

Thematic Assessments

Strengthening Local Governance

Central Sulawesi and North Maluku

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Abbreviations

APBN	Anggaran Pendapatan dan Belanja Negara, <i>National Budget (and Expenditure)</i>
APBD	Anggaran Pendapatan dan Belanja Daerah, <i>Regional Budget (and Expenditure)</i>
Bappeda	Badan Perencana Pembangunan Daerah, <i>Regional Development Planning Agency</i>
Bappenas	Badan Perencana Pembangunan Nasional, <i>National Development Planning Agency</i>
Bawasda	Badan Pengawas Daerah, <i>Regional Auditor Agency</i>
Bedup	Bekal Hidup, <i>Capital (Security) Funds</i>
BKN	Badan Kepegawaian Nasional, <i>National Personnel Agency</i> . Previously this was named BAKN, Badan Administrasi Kepegawaian Negara, <i>National Personnel Administration Agency</i>
BPS	Biro Pusat Statistik, <i>Statistical Central Bureau/Agency</i>
Camat	Administrative head of sub-district, who is a public servant.
CBO	Community Based Organization. There is no Indonesian word, but it refers local people's organization and led by informal/local leaders.
DAU	Dana Alokasi Umum, <i>General Allocation Fund (General Grant)</i>
DAK	Dana Alokasi Khusus, <i>Specific Allocation Fund (Specific Grant)</i>
Diklat	Pendidikan dan Pelatihan, <i>Education and Training (Center)</i>
DPR	Dewan Perwakilan Rakyat, <i>National Parliament</i>
DPRD	Dewan Perwakilan Daerah, <i>Regional/Local Parliament</i>
HAM	Hak Asasi Manusia, <i>Human Right</i>
IDP	Internally Displaced People, local refugees
Jadup	Jaminan Hidup, <i>Life (Security) Funds</i>
PRSP	Poverty Reduction Strategy and Programme
Kesbanglinmas	(Badan) Kesatuan Bangsa dan Perlindungan Masyarakat / (Board for) National Unity and People's Protection
KK	Kartu Keluarga, <i>Family Card/Identity</i>
KPK	Komite Penanggulangan Kemiskinan, <i>Committee for Poverty Alleviation</i>
KTP	Kartu Tanda Penduduk, <i>Citizen Identity Card</i> . There are three types of KTP: national, local, and temporary, depending on the KTP programme in the region.
MDG	Millennium Development Goals, the UN vision for the 21 st Century
MenPAN	Menteri Negara Pendayagunaan Aparatur Negara, <i>State Minister for State Apparatus Utilization or State Minister for State Apparatus Efficiency Increase</i> (sometimes translated as <i>State Minister for State Apparatus Reform</i>)
MOF	Minister of Finance, <i>Menteri Keuangan</i>
MOHA	Minister of Home Affairs, <i>Menteri Dalam Negeri (Mendagri)</i>
NGO	Non Government Organization, or <i>Lembaga Swadaya Masyarakat (LSM)</i> .
PAD	Pendapatan Asli Daerah, or <i>Local/Regional (indigenous) Revenue</i> .
Pemda	Pemerintah Daerah, <i>Regional or Local Government</i> . It refers to <i>Province and City and Municipality</i> . In this report, city and municipality are both referred to as the District.
Pemkab	Pemerintahan Kabupaten, <i>Municipality Administration</i>
Pemkot	Pemerintah Kota, <i>City Administration</i>
Pemprov	Pemerintah Provinsi, <i>Province Administration</i>
Perda	Peraturan Daerah, <i>Law at the regional/local level</i> .
Posko	Pos Komando, <i>Commanding Office</i> , small military/police posts in post conflict areas with the task to monitor any conflict movement
PPK	Program Pengembangan Kecamatan, <i>Kecamatan Development Program (KDP)</i> ; a World Bank's micro-development project in Indonesia
Satkorlak	Provincial Disaster and Emergency Coordinating Unit
Sekda	Sekretaris Daerah, <i>Regional Secretary</i> . This is the second highest ranking office in the local administration after governor, bupati, or walikota. It is comparable to the <i>State Secretary</i> at the national level.
SK	Surat Keputusan, <i>Letter of Decision</i>
UU	Undang-Undang, <i>Law at the national level</i> .

Preface

The Crisis Prevention and Recovery Unit (CPRU) of the United Nations Development Programme (UNDP) Indonesia has been working in North Maluku and Maluku over the last three years with a focus on multi-sectoral recovery initiatives to complement the efforts of the Government of Indonesia to support post-conflict recovery, long-term peace building and sustainable development. UNDP is also developing a three-year programme in Central Sulawesi aimed at supporting the peace process, providing short-term responses to vulnerable communities and working with local government and civil society in the design of the future programme. In all three provinces, UNDP works with provincial and district level partners including Government, UN agencies, international NGOs and civil society organizations.

In 2004, the CPRU commenced a planning process in cooperation with the National Planning and Development Board (BAPPENAS) to identify the key longer-term challenges and opportunities for crisis prevention and sustainable peace in Indonesia's troubled regions. The outcomes of these processes will lead to programme priorities for the next phase of programming in the provinces, as well as a revised strategy and priorities for the Crisis Prevention and Recovery Programme as a whole. These regional analyses have focused on three provinces – North Maluku, Maluku and Central Sulawesi – provinces where CPRU/UNDP has supported programmes since 2001. Each provincial analysis has consisted of three components, specifically (i) a provincial multi-stakeholder workshop, (ii) research consisting of a literature review, local perception surveys and case studies, and (iii) thematic assessment of key aspects of crisis prevention and peace-building that had been identified. The series of provincial level assessments commissioned by UNDP covered the following thematic issues (a) local economic development and natural resource management, (b) local democratic governance, (c) media and information, (d) social cohesion and youth, and (e) women and gender. The main conclusions of these reports are summarized in a synthesis paper, which along with all the thematic reports are available on the UNDP Indonesia website at www.undp.or.id.

This thematic assessment covers the issue of the role of local governance in conflict and peace-building and has been completed by an assessment team of Nina Shatifan, Rahmi Yunita, Riant Nugroho Dwidjowijoto and Muhamad Abas. The team would like to thank all who assisted with this assessment and gave their time to talk with the team in Central Sulawesi and North Maluku.

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1. Introduction

1.1 Governance and Post-War Responses

Promoting good governance has become an important component of development responses following civil war. Globally, such responses have included constitution-making and constitutional design; establishment of watchdog institutions; truth commissions and criminal justice procedures; decentralization and local governance; security sector reform; elections, forming of electoral systems and political parties; supporting human rights organisations; empowerment projects, especially those that encourage cooperation among divided communities and peace committees.

Recent meetings organized by UNDP have helped formulate a number of conclusions about the nature of governance interventions in post-conflict programmes that can help guide future programming.¹ These conclusions include:

- A long-term perspective and strong local ownership is required when implementing post-conflict recovery efforts and a local governance approach.
- Aid actors need to adjust policies to local types of post-war situations – a ‘one-size policy’ does not fit all cases. A typology of conflict contexts (e.g. *self-enforcing peace* as in East Timor; *mediated peace* as in Bosnia and Cambodia; and *conflictual peace* as in Afghanistan) can assist in guiding interventions with the nature of the local context.
- Strategic flexibility is required in program formulation and implementation, but there is a need for clear goals, such as building local government capacity and relations between the center and the local levels of government. The key is to reach these goals without compromising them and also

without an unrealistic expectation of achieving them immediately.

- Process approach vs. project approach - a local governance approach is focused on building capacity and processes, not just the delivery of services.
- Deconcentrated and decentralised levels of government are strategically important. In addition to being an operational element of the model, the deconcentrated level of government often provides the key entry point for intervention.
- There is a need to promote dialogue to articulate strategy and justify objectives and goals of a local governance approach.
- Promoting human rights is a confidence-building measure, and as such is essential to establishing a foundation for post-war, democratic governance.
- Aid coordination based in host government institutions can be an effective and sustainable approach.
- Accountability measures are necessary to secure democratic governance, but there are many forms and structures of accountability.
- Decentralization has obvious advantages in post-war situations where the central state is weak or remains contested, but must be balanced by a national structure.

This report provides an assessment of the situation and opportunities for support to local democratic governance in two provinces, Central Sulawesi and North Maluku, which have recently experienced violent ethnic conflict in Indonesia.²

1.2 Local Governance and Peace

Good governance is necessary to bring about changes in allocation and alignment of powers and resources within government and the wider society, which can address root causes of conflict and create an environment for sustainable peace building. In Indonesia, decentralization is clearly one of the keys for

¹ Proceedings Report on Workshop “A Local Governance Approach to Post-Conflict Recovery” organized by the Institute of Public Administration, and jointly Hosted by the UN Capital Development Fund and the UNDP Bureau of Crisis Prevention and Recovery; UNDP Oslo Centre Conference (May 2004) - CMI Background Paper - Governance in Post-Conflict Situations.

² This assessment covers local democratic governance *excluding* issues relating to the security sector, access to justice and the media.

sustainable peace building given that the major responsibility for local development and community welfare now falls to local governments.

If handled well, decentralization can support peace building by encouraging transparent and accountable actions by key actors, building local participation in public decision making processes, empowering communities and increasing their sense of security. It encourages social cohesion by strengthening both vertical and horizontal relationships. Making local administrations (government, parliament and NGOs) more efficient and effective enhances their credibility in the eyes of the community.

But if handled badly and without proper accountability mechanisms, this reallocation of power and resources can reproduce power struggles possibly leading to renewed violence and trauma. Reforms can reinforce unequal power structures, enable elite capture of resources and perpetrate differential treatment for different groups (particularly related to religion and ethnicity). A lack of transparency encourages rumour-mongering while a lack of accountability quickly leads to perceptions of corruption and injustice. All of these risks are exacerbated when, as in the case of Central Sulawesi and North Maluku, local governments are characterized by an inadequate policy framework for decentralization and post conflict recovery, poor capacities for peace building and local development, lack of meaningful community participation and ineffective mobilization of resources.

