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INDONESIA

**BREAKTHROUGH URBAN INITIATIVES
FOR LOCAL DEVELOPMENT (BUILD)**

Mid-Term Evaluation Report

FINAL

23 April 2001

Evaluation Team

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LIST OF ABBREVIATIONS AND TERMS

ADB   Asian Development Bank
APAKSI   Asosiasi Pemerintah Kabupaten Seluruh Indonesia - All Indonesia
           District Government Association
APBD   Anggaran Pemerintah Belanja Daerah - Local Budget
APEKSI   Asosiasi Pemerintah Kota Seluruh Indonesia- All Indonesia City
           Government Association
BANGDA   Directorat Jenderal Pembangunan Daerah, Departemen Dalam Negeri Dan
Otonomi
           Daerah - Directorate General for Regional Development, MOHARA
BAPPEDA   Badan Perencanaan & Pembangunan Daerah - Local Development
Planning Board
BAPPENAS Badan Perencanaan & Pembangunan Nasional - National Development
Planning
           Board
BIGG   Building Institutions for Good Governance
BINKOTDES Direktorat Jenderal Bina Kota & Desa, KIMPRASWIL - Directorate
General Urban
           & Rural Development
BUILD   Breakthrough Urban Initiatives for Local Development Project
CTA   Chief Technical Advisor
CDS   City Development Strategies
DINAS   Technical Functional Unit
DNPD   Deputy National Project Director
DPRD   Dewan Perwakilan Rakyat Daerah - Local Legislative Assembly
CBUIM   Capacity Building for Urban Infrastructure
Management CLEAN-Urban Coordinated Local Environmental
Action Networks - Urban
CoBILD   Community-Based Initiatives for Housing and Local Development Project
EOPS   End of Project Status
GOI   Government of Indonesia
GTZ   Deutche Gesellschaft fur Technische Zusammenarbeit
HRD   Human Resource Development
IBRD   International Bank for Restructuring Agency (World Bank)
ICMA   International City Managers Association
IUIDP   Integrated Urban Infrastructure Development Program
JICA   Japan International Cooperation Agency

JPSSocial Safety Net
Programmes KABUPATEN District
KECAMATAN Sub-District
KELURAHAN Urban Village
KIMPRASWIL Ministry of Settlements and Regional
Infrastructure KOTA   Municipality

MoHA   Ministry of Home Affairs (since then amalgamated to MoHARA)
MoRA   State Ministry of Regional Autonomy (since then amalgamated to
MoHARA)
MoHARA   Ministry of Home Affairs and Regional Autonomy
MUSBANGDES   Musyawarah Pembangunan Desa - Local Development Forum
NGO   Non-Governmental Organization
NPD   National Project Director
NPM   National Project Manager
PAD   Pendapatan Ash Daerah - Local Gerenated Income
PDPP   Program Daerah Pembangunan Perkotaan - Medium Term Urban Investment
               Program
P5D   Bottom-up Planning Process
P3KT   See IUIDP

P3KT   See IUIDP
PERDA   Peraturan Daerah - Local Regulations
RIAP   Rencana Induk Anggaran Pembangunan
SEKDA   Sekretaris Daerah - Local Government Secretary
UMA   Urban Management Advisor
UNDP   United Nations Development Programme
UNCHS   United Nations Centre for Human Settlements (Habitat)
URDI   Urban Regional Development Institute
USAID   United States Agency for International Development WALIKOTA City
Mayor

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1.   RLNGKASAN EKSEKUTIF A. PENDAHULUAN

Projek BUILD, atau Breakthrough Urban Initiatives for Local Development yaitu suatu program percontohan untuk mencari, membuat serta mendokumentasikan serangkaian terobosan dan pembaharuan manajemen daerah perkotaaan secara efektif dan efisien yang mana dapat membantu kota-kota dalam merespon tanggungjawab yang baru dan perkembangan kota yang bekelanjutan dalam paradigma dernokrasi Indonesia yang bare.

Konsep BUILD memvisualisasikan usaba kerjasama diantara para stakeholder ditingkat lokal baik dari pihak pemerintah (eksekutif and legislatif) maupun non pemerintah (masyarakat, pengusaha, universitas, media masa, LSM dsb). Pendekatan BUILD lebih ditenkankan pada kepemerintahan yang balk atau good governance sebagai rangkaian ciri2 yang penting didalam merefleksikan proses demokrasi atas pengambilan keputusan publik diantara stakeholders.Ciri yang terpenting diantaranya transparan. responsif. dapat dipertanggung jawabkan, serta partisipasi dan kemandirian..

BUILD didirikan untuk mendukung usaha desentralisasi secara nasional dibawah Direktorat Jenderal Pembangunan Daerah Departemen Dalam Negeri dan Otonomi Daerah (MOHARA) serta dibiayai oleh UNDP dengan dukungan teknis dari UNCHS.

Jabatan National Programme Director sekarang dipegang oleh BANGDA, MOHARA dan DNPD dijabat oleh perwakilan dari BINKOTDES Departernen KIMPRASWIL sedangkan BAPPENAS berperan dalam koordinasi kebijaksanaan.

National Project Manager menjalankan proyek dengan bantuan tim tenaga ahli dan kepala penasihat teknis(CTA), beberapa tenaga ahti yang direkruit jangka pendek maupun panjang serta para penasihat pengelolaan kota (UMA) di setiap kola.

Provek ini dibagi kedalam tiga fase - pembangunan konsep (01/98-06/99): memperkenalkan perubaltan (07/99-06/01) dan konsolidasi perubahan(07/01-06/03). Pada saat ini proyek BUILD bekerja di 9 kota yaitu Kendari (Sulawesi Teng_ara). Mataram (Nusa Tenggara Barat), Metro (Lampung), Bogor (Jawwa Barat). Sukabumi(Jawa Barat), Surakarta (Jawa Tengan), Probolinggo (Jawa Timur), Sawahlunto (Sumatra Barat) dan Gorontalo (Sulawesi Utara). Ada 6 lagi pemerintah lokal di Sulawesi yang sedan' bergabung dalam kerjasama dengan proyek yaitu kota Makasar. kola Pare-Pare. Kabupaten Selayar (Sulawesi Selatan), Kola Bau-Bau (Sulawesi Tenggara), Kota Pain (Sulawesi Tengah) dan Kota Menado (Sulawesi Utara). Kota2 tersebut melibatkan pembiayan dari World Bank. Anggaran proyek seluruhnya sebesar US$2,799.000 yang sampai akhir December 2000 sudah dibiayakan sebesar US$1.360.764.

I1Iisi Evaluasi. Tim tiga anggota yang terbentuk terdiri satu anggota Internasional dan dua anggota nasional dan diminta untuk rnengevaluasi BUILD dalam periode satu balan dari I - 31 Maret 2001. TOR evaluasi eksternal untuk melakukan peninjauan kembali relevansi. kinerja serta keberhasilan yang sudan dicapai dalam fase kedua, dan membuat rekomendasi2 untuk TPR (Review Tiga Pihak) terhadap fase ketiga.

Untuk effisiensi tim evaluasi mengunjungi hanya 6 dari 9 kola BUILD. termasuk didalamnva kota2 anakatan pertama seperti Kendari (Sulaxesi Tenggara). Mataran)

(NTB) dan Metro (Lampung) maupun Bogor (Jawa Barat), Probolinggo (Jawa Timur) dan Sawahlunto(Sumatra Barat) Kriteria dari kota2 yang dipilih termasuk didalamnya jenis kriteria penduduk, lokasi, tingkat bantuan lokal selama penerapan BUILD. Disamping itu tim menyeleksi kota2 dimana donor -donor lain menyediakan bantuan. Tiny evaluasi berternu dengan para walikota, pejabat kunci dari eksekutif (BAPPEDA, SEKDA, Dinas) maupun badan legislatif (DPRD) dan melakukan dialog dengan forum kota dan berbagai perwakilan masyakarat termasuk LSM, universitas dan asosiasi para

profesional. Tim juga mengunjungi beberapa program kemitraan dan" pusat pelayanan
umum yang difasilitasi oleh BUILD. Ditingkat pusat tim evaluasi juga bertemu dengan CTA. NPM serta para tenaga ahli (experts) jangka paniang dan juga bertemu dengan para pejabat kunci pemerintah di MOHARA,KIMPRASWIL, BAPPENAS. UNDP dan APEKSI maupun dengan proyek2 pemerintahan yang baik (yang disponsori oleh USAID dan GTZ). Tiny evaluasi juga meninjau kembali dokumen-dokumen dari BUILD secara lebih luas.

B. TEMUAN-TEMUAN

1. **Metodologi dan Konsep Proyek**

    Konsep BUILD, gagasan kepemerintahaan yang balk dan pengelolaan kota yang balk adalah sangat relevan dengan ruang lingkup desentralisasi yang sedang berlangsung.
    DengC   C! an segala antusias BUILD telah diangkat sebagai suatu proses yang lebih
    responsive, partisipatif, transparan dan dapat dipertanggung jawabkan pengelolaannya dalam kota2 yang terseleksi.

    Kehadiran kuat para penasihat manajemen kota(UMA) sangat strategis dar¡ proyek íni. Komponen kunci kedua adalah pembentukan forum kota yang mana para stakeholder setempat secara bersama-sarna berpartisipasi didalam keputusan2 yang bersifat kolektif berkenaan dengan kota2nya.

Fokus pada fasilitasi para stakeholder, melalui "membuka horison". pembangunan kapasitas, pembangunan kelembagaan, pembentukan kemitraan2 dsb. sangat penting dalam kesinambungan jangka pailjang dari proses perubahan manajemen.

2.   **Units Pelaksana** Provek

Tindakan lokal yang pro-aktif. Para UMA BUILD dibawah araban NPM secara signifikan telah mempengaruhi kepemerintahan dan pengelolaan kota yang balk dikota terseleksi. BUILD telah memfasilitasi proses pratisipatif untuk perumusan pernyataan visi misi, rencana pembangunan strategis, program dan anggaran tahunan lokal dan perundang-undangan yang bersangkutan melaksanakan lokakarya-lokakarya pembail gunan kapasitas, mentbentuk forum-forum, menasihati tentan_ restrukturisasi or_anisasi pemerintahan serta pembentukan sistem-sistem pemberian pelayanan2 u num dan kern itraan.

Pengarahan Kebijaksanaan Pusat. Dikarenakan masih dalam masa transisi , instansi pemerintah pusat yang bersangkutan belum memberi pengarahan dan kehijakan kepada proyek. Ba_aimanapun telah ada tanda2 perubahan positif dalam kepemimpinan pemerintah pusat sehubungan dengan mana jemen BUILD. Sehubungan dengan peranan fasilitasi pemerintah pusat didalam era desentralisasi, iastansi2 kunci perlu untuk mer`, :,;i

Merancang dan menerapkan strategi untuk konsoldasi dan percontohan dar

BUILD.

Untuk mendorong prinsip-prinsip kepemerintahan yang baik untuk menjadi bagian dar¡ desentralisasi nasional dan dapat diterapkan diseluruh kota di Indonesia. strate —i ini sangat penting dirancang sebagai berikut:

Memperkaya pendekatan BUILD dengan cara pendalaman kerangka kerja yang
~
konseptual disamping juga menempatkan hal-hal yang penting seperti pembang unan ekonomi lokal, dan kewirausahaan umum.

Dokumentasi, analisa dan penyebarluasan pelaksanaan yang baik didalam pengelolaan kota dan yang lebih luas berinovasi serta secara sistimatis.

