



Development Alternatives, Inc.

**Supporting
Capacity-Building
in the Indonesia
Provincial
Development
Program**

**An
IRD Field Report**

Prepared under AID Contract No. DSAN-C-0065 for the
Office of Rural Development and Development Administration
Development Support Bureau

Jerry VanSant
Sofian Effendy
Mochtar Buchori
Gary Hansen
George Honadle

February 1981



Development Alternatives, Inc. 624 Ninth Street, N.W. Washington, D.C. 20031

TABLE OF CONTENTS

	<u>Page</u>
PREFACE	ii
INTRODUCTION TO CAPACITY-BUILDING	1
Elements of Capacity	1
The PDP Context	3
PROCESS ISSUES IN SUPPORTING CAPACITY-BUILDING	8
OBSERVATIONS IN PDP II	14
Planning	14
Concentration of Effort	15
Sustainability	17
PUOD and BAPPEDA Support	19
ANNEXES:	
A. Nusa Tenggara Timur	A-1
B. Kalimantan Selatan	B-1
C. Bengkulu	C-1

PREFACE

This report grows out of consultant interaction with the Indonesia Provincial Development Program during the periods September 1-27, 1980 and January 19 - February 6, 1981. During the earlier period, consultants visited the PDP II provinces of Jawa Timur, Kalimantan Selatan, and N.T.T. The later period was used to visit the remaining PDP II province, Bengkulu. The approach used for assessment and information sharing was comparable in the two visits.

Because team building among the six consultants was seen as an important activity, considerable attention was devoted to team preparation during the first week of the September, 1980 visit. Additionally, the entire team spent the first three days of field work together in Jawa Timur before dividing into pairs to visit the three provinces involved in the initial visit. The later Bengkulu team consisted of two members from the 6-person consultant group. During both visits, the final days were spent in Jakarta to allow for preparation and presentation of preliminary reports to Indonesian government and USAID officials.

This report provides an overview of both methodological issues and findings growing out of consultant participation in PDP. It draws on other documents prepared by the consultant team both before and during the time in Indonesia. These documents discussed a capacity-building framework, addressed issues of process and method, and reported preliminary findings. Other information is drawn from reports prepared by the separate teams in each province. These reports contain important province-specific findings and are attached to this general overview as annexes.

Grateful appreciation is due the many persons who shared time and information with the consultants. Much was done on our behalf. Our hope is that we are seen not as outsiders but as part of the PDP team. Whatever information or benefit may have been generated by our visit derived from and belongs to PDP staff and participants. At all levels, the thread of PDP seems to be a commitment to broader participation in development and to making the project work, and are honored to have been participants in the effort.

I. INTRODUCTION TO CAPACITY-BUILDING

Rural development requires self-sustaining improvements in the functioning of organizations and the well-being of people. Recently, attention to this fact has stimulated interest in the development of human resources and in group capabilities for generating benefits beyond the life of donor-assisted projects. This is called "Capacity-Building."

Indonesia's Provincial Area Development Programs (PDPs) are designed to build the capacity of sub-national government bodies to plan, select, implement, monitor and evaluate integrated sets of activities to improve the well-being of rural villagers. However, capacity-building is a long-term process. Since the sub-project, poverty-focused activities are visible and short-term, it is natural to emphasize them and to neglect the less visible and longer term focus on capacity-building.

To avoid such neglect, it is necessary to take actions to reinforce a self-conscious focus on organizational capacity among the actors involved in PDP. In this report, a capacity-building perspective is used to highlight selected aspects of human resource development in PDP as reflected in the four PDP II provinces of N.T.T., Kalimantan Selatan, Jawa Timur, and Bengkulu. This section suggests elements of capacity and discusses the PDP context for capacity-building initiatives.

Elements of Capacity

In general terms, capacity-building means improving the ability of people to deal with their problems. More specifically, capacity itself is the ability to:

- . anticipate and influence change;
- . make informal decisions;
- . attract and absorb resources; and
- . manage resources to achieve objectives.

To utilize these capabilities, people often form informal groups and formal organizations. These groups allow capabilities to continue independently of the individuals who, at any time, constitute the organization. Such organizations may be governmental, such as Indonesia's

provincial-level BAPPEDA's; or they may be community-based, such as the village LSD's. In general, they represent a key element in the development process, a fact fully recognized in the PDP concept. Therefore, increasing the capacity of these and other organizations to plan and implement innovative approaches to rural problems is a major goal of the Provincial Development Program.

The requirements of a capable organization include, but are not limited to, the following:

- . Organizational skills, such as the ability to forge effective links with other organizations and to make it possible for local residents to participate in decisionmaking;
- . Information for decisionmaking, and the ability to utilize those data;
- . Staff or a stable membership; and
- . Processes for solving problems and implementing decisions.

Thus, organizational capacity-building requires a focus on both administrative structures and management procedures as well as individual and group skills.

When observing or assessing the capacity of an organization to undertake particular tasks, two dimensions should be examined. The first is organizational stock. That is, what resources does the organization control? For example, agricultural extension units with well-trained staff, vehicles, communication equipment and other facilities are more likely to perform well than those units without these assets.