1.3 Assessing Governance in Central Sulawesi and North Maluku

The purpose of the mission was to undertake an assessment in Central Sulawesi and North Maluku to provide UNDP with recommendations on strategic options for strengthening local democratic governance and peace building in these locations.³

The team focused on the linkages between governance based on the ten principles for good governance in Indonesia (see Box), peace building and decentralization as the central

theme of the study, with a particular interest in the capacities of local institutions, players and systems to make these linkages.⁴

10 Principles of Good Governance

1. Participation - To encourage all citizens to exercise their right to express their opinion in the process of making decisions concerning the public interest, both directly and indirectly.
2. Rule of Law - To realize law enforcement which is fair and impartial for all, without exception, while honouring basic human rights and observing the values prevalent in the society.
3. Transparency - To build mutual trust between the government and the public through the provision of information with guaranteed easy access to accurate and adequate information.
4. Equality - To provide equal opportunities for all members of the society to improve their welfare.
5. Responsiveness - To increase the sensitivity of government administrators to the aspirations of the public.
6. Vision - To develop the region based on a clear vision and strategy, with participation of the citizenry in all the processes of development so that they acquire a sense of ownership and responsibility for the progress of their regions.
7. Accountability - To increase the accountability of decision-makers with regard to decisions in all matters involving the public interest.
8. Supervision - To increase the efforts of supervision in the operation of government and the implementation of development by involving the private sector and the general public.
9. Efficiency & Effectiveness - To guarantee public service delivery by utilizing all available resources optimally and responsibly.
10. Professionalism - To enhance the capacity and moral disposition of government administrators so that they are capable of providing easy, fast, accurate and affordable services.

Good governance framework adopted by associations of local governments in Indonesia.

³ It was intended to visit a third province, Maluku, but this was not possible at the time of the mission.

⁴ The Governance Team comprised Nina Shatifan (Team Leader), Rahmi Yunita (Local Parliaments), Riant Nugroho Dwidjowijoto (Local Government) and Muhamad Abas (Civil Society). The team was assisted in Central Sulawesi by Muhammad Irfan and Abdul Rivai from P4K of University of Tadulako and in North Maluku by Jusan Yusuf from Khairun University and Ivan Nasution (UNDP consultant). Additional input was provided by Henrik Larsen (UNDP SURF). The mission was conducted in Central Sulawesi (Palu and districts of Poso, Morowali and Tojo Una-Una) from 24 May to 5 June 2004 and to North Maluku (Ternate City, Tobelo, Galela, Jailolo and Bacan) from 6 to 18 June 2004.

Within this context, it examined the capacities of local institutions, players and systems to make these linkages. In particular, the team undertook a series of semi-structured interviews and review of documentation in order to:

- Map the current actors (government and non-government) for governance and peace building at provincial and district levels;
- Assess the capacity and willingness of governance institutions to address conflict prevention and peace building through improved governance;
- Identify the specific governance areas that could contribute to peace building based on stated needs and priorities of civil society representatives;

Identify the priorities of parliamentarians and governments (provincial and district) that interlink with community priorities for improved governance and could contribute to peace building.

A series of questions was developed to guide the interviews (see Annex 1) and the responses were triangulated by the team to derive a preliminary assessment of institutional capacity for good governance. The assessment used six indicators: 1) availability of documentation relating to good governance, especially planning documents and governance guidelines; 2) appropriate understanding of governance among key senior public administrators; 3) demonstrated commitment or willingness to practice governance, particularly among the leaders; 4) adequacy of policy or legal framework for practicing good governance; 5) development of strategy for implementing good governance; and 6) evidence of programmes and actions to carry out good governance. The results of these assessments are tabulated for each province in the following chapters.

The team met with parliamentarians and their secretariat staff; provincial and district government heads; and staff and civil society representatives including opinion leaders, religious leaders, traditional leaders, provincial working groups (*Pokjas*) and NGOs (see Annex 2 for complete list of meetings). The team also drew information from a range of reports and other documents provided by government and UNDP (see Annex 3). All of

this information was analysed and discussed with actors to identify possible strategic responses and potential entry points for a program, taking into account lessons learnt from others (GOI, donor and INGO programmes)⁵.

This report comprises the following sections (i) major findings for Central Sulawesi, (ii) major findings for North Maluku, (iii) discussion of key issues and (iv) a framework for programme support.

⁵ The team acknowledges that, due to a short time for field work, there are gaps in the information obtained.

2. Local Governance in Central Sulawesi

2.1 Government and Governance Institutions

All provincial and district Strategic Planning Documents have identified ‘good governance’ as a goal, but establishment of governance measures is still quite minimal (see Annex 4 for overview of roles of provincial and district government agencies). Table 1 shows generally the provincial administration rated more highly in terms of readiness for governance with Poso and Tojo Una-Una rated medium to high and Morowali as having most gaps⁶.

government personnel are Tadulako alumni) and its research center for conflict prevention, although its focus is currently more provincial than district level.⁸ However, both the university and centre would require substantially more capacity building and outreach to become effective partners.

The NGO actors include *Pokja RKP* and *KPKP – ST* (women’s NGO currently supported by UNDP), while the newspaper *Palu Pos* was identified as a potential monitor of governance practice. The *Pokja* in Central Sulawesi is a stakeholders forum established to

Table 1 - Gaps in Governance in Central Sulawesi.

Information based on authors’ perceptions and evidence from interviews.

No	Indicator	Province	Poso district	Morowali district	Tojo Una-Una district
1	Documentation	Available	Available	Available	Available
2	Understanding	Medium	Low to Medium	Low	Low to Medium
3	Willingness/commitment	Medium	Low to Medium	Low	Low to Medium
4	Policy	Policy goal only	Policy goal only	Policy goal only	Policy goal only
5	Strategy	No Strategy	No Strategy	No Strategy	No Strategy
6	Programme & action	Some evidence of governance principles underpinning administration and programmes	Some evidence of governance principles underpinning administration and programmes	Little evidence of governance principles underpinning administration and programmes	New district so not much programming yet
Overall Assessment Gaps:		Low to Medium	Medium to high	High	Medium

In terms of actors, the mission found a number of people who show a readiness to address governance, including the provincial *Kepala Bagian Pemerintahan*, the *Sekretaris Daerah* and *Sekretaris DPRD* in Poso district, *Sekretaris Daerah* and *Vice-Bupati* in Morowali and the *Kepala Bappeda* in Tojo Una-Una.⁷ The University of Tadulako was identified as a possible governance actor because of its strong connections with the local public administration (most of the senior

coordinate communication between government and civil society on reconciliation matters. It reports to the government but there seems to be little accountability among the members, especially by civil society actors who appear to answer to different sets of constituents.

2.2 Public Administration

While provinces now have a coordinating rather than controlling role, it was reported that all conflict and post conflict management was undertaken by the province.⁹ There is little horizontal or vertical departmental coordination for using deconcentration funds

⁶ This is a preliminary assessment based on triangulation of information gathered by the team through in-depth interviews and is intended for general guidance only.

⁷ Of course, the government ‘champions’ identified here could change with the upcoming elections and possible division of the province into two and there is reasonably high job rotations among senior position which suggests that UNDP will need make a further assessment as part of program implementation. Nonetheless, there are some *core* institutions that are considered as champions for strengthening local governance: *Sekda*, *Bappeda* and *Bawasda*.

⁸ The Conflict Centre has developed the *sunflower model* to understand the conflict in Central Sulawesi but this document has never been promoted.

⁹ The deconcentration region is the *province* - see Article 1-f of UU No. 22/1999. Possible revisions to UU22/1999 will create further tensions if it means more control is given back to the provinces.

for recovery programs (*Dana Dekonsentrasi untuk Penanganan Konflik dan Pasca Konflik*). This creates tensions when communities and district administrators believe that funds go into the pockets of provincial administrators as seen in the poor relationships between the province and Poso and Morowali districts¹⁰. These districts tend to ignore the province and there have been fast-tracked efforts to create a new province *Sulawesi Timur* which will include these two districts. With local government energies directed towards territory splitting (*pemekaran*), it is not surprising that governance and peace building are not high on the agenda.

A key concern of senior officers was the need to improve staff capacity and develop a professional public service to better serve the community. Morowali, the newest district, had the poorest human resource capacity (as well as the lowest demonstration of governance). The highest capacity was understandably found at provincial level followed by Poso district which have been in existence for much longer. Tojo Una-Una district still has an acting Bupati while the local parliament (DPRD) will be instituted at the end of July. The only government-funded staff training is done either as structural or functional training through the *Direktorat Pendidikan dan Latihan* (Training Center). There appear to be no plans for Diklat to conduct training on governance and to date this has been done on an ad-hoc basis through universities and NGOs.

A lack of transparency in human resource management in province and district administrations is fuelling perceptions and rumours of corruption, collusion, nepotism, and bribery in relation to government employment. There was no recruitment of staff during 2004 for public servants at the provincial level or in district of Poso and Morowali. Instead, positions were filled through promotion and rotation, so that the contentious issue of under-representation of Christians vis-à-vis Muslims, especially at senior levels, is not yet being addressed. At the same time, senior bureaucrats do not see this as a potential trigger for future violence and

maintain that they use a merit based system for recruitment and promotion, based on assessment tools and procedures provided by *Departemen Dalam Negeri* (Ministry of Home Affairs) and *Badan Kepegawaian Nasional* (National Staffing Office).¹¹

While administration under decentralization is meant to assist village level development, in practice it is usually limited to delivering selected basic services. This includes issuing national identity cards (KTP), family (KK) identity certificates, birth certificates and land ownership certificates. It was further reported that some *Camats* continue to act as local heads (*Kepala Wilayah*) and operate as if the sub-district was an autonomous region (a legacy of earlier decentralization legislation UU No. 5/1974). This is affecting the development of village autonomy and local governance, according to the Vice-Bupati of Morowali and the Head of *Bappeda* of Tojo Una Una.

Finally, there is an early warning system for conflict in Central Sulawesi and Poso that is the responsibility of *Badan Kesatuan Bangsa dan Perlindungan Masyarakat* (*Kesbanglinmas*). However, it lacks current data and its operations are bureaucratic, interacting mainly with community leaders rather than engaging with broader civil society. The early warning system in Morowali and Tojo Una Una faces the same problems. Overall there is poor evidence of coordination and cooperation among the *Kesbanglinmas*, especially at district level.

2.3 Service Delivery

Public service delivery is fundamentally affected by the government's process for priority setting and the lack of community engagement. Poso district's priorities are conflict prevention through strengthening security and order, rebuilding public facilities and houses with deconcentration funds and preventing conflict through formal processes such as the Pokja. In Morowali district the priorities are to resolve the location of the new

¹⁰ The worst example is the relationship between the Governor and Bupati of Morowali. The inauguration of the Bupati was delayed for more than eighteen months and he now never attends provincial meetings and is mostly in Jakarta.

¹¹ Human resource development is a national government concern which is addressed through MenPAN with support of donors, eg ADB Sustainable Capacity Building Program. State officers' capacity building programmes are executed by other line ministries, mostly by MOHA and the Ministry of Finance.

capital of the Kabupaten and build the Pemda Office, while Tojo Una Una is concerned with building administration buildings and recruitment of staff.