Pengkayaan pendekatan yang ada harus memberi kontribusi pada kebijakan desentralisasi perkotaan secara nasional dan juga disiapkan untuk replikasi (bila memungkinkan melalui pembiayaan bersama dengan donor lainnya).

Percepatan usaba berkolaborasi dan bermitra untuk meninakatkan kredibilitas yang teraplikasi untuk menuju kepemerintahan yang baik.

3.   **Mengembangkan model2 barn untuk gerakan good governance dikota-kota lainnya.**

Akhirnya ada bal yang penting yakni strategi mengubah BUILD menjadi satu gerakan kepemerintahan yang baik. Pendekatan ini menyediakan suatu "lepas landas" dari proyek dan pada saat yang bersarnaan membangun landasan untuk "scaling up" kegiatan-kegiatan good governance lebih berkesinambun_an di kota-kota lain. Dalam liai ini ~akan melibatkan empat unsur

Membangun jaringan lokal dan regional untuk menjadi kepemerintahan yang baik
Membangun secara national dan prosefional dalam menjalankan institusi good governance, dengan UNDP/pendonor lainnya bersama sama dengan badan eksekutif
Pemerintah Indonesia
Memformulasikan pra kondisi dan kriteria untuk menyeleksi perluasan kota dengan pendekatan BUILD
- Membantu sumberdaya lokal didalam kapasitas pembangunan. khususnya dengan memperluas dan mengembangkan kapasitas regional dan lokal melalui riset institusi lokal dan lebih banyak mempelajari keluhan masyarakat.

Kami berharap rekomendasi tersebut diatas agar dapat dipertimbangkan sebagai masukan-masukan dalam pembuatan konsep fase konsolidasi untuk proyek berikutnya.

<div align="center">I. EXECUTIVE SUMMARY</div>

A.   INTRODUCTION

The BUILD Project, or Breakthrough Urban Initiatives for Local Development, is a pilot programme to search for, establish and document a series of effective and efficient urban management breakthroughs or innovations which can help municipalities respond to their new responsibilities and foster more sustainable municipal development within Indonesia's new democratic paradigm. The BUILD concept visualises collaborative efforts between all key stakeholders at the local level, both governmental (executive and legislative) and non-governmental (community, business, universities, media, NGOs and others). The BUILD approach has placed emphasis on "good governance" as a series of important attributes reflecting the democratic process of public decision-making among local stakeholders. Foremost among these attributes are transparancy, responsiveness, accountability, local participation and local self-sufficiency.

BUILD has been set up to support a national endeavor of decentralisation under the Directorate General of Regional Development (BANGDA), Ministry of Home Affairs and Regional Autonomy (MOHARA), funded by the United Nations Development Programme (UNDP) with technical support of the United Nations Centre for Human Settlements(UNCHS).
The National Project Director (NPD) is currently from BANGDA, MOHARA; the Deputy National Project Director (DNPD) is from the Directorate General of Urban & Rural Development (BINKOTDES) in the Ministry of Settlements and Regional Infrastructure (KIMPRAS WIL); and BAPPENAS plays a policy coordination role. The National Project Manager (NPM) operates the project with a team of experts (an intermittent Chief Technical Advisor (CTA), along with long and short term experts), and locally through an Urban Management Advisor (UMA) in each city.

The project is divided into three phases - Concept Development (01/98-06/99); Introduction of Change (07/99-06/01) and Consolidation of Change (07/01-06/03).

BUILD currently works in the following nine (9) cities: Kendari (South-East Sulawesi), Mataram (West Nusa Tenggara (NTB); Metro (Lampung); Bogor (West Java); Sukabumi (West Java); Surakarta (Central Java); Probolinggo (East Java); Sawahlunto (West Sumatera) and Gorontalo (North Sulawesi). Six more local governments are currently being incorporated into the project on the island of Sulawesi, namely Kota Makassar, Kota Parepare and Kab. Selayar (South Sulawesi); Kota Baubau (South-East Sulawesi); Kota Palu (Central Sulawesi); and Kota Manado (North Sulawesi). These cities involve World Bank co-financing. Overall budget for the project is USD 2,799,000, with USD 1,360,764 so far expended (end December 2000).

Evaluation Mission A three-person team composed of one-international and two-national members were tasked to evaluate BUILD for a period of one month from 1-31 March 2001. The Terms of Reference (TOR) for external evaluation is to undertake a mid-term review of the *relevance, performance and success of phase* two, and to make recommendations for the Tripartite Review for
phase three.

For efficiency the evaluation team visited a six (6) of the nine (9) BUILD cities, including all of the first batch of cities, Kendari (South-East Sulawesi), Mataram (NTB) and Metro (Lampung), as well as Bogor (West Java), Probolinggo (East Java) and Sawahlunto (West Sumatera). Criteria applied in choosing these cities included variation in population size, in location and in degree of local support during BUILD implementation. In addition, the team selected cities where other donors were also providing support. The evaluators met with the City Mayors, key city executives (BAPPEDA, SEKDA, Dinas), as well as the city legislators, and conducted dialogue with the city fora and various community representatives from NGO's, universities and professional associations. The team also visited some partnership programmes and public-service centres facilitated by BUILD. At the Central level the evaluation team also met with the CTA, **NPM,** and the long-term experts, and also with key government officials at MOHARA, KIMPRASWIL, BAPPENAS, UNDP and APEKSI as well as with related good governance projects (sponsored by USAID and GTZ). The team also extensively reviewed BUILD and related documents.

B.   FINDINGS

1.   Project Concept **and Methodology**

The BUILD concept, advocating ***good governance*** and ***good urban management,*** is very ***relevant*** in the current ***decentralisation*** environment. BUILD has generally been enthusiastically adopted as a process for more responsive, participatory, transparent and accountable management in the selected cities.

A strong local presence of the urban management advisor (UMA) has been very

strategic for this technical assistance project. A second key component is the establishment of urban fora in which local stakeholders come together to participate in collective decisions regarding their city. The focus on the *facilitation of stakeholders,* through `opening horizons', capacity building, institutional building, formation of partnerships, etc. is important for the long-term sustainability of the process and management of change.

2.   Project Implementation Units

Pro-active Local Actions. The BUILD UMAs have significantly influenced the conduct of good urban governance and good urban management in the selected cities under the guidance of the NPM. BUILD has facilitated the participatory process for the drafting of the cities' vision and mission statements, strategic development plans, local annual programmes and budgets and related legislation; organised and delivered capacity-building workshops; set up forums; advised on government organizational restructuring and the establishment of public service delivery systems and partnerships.

Central Policy Guidance. Due to the current transition, responsible central government agencies have not yet provided the necessary oversight and guidance to the project. However, there have been recent signs of positive changes in central government leadership related to BUILD management. Given the central government's new facilitating role under

1.

enable BUILD principles and tools to be replicable, examples of good urban management experiences must be further documented and widely disseminated.

5. **BUILD needs to become more of a coalition for good governance.** As BUILD becomes "de-project-ized" and begins to adopt the attributes of a "movement", there is a need to form a working coalition that can promote "good governance culture" to the various components of a sustainable effort. In the evaluation mission's debriefing at MoHARA, the NPD stressed that *"good governance should be the concern of everybody".* The evaluation team agrees and stresses that such a working coalition should create *afar club for good governance.*

D.   RECOMMENDATIONS

The evaluation team is offering three basic recommendations, each containing several components.

I. **Develop a Strategy for the Evolution of a Central Coalition for Good Governance.** Decentralisation is an evolutionary process providing a unique opportunity to undertake basic reform. It is proposed that a flexible umbrella coalition be formed to coordinate and manage all good governance initiatives including BUILD. This

strategy should include the following actions

Establish "Central Good Governance Task Force" to temporarily accommodate basic functions of general management, conceptual development, and dissemination and training.

Develop working "Centre for Good Governance" as an anchor for BUILD. This should be a natural consequence of the chosen working coalition and the decision to establish it should be taken in collaboration with key members of the donor community led by UNDP/UNCHS.

Involve other institutions in this strategy for a Central Coalition. Key existing bodies must also share responsibility for various management functions within the central coalition. In particular, APEKSI - and its sister Kabupaten association, AKAPSI - have crucial and highly valued roles to play as advocates for good governance, disseminators of best practices, and possibly as an alternate " institutional home" for BUILD.

2. **Design and Develop a Strategy for Consolidation and Replication of BUILD.**
To enable good governance principles and tools to become part of national decentralisation policy and to be replicated in additional cities throughout Indonesia, it is essential that a strategy be designed which addresses the following

Enrich the BUILD approach through deepening of the conceptual framework as well as placing stronger emphasis on things like *local economic development and public entrepreneurship.*

Document, analyse and disseminate (upstream and downstream) *best practices in* urban management experiences and innovations more widely and systematically. The enriched approach should contribute to the decentralised national urban policy framework and also be prepared for replication (possibly through co-financing arrangements with other donors).

Accelerate implementation of collaborative efforts and partnerships to improve the `applied' credibility of the movement towards Good Governance.

3. **Develop New Modalities for Good Governance Movement in Other Cities and Towns.**
Finally, it is essential that there be a strategy to convert BUILD into a Good Governance Movement. This approach provides an "exit" for the project and at the same time a basis for "scaling-up" more sustainable good governance activities to other cities. The following four elements are involved

Develop regionally and locally rooted networks for Good Governance.

Develop nationally sustainable and professionally run Good Governance institution, with UNDP/other donors together with key Gol actors on executive board.

Formulate pre-conditions and criteria for town selection in expansion of the BUILD-type approach.

Support local resources for capacity building, particularly by spreading and building up regionally and local capacities at local institutes of research and higher learning.

It is hoped that the above recommendations will be considered as inputs for the drafting of the consolidation phase of the project.

II. PROJECT CONCEPT AND DESIGN A.

CONTEXT OF THE PROJECT

The BUILD programme introduces reforms that provide a better working environment for innovative and effective urban management by local governments in partnership with different stakeholders. As part of its decentralisation agenda, the Ministry of Home Affairs *(MoHA)* asked UNDP and UNCHS ("Habitat") for technical assistance in introducing "good urban management" practices and "good governance" principles in a selected number of cities throughout Indonesia.

The overall development objective of the BUILD programme is to create and sustain decentralised, participatory and effective urban management capacity needed, particularly at the local level, to ensure a sustainable development of Indonesia's urban areas, in line with Government policies to increase local autonomy and to improve local governance.

The BUILD concept was designed during the years 1995-1996, with the first draft programme document published in November 1996. The final program document was signed by UNDP and the Gol in September 1997. This was of course just before the economic and monetary crisis struck Indonesia - and with it the far-reaching political, social and administrative, as well as economic, changes that have taken place during the past 3 % years. Given the current context of decentralisation and local autonomy, the concept and approach taken by BUILD is seen as even more relevant because of the accelerated devolution of authority and responsibilities to local levels of administration. Indonesia is now moving to new democratic institutions at national and local levels, with the latter level being made responsible to elected local legislatures (DPRD) and to locally selected executive heads (Walikota or Bupati).

In summary, the BUILD effort began as a pioneer experiment by stressing the importance of participatory, decentralised planning and management at the local level. Now it has started to become a demand-driven movement as local urban governments seek to rapidly develop their capacity to carry out their new mandates of responsibility.