The second dimension to be considered is organizational behavior. That is, what are people actually doing? This is important because high levels of stock do not automatically lead to high performance levels. Many factors may deter capable people with superior facilities from acting in ways which support a particular project. Thus, effective capacity-building efforts must look beyond inventories of organizational stock to actual human behavior.

The link between stock and behavior is represented by organizational incentives. For example, innovation and experimentation may be stifled by donor payment procedures which provide reimbursement only for subproject

activities which reach production targets and not for those which build capacity or try new approaches. By contrast, a compensation system for local project staff which rewards efforts to work with and strengthen local organizations will help generate that kind of targeted behavior.

In general terms, then, capacity-building efforts must begin by instilling a conscious awareness of the strengths and weaknesses of the condition of organizational stock, incentives, and behaviors among the agencies involved in PDP. Fostering this awareness was a major priority of the consultants in this first visit to PDP II provinces with the intent that assessment of organizational capacity be internalized as an ongoing concern of PDP staff at all levels. A set of illustrative issues to guide this assessment is contained in exhibit 1.

The PDP Context

The intent of the Provincial Development Program is (1) to design and implement projects which improve the welfare of low-income rural households, and (2) to enhance the effectiveness of broader administrative structures in the planning and implementation of these projects. The functional emphasis of PDP is on the development of small-scale innovative projects which will produce relatively rapid results. Thus PDP has two distinct and very different target groups-rural villagers and civil servants. Capacity-building is a critical process in working with each. The requirements for capacity-building and for stimulating quick-impact, sub-project activities, however, are not always complementary. This has led to a certain inconsistency at all levels of PDP regarding targeted administrative behavior and the incentives to support that behavior. Although considerable commitment to institution-building seems evident, particularly at higher levels, staff in the field are responding largely to project success criteria of a more traditional nature.

A major reason for this contradiction is that capacity-building is much more difficult to assess than physical project outputs, especially in the short term. This suggests that the role of outside consultants should not be one of external evaluators, a role which would give the evaluation product precedence over building the capacity of local staff to monitor institution-building progress for themselves. Instead, the

Exhibit 1

ILLUSTRATIVE ISSUES IN ASSESSING AND BUILDING ORGANIZATIONAL CAPACITY IN PDP

1. Organizational Stock

A. Staffing

- . adequacy of staff
- . understanding of role/task
- . recruitment procedures
- . staff interaction (especially key personnel)
- . constraints to effective performance
- . training:
 - processes
 - how institutionalized
- . sources of staff: local and external

B. Administrative support

- . government commitment to PDP focus
- . operational documents/procedures
- . management/planning procedures
- . information systems
- . recordkeeping
- . impact of PDP on existing systems
- . adequacy of physical facilities: vehicles, office equipment
- . role of technical assistance

C. Organizational capacity

- . service delivery systems
- . support base
- . staff understanding of goals and procedures
- . planning and budgeting
- . capacity to assume new functions
- . "opportunity cost" of staffing PDP organizations
- . factors in the organization's environment
- . appropriateness of existing organizations for PDP role

D. Organizational linkages

- . communications networks
- . machinery for collaboration
- . distribution of essential PDP processes
- . information sharing
- . resource sharing
- . service coordination
- . clarity of organizational boundaries
- . linkages to nonformal leaders in rural communities

II. Organizational Behavior

A. Consistency with PDP objectives

- . inter-sectoral cooperation
- . assumption of new PDP responsibilities
- . attitudes toward PDP sub-projects
- . use of resources
- . application of PDP approach to non-PDP projects
- . criteria of project selection
- . planning criteria
- . hidden agendas
- . commitment to capacity-building objectives

B. Support for involvement of rural poor

- . staff-beneficiary communication
- . evidence of joint planning
- . method of need identification
- . project criteria
- . beneficiary perceptions of PDP organizations
- . staff attitudes toward local decisionmaking
- . criteria for identifying poor
- . skills necessary for organizational participation

III. Organizational Incentives

A. Resources

- . distribution among PDP levels
- . distribution among PDP activities

- . guidelines for project reimbursement
- . basis of access to additional resources

B. Staff

- . incentives/rewards for targeted performance
- . disincentives in system
- . accountability - direction and mechanism
- . opportunities for on-the-job learning
- . promotion expectation
- . bases for performance evaluation
- . bases for attracting quality staff at lower levels
- . building flexibility in staff

C. Organizations

- . accountability of those using organizational resources
- . knowledge/skills required for participation in organizations
- . procedures to motivate broad participation
- . nature of organizational cooperation
- . rewards for interorganizational cooperation
- . costs of interorganizational cooperation.

role of technical assistance to PDP in this area should be to facilitate ongoing processes which support capacity-building and its assessment. Further consideration of this point appears in the discussion of methodology in Section II of this report.