Community participation in planning for services is very weak if done at all. In Morowali, for example, the Bappeda staff acknowledge they have no knowledge about participatory planning and rely on the *kecamatan* level to 'mobilize' communities, that is, bring people together for meetings to discuss their requirements for government support. In reality, this often means filling in a form rather than any real community engagement. Although the Kecamatan Development Program (*Program Pembangunan Kecamatan* or *PPK*) approach for participatory planning is endorsed by BPM in Poso, it has not been transferred into other planning activities of the department or influenced district development planning. Furthermore, as the Kelurahan of Pamona Utara/Tentena suggested, the conflict may have encouraged people to become dependent on their leaders, to whom they have given over control for decision making and representation to government.

While Poso district identified "*increasing the capacity of government to provide the best service to the public in term of efficient and effective services*"¹² as a priority along with economic development (Poso District Strategic Plan 2000-2004), in practice most of the budget is used for rehabilitation for damaged infrastructure such as health posts and houses. Some budget is allocated for 'conflict prevention' but budget documents do not specify how the money is used. There is also some capital for *Kooperasi Pasar* (market cooperative) as a local (traditional) market financial institution.

The poor quality of service delivery was particularly noticeable in Morowali with no regular public transport, poorly maintained roads, no plans to fix the road from Poso to Morowali which is in dire condition and no public information systems (e.g. how to get KTP, *Kartu Pellagra* and Land Certificates).

¹² All districts reported that they have tried to create a more efficient system (*pelayanan cepat*) for delivery of the national KTP at a reasonable cost (ranging from Rp 7000 to Rp 25.000) and in less than one week. However, the Bappeda of North Maluku and South Halmahera reported that the coverage for the national identify card is still not high.

On the other hand, civil society does not appear to be aware or empowered to complain about this lack of services. The constant absence of the Bupati of Morowali reduces the possibility for improving public service delivery

Planning and monitoring are also hampered by a lack of data and capacity. The data systems of the local *Bureau Pusat Statistik* (BPS) are underdeveloped and so the most reliable data in Poso is delivered by the local *Komite Penanggulangan Kemiskinan* (Poverty Reduction Committee) using BKKBN (Family Planning Board) poverty statistics, which are, however, known to be flawed measures.¹³

The support for IDPs through *Jaminan Hidup (Jadup)* and *Bekal Hidup (Bedup)* has helped most families return to their village and start a new life. But there are accusations of corruption in the programs, directed particularly at *Dinas Sosial*. In Morowali, there were reports that local government and local security (army and police) are colluding to keep the existing post-conflict programme while universally there were reports that IDPs are falsifying data to claim benefits.

2.4 Fiscal and Financial Management

Poor fiscal and financial management has significant potential to create tensions among community groups and between community and government. While *Bawasda* has an audit function which focuses on accounting procedures, there are no mechanisms yet for assessing public satisfaction with government performance. All local governments are yet to comply with national requirements for performance based budgeting.

Revenue-raising can also create problems, for example when people perceive unfairness in who pays taxes, when there is a leakage of funds resulting from too many offices collecting monies, when there are disputes among collecting offices over who owns the revenue, particularly if there is no understanding of a consolidated revenue approach and if local governments collect retribusi (taxes and charges) that is counter-productive to development. All own revenues (PAD) are less than 5% of the total local budget (well below the 10-20% benchmark set

¹³ This was set up to complement the national programme of poverty alleviation and to determine directions for poverty planning in the district and province.

in a 1998 research study by University Gadjah Mada and MOHA on regional readiness). With incomplete databases, underdeveloped systems of record keeping and collection methods such as door-to-door tax collection, it is hardly surprisingly that default rates are high. Furthermore, with no strategies for improving local business innovation and productivity, local governments will continue to rely on traditional mechanisms such as deconcentration funds and donor programs for economic empowerment.

2.5 Civil Society

After the conflict, the community's priorities in Poso were security, economic development, and the splitting of the district. After this came the issue of fairness in public sector recruitment and appointment of officials to reflect religious diversity. There is still some mistrust of provincial and district governments' handling of the repatriation of IDPs which is not complete and perceived corruption in rehabilitation programs. In Poso district, in particular, people reported that they do not yet feel safe nor do they see the local government as supporting their livelihood interests.

In general, there is low community awareness about their rights to engage in the development process. There is also no community evaluation of government at village level or higher levels. People complain that they do not have access to information and public documents are difficult for the public to access, particularly in relation to the budget. There seems to be no plans to improve access to information. This encourages further mistrust of the government, particularly in Morowali where rumour-mongering is rife.

The community has responded positively to initiatives like the Malino Declaration, reconciliation processes promoted by village forums (eg *Forum Komunikasi Antar Umat Beragama*) and peace building activities (sport, arts, and traditional events). There are also opportunities for strengthening village governance as a means of peace building, as seen in *Kelurahan Poso Pesisir* (Moslem village) and *Kelurahan Pamona Utara/Tentena* (Christian village). There were reports that traditional local governance

systems are re-emerging and this was strongly supported by all stakeholders. Such community efforts and fatigue with conflict has strengthened communities' resolve for peace and resilience against provocateurs. There was also a positive response from Poso district officials about the role of the media in peace and reconciliation.

However, there is still no clear program for peace building. Communities follow directions from local authorities and engage in formal processes that do not recognize community efforts or the potential role of women and youth. Furthermore the *Pokja Deklama* as a government initiated reconciliation body is not regarded as effective because of weak coordination with other groups, low capacity of facilitators to create a framework for peace and reconciliation, no transparency or accountability in program implementation. Government has tended to rely more on community organizations than NGOs (especially religious institutions) since they are seen as more willing to take part in reconciliation efforts.

Community based organizations can be very instrumental in peace building. Firstly, they can mediate between the community and government regarding community needs. Second, CBOs can provide oversight of the implementation of government programs, especially related to IDPs. Third, they act as facilitators for peace building at community level, cutting across ethnicity, religion and culture. Fourth, they could be seen as independent partners for socializing government policies and programs.

According to *Kesbanglinmas* data, there are seven (7) international NGOs and sixty (60) local NGOs working in Central Sulawesi. Twenty-nine (29) of them are in Poso, fourteen (14) in Tentena and the rest in other districts. Two good examples include the NGO Alliance for peace education in Poso and the Crisis Center for traumatized youth in Tentena (see Box). NGOs have been involved in organizing stakeholders' forums, meetings among sub-village areas and training for local leaders on conflict prevention (see Box 1). Some NGOs have been providing direct services including infrastructure, education, and health for the conflict victims. Others are working in

economic empowerment, violence against women and human rights abuses.

Peace Building Initiatives

The Crisis Center is a youth organization with four programs: (i) peace building through sport and recreation, (ii) education and training related to democracy and rights, (iii) economic empowerment and (iv) support for a youth victims' group (Nurwana community in Tentena). The Centre works with CWS and the *Pemuda Muslim Al-Kairat*.

(Noldy Tacoh, Executive Director, Crisis Center).

The *Konsorsium Pendidikan Damai Sintuwumoroso* (Alliance for Peace Education) was the output of a workshop run by OCA-UNDP in Poso. Twenty-five NGOs from Poso formed the alliance which includes Satlak and the Poso education office. Its goal is to raise community awareness of the importance of peace among school children. The initial step was setting up a working group to develop local curriculum for peace education and to develop strategies for teaching about peace especially in Poso.

Iskandar : *Eksekutif Direktur Aliansi*

NGOs throughout Indonesia have a dichotomous relationship with government. In supporting local governance, NGOs can support public participation and awareness raising of the community while building. Secondly, they can help to strengthen strategic alliances among civil society groups to improve governance through advocacy. However, their service delivery function brings them closer to government as sub-contracted facilitators for community programs (but not partners) while their civil society advocacy function can place them in opposition to government. Central Sulawesi NGOs report that they want a closer relationship with local government for service delivery while they remain unclear about their role and responsibilities as civil society advocates.

On the other hand, both local government and communities presented NGOs as self interested with low motivation and capacity to work with communities. NGOs do not appear to have a plan to enhance their alliances or to strengthen CBOs at village level. *Satkorlak* has facilitated coordination between government and NGOs through monthly meetings but there is reluctance to evaluate the effectiveness of these meetings. Relations between NGOs and the university are reportedly poor and so miss the opportunity to develop strong governance partnerships. Overall NGOs and CBOs need substantial capacity building in a wide range of

areas such as organizational management, planning, advocacy, gender participation and financial sustainability. Any efforts to partner with these organizations must accommodate this¹⁴.

2.6 Regional Parliament (DPRD)

The district government was established in Morowali district when it split from Poso district in 1999. The Poso District was split again in 2003, giving birth to Tojo Una-Una District which has a caretaker government until the local Parliament (DPRD) inauguration later this year. The Golkar Party leads in many districts except Poso, where the Christian Party (PDS) has 6 seats followed by Golkar with 5 seats. This creates a factionalized legislature in Poso compared to its neighboring district, where Golkar remains predominant. In the case of Morowali and Tojo Una-Una, despite its decline, Golkar cannot be outnumbered even if all Islamic parties agreed to form a single faction.

Newly elected members of the regional parliaments share the shortcomings of most Indonesian politicians in their lack of understanding about their representative functions. Many do not have a clear plan for a constituency relations program, nor do they even see it necessarily as an issue. There will be a steep learning process for most members in their first year in office. Meanwhile, people express relatively little confidence in the DPRD, particularly in Morowali district where the DPRD speaker is considered an ally of the poor-performing Bupati. In Poso district, the DPRD is not yet conducting proper oversight and control over the government.¹⁵

Nonetheless, the leadership of the Secretary of the DPRD in Poso (one of the few senior female officers) has led the establishment of a legislative library, a procedure for effective handling of demonstrations, a mechanism for collecting community feedback through field visits, an annual public forum to present the previous

¹⁴ AusAID's ACCESS program is supporting a Generic Capacity Building Program for NGOs and CBOs and would be a valuable source of information and expertise.

¹⁵ It is worth noting that as of next year a DPRD will have no power to issue a vote of no confidence in the executive head of region, be it a bupati or a mayor.

year's program, achievement and budget expenditure as well as engagement of university assistance in legal drafting. The latter contributed to DPRD initiating three local regulations during the current term of office. Unfortunately the feedback mechanism established by the DPRD is not yet widely known by the people while NGOs are not seen as credible intermediary organizations through which DPRD could get information relevant to its oversight function.