B.   PROJECT DOCUMENT

1.   The Problem and the Technical Approach

        The Problem. The problem addressed in the programme, document prepared for the introduction of change phase was how to help Indonesia's municipalities improve governance, strengthen economic competitiiveness, reduce poverty, enhance

environmental quality, develop rural-urban linkages and build human capital. Following the dramatic economic and political crises of 1997-1998, Indonesia is now going through a process of major political reform. and it is at the local level that government reforms will be felt most

intensively as the decentralisation process attempts to "reinvent" local government and build commitments to people's participation and transparency.

In analysing the problem, the programme document also emphasised the lack of effective and efficient urban management in the country. A major factor cited for this was the limited capacities and capabilities at the local level, due partly to the history of over-dependence on central government-directed management and resource mobilisation.

Concept. BUILD is a pilot programme to search for, establish and document a series of effective and efficient urban management breakthroughs or innovations which can help local governments reinvent themselves and foster more sustainable city development within the new democratic paradigm. "Urban management" within this context means the continuous activity of mobilising and using diverse resources in a coordinated manner to plan, program, build, operate, maintain and safeguard public services and the environment in order to achieve the sustainable development objectives of a city. This includes but is not limited to financial management, service delivery, capital investment planning, spatial planning, land management and environmental management.

The concept visualises collaborative efforts between all key stakeholders at the local level, both governmental (executive and legislative) and non-governmental (community, business, universities, media, NGOs and others). Productive partnerships between various combinations of these stakeholders are an integral part of the process. Participation is therefore a crucial element in this process: both unilateral and interactive. Unilateral participation means that government takes account of the views of organized citizen's groups. Interactive participation means that citizens work together with the government on common issues.

The approach has also placed emphasis on "good governance" as a series of important attributes reflecting the democratic process of public decision-making among local stakeholders. Foremost among these attributes within the Indonesian context are transparency, responsiveness, accountability, local participation, the rule of law and local self-sufficiency.

Institutional Approach. To fulfill its development and immediate objectives, BUILD enters the system essentially at the local level of government. Up until now, this has

meant working with 9 pilot Kota", although in the future the approach can be applied with equal validity to the larger number of urban areas within the country's kabupaten[2]. Within each local government, BUILD provides a full-time Urban Management Advisor (UMA) who, supported by other resources provided from Jakarta, functions as a facilitator or catalyst to set in motion a participative process of planning and implementation to resolve problems of concern to all stakeholders.

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At the national level, BUILD requires an institutional arrangement, which enables sharing, documentation and dissemination of good management and good governance practices among municipalities.

2.   **Objectives, Indicators and Major Assumptions**

The Development Objective of the BUILD programme, as presented in the Programme Document, is

"to create and sustain a decentralised, participatory and effective urban management capacity needed to ensure sustainable development of Indonesia's urban areas, in line with Government policies to increase local autonomy and to improve local governance" [3]

It is stated that the programme is not designed to bring about immediate nationwide changes, but instead to introduce new approaches among a selected number of urban areas, the results of which will provide a basis for longer term improvements in urban management throughout Indonesia.

Immediate Objectives:

The Immediate Objectives have been modified for the introduction of change phase to include the following:

1) Develop responsive, accountable, transparent and participatory urban management practices in selected urban areas;
2) Introduce change in the institutional framework and operating procedures in selected
    urban areas in response to the new law on local autonomy and fiscal decentralisation;
3) Document and disseminate examples of successful urban management initiatives

and
introduction of change;

4) Support the coordination and management of change following the introduction of the new laws on local autonomy and fiscal decentralisation.

Success Indicators. The Programme Document lists sets of success indicators for the immediate objectives and outputs. These indicators, arranged on the basis of end-ofprogramme situation (EoPS) statements, include such things as streamlining local government organisation, facilitating open dialogues, creating productive partnerships, and developing planning strategies, etc. These indicators are very ambitious and may therefore be difficult to achieve. Given BUILD's emphasis on capacity building they are also mostly **qualitative** in nature.

3) P. CID], Programme Document for BUILD (INS/9î/Ú18!£J01 /99). Introduction Of Change Phase.

3.   **Beneficiaries**

The primary direct beneficiaries identified in the Programme Document are those participants in the selected cities/towns at the local level, including Mayors (Walikotas) and staff of key local government agencies, members of local legislatures (DPRD), and various nongovernmental stakeholders.

At central level, staffs in the MoHARA, Kimpraswil and APEKSI, as well as in other agencies, have benefited.

The ultimate beneficiaries of the programme are of course the urban dwellers of Indonesia, especially lower-income households.

4.   **Execution Modality**

BUILD is a nationally executed programme. Although there have been changes in National Programme Director during the introduction of change phase, the current Executing Agency is the Directorate General of Regional Development (Bangda) within MoHARA.

III. PROJECT IMPLEMENTATION A.   PROJECT STAFFING

1.   **National Project Office**

BUILD is staffed with an international Chief Technical Advisor, who serves the programme through intermittent missions, and a full-time National Project Manager. Together they manage a core team of long- and short-term experts from the Jakarta office, now located at the Surya Building (adjacent to UNDP on Jalar} Thamrin).

Primarily hidonesian nationals, these experts are specialists in such fields as planning, municipal finance, partnerships, training, communications and information systems, institutional analysis and environmental management. They serve as a pool or roster to assist participating municipalities on demand in design and implementation of their local activities, and hence spend considerable time in these cities/towns.

The National Project Office also is responsible for sub-contracting several activities to separate institutions, including local universities, national research institutes and NGOs. Such activities have included preparing profiles or portraits of each selected city (by local universities); carrying out research on good urban management practices (by URDF); and conducting training events (by universities and NGOs). Such cooperative efforts have great potential to harness a wider pool of expertise necessary to implement the key initiatives encouraged by the programme. The NPO also carries out liaison with UNDP, and has a small support staff to perform its functions.

2.   Field Offices

A consistent characteristic of BUILD in each participating city is the assignment of one resident "urban management advisor" (UMA) who advises the Walikota on the reforms to be introduced and facilitates all stakeholders with the introduction of change. The UMA draws upon the pool of Jakarta-based experts as required and also mobilises locally available expertise to achieve "good urban management" and `good governance" goals. BUILD field offices assist in developing the appropriate attitude changes and necessary capacities through seminars, workshops, study tours, staff exchange programmes and training.

3.   Capacity-Building of Staff

In view of the emphasis in BUILD on "breakthrough initiatives" to introduce significant change in urban management processes and practices, it is no surprise that the external evaluation team judges that several staff of both the National Project Office and field offices require more capacity building to help them better understand the many policy and technical issues they face. The Jakarta-based pool of experts sometimes tend to dc-fine their roles (TORs) rather narrowly without considering the integrated nature of the programme. Most of

the UMAs understand their role as facilitators for all key stakeholders, while at the same time functioning as advisors to the Walikota. Their capacity building challenge is that they be viewed as independent and communicate with all parties.

4.   **Quality of Staff**

Most staff members throughout BUILD are well qualified, many with advanced degrees from Indonesian and international universities of high calibre. However, they face a range of issues and challenges that are far broader than the professional expertise and range of skills of any one person.

B.   ACTIVITIES

1.   **Implementation of Activities**

The BUILD Programme Document spells out in some detail a total of 67 activities to be carried out in support of the 17 outputs. This large number of activities and outputs is sometimes repetitive and can stray from the essential objectives of the programme.

Project staff in the NPO and field offices have carried out most of these activities as planned, but approximately one third of them have not yet been done or are delayed for various reasons. The following tables describe the specific activities under BUILD, give their status, and offer special comments.

Under Output 1.1: Local agenda's for sustainable urban development (prepared in participatory wm)

	Activities	Status	**Comments**
1.1.1	Identification of project towns	Done	6 additional cities identified for introduction of change phase, plus an additional 6 in Sulawesi
1.1 .2	Analyze existing conditions in selected cities	Done	By local universities, but needs to be regularly updated
1.1.3	Conduct consultations on development constraints and on vision / mission / development strategy	Largely Done	But degree of consultations in selected cities needs strengthening
1.1.4	Formulation of consensual-validated development programme	In process	Participatory annual programming being improved, bu' mcdium-term programming lacking
1.1.5	Promote development programme	In process	Weak in promotion, but implementation of CDS concept can improve this

Under Output 1.2: A framework for collaboration (including establishment of management teams - or forums - as required)

	Activities	**Status**	**Comments**
1.2.1	Analyze existing urban management practices	In process	Due to GOI mandates rather **than BUILD** as **such**
1.2.2	Conduct consultations on collaboration strate : tes	Not done	Collaboration strategies can be expanded
1.2.3	Develo • • artnershi • with • nvate sector	Partiall	Collaboration strate aes can be -• 4.• ded

1.2.4 Develop partnerships with community-based • u • s	Partially	Some isolated collaboration strategies can be found, • eciall in Kendari

Under Output 1.3: Well informed and trained partners in development

Activities	Status	Comments
1.3.1 Analyze skills, training and "good" attitude development needs	Done	Target groups varied; training too general
1.3.2 Conduct workshops on partnership development	Done	Target groups varied; training too general
1.3.3 Provision for study tours	Done	Enthusiastic response and efficient means of conveying good governance message
1.3.4 Prepare and implement staff exchange programmes	Done	But more mentoring rather than staff exchange
1.3.5 Coordinate and secure training through existing programmes	Partially	No evidence of this

Under Output 1.4: Enhanced funding arrangements (through innovative or creative generation of local sources)

Activities	Status	Comments
1.4.1 Analyze funding conditions and needs	Done	But analysis lacks local economic and finance relevance; lack of feedback
1.4.2 Formulate funding mechanisms changes and improvements	Partially	Situation/condition not yet ripe for innovations in municipal finance
1.4.3 Develop private sector participation	Partially	Little evidence of such collaboration
1.4.4 Develop community-based group participation	Partially	Some examples of Pemda-community partnerships

Under Output 1.5: Enhanced information and communication arrangements

Activities	Status	Comments-'
1.5.1 Undertake information and communication needs assessment	Done	Need more applied information system
1.5.2 Formulate information and communication systems	Partially doney	Appears to be supply-driven
1.5.3 In»plement and monitor improverrcs i.i Information and Communication systems	Partially doney	Progress in improving communication systems; much less so regarding information management

Under Output]. 6: Specific projects being implemented (breakthrough projects)

Activities	status	Comments
1.6.1 Assist with preparation of bankable projects	Partially	Examples of Pemda-community-based developments being prepared by BUILD
1.6.2 Assist with preparation of community-based **projects**	**Partially**	**Activity repeats that *shown* in 1.2.4** and 1.4. 4
1.6.3 Coordinate and secure funding through existing investment programmes	Partially	Possibilities for co-financing through existing programmes being explored, but little implementation to date
1.6.4 Implement and monitor projects	Begun	Development agendas in process of being implemented

Under Output 21: Introduction of better institutional framework

Activities	Status	Comments
2.1.1 Analyse existing institutional framework	Done	But documentation of analysis should be more thorough
2.1.2 Review experience with collaboration mechanisms	Done	But written documentation of such review **find -** uate
2.1.3 Formulate proposals for structural change	In process	Most towns have formulated innovation -To.. : forchan_e
2.1.4 Worksho- to review -ro-osais	Done	Worksh- - held in all towns
2.1.5 Monitor --1- ementation of Change	Be .	1m . lementation . - - - in : slowl