A major thrust of PDP is the decentralization of sub-project planning and implementation responsibilities to provincial and sub-provincial levels. While provincial governments will provide overall administrative and budgetary support to PDP sub-projects, actual day-to-day project implementation and the information systems to support that implementation will increasingly involve sub-provincial levels of government. In a formal sense, PDP focuses on the Kabupaten level and the development of Kabupaten BAPPEDAs able to take a key planning role. But the achievement of bottom-up planning objectives will require that the provincial and Kabupaten BAPPEDAs give attention to the role of government structures and organizations at the Kecamatan and village levels as well. Capacity at these grass-roots levels is necessary to help beneficiaries take advantage of project services, to develop their own capacity to identify problems and solutions, and to work cooperatively to implement the solutions generated.

This suggests several interrelated issues which became a focus of consultant interaction in the PDP II provinces and which are addressed in this report. Because of the diversity of conditions among and even within various provinces, the observations in Section III of this report should be supplemented by reference to the annexes from each province visited. The issues to be addressed are the following:

- . Are government officials and PDP staff at the various administrative levels working in a style which invites and promotes bottom-up planning?
- . What kinds of selectivity can and should be exercised in identifying administrative target groups where resources will be invested to build sustained institutional capacity?
- . How sustainable are the institutional and sub-project benefits stimulated by PDP after direct PDP funding is terminated?
- . How effective are the planning and support functions being performed by PUOD and provincial BAPPEDAs and what is the prospect of improved performance by the end of PDP?

II. PROCESS ISSUES IN SUPPORTING CAPACITY-BUILDING

In addition to a focus on stocks, incentives, and behavior, there is another concern which must be addressed by any effort to assess organizational capacity. That concern is the process used for information collection, a process which should itself lead to strengthened capacity. In sum, the role of technical assistance should be to facilitate a process by which existing human resources are identified, allocated, and expanded in ways that make these resources more available to improve organizational, problem-solving capabilities.

Typically, technical assistance follows a model in which consultants are utilized to study a problem and to develop their solution, usually spelled out in a formal report. The weaknesses of such a packaged approach include the following:

- . An assumption that standard solutions are available and that the knowledge of those solutions will solve a problem; and
- . A willingness to accept the data provided by outsiders as more useful for resolving implementation difficulties than the data held by those directly involved in the process.

Since the objectives of this consultation was to help PDP staff define their own objectives and solve their own problems, the usual approach was not used. Instead, an attempt was made to respond to staff definitions of issues and to structure an environment in which mutual learning could occur. Specifically, interactive, participative methods were used where possible to generate data about, and promote an awareness of, the present state of organizational stock, incentives, and behaviors constituting PDP II.

To create an environment in which mutual learning could take place and in which local "ownership" of and commitment to goals and objectives could be generated, certain exercises were used. From an institution-building perspective, these exercises had several objectives including:

- . Team-building: identification and solution of the problems experienced by work groups, particularly interpersonal and organizational roadblocks which stand in the way of the collaborative, cooperative, and competent functioning of such groups in the PDP system;

- . Intergroup problem-solving: bringing groups together for the purpose of reducing unhealthy competition between groups or to resolve intergroup conflicts over such problems as overlapping responsibilities or confused lines of authority, and to enhance interdependence when it appropriately exists;
- . Joint goal-setting and planning: establishing patterns by which supervisor-subordinate pairs and teams throughout the organization engage in systematic performance improvement and target-setting with mutual commitment and review with the goal of participaton goal-setting becoming a way of life in both local project planning and broader PDP administration; and
- . Mutual support-sharing: providing structured opportunities for each administrative in project level to relate itself to other levels by identifying actions they could take to support the others as well as actions the others might take to support them.

Each of the above objectives is characterized by the encouragement of improved communication which, in turn, facilitates both information and resource-sharing, the keys to effective coordination.

The choice of exercises was based on each local situation but generally fell into three categories:

- . Force field analysis in which a targeted objective is examined from the standpoint of driving forces and restraining forces. Once these forces are identified those most amenable to management action are selected and strategies developed to take advantage of positive factors and to overcome constraints. An example from the Kabupaten of Bangkalan in Madura is reported in exhibit 2.
- . Mutual support-sharing in which groups whose coordination is needed express separately, in concrete terms, what they can do to support each other and what support they need from each other. Subsequently, they meet together to discuss the points raised and assess priorities. Out of this comes a set of specific objectives and desired actions. An example from the Kabupaten of Belu in N.T.T. is reported in exhibit 3.
- . Goal-setting in which the present situation, end of project goals, and one-year objectives are identified for a particular PDP objective. The key to this exercise is the setting of short-term objectives in as precise and measurable terms as possible. The process encourages local planning and provides a set of indicators for future assessment. An example from the provincial BAPPEDA in N.T.T. is reported in exhibit 4.

In general, conduct of these exercises utilizes small group sessions to capture the knowledge held by participants and large group sessions

Exhibit 2

BAPPEDA KABUPATEN BANGKALAN-MADURA

September 9, 1980

FORCE FIELD ANALYSIS
STRENGTHENING VILLAGE LSD'S

Driving forces

1. Training activities for LSD (special project of Kab. Bangkalan).
2. Careful balancing of project activities with needs/understanding of people.
3. Involvement of various groups of people in projects.
4. People's desire to improve their quality of life.