2.7 Village Councils (BPD)

As a long-standing district, unlike its neighbouring new districts, Poso government has managed to establish *Badan Perwakilan Desa* (Village Representative Boards / Councils, BPD) in many villages in Poso (Morowali on the other hand has not yet begun this process). Nonetheless, Poso district government admits that they have not done any proper capacity building for BPDs. This is partly because conflict has made it difficult to plan and implement activities at village levels and also due to lack of resources to implement PP76/2001. This means that BPDs generally are not yet fully effective government institutions¹⁶. Orientation activities should be held at *kecamatan* (sub-district) level and attended by the head of village and BPD representatives. But limited materials means there are few references to guide BPD members in their roles¹⁷. The Community Empowerment Board (*Badan Pemberdayaan Masyarakat*) in Poso expressed interested in having more support to strengthen village governance through BPDs, particularly where the Kecamatan Development Program (KDP) has already worked to reinforce the latter's community empowerment approach¹⁸.

The limited communication between village governments and between community and local governments does not build confidence in public administrations. One

DPRD member in Poso commented that the government believes that village people cannot contribute much to development planning; however, the member believed that this was simply because village community was not properly informed. The government needs to find ways to outreach the village government and community. NGOs and media should have a role in this while BPDs need capacity building and provision of basic reference on the legal framework.

¹⁶ For example, the BPD can propose the removal of head of village to the Bupati, unlike the DPRD, following the violation of village custom by that functionary.

¹⁷ Such program takes place in Poso Pesisir sub-district, as brought up in the interview with BPD of Tambarana-Trans.

¹⁸ According to World Bank in Jakarta, the KDP program is now looking to strengthen the oversighting role of the BPD.

3. Local Governance in North Maluku

3.1 Government and Governance Institutions

When North Maluku province was established, the old North Maluku district was split into West Halmahera, North Halmahera, South Halmahera and Sula Island; and Central Halmahera district became Central Halmahera, East Halmahera and Tidore Island City. All new districts which were previously part of the North Maluku district are expected to be fully functioning in early 2005. Generally, relations between province and district governments are healthier than in Central Sulawesi. The main problem appears to be related to post- conflict recovery in which the provincial Social Affairs Office (*Dinas Sosial*) was seen to control deconcentration funds for IDPs and the execution of related programs, especially in North Halmahera and West Halmahera.

parliament (*DPRD Halut*), the Acting Bupati and Head of the Regional Auditing Agency (*Kepala Bawasda*) of South Halmahera and Head of the Regional Development Planning Agency (*Kepala Bappeda*) in West Halmahera. Possible governance actors among NGOs/CBOs include *Gama Lama Corruption Watch*, *Yayasan Sanro* and the Head of the Research Institute (*Kepala Lembaga Penelitian*), Khairun University. Many university graduates are now in senior administration positions and the university has a research and assessment center for conflict prevention. The newspaper *Maluku Utara Pos* has potential to be a monitoring body for governance practice.

Table 2 shows the City of Ternate having the best performance in relation to governance, North and South Halmahera are next.¹⁹ The

Table 2 - Gaps in Governance for North Maluku.

Information based on authors' perceptions and evidence from interviews.

No	Indicator	Province of North Maluku	City of Ternate	District of West Halmahera	District of North Halmahera	District of South Halmahera
1	Documentation	Not available	Available	Not available	No document	No document
2	Understanding	Medium	Medium to high	Low	Low to Medium	Medium to high
3	Willingness/commitment	Low to Medium	Medium to high	Low	Low to Medium	Medium to high
4	Policy	Policy goal only	Policy goal, SK Walikota and Draft Perda on Transparency	Policy goal only	Policy goal only	Policy goal only
5	Strategy	No Strategy	No Strategy	No Strategy	No Strategy	No Strategy
6	Programme & action	Some routine public administration programme and action reflects governance principles	Public dialogue. Website. Learning methods for practicing governance available	No explicit governance principles underpin routine public administration programme	New district, limited programmes and actions	New district, limited programme and actions .
Overall Assessment of Gaps		Medium to high	Low	High	Medium	Medium

While all provincial and district planning documents identify 'good governance' as a goal, only Ternate City appears to be serious about implementation. Those identified as possible champions for governance include the Head of the Regional Auditing Agency (*Kepala Bawasda*) in North Maluku, the Head (*Bupati*) of North Halmahera district, the Head of Government Affairs (*Kepala Bagian Pemerintahan*) and Head of Civil Service Affairs (*Kepala Bagian Kepegawaian*) in Tobelo, Jakob Soselisa in the North Halmahera

team assessed the province as relatively weak in governance measures with poor understanding and commitment to governance generally. West Halmahera showed no apparent evidence of good governance initiatives. Bacan has taken the initiative to implement a strategy for local recruitment

¹⁹ The national government in cooperation with BIGG¹⁹ has been implementing a *good governance* initiative with the Ternate Administration since 2001. As a result, the city has a *Walikota* Decision on Implementation of Good Governance in the City Administration, and draft Perda on Transparency. The most prominent actor is the *Sekda* of Ternate.

(*putra daerah*) to the public sector in different locations to address imbalance in representation of local people. The government there is willing to promote good governance but its focus seems more towards increasing transparency than community participation.²⁰

3.2 Public Administration

In general, the readiness of the public administration staff for governance in North Maluku is low. A lack of capacity for governance is exacerbated by inadequate guidance from the centre on decentralization. North Maluku administrations face three issues with potential for conflict. Firstly, there is disagreement about the location of some capital cities. At present the province capital is Ternate but under legislation for the new province, the designated capital is Sofifi, at Halmahera Island. The designated capital of West Halmahera district is Jailolo on Halmahera Island, while the present administration is also at Ternate. Since there is no sufficient infrastructure in the new sites, the relocation of capitals will require a huge budget. For example, it was reported that price of leases for potential government buildings in Jailolo has already increased three fold.

Secondly, the geography of North Maluku has created many remote communities which are difficult, risky (travel by sea) and expensive for governments to service. This results in inequities in service delivery which fuels resentment and tensions. Thirdly, there has been little effort by national government to implement governance capacity building programme for the local apparatus. Setting up new administrations is absorbing much energy as well as budget so that governance matters are lower priority (cf Ternate City). Fourthly, there are reports of lack of transparency within Dinas Sosial relating to IDP funds. While IDPs are not seen as a risk by government but one INGO reported that some families are increasingly agitated by the lack of government response.

Local governments were given a lesson in the need for transparency when in 2004 following recruitment of staff for the City of

Tidore there were public protests about the perceived lack of fairness in the process. Furthermore, provincial level administration is unwilling to accept that the domination of Makianese in public employment is still causing resentment. The government needs to take into account the continuing anti-Makian sentiment in particular which could erupt during the election of Bupati of South Halmahera.

Discussions with village (*kelurahan* and *desa*) leaders revealed some opportunities to work at the lower and lowest level of administration. Assessment in the village of Ngidiho in Galela in the district of North Halmahera, revealed that the village government is promoting *good governance* through transparency and participation. Discussions in Tobelo revealed that basic service on citizenship (KTP, KK, Birth Certificate, etc.) is being provided efficiently. But there was concern raised by village heads (*kepala desa*) and *camats* about the extended period of no salaries or remuneration and the excessive workloads which they felt was reducing their motivation to stay in the job.

There is an early warning system in North Maluku province administration, which is managed by *Kesatuan Bangsa dan Perlindungan Masyarakat* (Kesbanglinmas). But the system is military-based rather than based on a civil society and government coalition. There is one *Posko* of military/police between Sidangoli to Tobelo.²¹ There is no early warning system in Kesbanglinmas at the district level but a reliance on the work of traditional and religious leaders, NGOs and CBOs. The local government assumes conflicts in Ambon are the barometer for future violence rather than the situation in North Maluku itself and compared with Poso, there is little in the way of programming for peace building so that the local government has taken a reactive rather than a proactive approach.

²⁰ It should be noted that South Halmahera is planning a new wave of transmigration into the district to expand farming methodologies. This is a good example of where conflict sensitive planning is critical.

²¹ On March 2004 conflict Ambon erupted and the Governor of North Maluku immediately invited all the district heads and commanders to develop a conflict prevention team to take action to avoid a contagious impact of the Ambon conflict.

3.3 Service Delivery

Although There has, however, been a general effort for government to improve efficient services to obtain KTP, *Kartu Miskin*, and some certificates, there is no mechanism for monitoring and evaluating public satisfaction of local government services. The only mechanism of monitoring and evaluation is *Bawasda* and it is more on *accounting* rather on *customer/public satisfaction*. Like most provinces, there is a poor database for planning and monitoring and a weak BPS. As a result, *Bappeda* and other agencies expressed keen interest in having donor support for database development. There is little updated data in the province and district Kesbanglinmas related to the conflict.

Bottom up planning is conducted in Ternate, North Halmahera, and South Halmahera. Community planning in West Halmahera is negligible. Some capacity building activities were reported at the village level, but this usually happens when there is a village competition. Generally people reportedly lack skills to develop a planning document. In Tobelo, for example, the *camat* of Tobelo provides a format that enables communities to write out their 'wish list' which more often than not are beyond the capacity of district government to meet. While the district planning process now uses different terms for the various planning steps, the process is exactly the same, with decisions often made by village elites so it is not surprising that communities are disgruntled at never getting what they want. They generally have no idea about what funds are available or of the government's priorities or the process for prioritization community needs. Such opaqueness leads to rumours and gossip.

3.4 Fiscal and Financial Management

According to the provincial government economic growth is 4.2% but in reality, economic growth is due to the strong dependence on the public sector. The consequence is that public administration has become an even more potent source of economic resources. This could result in people (especially elites) fighting for control of these resources as well as reducing the potential for good governance (such as transparent procurement and recruitment).

In Ternate City, there is a lot of youth unemployment. In Jailolo and Galela, economic growth is slower than in the capital. In Bacan, economic growth was faster, evidenced by infrastructure development driven by the local government. In Jailolo and Sidangoli (West Halmahera), economic activities were smaller and there was no specific program for local economic development. In a post conflict area, economic will grow very slow.

Most of the budget goes for administration (budget salary and routine) and only in Ternate City was there a (small) allocation for measures for governance (eg public hearings). The priority of the local government, especially for the new districts (West Halmahera¹, North Halmahera, and South Halmahera), is to institutionalise the existing administration with no specific allocation for service delivery improvement. Only Ternate City Administration and South Halmahera have initiated performance-based budgeting (*Anggaran Berbasis Kinerja*) and the former had the best level of service delivery followed by South Halmahera and North Halmahera. West Halmahera district government was the least effective in serving the population, partly because it is located far from the population while the senior staff seemed very complacent. There is no mechanism in the region for public complaints.

