

➔ INDONESIA: DECENTRALIZATION STARTS WITH ASSESSING CURRENT CAPACITIES

In a Nutshell

Indonesia is implementing a capacity development programme for local governments, with assistance from a group of external partners, as part of a wider decentralization effort. To help design an effective strategy, one that also promotes government-donor coordination, a capacity needs assessment tool was developed. It focused mainly on cross-sectoral issues and took stock at three levels. Field assessments, which brought together different local stakeholders, stimulated debate on key issues of local governance under decentralization.

Overall, the experience has helped forge better coordination among development partners. However, it was a complex process requiring significant financial and human resources. Crucially, its success depended on encouraging the involvement of senior government officials, which required articulating a shared understanding at the outset of the meaning of capacity development.

The Story

Between November 1999 and October 2000, GTZ and CLEAN Urban (a project funded by the United States Agency for International Development [USAID] that covers urban and financial management issues) conducted a study in Indonesia to assess the needs of local governments and legislatures for capacity-building support. It focused mainly on cross-sectoral issues, emphasizing links between them. Selected service sectors (urban, health and education) were also covered, since these represent the most important services delivered by local government to citizens.

The results of the study were expected to shape a framework for formulating capacity development programmes that would allow local governments, under Indonesia's current decentralization policy, to fully assume their new roles and functions. In addition, it was hoped that the experience would boost the capacity of central government agencies in charge of decentralization policy to undertake similar assessments without external assistance.

The study team used a conceptual approach that distinguished three levels of capacity: systems, entity and individual. The assessment was geared towards a qualitative analysis of major issues, perceptions and suggestions from a broad range of stakeholders, including senior officials from central government agencies, officials from local governments and provincial agencies, members of local parliaments, and representatives of local NGOs and community groups.

For each topic addressed, a normative framework provided the starting point. The frameworks were based on Indonesian policies and regulations as well as on

international best practices. Consisting of generic principles of good local governance, they provided the basis for identifying the competencies required by both central and regional government organizations. They also acted as icebreakers in many meetings, allowing discussion leaders to present the approach, while respondents were able to relate to the principles.

The assessment process included three elements. First, talks took place with central government officials on the normative frameworks, as well as on their perception of local capacity-building needs. Second, field studies were conducted with five local governments. These included plenary sessions with local officials and parliamentarians, focus group discussions, site visits, individual meetings and interviews, and an analysis of local policy papers and regulations. At the end of each exercise, the study team presented its preliminary findings and recommendations to the different stakeholder groups consulted.

The third step was presenting the initial findings and recommendations to an inter-ministerial working group on capacity building. Meetings with officials from selected technical and sector agencies provided opportunities to delve into more details, in order to establish priorities. The findings were also provided to donors.

Several thematic and technical reports were produced, while the summary final report became a working document for a preliminary donor and consultative group meeting on decentralization. Tools and instruments for field assessments were documented and made available to other interested parties. The Web site for the project became a sought-after source of information for technical assistance officials, practitioners and advisors working in Indonesia on decentralization and local governance. A regular electronic report was also disseminated.

The study has since been used to discuss detailed capacity development programmes. For one local government, the field assessment has already yielded a new technical assistance project with GTZ. In other cases, findings have been integrated into technical assistance activities that are either currently ongoing or planned for the future. Because the studies often brought together different local stakeholders, they also opened space for debate on governance under decentralization, which in itself is a step towards capacity development.

As a follow-up, donor support was provided to an inter-ministerial working group on capacity development, established by presidential decree as one of the coordination teams for the implementation of the decentralization laws. What could not be achieved, however, was building capacity among central government agencies to undertake similar needs assessments along cross-sectoral or cross-agency lines. Persistent changes in the central government have resulted in the constant loss of counterparts and the need to routinely re-establish communication and working relationships with officials.

Results and Critical Factors

- Government ownership and the involvement of government officials in the conceptualization and management of the study was crucial to its success
- Exercises of this nature are complex and require adequate budgeting of time, financial resources and personnel. Access to qualified consultants combining country experience with the requisite technical expertise has been especially important.
- In view of the fact that government officials will often equate capacity development with training, a great deal of time and effort needed to be spent at the outset on developing a broader understanding of the concepts of capacity and capacity development.
- The normative frameworks provided an effective way to combine a relatively abstract approach with concrete institutional and individual implications that were easier to understand, especially for local government officials.
- An important aspect of the assessment was the consistent effort to make findings available to the public through the Internet and electronic media. While the international community was highly appreciative of this facility, such media are not yet sufficiently accessible to government officials in Indonesia, who are less used to them and often lack the requisite technical equipment.
- The fact that several technical assistance stakeholders conducted the study helped to forge better coordination among donors and donor-assisted projects in similar fields.

Further information

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