of Indonesia*, www.gtzsfdm.or.id/documents/dec_ind/o_pa_doc/Rohdewohld_CapacityBuildingIndonesia_Jan2004.pdf
- UNDP, 2002, *Community Recovery Programme Progress Report 2002*.
- World Bank, 2003. *Indonesia Country Assistance Strategy 2004-2007*.
- World Bank, 2003. *Decentralising Indonesia: A Regional Public Expenditure Review - Overview Report*.
- World Bank/DFID, 2002. *People, Poverty and Livelihoods: Links for Sustainable Poverty Reduction in Indonesia*.
- Takalar District, n.d. *Guidelines for Implementation of SISDUK*.
- Takalar District, 2003. *The Decree of Takalar Regent*, No. 226.

The European Centre for Development Policy Management (ECDPM) aims to improve international cooperation between Europe and countries in Africa, the Caribbean, and the Pacific.

Created in 1986 as an independent foundation, the **Centre's objectives** are:

- to enhance the capacity of public and private actors in ACP and other low-income countries; and
- to improve cooperation between development partners in Europe and the ACP Region.

The Centre focuses on **four interconnected themes**:

- Actors of Partnerships
- ACP-EU Trade Relations
- Political Dimensions of Partnerships
- Internal Donor Reform

The Centre collaborates with other organisations and has a network of contributors in the European and the ACP countries. Knowledge, insight and experience gained from process facilitation, dialogue, networking, infield research and consultations are widely shared with targeted ACP and EU audiences through international conferences, focussed briefing sessions, electronic media and key publications.

**The European Centre for
Development Policy Management**

Onze Lieve Vrouweplein 21

NL-6211 HE Maastricht, The Netherlands

Tel.: +31 (0)43 350 29 00

Fax.: +31 (0)43 350 29 20

info@ecdpm.org www.ecdpm.org

This study was undertaken by ECDPM in the context of the OECD/DAC study on *Capacity, Change and Performance* and financed by the Japanese International Cooperation Agency (JICA). Opinions expressed in this paper do not necessarily represent the views of ECDPM or JICA.

The results of the study, interim reports and an elaborated methodology can be consulted at www.capacity.org or www.ecdpm.org. For further information, please contact Ms Heather Baser (hb@ecdpm.org).

ISSN 1571-7569