3.5 Civil Society

Community participation in development planning both at the village and district levels is done as a formality, usually involving the village government apparatus and neighbourhood leaders without wider community participation. This low participation is accompanied by a project mentality among community members and a high dependency on government funds and a lack of time for participation because of daily workloads. The low capacity of BPDs also limits participatory development processes. At the district level, the process is confined to Bappeda and the technical offices (*dinas*) and the community has no say in setting priorities, budgeting or program evaluations. This lack of transparency and public accountability means that community remains ignorant of government plans. Meanwhile NGOs do not take initiative in promoting participatory

planning at the village or district levels while community awareness about their rights needs development.

At the community level, there have been attempts to increase social solidarity and revitalize local culture that had been neglected, among which are the *Saruma* culture (Bacan), *Basudara* (Ternate) and *Hibualamo* (Tobelo). These cultural values can provide guidance in peace building at local level together with inter-religious communication and consultation forums such as FKKAUB. There is also a keen interest from communities in strengthening traditional institutions to function as a communication mechanism. But still, there is no systematic effort to try to identify various conflict potentials and to map problems that emerge in the community.

NGOs have been active in providing services to the community, such as infrastructure assistance for housing, education, health, distributing assistance packages for IDPs, advocacy on environmental issues and providing capital for productive activity. They have also worked on issues of violence against women and human right violations. Their activities are conducted in an integrated way with peace-related community strengthening programs like conflict-resolution training, peace education, non-violence education, dialogue on pluralism and the strengthening of sub-village fora. NGOs have also developed conducted some participatory evaluations of their programs. Some groups have formed an NGO alliance and in some cases established partnerships with the government, but these are usually limited to program implementation.²² With no proper coordination between NGOs and the government, suspicions about each other have arisen. In particular, NGOs see the traditional government approach to delivery programs as undermining their efforts for broad community engagement. Advocacy NGOs usually keep a distance from the government as they perceive the government as violating community's rights while conversely the government criticizes NGOs for being quick to raise problems without offering

solutions. Relations between NGOs and the community are usually restricted to issues of program implementation.

NGOs, CBOs and university students can constitute agents of change at the local level. However, all are aware of their limited capacity in doing advocacy, their low level of commitment in developing community groups, the poor participation of civil society and their weaknesses in fundraising. CBO leaders in particular feel that the government relies on them when conflict happens, but once security is resumed their role is not acknowledged. There has been no effort to develop the capacity of CBOs with regards to enhancing community participation and CBOs themselves are not engaged in development planning process.

INGOs have been working with local NGO leaders but the efforts are usually limited to knowledge transfer on peace building to support the activities of the INGOs in the field. There has not been a strong coordination between INGOs and local NGOs creating a growing suspicion that INGOs do not have a commitment to build the capacity of local NGOs and that they are not willing to promote transparency and public accountability. However, some communities feel that INGOs have been contributing to empowering the community while others see INGOs as unfair in channeling their assistance to certain groups. The INGOs, on the other hand, argue that their provision of assistance has always been coordinated with the government, including for regional and group targeting.

3.6 Parliament

The previous administration for the West Halmahera legislature is not recognized by the electorate or the newly elected members as having good practice for governance. Ternate City, on the other hand, has been assisted by several donor programs and has produced some encouraging results in the last term of office, among which are two *initiative perdas*. Ternate City has also demonstrated a good level of transparency.

While Golkar Party dominated politics in eastern Indonesia after the last election, there has been a shift in power with around 10 parties having representatives in the 20-to-25-

²² Objectives of the alliance are 1) to increase their bargaining power in fighting for community's interests vis-à-vis the local government, for example the NGO alliance for corruption eradication, 2) coordinating among themselves so that programs can be conducted in an integrated way.

member local legislatures, leading to a relatively factionalized legislature. Since members constitute the only or at least one of a few of their respective parties' representatives, they now have much greater visibility in the eyes of the community. More men get elected because they are more likely to be at the top of the list, resulting in few women being elected to the policy making body.

Following the establishment of North Maluku Province, four new districts - North Halmahera, South Halmahera, East Halmahera and Sula Islands Districts - will have their first DPRD following the inauguration of new members. This means they will not inherit a structure, either in the form of rules or experienced staff when they come to office. Most newly-elected members do not have sufficient knowledge on their representation function. Some ideas for activities in the field of representation were suggested to the team. A member of Legislature plans to use his party infrastructure at village level to maintain relationships with his constituents (see Box – MPs and their Constituents).

MPs and their Constituents

PPDK has established village party boards, formalized with Letter of Decision by the party for the whole term of office of the DPRD. This party board will help members to bridge aspirations in the village as well as monitor the development. They plan to do it by making a list of what the community thinks their needs are and verify them. I have learnt from the bad precedence of North Maluku district where upon being elected members disconnected the relationship with the electorate.

Pak Abdul Kahfi Iskandar Alam, Elected DPRD member, South Halmahera

This approach, however, was not shared by the bigger parties. Most members still have no idea on how they can draw support either from their own parties or the secretariats for their constituency relations activities. This ignorance indicates a lack of understanding that their representation function continues and even grows once they get elected.

While members seem to share the concerns over possible conflict-related violence in the future, this lack of awareness could have an impact in a post conflict setting where different groups need to feel accommodated and heard. To that end, strengthening the DPRD in North Maluku should emphasize building capacity to

exercise its representation role, both among the members as well as within the secretariat and to take into account cultural diversity in development planning.

3.7 Village Council (BPD)

While village governance was much weakened by the conflict in Central Sulawesi, the situation is made worse in North Maluku by the poor accessibility in the region where many villages can only be reached by expensive water transportation. This has severely affected relations between village and district governments, particularly for those villages far from Ternate. To make matters worse, most village apparatus lack the capacity to operate properly, including basic infrastructure for a village office, proper guidance for roles and functions or reward for staff for time in service to the community.

The districts visited by the team in North Maluku started to request villages to establish their BPDs in the second half of 2003, and only a few have been unable to do so (e.g. about 10 villages in South Halmahera) for various reasons. The way districts ask villages to establish BPD, however, is not accompanied by provision of written references. Head of villages were simply invited to subdistrict head's office (kecamatan), explained the procedures and asked to report back the results. The result is low capacity and little action. However, there have been a few examples where BPD has already proposed the removal of corrupt heads of villages, with one actually being removed in South Halmahera.

The provincial government seems to have played some role in providing guidance for the newly established BPDs. All district governments reported planning orientation programs for BPD and village heads for the next fiscal year, with South Halmahera district already providing this year. They maintain that a shortfall in funds limits production of manuals and guidebooks for BPD members and heads of village.

4. Issues for Governance in Post-Conflict Areas of Indonesia

4.1 National level

The rhetoric of reform has not yet seen substantial changes in central government to complement the decentralisation of powers to regions. Local governments universally claim there is still inadequate national guidance related to power sharing arrangements²³ while Law 22/1999 provides minimal guidance and little imperative for mainstreaming good governance within administrations. Coordination between district and provinces for use of deconcentration funds for local economic development/poverty reduction is not effective yet so that communities continue to experience poorly targeted initiatives that have no impact. So generally there is a widening gap between public expectations and the results of decentralisation and regional autonomy. Some of the issues affecting the pace of change include:

- Significant differences between central agencies on policy development related to decentralization;
- Conflicts of interest between the Ministry of Home Affairs and Ministry of Finance on financial management issues;
- Conflicts between the National Civil Service Agency (*Badan Kepegawaian Negara, BKN*), National Institute of Public Administration (*Lembaga Administrasi Negara, LAN*) and the Ministry of for the Empowerment of State Apparatus (*MenPAN*) on civil service reforms.
- Real interest in civil service reform by the parliament (DPR) has yet to be seen;
- Certain ministries, and factions within ministries, appear to be resisting change and top-down planning remains a powerful organizational reflex. .
- Only the top layer of the bureaucracy has been replaced and most officials have not yet fully embraced the idea of new procedures and standards and democratic reforms so that old work patterns and attitudes prevail; and

²³ For example, new sectoral regulations by sectors, such as Kepmenkeu No. 29/2003 on *Performance Based Budgeting* made by MoF are creating new problems for decentralisation.

- Political parties continue to lack meaningful grassroots basis.

4.2 Local government

The conditions of governance in these two provinces are similar to the rest of Indonesia. Local governments face the challenges of rationalizing the funding and pricing of public services to achieve better use of resources but do not yet have full authority, reliable financial resources or capacity to manage service provision. For example, the debate still goes on at national level as to whether local governments should comply with national standards or have wider latitude to experiment and be innovative. Decree 105/2000 and Ministry of Home Affairs Decree (*Kepmendagri*) 29/2002 for performance-based budgeting reflect a desire to have local governments comply with national standard for budgeting and financial reporting requirements (although local departments find it confusing and difficult to implement)²⁴. Nonetheless, local authorities in the visited districts indicated a preference to follow central government guidelines rather than create their own way of doing things.

While local governments receive substantially more income now, almost entirely from central government fiscal transfer, they claim little scope for maneuver since the bulk of funds are used for salaries and basic operating costs. Within each department, annual allocations tend to be the same unless there is a new priority being pushed by the Bupati (or more rarely by the legislature). Despite this, experiences from other provinces suggest that a key issue for local governments is not so much the lack of resources but more how to use those resources (and others not yet tapped) effectively²⁵. For example, new districts are allocating a significant proportion

²⁴ Experience from BIGG (USAID) in other parts of Indonesia shows that performance based budgeting is possible but requires considerable time and effort. It recommends starting on a small scale with service-oriented departments where outputs and outcomes are easier to identify and measure.

²⁵ For example, see *Local Solutions for Local Development – Issues Paper*, Area Focus Approach Scoping Mission Document, June 2004, Canberra

to building government infrastructure at the expense of service delivery.

Budget documents are not very useful for planning as they contain a lot of figures, but little information that sheds light on how the budget relates to development goals or service objectives. For example, even though some local governments are allocating a proportion of budgets for emergencies in line with national guidelines, there is little evidence that public authorities understand the need for conflict sensitive policy or programming. DPRD have difficulty then making sense of budget plans made more challenging since the budget is no longer organized in terms of routine and development expenditures but according to core administrative functions and public service activities. It is more difficult to see how much budget is allocated for development and budgets continue to be used more as a means of allocating and controlling expenditures, rather than as an instrument for managing development. The whole process of budgeting has to be more transparent and accountable, so that DPRD members, interested civil society groups and government staff can contribute more effectively.

Governance is being undermined by structural and systemic gaps in public administration including weak processes and procedures for planning, participation, budgeting, financial management, human resource management and coordination. In addition, gender equity is not mainstreamed in the public sector at any level, service delivery is not yet gender-inclusive women continue to be under-represented in senior positions while offices responsible for women's empowerment (where they exist) have very low status and authority. There have been calls from a range of stakeholders for increased transparency and accountability from government authorities at all levels. People want more open recruitment practices²⁶, clearer information about government programs, better access to basic services and more community voice in local development. As yet there no mechanisms for people to report suspected misbehavior except through the DPRD which may not itself command respect. Similarly, while *Bawasda*

monitors government performance, this is more of an auditing exercise rather than assessing community satisfaction with government performance and it is highly doubtful that all departments can be audited thoroughly.