Restraining forces

1. Low education level resulting in inadequate skills.
2. Lack of capital.
3. Attitude that members of LSD have little to contribute to actual planning.
4. Political tensions at village level.
5. Lack of time for optimum communication with villages.
6. Risk of projects violating traditions in certain sectors.

Exhibit 3

MUTUAL SUPPORT EXERCISE - BAPPEDA AND SECTORAL SERVICE HEADS

KABUPATEN BELU

September 13, 1980

BAPPEDA STAFF

<u>What we need from Sectoral Services</u>	<u>How we can support Sectoral Services</u>
1. Monthly project activity reports to the Bupati from involved service heads.	1. Arrange a coordinating meeting with service staff to structure an annual program plan.
2. Financial reports from project leaders to Bupati and BAPPEDA each month.	2. Develop a set of standard guidelines for project management.
3. Travel reports to Bupati from PDP team--monthly and quarterly.	3. Monitor projects in order to keep well informed.
4. Service heads present at meetings of PDP team.	4. Perform project evaluations.
5. Development by project leaders of integrated guideline, for project administration.	5. Organize a monthly meeting to assess implementation of projects jointly.

SECTORAL SERVICE HEADS

<u>What we need from BAPPEDA</u>	<u>How we can support BAPPEDA</u>
1. Guidelines for project administration - especially a procedure for reports.	1. Prepare planning documents based on local needs data.
2. Clearer information.	2. Provide information on problems in project administration.
3. More open communication and relationships.	3. Prepare project activity and financial reports.
4. Better coordination (less isolation from decisionmaking).	4. Organize necessary staff for project implementation.

EXHIBIT 4

Goal Setting Exercise - BAPPEDA Staff
Province of N.T.T. - 19 September, 1980

CAPACITY - BUILDING IN PDP

Present Status	End of Project Goals	One-year Objectives
<u>Provincial Level</u>		
1. Limited involvement of several BAPPEDA sections in PDP	1. Strong core development staff in BAPPEDA as result of PDP training and experience	1. Streamlined policy-making apparatus in BAPPEDA
2. Lack of clear criteria for role of BAPPEDA in PDP	2. Basis for continuing training after PDP	2. Greater technical understanding of projects and project management
3. Training conducted primarily on "one-shot" basis.	3. Clear guidelines for PDP administration.	
<u>Kabupaten Level</u>		
1. BUPATIs have limited understanding of PDP	1. Long-term training strategy for development staff	1. Effective project planning and evaluation skills
2. Limited skills and experience in Kabupaten BAPPEDAS	2. Integration of local development initiatives into BAPPEDA priorities	2. Inclusion of CamatS in preparing project proposals (joint-planning)
3. Weak coordination between PDP personnel and BAPPEDA	3. Adequate incentives to attract qualified staff.	
<u>Kecamatan Level</u>		
1. Limited capabilities of officials	1. Kecamatan staff able to implement operational plans	1. Kecamatan role in actual project planning, implement and monitoring
2. No training available for officials below Kabupaten	2. Significant role for Kecamatan officials in project planning	2. Study tours and workshops for Kecamatan staff
3. Weak organizational base	3. PDP staff given official status as Government staff	
<u>Village Level</u>		
1. Limited capabilities of officials	1. Functioning local organizations	1. Workshops for village leadership
2. Amorphous structure of villages in NTT	2. Effective local management of village project	2. Role in project administration for village organization
	3. Involvement of PDP motivators in local administrative structure	3. Greater understanding of PDP by village heads.

to structure, compare, and discuss the products of the small groups. If the process is flexible, these exercises can serve both learning and problem-solving objectives.

The use of these and other exercises was, of course, a complement to the usual information-gathering work of document review, observation, and interviews with PDP staff and participants. Receptivity to the exercises varied. In an end of visit session with BAPPEDA heads from all PDP provinces gathered in Jakarta, resistance to an information-sharing workshop style of interaction was so strong that a change of agenda was forced to more formal reporting from the consultant team. This was caused, in part, by strong expectations that the team's primary mission was evaluation and that the purpose of meeting together was to hear reports of that evaluation. Without these reports, the consultant team could not establish its credibility.

At lower levels, there was some hesitancy about participation in planning and goal-setting exercises as a result of lingering perceptions that these functions were reserved for higher authorities. Nonetheless, where time with provincial or Kabupaten BAPPEDAS permitted, exercises were, in fact, used with success from the standpoints of both participation and information-generation. In particular, a number of specific planning recommendations resulted. Many of these will also serve as indicators to help future assessment of capacity-building progress (see exhibits 3 and 4 for examples).

The importance of these exercises lies not only in their immediate results but also in their role as examples of information-sharing techniques which can continue to be used by PDP staff to foster joint planning at all levels of the program. This continuation has two dimensions: (1) staff-generated plans and recommendations should be acted upon and (2) the PDP organizational development strategy should continue to use action oriented, participative approaches to individual and group capacity-building.