Under Output 2.2: Introduction of better information and communication system

Activities	State	Comments
2.2.1 Analyse information and **communcation** practices	Done	Activity repeats that shown 1.5.1 in
2.2.2 Review experience with improved information management	Done	But progress and extent of review in towns uneven
2.2.3 Formulate proposals for structural change	Partially done	Communication proposals well advanced; information proposals not
2.2.4 Workshops to review proposals	Done	2 workshops held late 2000; implementation partially underway
2.2.5 Monitor implementation of change	Begun	Monitoring of change needs be organised to

Under Output 2.3: Introduction of better planning, programming and budgeting systems

Activiti		Comments
2.3.1 Anal se .ro..: in. and budeetin..ractices	Done	But limited to annual develo. +lent -rocess
2.3.2 Review experiences 'th unproved n roorarmnin and bud-- etin	Done	Included experiences introduced by different o es CLEAN, IUIDP, etc.
2.3.3 Formulate proposals for structural change	Done	But BUILD proposals limited to annual .ro_~ . esfbud.~, not medium term
2.3.4 Worksho • to review -ro . osals	Done	Held late 2000 with all towns . , 'ci .: 'n
2.3.5 Monitor implementation of change	Begun	Output to be implemented in all towns within "introduction of change" phase

Under Output 3.1: Inventory of examples of "innovative urban management" in Indonesia and abroad

Activities	Status	Comments
3.1.1 Prepare and implement study tour	Done	Tours to Malaysia and Philippines just completed in $1°$ *Qtr.* 2001
3.1.2 Make inventory of successful urban management in Indonesia	Done	Sub-contract to URDI

		and

		shed and
		not yet

Activities

Status

Comments

3.4.1

Conduct
experience
workshop
to

review

BUILD

Not done

Output not yet started

			Status	Comments
3.4.2	Formulate proposals for training of advisers/facilitators programme		Delayed	Had been planned for 1~ *Qtr.* 2001
3.4.3	Workshop			

	Activities	Status	Comments
3.3.1	Design and deliver newsletters	Done	Media BUILD being published widely
3.3.2	Prepare and conduct regional seminars	Partially done	Held in Sulawesi, Kaümantan and Sumatera
3.3.3	Organize	Status	Comments

		Status	Comments
3.2.1	Update successful urban management catalogue	Delayed -	URDI expected to document early 2001
3.2.2	Document examples of successful urban management	Delayed	URDI expected to document early 2001
3.2.3	Document experiences in programme towns	Partially	To be sub-contracted to URDI
3.2.4	Distribute catalogue	Not done	Proposed to be done by MoHARA

	Activities	Status	Comments
4.1.1	Establish coordination secretariat	Not done	institutional arrangements for central BUILD management still unclear
4.1.2	Conduct regular programme and donor coordination meetings [i]	Partially	Donor coordination meetings regularly held during first year, but not continued thereafter
4.1.3	Develop and maintain library	Partially	

Under Output 3.1: Documentation of experience

APEKSI

Under Output 3.3: Dissemination of experiences

	and conduct workshops for Bdn.	Not done	Workshops not yet held Diktat

and Diktat Prop.

| 3.3.4 Develop and deliver audio-visual training material | delivered Activities | Notdone | Audio-visual training material |

Under Output 3.4: Demand-driven programme for development of management capacities

to review proposalsNot			done-
3.4.4 Implement and monitor training of facilitators programme	Not done		- advisers/

Under Output 4.1: Establish central coordination capacity

Only initiated in project (NPO)

Under Output 4.2: Performance improvement monitoring system

Activities	*I*	Status	Comments
4.2.1 Preliminary design of performance improvement monitoring system		Partially	Sub-contract in process with I T B; (co financing from LIL (World Bank)
4 .2.2 Implement performance improvement monitoring system		Partially	(same as above)
4.2.3 Review and finalise design of pertormance monitoring system		Not done	-

Under Output 4.3: Effective Local Government Association

	Activities	Status	Comments
4.3.1	Review existing organisation and performance of association	Done	BKS-AKSI dissolved and APEKSI established in 2"d Qtr. 2000
4.3.2	Formulate proposals for structural change	Done	Expert's final report submitted in Feb. 2001; many changes required
4.3.3 Workshop to review progress		Done	Workshop held in 3 APEKSI regions
4.3.4 Monitor implementation of change		Not done	Substantial reforms in APEKSI yet to be implemented

Under Output 5.1: Programme Document for Consolidation Phase of BUILD

Activities	Status	Comments
5.1.1 Prepare action plan for consolidation phase	Not done	Not yet scheduled to begin
5.1.2 Prepare draft programme document for consolidation phase	Not done	Not yet scheduled to begin
5.1.3 Review and finalise programme document for consolidation phase	Not done	Not yet scheduled to begin

2. **Quality and Timeliness of Deliverables**

Government officials at **the local level** view BUILD as progressing relatively well and showing good quality and timely results in the 9 selected municipalities. The implementation of outputs requiring local level participation has proceeded largely on schedule during the introduction of change phase, although the quality of deliverables could be improved in some cases. Among weaker activities have been those related to urban finance, economic analysis and private sector participation. Despite improvements in annual programming, the lack of substantial work in medium-term programming is a limitation. Establishing improved information systems, a performance monitoring system and an updated programme to document and disseminate experiences are outputs which will be important in the next phase.

However, most of the problems related to quality and lack of timelines of BUILD activities have been at the central government level. Responsible central government agencies have not yet provided the necessary oversight and guidance. As a consequence, many activities - including dissemination, overall training of advisors/ facilitators, central coordination, monitoring system and programme document - have been unnecessarily delayed. On the other hand, there have been recent signs of positive changes in central government leadership related to BUILD (see point 6 below).

3.   S" pert from Government and Partners

Local Levcl. Support at the local mum.: (pal level is very strong and enthusiastic. This support comes from virtually all stakeholders, both within Pemda and amongst participating nongovernmental organisations. There are many examples of where the local government has begun to implement some of the mechanisms and procedures of BUILD, both itself and in collaboration with other parties.

Central Level. In light of the central government's new facilitating role under decentralisation, it is imperative that the key agencies re-examine their supporting role(s) to provide policy guidance, oversight, a regulatory environment, quality assurance and other support structures to foster the implementation of local bottom-up good governance initiatives. Such a transitional environment calls for more innovative and workable management arrangements.

4.   Innovations

The basic concept and approach adopted by BUILD are seen as innovative in themselves by many persons in Indonesia. The simple idea of placing an urban management advisor (UMA) into the system as a key facilitator - almost an embryo of a city manager? - is also an important innovation here. Other examples of "

breakthrough initiatives" in good urban management include simplifying the structure of local government; upgrading the position of the municipal finance function by establishing a Badan Keuangan Daerah; and creation of an integrated service centre. Examples of good governance include real improvement in the participatory annual planning process; insertion of various urban forum models; application of dynamic communications methods (including public hearings, radio talk shows, newsletters, web sites); and new forms of partnerships between local government and community groups (fishermen, community housing, small-industry groups, etc.).

5.   **Training**

In the implementation of the project, many training activities and workshops were delivered to local government, municipal parliament and citizens. Basically, the training and workshops approved and financed by BUILD are based on needs assessment and the feasibility of proposals. Experts from national and local universities, as well as from regional institutions at provincial level, were involved as facilitators in these training activities.

To date, BUILD has sponsored many types of training including (1) training for municipal parliaments in order to be more democratic, responsive, transparent, accountable and capable of doing their tasks and functions properly; (2) attitude change training for government officials in order to accommodate and implement Law No.22 and 25 1999; (3) some community participation training activities including training for city facilitators in a variety of fields in order that they can accelerate citizen participation and initiatives; (4) training for trainers in economic development and partnerships; (5) training for informal leaders on

democratisation and good governance, communication training; and (6) training in public control of municipal development, etc.

Besides, a variety of workshops have been conducted, such as workshops on partnership development, workshops on effective and efficient communication including Information Centers (Kedai Informasi), workshops on financial management, workshops on economic development, and workshops on formulating vision, mission and city development strategies. Workshops bringing together officials from different cities, study tours to other cities and staff exchange programmes have also been conducted.
In some cities, these training and workshops were cancelled or delayed due to limited time available for government officials and municipal parliaments to fully participate: participants' objection on accommodation, travel expenses and compensation which were not provided by BUILD while some other organisations provided more attractive training packages; and
schedule conflicts.

The number and range of training and workshops undertaken should be seen in the light of a strategy for capacity building in good urban governance. BUILD should

not venture too far into the "technical" arena but instead cooperate with other capacity building programmes.

The materials and methods of training need to be improved as they have a tendency to be too abstract and academic. To enable quality assurance, the project could benefit from controlled "out-sourcing" to qualified local and regional institutions. Such linkages make good sense as a means of building sustainable capacity.

6. Project Management

One of the challenges faced by project management is how to build good local urban governance experiences and habits into the national policy frame-work. This "filtering-up process" is not currently taking place as much as it could. This is due primarily to an unclear distribution of roles and responsibilities between the direction-setting (NPD, DNPD, Bappenas) and implementation (National Project Office) elements of central management.

However, some fundamental, more positive changes can be observed in which emerging forces within the government are placing more emphasis on good urban governance practices and applications. BUILD has been instrumental in beginning to change mind sets, thereby encouraging more proactive leadership in the project to better articulate, promote and propagate good urban governance agendas to a wider spectrum of decision-makers.

C. QUALITY OF MONITORING AND EVALUATION

1. Tripartite Review Meetings (TPR)

The full BUILD programme is subject to tripartite review (joint review by representatives of the Government of Indonesia (GoI), UNCHS and UNDP) at least once every 12 months. Such

a Tripartite Review meeting was held on the I8'ᵗʰ' of February 2000, seven months after the
start of the Introduction of Change phase. The main issue addressed in the TPR was the implementation arrangement for the programme. Bappcnas had earlier advised UNDP that the Ministry for Human Settlements would become the executing agency, a proposal the Ministry of Home Affairs could not accept. Subsequent to the TPR, a compromise solution was accepted in which an Executing Board was to be established comprising officials of MoHA, MoRA, Bappenas and Kimpraswil. This board would nominate a NPD and provide overall supervision. However, since this solution was proposed in mid - 2000, the GoI was further reorganised and MoRA abolished, and the proposed Executive Board has not been formed. As of this evaluation, the position of

NPD remains with MoHARA, within Bangda; and that of Deputy NPD is with Binkotdes in Kimpraswil. Current signs are that MoHARA is bringing

BUILD and related activities into the main stream of the good governance movement in the

context of decentralisation.

2. **Oversight**

UNDP provides close oversight of project operations and progress, and staff members have

taken the opportunity frequently to observe field activities first hand. There is intensive consultation between UNDP and the National Project Office, as symbolized by the proximity of their offices. In its role as executing agency, Bangda (MoHARA) has not provided adequate oversight of BUILD operations, neither at general policy level nor with regard to management of day-to-day operations (although some change is now evident). This remains a major problem for the project and is a subject that this evaluation team must address in subsequent sections of this report.

3. **Project Monitoring System**

The programme document has called for a performance improvement monitoring system to be designed and implemented within the Introduction of Change phase (see Output 4.2). However, after a workshop on performance indicators, a sub-contract is currently being

processed to a university with joint World Bank support.

Besides providing an overview of an agreed set of success indicators, the monitoring system can also be designed to measure citizens' satisfaction. Sets of "urban indicators" can be generated to gauge the degree of satisfaction with the cities in which they live. Expanding the data base for such a system can also be out-sourced.