It would be fair to say that most local governments are not yet governance bodies although each district has some governance champions on which to draw. The concept of *good governance* is not yet well understood and there is a risk it will be seen as yet another donor idea that imposes more obligations on the public sector without clear benefits. Governments may also feel threatened by the insistence on civil society participation and greater transparency that undermines current rent seeking practices. Building 'structures of engagement' is vital for monitoring government's performance and should include support for networks of traditional institutions and new mechanisms such as *forum warga* (*citizens' groups*). These can be supported through local regulations on transparency and participation and by strengthening BPDs and existing groups.

4.3 Regional Parliaments (DPRD)

Regional parliaments (DPRD) have always been a reflection of the legislature at the national level. Before reform took place it had been merely a rubber-stamping body for decisions taken for the local government, but now the law on local governance gives it the authority to act as a parliament. This means for example, that it can issue a vote of no-confidence against the head of region and remove him/her from office. In this context, DPRD is already mandated for all the functions required for governance and to create a check-and-balance system between the two branches of local government: a legal drafting function to make local law, an oversight function to monitor its implementation and a budget drafting function to ensure that the government does not have an unchecked authority in budgeting.

The election in 2004 has seen a group of fresh politicians entering local politics with a spirit to improve the situation. It can be seen as an ideal opportunity to support them in building accountability of local government by introducing new practices. This will produce

²⁶ There was a demonstration against in the government in Tidore in 2003 because of perceived lack of transparency in recruitment

healthier politics particularly as the two branches of government become more independent with the anticipated passage of the law stipulating the direct election of head of regions later this year or early in 2005.

DPRD secretariats are generally weak and in the field of legislation, DPRD needs to improve the capacity of committee staff. Training committees and research staff could be one option if the budget allows the recruitment of permanent staff. In the absence of such funding, another option is to develop an expert database that DPRD can access as well as creating libraries for legislatures in the province. The role of the secretariat is probably the easiest point to intervene as it is less politically contentious, particularly in the new DPRD. Demonstrating the advantages of a stronger secretariat is one way to encourage DPRD members to consider allocating more budget for this function. A package of assistance could include enhancing record-keeping systems, which contributes to transparency; standardizing administration procedures, including drafting manuals of admin procedures; and improving physical facilities and equipment.

However, political will is required before any capacity building activities is introduced. If an intervention program does not start at the beginning of a DPRD's term of service, rules of procedures will already have been enacted and some practices will have become 'business as usual'. Commitment will need to be developed by exposing key players in the DPRD to successful practices in other regions, for example, through a study tour or joint workshops. Creating demand from constituents is also a way to encourage greater political will by encouraging public interest forums, training CSOs on advocacy and preparing them to testify at public hearings, and training journalists on addressing legislative issues. Where commitment is visible, members may welcome assistance in conducting public hearings as well as media and constituency relations programs.

4.4 Village Councils (BPD)

Government Regulations number 76/2001 on Guidelines of Village Administrative Arrangements stipulates the establishment of a village council called a *Badan Perwakilan*

Desa (BPD). It constitutes the body responsible for village regulation drafting, oversighting of budget and the accountability of the village head and maintaining local customs. Effective BPDs for example have been seen to be those that have a functioning representative body of different groups in the village²⁷, but the local governments have not yet produced a local regulation (*perda*) concerning village administration as required by the Government Regulation. However, there are few models that set good examples. The danger is that villages may end up establishing BPDs with inappropriate representation (e.g. elite dominated)²⁸, without legal foundation and poor participatory practices.

BPDs need a basic orientation and capacity building program as well as provision of basic references on legal framework.²⁹ A governance programme at village level is likely to be more effective if it incorporated into district level programs for governance strengthening. Providing support for both sides hopefully will lead to improving the ability of the village BPD to play its roles more effectively and the availability of good practice for local government to disseminate and replicate elsewhere, especially in the area of peace-building. One approach may be to pilot a governance strengthening (through BPD capacity building and leadership programs) in a select number of villages (to include different religious or ethnic groups) in partnership with the district government in order to institutionalize the approach within public administration. This could be done through technical assistance to BPM or Pemda for example to train and mentor departmental staff

²⁷ Tambarana Trans village has a BPD comprising 6 members in which three different religious communities were represented proportionately: 3 Hindu representatives representing 250 households, 2 moslems representing 110 moslem households and 1 Christian representing the remainder of the 400HH village community who are Christians. This representation system resulted in only one woman being appointed who was a Christian.

²⁸ The Government regulation only requires that BPD comprises of at least 5 members elected among the village population in accordance to the Local Regulation (Government Regulation number 76/2001, article 31).

²⁹ BPD also has to understand regulations on taxes and charges in the respective region, as villages cannot levy tax or charges for similar objects as the district government. This requires an overview of all related legal framework so as to help BPD promote village development without violating district level regulations.

and other service providers (if outsourced). However, since responsibility for support BPDs can fall under the auspice of the Section of General and Village Governance under the *Sekretaris Daerah* office at the district level, the district PMD or provincial level PMD, these agencies need to coordinate more effectively and work in collaboration.

4.5 Civil Society

People are facing greater economic hardships through loss of livelihoods and withdrawal of investment funds from the region as a result of the economic crisis and then the conflicts. Reliance on government is even higher and community self reliance is very low. Years of so-called “bottom-up” planning have resulted in few real welfare gains for communities or specific groups. Poor coordination between district and provincial governments results in duplication of development programs within villages or very poorly targeted support that does not match community needs. Women’s status has not increased³⁰, educated young people are unable to find employment and the presence of internally displaced persons remains a challenge for social cohesion and human development (especially in health, education and economic empowerment). The lack of coordination among village, sub-district, district and provincial levels of government means that problems emerging at the village level hardly even reach district let alone provincial government and, vice versa, policies at the provincial and district levels hardly reach people in villages (particularly women and poor).

There are few civil society organizations or media pursuing greater transparency and anti-corruption. Strengthening CSO networks for information sharing, promoting popular/civic education and ensuring unbiased information to the public is needed, but first CSOs need opportunities to reflect on what role they can play in promoting democratic governance. There is not yet a Code of Ethics for

³⁰ In particular, domestic violence against women and children was identified in both provinces as an issue that warrants urgent public attention. A *Technical Guide to Implement the Programme Management for the Advancement of Women at Sub-National Level (Instruction No. 17/1996)* sets out to improve management co-ordination of development programmes for women at the sub-national level, administered by the provincial governor.

NGOs/CSOs in either province. There is also much scope for local government and NGOs to collaborate on governance and peace building through activities that support community social and economic empowerment. NGOs may be better placed to work intensively with a smaller number of groups since government necessarily has to spread its resources for wider coverage (e.g. allocation of extension workers) although they require substantial capacity building to be effective. A few NGOs do appear to have good capacity for outreach and community organising which can be further developed.

4.6 Future Risks

As elsewhere in Indonesia, social and economic development efforts in these provinces have occurred in an environment where the rules and institutions have been seen as biased towards particular groups and geographic locations. Communities in both provinces face uncertainties in terms of access to justice and employment opportunities, provision of services and government’s commitment to eliminate corruption. Many issues for those who were displaced and/or suffered trauma during conflicts remain unresolved. Such perceptions of unfairness, exclusion and nepotism continue to fuel sentiments of resentment and frustration and result in low confidence in local governments and poor social cohesion.

The UNDP Thematic Assessment on Social Cohesion (for Central Sulawesi and the Maluku) provides detailed analysis of the dynamics of the conflict in North Maluku and Central Sulawesi. From a governance perspective, these risks could be grouped as follows:

1. A critical issue is that certain groups continue to feel aggrieved at being treated as ‘second class citizens’ and see a lack of government concern for their social and economic welfare. Public sector employment remains a highly contentious issue since it is one of three main sources for income (together with agriculture and trade). Fierce competition makes people highly alert to possible nepotism and religious or ethnic discrimination in promotions and recruitment and to the possibility of people ‘buying’ their jobs.

(This is expressed in the anti-Makian sentiments of North Maluku and concern that a Christian Bupati will be elected in predominantly Muslim Poso).

2. A second set of issues revolve around a perceived lack of respect by government and others for cultural identity and heritage, leading to struggles for resources such as land and forests for which the local community feels ownership. This is expressed most clearly in the continuing dissension among the Kao people over the new territorial boundaries of Malifut in North Maluku and access to benefits from the mine there.³¹ It is also found among communities who feel threatened by a lack of transparent government practices in allocating mining and forestry rights which can affect their livelihoods.
3. Perceptions of corruption in use of public funds, collusive practices in contracting and procurement of public goods and poor accountability mechanisms from government and DPRD create a third set of risks. These result from lack of transparent and participatory decision-making, delivery, supervision and auditing of government programs. Three kinds of misuse of funds were typically alluded to during the mission: (i) money being reallocated to other programs without consultation, (ii) contracts for infrastructure projects are inflated to provide kickbacks to those awarding the contracts and (iii) funds being taken for personal gain.
4. The potential for mistrust between communities offers further risk as villages and areas become more ethnically and/or religiously homogenous with few channels for communication between different groups. Splitting districts as a way of dealing with issues of power sharing and resource allocations increases the risk as stronger religious and ethnic lines are drawn.
5. A lack of government action (including parliament) on a range of quality of life

issues that are affecting people's livelihoods and well-being is already creating unrest among communities which could deepen. These include increasing youth unemployment, unresolved situation for IDPs, poor support for those suffering trauma and lack of government action to minimize the environmental damage through bad logging and mining practices.

6. If government does not address these tensions and triggers effectively, there will be always be some potential for elites engaged in their own power struggles to capitalize on resentments and dissatisfaction among local citizenry to provide momentum for social disharmony and violence.

4.7 Opportunities for Support

There was no information forthcoming on what local governments are doing to address these issues. In fact, both provincial and district governments in the two provinces wanted to portray the conflict as essentially over. Senior officials commonly asserted that any future conflict is likely to come from provocateurs and should be dealt with as criminal acts through the police and courts. There was some acknowledgement among officials that transparency and participation are important in preventing conflict, but at the same time, there appeared to be little critique about the degree to which these conditions exist within the district or how they could be improved.