III. OBSERVATIONS

Principal findings of the consultant team are reported in the annexes to this report. This is as it should be since circumstances and the application of PDP strategies vary considerably from province to province. These variations themselves are an evidence that genuine decentralization of planning is taking place. Moreover, provincial BAPPEDAS are demonstrating significant creativity in responding to the challenges presented by participation in PDP initiatives.

As noted in the introductory section of this report, such generalizations which may be made as a result of this consultant interaction with PDP II fall into four categories: planning, concentration of effort, sustainability, and upper-level support. These issues are discussed below.

Planning

In the long run, a key measure of PDP success will be the degree to which government officials and PDP staff at all levels are working in a manner which invites and promotes bottom-up planning. Several positive observations can be made at this point:

- . There is evident commitment at all levels to a more decentralized project management style which incorporates bottom-up planning. This commitment is clearly linked to PDP.
- . The idea of the Kabupaten BAPPEDA is beginning to take shape in some provinces and a significant devolution of basic planning responsibility to this level is evident. This process is a direct result of PDP.
- . Various attempts are being made to ascertain local needs and aspirations and to incorporate this information into the planning process.

These are significant developments and represent necessary first steps toward the ultimate goal of genuine bottom-up planning. It is important, however, that further attention be given to institutional arrangements which support roles in planning at sub-Kabupaten levels as well. This could begin with joint-planning exercises in which village and Kecamatan officials work with Kabupaten planners in preparing sub-project documents. PDP in Bengkulu is moving toward such an arrangement

by giving Camats a major role in the early stages of project planning. Another approach, used with success in Central Java, is the joint development of worksheets to be used by local officials as an input to higher level planning. In general, PDP staff and advisors at higher levels should consider what planning and administrative tasks may be effectively performed at lower levels and what kind of additional capacity-building initiatives would support further devolution of responsibility. The objective would be to determine how higher levels can provide support to the lowest planning and management operational level possible. Such support might include training, joint development of guidelines, and technical/managerial assistance. The capability to provide this support is itself an element of organizational capacity at the central, provincial, and Kabupaten levels.

At the present time, certain factors constrain progress toward further devolution of planning responsibility in PDP. These factors, manifested to varying degrees in the provinces visited, include:

- . The USAID focus on capacity-building objectives at the provincial and Kabupaten levels;
- . A general emphasis on successful sub-project implementation which results in a reluctance to involve lower level officials and organizations with capabilities perceived as limited; and
- . Considerable uncertainty as to how to implement decentralized activities, including planning, especially within existing structures.

The degree to which these constraints are overcome in the future will be an important measure of continuing achievement of PDP capacity-building objectives. Developments so far, as noted above, represent a necessary and promising start.

Concentration of Effort

An issue continually addressed within PDP is determining what kinds of selectivity can and should be exercised in identifying administrative target groups where resources will be invested to achieve PDP objectives. This issue has several dimensions. On the one hand there is a conspicuous and, in most cases deliberate, dispersion of target areas for sub-project activity. As a result, PDP staff must travel long distances and expend considerable time in visiting and monitoring sub-project activities.

There is some frustration associated with these demands and, in general, a disproportionate amount of time is spent on the road in contrast to actual contact hours with a particular project. Moreover, limited opportunities for staff contact with local projects and personnel may result in a more reactive than anticipatory monitoring system. From the standpoint of capacity-building objectives this is unfortunate and it is not clear what beneficial trade-offs result. Similar considerations apply to the effect of distance on opportunities for joint-planning and other direct institution-building activities with organizations at the Kecamatan and village levels.

Only in Bengkulu does this pattern vary. In this province, early sub-projects have been clustered near the provincial capital with the idea of spreading farther afield each year. This approach has merit although its benefits are reduced in Bengkulu by the fact that the capitals of the Districts involved in PDP are some distance from Bengkulu and, therefore, the projects as well.

More broadly, the concentration of effort concern applies to how resources are focused on capacity-building efforts within the government structure. A step-by-step approach to capacity-building might suggest that PDP capacity-building attention be initially concentrated on achieving greater collaboration between Kabupaten - Kecamatan levels of government and perhaps one or two sectoral agencies within these jurisdictions. This would imply substantial emphasis upon assuring that staff skills are mobilized within, for example, the Department of Agriculture at these levels to promote effective coordination with Kabupaten and Kecamatan staff in initial project development and implementation. These collaborative ties might lead to core development planning teams able to respond to the needs of low income households. This would require some initial sacrifice by reducing the inter-sectoral emphasis of PDP, but it may be a more feasible line of action for achieving realistic capacity-building objectives. In the long run, while a particular context may feature a strong initial alliance between a sectoral department and a planning body, the plans generated from this collaborative link might eventually serve as the framework for guiding and mobilizing inter-sectoral activities as well.

Working out this sort of strategy will need to be location-specific but, in general, three basic questions should be addressed by PDP leadership:

- . What are the minimum human resource requirements for undertaking PDP projects and how are these best distributed among the various levels of government?
- . What are the organizational processes (project identification, design, monitoring, evaluation) which need to be conducted and how are they to be distributed or shared among the various levels of government?
- . How can sectoral and intersectoral cooperation be achieved among the line departments and the planning staffs at the various levels of government.