4. **Special Concerns: Gender and Environment**

Gender. In its meetings in the six towns visited, the evaluation team found a disproportionately low number of women: almost no women in the local governments (executive and DPRD) other than support staffs, but more with the NGOs and forum kota. Although gender issues were not specifically addressed by the project, some participating

NGOs were beginning to raise them. These included women's role in the workplace and in poverty programs. In some towns, the evaluation team was told that women participated more freely in the village level meetings which initiate the bottom-up planning process (Musbangdes). However, despite their crucial role in the household and local economy, women are still reluctant to participate at the citywide level in forum kota or similar venues. Limited education levels and traditional cultural constraints were often cited as

explanations. Although BUILD has conducted training for UMAs and experts on women's issues, it could
do more to help foster an airing of these issues and to identify real opportunities for women. Such concerns need to be brought up on a "demand-driven" basis from the community, possibly by engaging special issue NGOs.

Environment. In view of the fact that Indonesia's urban areas, including the selected BUILD cities, have many serious environmental problems and also modern laws on the books regarding analysis/control of environmental impacts, the evaluators found that environmental issues were infrequently addressed by BUILD-supported mechanisms. The relatively small size of some of the towns may be a partial explanation. But, even in a small town like Sawahlunto, the problem posed by open pit coal mines is not yet seen as an important issue. Mataram was an exception, however, where environmental issues being promulgated by the UMA and BUILD included:

- Workshop just concluded on solid waste and sanitation problems
- Cooperation on clean river programme (Prokasih) between Pemda and several NGOs discussed in forum kota
- Phasing out of horse-driven carts (Cidomo) has environmental dimension.
- Deforestation of Rinjani National Park also aired in forum kota.

Concerns related to solid waste management, parks and regreening are examples of environmental issues brought up in other towns as well. However, the treatment of such concerns has been mostly limited to discussion of issues rather than formulation of specific partnership initiatives. It is strongly urged that BUILD endeavor to translate its mechanisms for consultation and collaboration into delivery of specific programmes.

IV. PROJECT RESULTS

A.   RELEVANCE

Concept, design and approach. Within the current context of decentralisation and regional autonomy, the project's contribution to developing "good urban management" and "good governance" is extremely relevant and timely. Given the rapid historical pace towards a decentralised environment within the past three years, as symbolised by the enactment of Laws 22 and 25/1999, *the concept and approach is even more relevant - and is in fact essential - today than it was when designed.*

Ready or not, local autonomy is in place and local municipalities are now responsible for provision of most urban services and infrastructure. Accountable to local legislators (DPRDs), the executive and staff of Pemda are faced with these new responsibilities at the local level. Using good governance principles and tools are not simply relevant, but they are a requirement. For example, Laws 22 and 25/199 require that participatory, bottom-up

planning be carried out within local government. *BUILD shows how this can be done.*

Implementation. Experience with implementing principles and tools in the 9 selected towns has demonstrated the difficulties and complexities in achieving success, but has also shown that *BUILD is relevant* to the executives and their staff, as well as other stakeholders. One simple indicator of this is that the programme is becoming *"demand-driven ",* i.e. over 45 written requests have now come from Walikota to participate in the programme, and this was without any organised campaign! Despite shortcomings, BUILD is becoming a kind of *movement* involving a more representative range of stakeholders. It has become part of a "learning society" whereby citizens gain further understanding of their local rights and responsibilities. It helps local coalitions gain confidence in such a new, collaborative approach. Hence, *relevance increases with practice.*

B.   EFFICIENCY

Measuring costs against benefits in any quantitative way is very different in a pilot, capacity building project such as BUILD, because the intangible (qualitative factors) are much more apparent than the measurable, quantitative factors. With decentralisation, local government tasks and responsibilities have considerably expanded, including ensuring democratic participation is occurring. It is not surprising that BUILD is welcomed as it inculcates processes and tools which support good management and good governance. The building of "spirit and commitment" within such a movement, on the part of mayors, local DPRDs and non-governmental stakeholders, is *a substantial benefit of immeasurable value.*

With regard to personnel provided by BUILD, the evaluation team's assessment is that the CTA is good value. He has steered the BUILD "ideology" and spirit, transferring it to others right down to community level. However, BUILD would be better served if the CTA could concentrate more of his energy to further conceptual development of the framework. The expert team, although the quality is
uneven, could be strengthened, utilized more efficiently and optimally particularly if they increase

team work and linkages. Another criticism is that the BUILD project team members have tended to operate as "single fighters" without any involvement of counterparts in or outside the government. They need to develop workable linkages (e.g. counterparts), particularly looking towards the consolidation phase of the project. In general, the UMAs have been very instrumental in furthering BUILD objectives, are utilized very efficiently and in some respects are the "flagship" of the entire programme.

It is too early to determine the level (and efficiency) of mobilisation of local investment through partnerships and other BUILD initiatives. However, there is evidence that BUILD is beginning to mobilise substantial local investments (i.e. APBD funds, JPS, P3KT, etc.), although it is hard to establish whether there are other contributing factors at play. As examples, the evaluation team was told that Kendari's Integrated Service Centre has

facilitated a many fold increase in local PAD, and that the community-based housing project there had resulted in the provision of more than 1000 plots.

In terms of efficiency, there are signs that BUILD has become the focus for coordination amongst similar good governance initiatives funded by other donors (e.g., CDS, LIL, Sulawesi II UDP, etc.). Several project experience workshops and other coordination meetings with USAID, GTZ and ICMA have been organised by the BUILD team during the life of the project.

C.   OUTPUTS

Output 1.1 Local Agenda's for Sustainable Urban Development (prepared in a participatory way)
This output is generally well in progress. Profiles or portraits of existing local conditions however, lack adequate substance and depth to enable relevant decision making and need regular updating. The strategy development process (vision & mission and local development strategy) is not fully understood (sequential problems) nor is it fully consultative. The BUILD approach is more annual rather than medium-term planning (important in programming for sustainable infrastructure). Although promoting local agendas is still weak, this can be improved by the implementation of the CDS concept to introduce strategic long-term and medium-term planning.

Output 1.2 Framework for Collaboration (including establishment of management terms as required).
Collaboration mechanisms (Forum Kota) are in process of being developed with generally positive results. Some fora act as pressure groups (or provocateurs) and some function as facilitators to build consensus. There is an issue of sustainability of these collaboration fora, especially in cases where they are politicised or competing fora are operating with different ground rules. *(See Box #1)*

(Box #1)
Case Study: Alternative Approaches to Urban Fora

The Situation. One of the centrepieces of BUILD is the establishment of collaborative frameworks, or forum kota, in which local government, local parliament, universities, NGOs, business community, community-based organisations, media members and other "stakeholders" come together to participate in collective decisions regarding their town. It was of interest to the evaluation team that several models or types of such fora have emerged during the project. Three types are described below:

Kendari: An Inclusive Collaboration Forum. In Kendari, a single urban forum has been established which brings all stakeholders together, both representatives of local government (executive and DPRD) and non governmental groups. Although precise composition of the forum varies according to specific issues being discussed (there are several working groups), it is seen by the Mayor and all other participants as an open, informal institution through which consensus can be reached and conflicts resolved on major concerns of the city. Although it has no official, legal status, it is viewed as a creditable "voice of the community". Kendari hopes it will remain an informal body to be provided with a simple secretariat in future.

Bogor., An Exclusive Pressure Group. *The model for collaboration found in Bogor was very different from*

Kendari. This forum ("Masyarakat Bogor Raya') is a smaller, more exclusive group of persons outside of government who bring up issues of public concern, conduct public meetings and apply pressure through various means to get the local government (executive and DPRD) to take action. This group also functions as a kind of think tank or "club", with several members being faculty or students from IPB. They frequently communicate with eachother via internet. In this context, they seemed rather remote from the community ("masyarakat"), but they have been effective in achieving results on several issues.

Malaram: *Multiple Fora. Yet another model for collaboration on resolving urban issues can be seem in Mataram. Here BUILD has supported not one but many urban fora, which are established on the basis of specific issues or concerns. In most cases, these issue-specific groups combine both local government staff and NGO or university personnel. The urban management advisor (UMA) seems to play an important role as facilitator to bring people together to resolve a particular problem (e.g., cidomo, kaki-lima, pasar sore/malam, etc.)*

Some Common Issues. The evaluation team found it refreshing and positive that the project has stimulated a variety of approaches to urban fora. The variety presumably reflects the different traditions and characteristics of the cities, as well as different personalities involved. All fora are striving for the same ideals of "good governance" but taking different paths.

However, each of these models must address similar issues if they are to become sustainable. Can they survive on a permanent basis if they remain highly informal and unstructured? What kind of legitimacy or credibility do forum members have as spokespersons for various constituencies among the community? Don't these organisations need funds to sustain themselves? How will such funds be obtained?

Although cases of public-private, public-people or private-people partnerships that have been developed cannot only be attributed to BUILD, people are engaging each other more openly, There needs to be a more conducive climate for the evolution of sustainable workable partnerships.

Output 1.3 Well Informed and Trained Partners in Development.

Although BUILD has a strong training component and has touched all stakeholders, there is some concern about the level of artificiality of the need-assessment for training (not free from supply-driven `bias'). There is a general concern about the nature of the training material. These `training guidelines' must be translated to suit local conditions, and must be supervised and monitored to achieve the quality assurance needed.

Study tours and staff exchange programs are enthusiastically endorsed but, after removing the novelty value, there is a need to monitor whether they really have applied value.

Output 1.4 Enhanced Funding Arrangement (through innovative or creative generation of local resources).

Although BUILD has helped initiate allocation of funds to good governance activities, these have been mostly for improving municipal finance mechanisms. There is a lack of town-specific details and analysis in the materials. There is a focus on funding arrangements that does not necessarily reflect real opportunities or funding sources (refer to Revenue Improvement Action Plans, RIAPs, of IUIDP system). Local economic

development issues are seemingly "beyond" BUILD. There is a definite lack of a way out for the large local budget deficits (PAD vs APBD). This financial analysis needs to delve further into specific funding sources in the local community and private sector.

Output 1.5 Enhanced Information and Communication Arrangements.

Formulating communication systems has been quite well developed in most towns, e.g. newspapers, newsletters, talk shows. There is still a weakness in getting the essence of public information service vs `public relations'. Relevant information systems are not yet well developed. There seems to be no strong data base and information system management (MIS). Need to focus on more applied information for decision making.

Output 1.6 Specific Projects Being Implemented (breakthrough projects).

There are examples of breakthrough projects facilitated by the UMA and urban fora; e.g. Co-Build housing (Kendari), small scale industry (Metro), upgrading squatter settlement (Mataram), community water supply extension (Sawahlunto), etc. But generally implementation of such projects needs to be accelerated. *(See Box #2)*

(Box #2)

Cases of Partnerships

Shopping Facilities (Mataram, Kendari). The provision of shopping opportunities in the city of Mataram was indirectly facilitated by BUILD. A B.O.T. arrangement between a developer and the local government was returned to a more equitable level when the local legislators renegotiated the terms (from 50 to 30 year lease and realization an increased annual contribution to Rp. 100 million from Rp.30 million outside the increase in local retribution). The Forum Kola also facilitate the organisation of street vendors (fruit vendors, souvenir stalls etc.) in the various main street locations and even more ambitiously the mayor utilised the FORUM KOTA (through a consumer preference survey in the Lombok Pos) to get a working consensus for the regular establishment of a night market where potential conflicts occur between shopowners & vendors, between the various hawker clusters (e.g. sunglass vendros protested) as well as having to accommodate security and parking concerns.