Consequently, communities are left to instigate their own peace building strategies while local governments rely on national standard operating procedures for conflict management that are not context specific and do not focus on risk assessment or preventative action. Senior planners (e.g. *Bappeda* and *Pemda*), heads of line agencies and *Baswasda* clearly need awareness raising and support to be able to see the importance of conflict analysis when planning and allocating scarce resources among competing claims and monitoring the use of those resources.

While there are many constraints and challenges, the team identified some potential building blocks in both provinces, including:

³¹ The *Camat* of Sub-district of Kao for example was quoted as saying that Kao communities in Malifut are interested in creating a new *kecamatan* of South Kao (see Cutura, J and Watanabe, M (2004), *Decentralisation and Violent Conflicts: The Case of North Maluku, Indonesia*, World Bank, Jakarta).

- Each province has new district administrations which want external assistance for service delivery.
- There are examples of government leadership and commitment related to governance and improved communication with communities³²
- National policies and guidelines for decentralization can be used as a starting point for improving local government performance including guidelines for performance based budgeting and development of minimum service standards
- There is interest among government stakeholders to improve participatory planning
- There has been steady progress with infrastructure development in all locations
- Senior managers have a keen interest in professionalism in the public sector
- There are a few examples of civil society becoming more pro-active in public policy matters
- There are active community-led peace building groups and networks
- There is a very high commitment among first-time DPRD members to serve their constituents
- There are new opportunities to improve revenue raising

³² For example, Kota Ternate has instigated a number of initiatives to build a framework for good governance initiatives activities and is keen for further support for implementation.

5. A Framework for Programme Support

5.1 Opportunities for Assistance

It is commonly agreed that the causes of conflict in the two provinces are not the result of religion or ethnicity per se, but rather caused by practices of exclusion and inclusion (i.e. direct and indirect, positive and negative discrimination), unequal allocation of resources, imbalance in power sharing and inequitable access to services based on *ascribed characteristics* of people from particular ethnic, religious or socio-economic groups. So in a post conflict environment, governance systems and processes are needed in which all actors are able to acknowledge that their differences can be productive and positive for development. A new paradigm is needed that promotes social equity and diversity by:

1. Safeguarding the rights of all citizens and reducing potential for exclusionary practices by government and other actors through improving the regulatory framework (laws and policies) for sharing of power and economic and other resources
2. Enhancing government systems for managing cultural diversity so they can draw on the full cultural, religious, ethnic and gender resources of the community to strengthen social cohesion and socio-economic development
3. Ensuring greater community participatory planning, budgetary and delivery systems of government so they are responsive to the diversity of community needs and promote development with equity
4. Increasing accountability of local institutions as pillars of governance (namely, DPRD, government and BPDs)

The main objective of UNDP assistance should be to enhance the capacity and effectiveness of local governance institutions to develop a new development paradigm that can effectively tackle the causes of conflict. This requires well-designed, multi-faceted responses for local development and recovery which promote effective participatory mechanisms and mobilize people around common needs to strengthen community resilience. This requires

encouraging more cooperative interactions between government, civil society and the private sector to ensure better local governance and stimulate local economic growth in ways that are equitable and socially just.

Since many governance institutions and citizens are unfamiliar with what decentralization can offer in terms of greater sharing of political and economic power and government agencies are still reluctant to give up their hold over decision-making, it is also important to pay attention to ways in which public participation in local governance can be institutionalized and encouraged.

There are three areas for a UNDP program of assistance that would support this objective:

1. ***Promote conflict sensitive governance through supporting governments' own priorities for improving its performance and introducing good practice methodologies for peace building.***

Since local governments do not yet appear to see the value in focusing on conflict prevention and peace-building as a policy initiative, a critical element of UNDP support is to provide demonstrations of good practice and opportunities for learning. However, governments commonly expressed an interest in improving community access to services, supporting community infrastructure development, strengthening local economic performance, enhancing the professionalism of government and, although to a lesser extent, building the capacity of governance institutions, including DPRD and BPDs (the latter in Poso in particular). Supporting governments in addressing their priorities could be done on the basis of conditionalities which reflect the paradigm shift discussed above.

2. ***Support multistakeholder processes that enable engagement of civil society institutions with government to address specific causes and triggers of conflict as prioritized by stakeholders.***

Building awareness and capacity of government so they recognize and can respond to the important need to tackle the causes of conflict is far more challenging for UNDP. It is here that government champions and civil society institutions can play a key role. Community members have already identified in a number of forums³³ the issues that they believe need to be addressed to create better government and safer environments. These include increasing transparency and public accountability, promoting equity in access to information, services and benefits, respecting cultural identity and tradition, increasing community participation in decision making and ensuring that people feel secure and safe.

3. Improve local institutions for governance (namely, DPRD and BPDs) as the pillars for good governance and democratic processes at local levels.

As community representatives, DPRD and BPDs have a critical role in ensuring accountability of government to the community in areas that can strengthen peace building capacities. As many are new institutions in the two provinces, there is a prime opportunity to work with them from the start in establishing systems and building capacity for constituency relations, legal drafting, planning and budgeting and oversighting.

5.2 Levels for Entry

The key governance conditions underpinning all entry points are *transparency, accountability, social equity and public participation*³⁴. A change program would emphasise these conditions by addressing both institutions (rules, procedures, mechanisms, delivery modes, and links between actors) and building capacity (organizational, group and individual) for more effective governance practice. There have been a number of national government programmes that focus on planning and support for *Bappeda*, but governance is as much about the control of

implementation as planning. This would then involve other key agencies for mainstreaming governance including *Sekda* and below that, the *Bagian Pemerintahan*.

Constructive partnerships between government and community can only come about only if there is a demonstrated commitment to change and opportunities for experiential learning. (Other donor programs have experienced their models of governance being replicated as other local governments see their value). This is best delivered through demonstrations of improved systems which offer opportunities for ‘learning by doing’ that encourages local actors to define and contextualize ‘good governance’ in ways that make sense to them.³⁵ It is also critical in the Indonesian context to work first through local leaders who can be champions, including the DPRD, Bupati and Governor.

One major advantage of a local area approach is that synergies between districts and *kecamatan* can be developed and exploited to build relationships and strengthen social cohesion.³⁶ Sharing experiences and information, providing peer input to neighboring area developments, exploiting economies can help diverse groups to identify their common interests and develop mutually beneficial solutions and even share resources (e.g. joint vocational training facilities for youth, procuring basic medicines).

The main groups who would be engaged in a governance and peace building program would include:

- Government leaders (DPRD, Governors, Bupatis and senior officials).

³⁵ Note, however, the conclusions of a USAID/UNDP Roundtable on “Community-based Reintegration and Rehabilitation in Post-Conflict Settings” (October 30-31, 2000), which emphasised that community development should not create “islands of success” and that programs should strive to bridge regions, should involve the government at all levels to ensure maximum impact and sustainability, and that international assistance should not be overly focused on one region to the exclusion of others.

³⁶ The approach used by BIGG program for example in developing district-to-district partnerships could be instructive, where two models are used. In one, more advanced “hub” local governments share skills and expertise with two “satellites” each. In the second, a less intensive “peer-to-peer” model is used in which 6 districts share training programs for senior executives. BIGG also uses a “province” model in which provincial trainers are resourced to train staff from all interested districts in the province.

³³ A range of UNDP and other reports have commonly identified these issues. They were reaffirmed by community stakeholders during the mission.

³⁴ They are also critical areas for legislative development, law enforcement and social cohesion which is beyond the scope of this thematic assessment.

- Key institutions which impact directly on the community through improved transparency, accountability, equity and participation. This includes *Sekretariat Daerah* and *Bagian Pemerintahan* (for transparency and accountability), *Bappeda* (for participation), and Departments of Community Empowerment (*Badan Pemberdayaan Masyarakat Desa*) and Social Affairs (for community empowerment and equity in service delivery);
- Village administrators and *camats* who can strengthen governance processes at the grass-root level
- Champions from civil society who are role models, motivators and facilitators (eg NGOs, CBOs, media, universities);
- Women, youth and traditional leaders as community catalysts for governance.

Possible modes of delivery include:

- Capacity building activities aimed at local government and community apparatus (particularly leaders and champions in the first instance) and NGOs
- Funding facility that can provide technical assistance to local institutions to undertake systems change for good governance (stakeholders should be involved in drawing up scope of works for this assistance)
- Providing instrumental support such as materials, funding for activities and tools for governance.
- Funding for demonstrations of demonstration activities for community engagement that build on and complement existing government-funded programs
- Leveraging other donor programs (e.g. the World Bank's Socio-Economic Recovery Project and Kecamatan Development Project, AusAID's IASTPIII³⁷, USAID's BIGG, the Partnership for Governance Reform and UNDP proposed programmes such as BRIDGE and LOGIC³⁸).

- Establish mechanisms to fund participatory processes that support government reconstruction of infrastructure and strengthen social cohesion e.g. community participation and management in building for schools and health centers that bring different groups together to share a service.

5.3 Guiding Principles for Programme Design

The collective experience of lessons learned from a range of governance and other related programs³⁹ suggests a number of guiding principles for the design of a governance program. These are summarized below.

- **Focus on systemic reform** to support changes in the way local government does its business. This means that all interventions will include objectives to improve systems and build capacity to use and manage those systems in a sustainable way.
- **Start with what government is already doing or planning** so that support is directly related to current needs and so is more likely to have impact. This includes relying mainly on local resources for investment, possibly starting with current government allocations.
- **Respond to and encourage demand from stakeholders** to encourage ownership and development of local solutions. This could include inviting local governments to elect to engage in the program. Some may choose to wait and see if it will serve their needs while those who "buy in" are more committed to achieving program objectives. This would be supported through use of MOUs, workplans, reviews and stop-go points. Formal agreements should include provisions to cease working with non-performers.
- **Keep it simple and within the absorptive capacity of partners.** An incremental approach will ensure that activities are feasible and relevant and can be tested and refined as progress can be tracked more easily.

³⁷ Indonesia-Australia Specialised Training Program III (AusAID funded) which offers training for local governments on structural and technical issues.

³⁸ BRIDGE = Building and Reinventing Decentralized Governance Project; LOGIC = Local Governance Reform through Inter-governmental Cooperation Project.

³⁹ This includes PERFORM, BIGG, other USAID programs, UNDP BUILD and KPEL, GTZ decentralization programs and AusAID programs

- **Give sufficient time for processes** as systemic change and demonstrating impact is a lengthy business with awareness raising requiring from 6 to 12 months.
- **Build in gender mainstreaming as an integral and explicit component** of the program design with accompanying resources and expertise building on current government initiatives.
- **Build mechanisms for feedback and reflection into the design of the program.** Often M&E systems are an after thought or are ill designed to generate mountains of data but little useful information.