These issues provide the context in which each PDP province should consider how resources may best be concentrated to achieve capacity-building objectives within the 3-4 year timespan of PDP. Such planning would serve several purposes, including:

- . Providing a logic and structure to how PDP resources are targeted;
- . Constituting a defence against unrelated demands on PDP resources; and
- . Serving as a benchmark to measure performance in achieving capacity-building goals.

The plan could indicate which target institutions will be featured in the project phasing and the type and amount of resources that need to come from these institutions to complement PDP inputs.

Developing the plan would serve as a learning device for PDP staff, related government personnel, and consultants working with the program, particularly if the planning itself were done as a multi-level shared-task exercise.

Sustainability

A major concern for a pilot initiative such as PDP is the sustainability of the institutional and sub-project benefits stimulated by PDP after external funding is terminated. It is all too common to find that benefit-generating activities fail to continue after the life of rural development projects. PDP's capacity-building focus is a direct attempt to develop an institutional base which, taken as a whole, will be self-sustaining. This does not necessarily mean that every PDP-related organization will or should be able to stand alone. The goal is to

generate a network of organizations which are linked in such a way that resource and information flows sustain the total system in support of broad development objectives. For example, as local organizational capabilities are developed, functions performed by higher levels in the government structure or by outsiders may be transferred to lower levels and, with some continuing support, be more effectively performed.

An emphasis on the sequential roles that different organizational forms can play reaffirms the need to build complementary performance capability either in permanent agencies or in beneficiary organizations that will inherit project functions. IRD field experience suggests that the following conditions favor the creation of self-sustaining benefits.

- . Government must be committed to project activities;
- . Projects should be small-scale and focus on critical constraints;
- . Potential beneficiaries should make a resource commitment during project implementation;
- . Organizational capability should gradually be built into participating agencies and other organizations so that project activities can be effectively institutionalized.

Clearly, these factors are related. Without the commitment of government, public sector support will not continue, whether or not the activities are locally institutionalized. On the other hand, if no institutionalization occurs, continued government support will be less likely. In the absence of local capacity, government support will fail to sustain for long, even critically-focused projects.

If the above four conditions are used as a set of criteria for PDP, then it may be observed that the outlook is favorable in terms of the first two indicators dealing with government commitment and the nature of sub-projects. The situation is less promising when the remaining conditions dealing with institutionalization and local resource commitment are considered.

The problem of institutionalization manifests itself primarily at sub-Kabupaten levels where understanding of and commitment to PDP capacity-building objectives weakens while, at the same time, dependence on higher-level or special PDP-supported personnel increases. Below the Kabupaten level, few institution-building efforts such as, for example,

training, joint-planning, or beneficiary participation in project information systems are evident. Without some reorientation to support such efforts as these, it is doubtful that local institutions will be significantly more prepared at the end of PDP than they are now to assume and sustain activities now supported at higher levels by PDP resources. This issue parallels concerns expressed earlier under the consideration of bottom-up planning.

Local resource generation is another key element of sustainability which is not very evident in PDP provinces. Such resources are a key indicator of the extent to which local residents have become committed to both project activities and to the changes necessary to sustain those activities. These resources may also be a primary input needed for continuation. For example, if local marketing organizations become financially self-sufficient, they will be able to continue to provide needed services. Likewise, physical systems such as irrigation or potable water need to be maintained if their utility is to last.

An example involving externally subsidized and staffed food storage warehouses in N.T.T. is detailed in Annex A. In this case, as in others, sustainability would be promoted if a portion of the benefits from externally-funded project activities were recycled, thus generating the local resource commitment that is seen as impossible now. Part of capacity-building is to develop the capability of rural people to invest in their own betterment and become less dependent on others. Addressing this issue should be a major focus of future planning in PDP II.

PUOD* and BAPPEDA Support

A major objective of PDP and a particular focus of USAID assistance is to strengthen the role of PUOD and the provincial BAPPEDAs in support of local PDP activities. At this point, while certain problems remain, there is significant evidence of progress. In particular, significant organizational changes have occurred in provincial BAPPEDAs as a result of PDP, especially in those provinces where local commitment and stability of BAPPEDA staff have allowed the program to take root. There is more communication, improved coordination with sectoral services and

*Now the Directorate General of Regional Development (BangDa).

more awareness of local development needs. Furthermore, there is reason to expect that these improvements will continue.

A problem that manifests itself in varying ways among the PDP II provinces is ambiguity in the role of PDP-assigned staff within the overall BAPPEDA. There are few incentives to support PDP cooperation and coordination with non-PDP personnel or organizations unless their assistance is specifically required. This problem is exacerbated by perceptions that PDP staff control a privileged flow of resources. Even some junior BAPPEDA staff working with PDP feel left out of such PDP benefits as training. Perceptions do not necessarily accord with reality in these matters but sensitivity to the views of "outsiders" by PDP leadership at the province is important if the PDP style of decentralized planning and implementation is to spread outside of PDP-funded activities.