A similarly case in Kendari showed that the organisation of an wholesale fish market provided a better public service (more competitive prices) as well as substantially increased local revenues (potential retribution from Rp. 200 million monthly turnover is high) even to the extent that a private-management contract is possible.

Transportation, (Bogor, Mataram). *A common urban "bad practise" is the corrupt transportation management system in most cities. In Bogor, the relocation of an transportation terminal was "derailed" by the FORUM KOTA, which has an active ORGANDA (transportation operators) component. The input from all interested parties forced the city to reconsider options in achieving better service solutions (even resolving opposition to fare hikes).*

The Cidomo is a horse drawn carriage which is a familiar mode of transportation in Mataram. They however create traffic slow downs and are a concern from city sanitation point of view. The Forum Kota is currently facilitating a tripartite partnership to design & manufacture a motorized tricycle vehicle (private sector) and to retrain the Cidomo drivers (people) to operate the alternative mode of transportation.

In Probolinggo, the Forum Kota in assisting the mayor in regnegotiating revenue sharing with the port authority (PELINDO). Besides improving the potential revenues from increased ship-handling there are yet unrealized income from auxilliary services like parking, etc.

Community-Based Housing, Kendari BUILD, through the FORUM KOTA (City Forum), was actively working with the FORUM PERMUKIMAN KOTA (Urban Housing Forum) to tap into the revolving fund of the Co-BILD programme. The community-based housing movement, led mostly by the local development consultants, was instrumental in organizing community "groups" to start housing saving schemes. They would collectively be

eligible for credit to acquire land and construct the houses through the revolving fund (Co-BILD). They the fund to buy land and used the money from house savings schemes to clear land and install infrastructure. The various sub-groups then organised brick-making, bulk-buying of timber, self-construction-teams to collectively build the houses. This is an innovation on for low cost housing and assists the local government in relocating squatters from the green belt and food-prone areas.

Similar examples of community-based housing were observed in Metro (including small industry credit) and Mataram (squatters on food plain zone)

*Generally the above sketches are isolated **examples** of partnerships that have their own "momentum". BUILD has the potential to substantially increase such partherships in the near future.*

Output 2.1 Introduction of Better Institutional Frameworks.

With decentralisation there was a mandate and a strong drive to restructure local governments (Laws 22 & 25/1999). BUILD has been in the forefront of efforts to streamline local government structures. However, the introduction of a better institutional framework seemed to be more `supply driven', sometimes premature with no real improvement in public services (KPT Mataram, Probolinggo), and in other cases the local government preferred to postpone change pending clarity on instruction or real improvements (Sawahlunto). *(See Box # 3)*

Output 2.2 Introduction of Better Information and Communication

Systems. This output essentially repeats that under output 1.5.

Output 2.3 Introduction of Better Planning, Programming and Budgeting System.

Largely in process of being implemented. BUILD is deemed to be stronger on the annual programming and budgeting process but weak in medium term investment planning and programming (which may be crucial in the development of more complex urban systems such as water supply and other infrastructures). Although the mechanics of participation are well entrenched, perceived benefits are not evenly distributed and still favor the elite. Some concern is expressed about the need to manage (at the local level) possible conflicts in the different mechanics of implementation of other donor programmes.

Output 3.1 Inventory of Examples of `Innovative Urban Management' in Indonesia and Aboard.

Output 3.2 Documentation of Experience.

Study tours and documentation of urban management experiences have been partially completed. These were generally deemed useful and need to be replicated as part of an

ongoing process. Efforts to develop a sustainable documentation system require constant attention.

Output 3.3 Dissemination of Experiences.

Media BUILD has been distributed quite widely, although the workshops for the dissemination have not been implemented. Responsibility for dissemination on a sustainable and regular basis needs to be very clear.

(Box # 3)

"One Stop Service" in Mataram: Supply or Demand Driven?

One of the municipal management practices suggested to be promoted and learned by other cities is "One Stop Service" of "Integrated Service Delivery Centre ". In some selected cities it has functioned properly, offering better community services, enabling the acceleration of domestic and foreign business investment, and raising municipal revenue. To prevent the urban management from overbureaucratization, this type of revenue centre revenue has been suggested widely at municipal or district level. Besides functioning as a central point for paying taxes and user charges, it can offer such services as location permit, building permit, land certification, business location permit, civil registration, etc., under one roof. Since the centre is expected to increase eficiency, effectiveness, and better service quality to local community, its establishment should be based on a prior pees assessment. In other words its presence should be "demand-driven ".

An integrated service delivery centre or Kantor Pelayanan Teradu (KPT) was newly established in Mataram, Lombok Located at the edge or boundary of the municipality, it starts its daily operation with various permit services to the community. The personnel working in this centre come from their respective dinas or kntor. It is interesting that each type of service has its own finishing target as written on a board behind service desks, and it gives the public an impression that the centre has already applied some best principles of service quality.

This centre, as perceived by one of its oficials, is expected to provide better service to the community -faster, cheaper, and easier, more effective and satisfactory. However, as explained by the same official, it is still hard to judge the effectiveness of the centre at this time for various reasons. First, the location of the center is relatively far from the majority of the population, which certainly implies more transport cost than before. Second, time spent to serve the community is longer than before, due to the fact that the administration of these permits or certification are still processed in the office of the respective Dinas or Kantor which is quite distant from the centre, so that people see the centre as a place for selling or distributing forms and launching the permits. And finally, the respective Dinas or Kantor still offers the same services as the centre does, which means that the establishment of the centre tends to make such services to be more bureaucratic, and might need to recruit more service staff.

This response raises some critical questions: What is the reaction of the community in the near future? Can Mataram 's experience be transferred to or copied by other cities? Can one believe that this centre will function as expected? What drives the local government to establish this centre? Local problems and needs? Municipal budget available? Experience from other cities? Or just a mandate from the top?

The model KPT is Kendari which has become the standard bearer for improved public service delivery as well as a manyfold increase in revenue (PAD). They are even talking about installing a computerised information system to improve KPT service. As in other cities, there is some resistance from some dins to

transfer licensing functions. The KPT in Probolinggo only processes two licenses, but Sawahlunto is thinking of combining the KPT with Infokom because it is a relatively small operation.

Output 3.4 Demand-driven Programme for Development of Management Capacities.

Although a first draft paper has been completed, not enough good urban management practices and experiences in documentation and dissemination have been completed to allow for the design and implementation of the training of advisors/ facilitators as proposed.

Output 4.1   Establish Central Coordination Capacity.

As mentioned elsewhere, this capacity needs to be improved, and steps are underway to establish a better central coordination process.

Output 4.2   Performance Improvement Monitoring System.

Producing this output is substantially delayed, a condition that is currently

being rectified. **Output 4.3   Effective Local Government Association.**

Substantial work done but much more needs to be done, in relation to APEKSI. Short-term advisor performed useful missions. Urgent need now to support APEKSI in implementing operational plans and crucial reforms. The BUILD team has helped coordinate support to APEKSI in the past, and BUILD support should continue to be coordinated with that being or to be provided from other donors (USAID, GTZ, etc.).

Output 5.1 Programme Document for

Consolidation Phase. This output to be carried out

within coming quarter.

D.   IMMEDIATE OBJECTIVES

Immediate Objective 1: Develop responsive, accountable, transparent and participatory urban management practices in selected urban areas

Generally there was a higher level of citizens confidence in the executive and legislative in

the first BUILD cities, particularly in Kendari and Mataram but less so in Metro. There was also genuine although widely varied progress in Bogor, Probolinggo and Sawahiunto. Given the diversity of circumstances, the level of civic participation in the drafting of the city's vision & mission, strategic plans, local agendas for development and local annual programmes and budgets has been quite active. From all accounts BUILD facilitators have been instrumental in `democratisation' of the annual bottom-up planning cycles (musyawarah pembangunan desa, kecamatan and kota). There was a lot of cynicism in the old P5D process (more deterministic than consultative) and at least there is now a renewed executive sensitivity towards people-driven development agendas. In practice there was some expressed concern about the length of time to get feed-back.

In terms of the creation of a framework for collaboration, there has been some good progress. The experience of the fora is varied *(see box #1)*. Generally there has not been significant private sector collaboration.

The capacity building for development partners have been implemented through training for all stakeholders. Members of the legislative, executive, non-government organizations and universities have expressed general satisfaction with the facilitation of BUILD. There is a need to develop more user-friendly and constantly enriched training materials to increase relevance to field conditions.

There has been some controversy attached to priorities for the funding of the participatory development agenda. Although some local government contributions have been made, resource mobilization from private and community resources could be expanded. There has not been enough emphasis in local economic development.

Generally improving information management has been weak except for the formation of Kantor Informasi & Komunikasi (INFROKOM) which are not yet going beyond `Public Relations'.

Implementation of projects as a means for mobilizing local resources to improve public service and thus achieve the development objective are not yet achieved in most cities. Kendari and Mataram are exceptions.

Immediate Objective 2: **Introduce change in the institutional framework and operating procedures in selected urban areas in response to the new laws on local autonomy and fiscal**
 decentralization
The changes made towards a better institutional framework is apparent in all the cities. Generally driven by a strong leadership of the mayor, the UMA played a role in defining a

clearer distribution of authority, functions, tasks and coordination mechanisms. There has been some initial internal bureaucratic resistance to changes made and most still do not have the 'public-service' outlook. Some cities have also passed the appropriate rules and regulations on good governance. However, the role of the legislatures in this process needs to be strengthened. The `slimming' or `rationalization' of urban management organization is mostly a consequence of the enactment of Law No.22/1999, but BUILD did make a timely intervention. There was, however, concern that the establishment of some integrated services seemed to be premature for the current situation of the city and will not necessarily improve service as they tend to be more supply-driven. The Kantor Pelayanan Terpadu (one roof system), while in place in Kendari, was not optimum in Mataram or Probolinggo. The Badan Keuangan Daerah (set up in Gorontalo) was only symbolically present elsewhere and Sawahlunto postponed its establishment preferring to wait and learn from other cities.

The main effort for improving local communication and information systems has been to elevate the level of the information bureau in the government organization structure. Although these have gone beyond the traditional public-relations role, they are not yet public-information, let alone a full fledged two-way public development communication system. Some real gains (but not yet

sustainable) have been made to make urban issues more exposed in the local mass-media (newspapers and radio talk shows).

An overall betterment in planning and programming systems is evident, definitely more participatory but not yet fully transparent or accountable in selected urban areas.

Immediate Objective 3: Documentation and dissemination of examples of successful urban management initiatives and introduce change

The inventory of examples and documentation of good urban management experiences has not been continuous and thus the dissemination of best practices have not been possible except through comparative studies and apprenticeships (very limited impact).It is thus too early to talk about `replication' since no solid body of references has been established. The absence of `well documented case studies' can be a major drawback, especially in terms of enriching the BUILD concept and facilitating the incorporation of lessons learned locally to the national policy framework.

Immediate Objective 4: Support the coordination and management of change following the introduction of new laws on local autonomy and fiscal decentralization

Despite the relatively solid local impact, the main hurdle facing the project is the fact that

this happened despite any clear directives from the central government. The BUILD experience has demonstrated that fundamental changes in urban management practices are happening at the local level. Somehow these changes need to be fed back up to the national level. National level coordination of this programme should benefit from thus far documented field experience.