5.4 Strategic Goal and Objective

The strategic goal of a UNDP sub-program for governance in these three provinces could be:

A democratic environment in which district governments and non-government actors are able to collaborate to promote peace and bring the benefits of local development to the whole community.

From this, the program objective is to assist local governments, parliaments and civil society groups in developing sustainable systems and processes for district development that promote good governance and peace building.

5.4.1 Possible Start-Up Activities

Given that many actors are not yet aware of the links between peace building and governance, it is necessary to start with some form of awareness raising, bearing in mind that the aim of UNDP support is to *sell governance* rather than *tell governance*. In the first instance, this awareness raising would be targeted at leaders in parliament, government and community.

Secondly, where communication is still a problem between different community groups, it would be important to focus first on less contentious activities that encourage inter-group discussions and strengthening of social cohesion before tackling more sensitive governance issues.

Thirdly, mapping local stakeholders who can have a role in supporting peace building through governance (including intermediaries

for capacity building and policy advice) is an important part of this step. These stakeholders can be invited to collaborate on developing criteria and mechanisms for establishing multi-stakeholder, multi-sectoral and multi-disciplinary groups that can work on key issues, including the participation of women and poor groups.

Fourthly, collaborating with stakeholders to develop appropriate tools and materials for conflict sensitive analysis in governance would provide both a learning exercise for actors and also help to develop inter-group relationships. These tools could be used for mapping key issues for governance and peace building to assist in prioritising key issues for further analysis.

5.4.2 Possible Longer Term Activities

While it is not possible to predict with certainty what activities might be identified during a demand-led process, a multi-stakeholder conflict sensitive analysis approach would at a minimum have to identify policy and governance issues with high potential for conflict (e.g. access to services, natural resource management, recruitment and promotion and access to economic infrastructure etc). It is envisaged that a multi-stakeholder mechanism would result in a number of plans that are clearly articulated in terms of their objective for peace building through governance.

1) Promote conflict sensitivity through supporting governments' own priorities for improving its performance and introducing good practice methodologies for peace building.

This would require engaging with government in conducting a peace and development analysis process related to its own funding priorities (eg building classrooms and health posts) as the basis for a 12 month plan of action for conflict sensitive service delivery in targeted areas. Some conditionalities could be employed for UNDP support including community participation, inter-village activities, local government contributions.

2) Support multi-stakeholder processes that enable engagement of civil society institutions with government to address causes and triggers of conflict

This would require engaging with government in a series of multistakeholder activities to undertake a peace and development analysis process on key issues related to causes and triggers of conflict. These processes would reflect a diversity framework that seeks to value differences and seek consensus building.

This would result in a plan of action that could include multistakeholder task groups, leadership training activities, cultural diversity training, community awareness campaigns, advocacy for legislative reform etc. Some conditionalities could be employed for UNDP support and particular consideration would need to be given to participation of women and marginalized groups.

3) Improve capacity of district level institutions (namely, DPRD and BPDs) as the pillars for good governance and democratic processes at local levels

This would require engaging with DPRD on a needs assessment with interested members, targeting those from areas where there has been high impact of conflict. The needs assessment could include areas such as reviewing legislation, planning and budgeting, oversighting and constituency relations. Develop organizational and applied research capacity of DPRD secretariat could also be considered. The capacity building plan would be revised on an annual basis.

Support to BPDs would be delivered through the relevant government body (usually the BPM) using existing systems and modifying existing resources as the starting point. This would entail a planning process with local government using a conflict sensitive methodology to identify possible BPDs which could be engaged in a needs assessment and planning process. The capacity building plans would be for 12 months initially and could involve outsourcing to external local providers (universities). Subsequent years of support could see a reduced role for UNDP and increased responsibility for the local authority.

5.5 Links with other UNDP Programs

The Community Initiatives Unit is planning to introduce a program of support for the development of Poverty Reduction Strategies Papers (PRSP) in North Maluku and

Central Sulawesi. It will be looking at the linkages between governance and poverty. While the CPRU program does not focus on poverty as a major entry point, there is a need for closer interaction between the Units to identify possible linkages.

UNDP's Governance Unit (GU) is finalizing the design of the BRIDGE Programme which will focus more on strengthening management practices for service delivery as a building block for good governance. It is also developing the GRADE program which aims to build capacity for local parliamentarian and LOGIC that works with local government associations.⁴⁰ BRIDGE is designed to be the anchor for both LOGIC and GRADE and they will be working.

As there are links between these entry points and the proposed approach for UNDP/CPRU's conflict-sensitive planning support to *Bappenas* and selected *Bappeda* (eg improving legal framework, community participation in planning process), discussions with national partners on complementarity between the two programs should be undertaken in finalizing the program design.

It is suggested that an integrated program approach be adopted for the CPRU program which brings together various components (e.g. social cohesion, capacity building, local economic development and governance) under one coherent framework for sustainable peace building to streamline management and accountability arrangements for local governments and UNDP.

It is worth noting that there is a perception of UNDP among some district government stakeholders of UNDP as a donor whose primary function is to provide materials goods and work primarily on community reconciliation and community infrastructure. There was not much acknowledgement of UNDP as having a role to play in public sector change management to implement decentralization and governance programs.

5.6 Selection of Districts

The team proposes the following criteria for selecting possible districts for the program:

⁴⁰ See footnote #38. GRADE = Governance Reform and DPRD Empowerment.

- Post conflict areas
- Commitment of the local government, evidenced by local efforts to improve basic services and governance
- Prospects for early results
- Capacity of stakeholders to achieve results
- Extent of conflict impact and number of households affected
- Presence and scope of other donor programs (duplication/absorptive capacity)
- Matches UNDP/funding bodies interest and mandates
- Geographically accessible

There are a number of locations that present as possibilities for engagement, although their willingness to be involved needs to be canvassed.

- Province of Central Sulawesi (Post conflict province, conduct the post conflict prevention programme, have commitment to practice good governance)
- Poso District (Post conflict district, some active NGOs & CBOs)
- Tojo Una-Una District (Post conflict district and also “belt area” for conflict area, committed to practicing good governance, new district)
- Province of Maluku Utara (New province, post conflict, some commitment for practicing good governance)

- Halmahera Utara District (Post conflict district, still evident tensions)
- Halmahera Selatan District (Some commitment to governance, new district)
- Kota Ternate (role model for governance)

The team does not recommend Morowali in the first instance as it did not find much evidence of commitment to change (acknowledging that this is a very superficial assessment given the short time spent there). Of course, further exploration of commitment in all areas (particularly of senior government officials) is needed before a final decision is made.

The proposed focus on provinces is to support coordination and collaboration with district governments for peace building efforts, and not to support provincial program implementation. Working at the provincial level should not result in an additional reporting burden for districts. Furthermore, UNDP needs to consider the likelihood that Central Sulawesi provinces will likely be split by the end of this year and may wish to reserve its support for the new provincial government that will have responsibility for coordination with districts most affected by conflict.

A summary of the possible risks with the local governance approach is provided in Table 3.

Table 3 - Possible Risks for a Local Governance Approach in Central Sulawesi and North Maluku

Variables	Indicators	Likelihood	Impact
Political	Conflict erupts	L-M *	H
	Lack of commitment to participate (government, DPRD, civil society)	L-M	H
	Lack of trust in the government so community stakeholders unwilling to participate	M-H	M
	Province & District split (<i>Pemekaran</i>)	M	M
	Change in national regulations/policy on decentralization	M	L
Institutional	Pace of progress is too slow and stakeholders lose interest	M	H
	Lack of cooperation among institutions	M	L
	Groups excluded from the process (i.e. women, youth, poor)	H	M
	Existing planning, budget and delivery systems are too rigid	M	H
Human & Financial Resources	Low HR capacity affects progress (local government, DPRD, civil society)	M	H
	Difficulties in finding appropriate local technical assistance	H	M
	Misuse of financial resources by stakeholders	M	H
	Lack of willingness by project and government people to work in remote areas	H	H
	Lack of resources to work in remote areas	H	H
UNDP	Reallocation of key personnel in government during activities	M	M
	Slowness in changing from recovery paradigm to sustainable development paradigm	M	H
	System too rigid and bureaucratic and excessive delays	M	H
	Low coordination within the agency	M	H

* Low in North Maluku and Medium in Central Sulawesi

L/M/H =Low/medium/high

5.7 Monitoring and Evaluation

The kinds of indicators (quantitative and qualitative) that might be used include:

- *Community Level*: Increased interaction between communities of different ethnic/religious background, increased access to information, community grievance mechanisms, increased use of own resources for development, increased feelings of security;
- *Intermediaries*: Increased capacity of NGOs, CBOs and journalists; strengthened alliances and networks between NGOs and CBOs and with government
- *Kecamatan*: mechanisms for information flows between communities and the district; strengthening of community early warning system; conflict mediation mechanisms; cooperation for social cohesion and reconciliation;
- *District*: Local regulation (*Perda*) on transparency and accountability, policies on managing diversity, improved community satisfaction with government services, more mechanisms for community dialogues with wide range of actors, increased mechanisms for accountability and transparency; DPRD: improved capacity to represent constituents, legal drafting skills, examples of governance practice in committee decision making, examples of media coverage of governance issues;
- *Province*: Examples of improved coordination with districts, more enhanced role as a facilitator and coordinator, improved credibility with districts, improved quality assurance systems.

5.8 Summary of Recommendations

The major recommendations for UNDP of the team are:

1. Use a program approach to encourage government and civil society to support multi-sectoral, multi-actor and gender inclusive mechanisms for peace building through improved governance;
2. Three entry points for UNDP Governance and Peace Building Program are:
 - Promote conflict sensitivity through supporting governments' own priorities

for improving its performance and introducing good practice methodologies for peace building;

- Support multistakeholder processes that enable engagement of civil society institutions with government to addresses causes and triggers of conflict; and
 - Improve capacity of district level institutions (namely, DPRD and BPDs) as the pillars for good governance and democratic processes at local levels.
3. Primary focus is to build the capacity of local government, DPRD and BPDs as the key institutions for governance by working on incremental system changes and capacity strengthening
 4. Engage with civil society on activities in ways that will increase government and community understanding of the linkages between governance and peace building (e.g. community dialogues, intervillage development activities)
 5. Target government and community leaders who can act as champions for the program, particularly women and other underrepresented groups in the public sphere.
 6. Engage with local intermediaries and service providers for the UNDP program in ways that build regional capacities such as action learning and continuous learning approaches and knowledge management.
 7. Look for opportunities for inter-district activities that can be coordinated at the provincial level as a way of promoting social cohesion, improving services and strengthening provincial coordination role.
 8. Limit activities to no more than three districts per province in the first instance.

ANNEXES