Another concern at the provincial level is the degree to which their freedom of action is constrained by instructions from PUOD which do not always encourage the flexibility needed for innovation. Planning in accordance with guidelines sometimes takes precedence over encouragement of a greater planning role at sub-provincial levels.

The problem of PUOD guidelines is complex. It was mentioned in more than one province that there is a need for more precise and timely guidelines from Jakarta for project planning and implementation. At the same time, there is a feeling that such guidelines as do originate in Jakarta are often inappropriate or too rigid. It was indicated that provincial BAPPEDAs might wait several months for a needed program guideline and, in the meantime, could not take any interim actions without proper authorization. When asked why they did not prepare their own guidelines for submission to PUOD based on local needs and problems, the answer was that they were not authorized to do so. Thus progress in decentralizing planning and implementation is constrained by fears of violating real or implied PUOD instructions and/or expectations.

A specific manifestation of this problem occurs when a BAPPEDA-level sub-project manager wants personally to develop subordinates but the perceived organizational "price tag" makes this prohibitive. If the manager is held totally accountable for the subordinate's actions, there is little incentive for him or her to risk developing staff.

This is an issue of communications as much as of substance. There is a need for more effective communication of such central guidelines and instructions as are necessary and the reasons for them. At the same time, more feedback from the field would serve the development of appropriate guidelines, permitting greater responsiveness to local conditions in each province.

In essence, lower levels are asking for more trust and confidence from above. PUOD expects increasing levels of competence below. One way to serve both interests is to engage in shared multi-level development of program guidelines. This will require some hard negotiation but, in the process, levels of mutual understanding should increase.

This issue, important as it is, should not be allowed to obscure the fact that significant changes are occurring in the way that development planning and management are occurring in PUOD and especially in the provincial BAPPEDAS. Moreover, commitment to maintaining the benefits of these changes seem strong.

CONCLUSION

This report has highlighted certain broad trends observed in PDP II by means of short-term consultant visits to N.T.T., Kalimantan Selatan, Jawa Timur, and Bengkulu. A context for understanding capacity-building has been suggested, a process for facilitating capacity-building has been described, and certain capacity-building concerns have been addressed.

In keeping with the methodology utilized by the consultants, this report is not prescriptive. It's intent is to raise issues - caution lights (lampu merah) in the words of PUOD's Atar Sibero. It is not at all surprising to observe such problems at this point in PDP implementation. Indeed, many are the by-products of effective innovation, reflections of the fact that the solution to a problem often begets new challenges. Thus, for example, decentralized planning as an element in PDP design creates unprecedented demands for coordination, information flow, and skill development at many administrative levels.

To a large degree, PDP II is best understood as four separate projects. Not only is each provincial context unique, but also the PDP organizational arrangements differ in each case. For that reason, the

broad brush treatment of this report should be augmented by reference to the province-by-province annexes which are attached.

The Future

Capacity-building is a slow process. Although tangible results sometimes are possible, the true test of capacity does not occur until after external resources are withdrawn. Moreover, capacity-building is not likely to result from a single event. Rather, a series of reinforcing sequential activities may be necessary. The role of outside technical assistance is to facilitate this ongoing process, not substitute for it.

There are two aspects to this facilitating role. The first is helping PDP staff and participants to identify critical capacity-building issues and to develop processes for addressing them. The second is helping to assess progress toward capacity-building objectives and to generate specific indicators for continuing measurement. This report reflects both functions.

The use of a mixed Indonesian-American teams for the PDP II technical assistance was a step in the development of a reservoir of local consultants who can assist, as needed, with interim assessments or other assistance. This arrangement should be continued in future planned consultant visits. There was a healthy synthesis between the experience of the outside consultants dealing with similar issues elsewhere and the knowledge of the Indonesians about how things happen in their country. Beyond nationality, there was a good mix of education and background in the team. We learned much from each other as we worked together.

We also learned from PDP. It is a major development initiative and, while it demands much from these involved, it also provides a unique opportunity for shared learning and building of capacities.

ANNEX A

REPORT OF CAPACITY-BUILDING CONSULTATION
PROVINCIAL DEVELOPMENT PROGRAM
NUSA TENGGARA TIMUR
10 - 20 September 1980

by

Sofian Effendy
and
Jerry Van Sant

INTRODUCTION

The consultant team of Sofian Effendy and Jerry Van Sant spent 10 days in N.T.T. split evenly between the provincial capital of Kupang and time in the field. Visits were made to two of the three PDP Kabupatens, Belu and T.T.U. In each Kabupaten discussions were held with the Bupati, BAPPEDA staff, and sectoral service personnel. Additionally, in each Kabupaten, a target Kecamatan was visited where discussions were held with the respective Camats and with village heads in several PDP villages. In the Kecamatan of Lamaknen in Belu, there was opportunity to sit in on two meetings with targeted PDP beneficiaries, each group consisting of over 150 farmers from a cluster of villages. The agenda for these meetings was presentation by PDP staff of the status of project planning which had been based on need-identification done in a similar meeting six months earlier. Opportunity was given for feedback from farmers, several of whom offered comments or suggestions.