A lot of hope has been placed on the role which can be played by local government associations in the coordination and management of change. There is a need to develop a workable relationship between possible partners in the development of effective local government associations. Although it is too early to determine the extent that government-driven institutions like APEKSI, AKAPSI, and Association of Provincial Governments can provide `professional' good-governance management support, these institutions have a strategic role in disseminating BUILD-type innovations.

E.   DEVELOPMENT OBJECTIVE

The BUILD program has made a good start in assisting selected urban areas in applying a decentralized, participatory and effective urban management capacity. It is too early to say that this change is sustainable. The innovations and new approaches in urban management experiences are yet too scattered and too diverse to make them replicable nationally.

F.   CAPACITY BUILDING

For Indonesia, capacity building should be regarded as the basis of development and the best way to handle political and economic crises. It usually deals with investing in people, organisations and networks. In fact, capacity building and strengthening management systems becomes the main focus of BUILD during the third stage of town development.

Training, workshops and staff exchange undertaken in this project were the means of investing in people so that in the future they could determine their own values and priorities, and control their lives in economic, social and political aspects. As observed in some cities, the programme has attempted to build the capacities of all important stakeholders, but it seemed mostly limited to those who have enough access either to BUILD or to elites of government officials. The exclusion of disadvantaged community members is a concern today, and BUILD might consider how this concern should be addressed.

BUILD's initiatives to improve the effectiveness of urban government structure should be regarded as a critical breakthrough in public organisation and management. In earlier years, structural constraints had lowered the initiatives, creativity and even achievement motivation of government officials. And the government elites dominated all public

decision making, so that the local community as well as local legislators were passive. In this respect, BUILD has attempted to facilitate local government officials and legislators so that they can change municipal structures. BUILD has also facilitated citizen as well as local legislature's participation in planning, programming and budgeting systems. However, some important questions were raised in the field concerning the duration of facilitation activities, the capabilities of urban legislatures to accommodate changes, and commitment and goodwill of some government elites to promote all of these changes. Since all of these activities were recently implemented, their impact on capacity building for good governance is still too early to judge.

Commitment to capacity building can be observed in efforts to facilitate internal and external networks - among divisions, units, organisations at local government, and with external organisations such as NGOs, private sector, universities, etc. This is regarded as an investment in networks which basically encourages learning capacities and collaboration in various aspects. As observed in some selected cities, BUILD's efforts to facilitate local government to build networks included, for instance, integrated service delivery centres, collaboration with NGOs in handling training and workshops, collaboration with mass media, local universities, exchange staff with other cities, etc. However, these networks were basically temporary in nature. In the future, developing some permanent and regular networks which continually encourage learning within urban governments and communities and collaboration in various aspects, might be useful targets of the project.

G.   IMPACT

It should be noted that the objectives of this project are basically qualitative in nature. Therefore, it is easier to measure the inputs used in the project, the implementation of its activities and the targets achieved in the project. Since these activities are more related to human, organisation and network investment, it might be too early to measure and claim its impacts. However, some indicators as to the impact of this project were observed by some key informants which can be usefully generalised.

The main impact of the BUILD project in several cities, is the growing positive dynamics between local communities, government officials, and local legislatures. The presence of the UMA and also the various local facilitators have energized relationships more so than in neighboring non-BUILD areas. Participation in public hearings, in development coordination meetings and initiatives to express problems or issues become more pronounced and institutionalized in the more advanced BUILD cities. In Mataram and Kendari, people are less reluctant to speak in public fora, raising questions, objections and suggestions. Government officials became more open and transparent, more accommodative, while local legislatures became more aggressive, critical and responsive, and the Mayors became more relaxed in sounding-out public opinion before making

decisions. And many NGOs began to be very active in dealing with more substantial public issues including issues on women and environment. To a certain extent the main impact has been a building up of civic
confidence.

A quick survey conducted by BUILD indicates that communities, government officials and local legislatures have started to change for the better. Such findings can not be generalized as it is hard to separate the impact of the BUILD project from the general social, economic and political changes in Indonesia, or from structural changes as mandated by Laws No.22 and 25/1999. It is too early to draw any definitive conclusion about the impact of the project because many activities are just being or just about to be implemented.

It is also hard to determine impacts as there has not been an agreed set of success indicators, as stated in the Programme Document in the form of End-of-Programme Situation (EOPS) targets. When looking at the role played by BUILD as a facilitator for good governance, attributing such indicators of success wholly to the BUILD project is questionnable. For all intents and purposes these EOPS might be better indicators for the implementation of Laws No.22 and 25 rather than the BUILD project per se. It is thus more appropriate to measure the success of the BUILD project in terms of the impact of facilitation. For instance, whether or not knowledge, skills, attitude change, etc., obtained in the facilitation by BUILD by participants helped them to better organize and manage their institutions in dialogue, partnerships, etc. And what are the perceived results of such activities. Consequently, in order to measure the impact of this project more adequately, the criteria of success as formulated in EOPS needs to be reformulated or revised.

H.   SUSTAINABILITY

What are the prospects for sustainability of BUILD's initiatives? More specifically, what has to happen at the national and local levels for achieving long-term sustainability? Answering these questions requires that the evaluator take a realistic look at programme implementation, impacts and execution modalities up until the present time, and then predict what is likely to happen in the future, both at conclusion of UNDP funding and thereafter. This assessment should take place at both national and local levels.

1.   **Sustainability at Local Level**

The overall prospects for achieving sustainability of BUILD-initiated principles and tools are very bright at the local level. To support this assertion, we must indicate what we believe are the critical elements of the "BUILD package" locally. We have observed the following as most critical:

- The UMA and Forum Kota (in whatever form or model)
- Community-level facilitators trained in participatory planning, etc.

•Local universities
• Partnerships between Pemda and non-governmental institutions.

The UMA should be imbued with more responsibilities and some type of Forum Kota can become sustainable if the following conditions are met. First, they must become more selfsufficient preferably by using both public, private and community resources. Second,

somewhat more formal structures for these institutions need to be defined, yet they should maintain their independence and not be fully co-opted by any local interests. At this stage, only Kendari meets these conditions, but most other towns should reach this point by the end of the consolidation phase.

Community-level facilitators are being trained and fielded by several programmes, not only BUILD. Sustainability of this element is to some extent dependent on the donor community and Gol setting out common ground rules/procedures for use of these facilitators.

The role of local centres for research and learning to date has been largely limited to preparation of initial profiles. The evaluation team's assessment of the results of these profiles is that the quality could have been much more even and continuous. Despite this, we believe that selected local universities could contribute more to the sustainability of the programme: through research, case studies and participation in urban forums.

As mentioned elsewhere, the actual execution or achievement of partnerships between Local Governments and other stakeholders has thus far had limited results. Without tangible outputs in the form of on-the-ground collaboration schemes, the consultative process, as symbolised by the urban forums, achieves limited impact.

It is also important to understand fully the "effective" carrying capacities of various local resources so that a continuous momentum of these resources can be sustained.

2. **Sustainability at National Level**

Assessing sustainability of the project as a whole should be viewed within the overall context of decentralisation in Indonesia. We are not so concerned about the sustainability of BUILD as a "project" than with the sustainability or longevity of a set of principles and tools (initiated by BUILD) which are part of good urban management and good governance within the context of decentralisation.

Sustainability of BUILD-initiated principles and tools does require that certain overall management functions be carried out at the national level, including the following:

- General management/administrative function, including exchange of experiences,
  developing legistation on good governance, etc.
- Conceptual/intellectual development and backstopping of decentralisation principles and tools
- Documentation/dissemination of information (including best practices), and training.

It is clear that no single, overiding management entity for good governance can be sustainable. Instead, a working coalition of interests must be formed to proliferate and generate the "good governance culture". It is conceivable that members of this coalition can, individually or collectively, undertake the three functions mentioned above.

The following existing institutions can play supporting roles in increasing the prospects for sustainability, as demonstrated to some extent by their past performance:

- Local and national universities, and research institutions (e.g. URDI), can help with
  conceptual development.
- MoHARA can assist in exchange programmes and drafting guidelines and regulations on good management and governance.
- APEKSI has a highly valued role to play in the future with advocacy, dissemination and training, provided steps are taken to restructure it.

For APEKSI to become a real advocate for good urban governance as an association representing the decentralised interests of the mayors and their staffs, it should not be constituted in the traditional government mold. It thus needs to be re-energised, refocused and reorganised as a professional good governance organisation. The recommendations of the municipal association expert should be seriously considered.

V. CONCLUSIONS

I. **BUILD functions as a catalyst for good urban management practices.** The establishment of BUILD initiatives, including the urban management advisors (UMA) and collaborative frameworks (urban fora), have proven to be an important accomplishment applying good governance principles in the pilot towns. Broadening the planning and management process to bring all stakeholders together, both representatives of local government (executive and legislative) and various non-

governmental groups (NGOs, community leaders, universities, mass media, business people and others), has given rise to new possibilities for initiating democracy and civil society in Indonesia's urban areas. Although it is early days, BUILD shows potential of becoming a "demand-driven" movement which can gather momentum on its own at the local level.

2. **BUILD must continue to strengthen its roots at the local level.** To continue to be relevant, BUILD must always be rooted at the local level, being responsive to all the tremendous variation in dynamism and conditions - social, cultural, political, economic and physical - in the country's urban areas. Failure to recognize this variation and attempting to apply "onesize-fits-all" approaches to urban problems was always one of the faults of national policymakers during the New Order era. It was the companion piece to top-down, command planning. Hence, during this era of reform, bottom-up, participatory planning and implementation requires its companion piece, namely a recognition that this vast archipelago possesses an incredible variety of urban conditions which need locally rooted policies and programmes.

3. **BUILD needs to deepen and consolidate its conceptual underpinnings and framework.** To further stimulate and aid in expanding this demand-driven movement towards inculcating processes and tools which support good management and good governance within Indonesia's cities and towns, the BUILD team needs to input the central government in expanding the policy and concept of Good Urban Governance. The request from central government decision-makers for such inputs to central policy formulation is in fact a recognition of BUILD achievements. Although BUILD is essentially a catalyst for local initiatives under decentralisation, ; central policy-makers need a stimulous from below to make the national urban policy agenda relevant and practical. As a component of the urban policy agenda, what precisely is BUILD's conceptual vision of good urban governance, and how does this contribute to ideas about the cities' role in national economic recovery?

4. **BUILD needs to strengthen documentation and dissemination of experiences for replication.** Decentralisation implies that there are now nearly 100 Kota and over 300 Kabupaten (within which there are approximately 1500 discrete urban areas) with the authority and responsibility to provide local services and infrastructures, and largely without the experience and capacity to meet these responsibilities. BUILD stands at the threshold of becoming a demand-driven movement, as government officials and international donors strive for immediate remedies for this lack of capacity to fulfill the decentralisation mandate.

To enable BUILD principles and tools to be replicable to other municipalities, it is essential that examples and case studies of good urban management experiences and practices be documented and widely disseminated. The need for well documented case studies has now become a critical component for enriching the BUILD concept and thus to allow for the incorporation of additional urban areas in the future. This accelerated demand for documentation and dissemination of good urban management experiences and practices reflects in itself a recognition of BUILD achievements.

5. BUILD needs to become more of a coalition for good governance. As BUILD becomes *"de project-ized"* and begins to adopt the attributes of a *"movement",* there is a need to form *a working coalition* that can promote and infect "good governance culture" to the various components of a sustainable effort. It was mentioned that *" good governance should be the concern of everybody "..°1* The evaluation mission enthusiastically agrees and stresses that such a working coalition needs to do a lot of campaigning and thus to create *a fan club for good governance.*

In this context, the evaluation mission observed some positive changes in which emerging forces within the government are placing more emphasis on good urban governance practices. It was noted that BUILD has been instrumental in changing mind sets and attitudes, thereby encouraging more proactive leadership to better promote and propagate good urban governance agendas to a broader spectrum of decision-makers.

4) This point was made by NPD (Soni Sumarsono) in the major debriefing meeting in MoHARA on 5 April 2001.

VI. RECOMMENDATIONS

The evaluation team is offering three basic recommendations, each containing several

components. 1. **Develop a Strategy for the Evolution of a Central Coalition for Good**

Governance.

Decentralisation is an ongoing evolutionary process which provides a unique opportunity to undertake basic reform. It is thus imperative that an umbrella coalition be formed to coordinate and manage all good governance initiatives like BUILD. Such a coalition can also lead the campaign for good governance and create a fan club. Because of the range and complexity of issues involved, the general format of this coalition must be flexible and it is also temporary in nature, with its lifetime being dependent on progress of forming a more permanent good governance institution.

• **Establish Central Good Governance Task Force.** Based on the many interviews conducted and reports read, the evaluation team recognised that such a Task Force must accommodate three basic functions, namely *(a) general management/ administration, (b) conceptual development, and (c) dissemination and training.*

The Task Force must also be capable of fulfilling or maximizing the following criteria, namely *(i) lead institution has desire to "own " project; (ii) is capable; (iii) supports/ understands decentralisation; (iv) can cooperate with other donors; (y) arrangement facilitates "diprojectisation " of BUILD; (vi) combines government and non-governmental institutions; and (vii) facilitates creating a "centre of excellence for good governance.* The BUILD team should provide "backup" to the operations of this Task Force.

• **Develop Working Centre for Good Governance as Anchor for BUILD.** In its deliberations, the evaluation team heard several similar proposals for an "urban

development forum", "foundation for local government innovation", "partnership for governance reform", or "body for good urban management/good governance". These proposals had a common message: create a relatively independent body which can become a centre of excellence in good governance, endow it with an executive board for policy, and a small working secretariat. Let it be the major anchor for BUILD. This entity must be created as soon as possible so that it is established during the consolidation phase of UNDP/Habitat support to BUILD. This Centre would gradually assume responsibility for BUILD overall management/administrative functions, and coordinate the other functions with other institutions.

The decision to create this Centre should be taken in collaboration with other key members of the donor community, but UNDP/UNCHS can legitimately take the lead in this effort.

• **Involve Other Institutions in this Strategy for a Central Coalition.** Key existing bodies must also share responsibility for various central management functions within the central condition. Amongst these are the following necessary institutions and activities:

1) APEKSI - and its sister Kabupaten association, AKAPSI - have crucial and highly valued roles to play within this central coalition for good governance. Assuming its structure is modified as an association representing the decentralised interests of the mayors and their staffs, APEKSI can become a real advocate for good urban governance. Recent missions by the BUILD team, including those of the municipal association expert, in support of APEKSI have been very positive. APEKSI needs BUILD and welcomes a more important future role in BUILD. Both APEKSI and AKAPSI (most of the nation's urban areas are lodged in the kabupaten association) have crucial roles to play in dissemination and training, and possibly as the alternate institutional home for BUILD.

2) With regard to conceptional development, URDI as well as national and local universities can play very useful roles. These institutions can also help a great deal with the dissemination and training functions. However, the new "Centre for Good Governance" itself, guided by its executive board and secretariat, must rapidly develop the leadership to coordinate the parts played by cooperating institutions, and also build up its own capability to become a real centre of excellence and learning.

3) In proposing this central coalition, the evaluation team still envisages important roles for MoHARA and KIMPRASWIL, both of which should serve in some capacity on the executive board of the new Centre. MoHARA can offer guidance on dissemination and training activities, including exchange programmes, and draft guidelines and regulations on good management and governance. KIMPRASWIL can contribute to conceptual development and to technical training.

2. Design and Develop a Strategy for Consolidation and Replication of BUILD.

To enable good governance principles and tools to become part of national

decentralisation policy and to be replicated in additional cities and towns throughout Indonesia, it is essential that a strategy be designed which *(a) allows for enrichment of the BUILD approach; (b) strengthens the effort to document and disseminate experiences; and (c) ensures the accelerated implementation of collaborative efforts, or partnerships, between various stakeholders.* Each of these aspects is touched on below:

• **Enrich the BUILD Approach.** As a basis for expanding the Good Governance movement, the BUILD approach should be formulated on a deeper conceptual level and contribute to the national urban policy agenda. This should include a more detailed vision and definition of good urban governance. Among other elements, there should be clearer notions on how local economies can develop and how public entrepreneurship can be fostered within these economies. BUILD's vision as a catalyst may help show the way as to the cities' role in national economic recovery. Proposing that the BUILD team deepen its conceptual underpinnings should be viewed not so much as a criticism of activities up till now, but rather as a compliment that national policy-makers (and the evaluation team) are asking for this. During the consolidation phase, the BUILD team must transfer this function to the proposed Centre for Good Governance.

• **Document and Disseminate Experiences for Replication.** A second aspect of the strategy for consolidation and replication of BUILD initiatives is to strengthen the effort to document case studies and examples of good urban management practices and to ensure that they are widely disseminated (upstream and downstream). Coordination of this crucial activity should continue temporarily with the BUILD management team, and then be transferred during the consolidation phase to the proposed Centre for Good Governance. However, as already stressed under the Conclusions chapter above, several other organisations can help perform this function, including APEKSI/AKAPSI, URDI (which has previously done some useful documentation of innovative urban management practices for BUILD), national and local universities, and MoHARA.

• **Accelerate Implementation of Collaborative Efforts or Partnerships.** As previously mentioned in this report, actual implementation of partnerships - whether they be publicprivate, public-people or private-people - has had limited results thus far. With the exceptions of Kendari and Mataram, BUILD municipalities have been too engaged in preparing the environment for introduction of change, rationalizing their organizations and introducing participatory planning to have the resources to create partnerships. To counter BUILD's critics who say "it's a good process but where are the results on the ground?", it is essential

that the volume of collaborative efforts be increased and disseminated. The evaluation team is confident that this can be achieved.

3. Develop New Modalities for Good Governance Movement in Other Cities and Towns

Finally, it is essential that there be a strategy to convert BUILD into a Good Governance Movement. This approach provides an "exit" for the project and at the same time a basis for "scaling-up" more sustainable good governance activities to other cities.

This strategy must include the following four elements which: *(a) develop regionally and locally-rooted networks for good governance; (b) develop a nationally sustainable good governance institution; (c) formulate pre-conditions and criteria for good governance towns; and (d) support regional and local resources for capacity building.* Each of these elements are commented on below:

- **Develop Regionally and Locally Rooted Networks for Good Governance.** Expansion of BUILD to other towns requires that there be an appreciation and understanding of the tremendous variety of local conditions within Indonesian urban centres. "One size does **not** fit all", and recognizing this point is partly what local autonomy is all about.

- **Develop Nationally Sustainable Good Governance Institution.** It is proposed that such a Centre be created as soon as possible, run by professionals answerable to a responsive executive board that assumes the central management function for BUILD. This board would include UNDP and selected donor community members, as well as key GoI stakeholders and APEKSI. In addition, the BUILD National Project Office team would provide substantive support to the Centre's secretariat, which would gradually take over this role.

  Another dimension of this element is that there are really two local levels: the local community and the town/city as a whole. Especially in larger cities, the variety of conditions and groups in local communities must be taken into account in the process. Care must be taken at both local community and citywide levels that the interests of all economic, ethnic and religious groups be accommodated in BUILD activities.

  Given the diversity of the nation, regional offices supported by SUMAs located in the field can act as laboratories for BUILD-type Good Governance experiences (e.g. Kendari to serve all of Sulawesi, etc.).

- **Formulate Pre-Conditions and Criteria for Good Governance Towns.** "Scaling-up" of BUILD-type activities for a Good Governance movement to encompass additional urban areas also requires that a typology of cities and towns be formulated on the basis of certain characteristics (population size, administrative status, economic base, geographic position, etc.), and that this typology be applied to help determine the nature of intervention required. This implies a certain level of analysis similar to the NUDS study of 15 years ago. Based on such analysis, pre-conditions or criteria for town selection can be formulated. However, in conducting such analysis and building criteria, it is important that the selection process continues to be demand-driven. There is also a need to apply Good Governance criteria more systematically to select certain cities and towns for expansion of the BUILD-type approach. In doing this, we must be aware that co-financing commitments are being made for an additional 6 Sulawesi local governments (World Bank-funded) and perhaps for more towns under ADB financing. The City Development Strategy (CDS), sponsored jointly by the World Bank and Habitat, is another source which can be tapped to provide further support to the BUILD-type approach. *(See Annex D)*

• **Support Regional and Local Resources for Capacity Building.** In expanding the BUILD approach to additional urban areas, new modalities need to be utilized to increase capacity. One such approach is for selected NGOs to join BUILD as sub-contractors and to provide the daily management functions for a package of towns. The NGOs would also provide support to

UMAs through their own expert pool. BUILD would coordinate the packages, provide overall guidance and quality control. This approach would allow the capacity of the BUILD team to be expanded beyond its present limit. Eventually, the proposed Centre for Good Governance, together with APEKSI/AKAPSI, can assume overall management and supervision responsibilities from the BUILD team.

In this transition, the mind set of the BUILD team should move away from "project" towards a more sustainable "incubation" function, in which the experts get others to actually carry out much of the good governance work. As good governance advocates, the intellectual capacity of the team could be strengthened by bringing one or two SUMAs and other experienced good governance activists into Jakarta. With the inclusion of more cities, this team will have an enlarged role in the short term, but then see its functions transferred to the Centre for Good Governance and other institutions.

COMPARING THE OPTIONS FOR BUILD'S CENTRAL MANAGEMENT " HOME"

	CRITERIA	FUTURE OPTIONS FOR BUILD CENTRAL MANAGEMENT			
		Function (a) remains with BANGDA; (b) + (c) with other institutions 1	Terminate BUILD; "REBUILD" in KIMPRASWIL 2	Shift (a) + (c) to APEKSI; other institutions do (b) 3	Create "Centre for Good Governance", with support from other insts. 4
1.	Inst. with gen. manage-ment function has desire to ***"own"/be respon for*** BUILD (incl. committed staff, funds, etc.)	0	2	1	2
2.	Inst.(s) are ***capable of*** carrying out functions/ gen. mgmt. inst. exists and can be quickly strengthened	1	2		0
3.	Institution really **supports/understands** decentalisation	1	0	1	1
4.	Arrangement enables co-op with other donors: coord. Mechanism to work with other donors to "scale-up"	1	1	1	3
5.	Arrangement facilitates "de project-isation" of BUILD; yet **BUILD plays its role within overall decentralisation**	1	1	1	2

6.	"Inst. Home" combines govt. and non-govt. entities				
		1	1	1	2
7.	Arrangement helps facilitate "Centre for Good Governance"				
		1	1	1	2
		6	7	7	12

Score:
3 = Excellent 2 = Good 1 = Fair 0 = None

Functions:
(a) General management/administration
(b) Conceptual/intellectual backstopping (c) Info. dissemination/training