Details on the itinerary of the N.T.T. field visit are contained in Appendix A to this Annex. A few highlights will be noted here with some comments on the approach taken by the consultants.

It was felt by the team that, within the bounds of the limited time available, an attempt should be made to concentrate on a few selected PDP locations rather than make a more comprehensive tour. Furthermore, it was hoped to concentrate on Kabupaten level meetings since that is the only sub-Province level at which the PDP program in N.T.T. has an organizational base. PDP staff in Kupang were very accomodating and made adjustments in their preliminary itinerary to allow more intensive visits though time in the two Kabupaten capitals was still limited to a few hours each. The Provincial BAPPEDA felt that a reasonably broad field exposure was essential to an understanding of unique N.T.T. program factors. Additionally, an inaccurate advance billing of the team as an "Evaluation Team" skewed expectations toward the visiting of project sites. Nonetheless, the final balance was appropriate.

The first two days of the N.T.T. visit were spent in Kupang in meetings with BAPPEDA personnel, sectoral service heads, the RMI technical adviser, and several non-governmental informants. The conversations dealt with broad PDP program issues and delved into the structure of PDP administration at the various levels of government.

Field visits were made to the Kabupaten of Belu where PDP programming is in the planning stage and to the Kabupaten of T.T.U. where there has been a year of implementation (albeit severely restricted by the late dropping of PDP funds for FY '79-80, a critical blow in N.T.T. where the timing of agricultural activities must accord with the short growing season). Within Belu, the Kecamatan of Lamaknen and villages of Nualain and Kewar were visited. In both villages, the team observed meetings of PDP staff with farmers. In T.T.U., the Kecamatan of Biboki and villages of Lokomia and Beloe were visited. In the Kecamatans and villages, conversations were held with the respective Camats and Village Heads. There were no functioning organizations involved with PDP at these levels.

At the Kabupaten level, meetings were held with groups consisting of BAPPEDA staff and sectoral service heads. To encourage participation and the development of clears initiating from the participants, structured exercises were used. In Belu, BAPPEDA staff and sectoral service personnel were divided into two groups to discuss how they could mutually support one another. Results of the separate discussions were reported out and written on a blackboard to stimulate general discussion. The purpose was to focus on coordination and develop some specific actions that could be taken. Results of this exercise appear in Exhibit 1.

In T.T.U., a goal setting exercise was utilized in which participants were asked to identify specific capacity-building objectives to be achieved within the course of PDP. Goals and ways to achieve them were specified separately for Kabupaten, Kecamatan, and village levels. Results of this exercise appear in Exhibit 2.

Generally, these officials are accustomed to goals being articulated at higher levels. Thus there was some difficulty in understanding the purpose of this exercise. Once underway, however, a lively discussion ensued. Results were rather general but represent a first step in self-planning which should be continued.

The team's return to Kupang was highlighted by a substantive meeting with the Governor of N.T.T. whose knowledge of the program and sensitivity toward its institution-building objectives represent a major asset. Among the points raised by the Governor were

E X H I B I T 1

Mutual Support Exercise - BAPPEDA and Sectoral Service Heads
Kabupaten Belu - 13 September 1980

BAPPEDA STAFF

<u>What we need from Sectoral Services</u>	<u>How we can support Sectoral Services</u>
1. Monthly project activity reports to the Bupati from involved service heads.	1. Arrange a coordinating meeting with service staff to structure an annual program plan.
2. Financial reports from project leaders to Bupati and BAPPEDA each month.	2. Develop a set of standard guidelines for project management.
3. Travel reports to Bupati from PDP team - monthly and quarterly.	3. Monitor projects in order to keep well informed.
4. Service heads present at meetings of PDP team.	4. Perform project evaluations.
5. Development by project leaders of integrated guidelines for project administration.	5. Organize a monthly meeting to assess implementation of projects jointly.

SECTORAL SERVICE HEADS

<u>What we need from BAPPEDA</u>	<u>How we can support BAPPEDA</u>
1. Guidelines for project administration - especially a procedure for reports.	1. Prepare planning documents based on local needs data.
2. Clearer information.	2. Provide information on problems in project administration.
3. More open communication and relationships.	3. Prepare project activity and financial reports.
4. Better coordination (less isolation from decision-making).	4. Organize necessary staff for project implementation.

E X H I B I T 2

Goal Setting Exercise - BAPPEDA and Sectoral Service Heads
Kabupaten T.T.U. - 16 September 1980

Identify specific capacity-building objectives to be achieved
within PDP by the end of project (1983)

G O A L

HOW TO BE ACHIEVED

Kabupaten Level

- | | |
|---|---|
| 1. Improved coordination among services involved in PDP and between services and Bupati in planning, implementation and evaluation. | 1. Maintain and strengthen structure of the PDP Kabupaten team. |
| 2. Strengthened staff capabilities. | 2. Hold monthly coordinating meetings of the PDP team. |
| | 3. Provide in place training for PDP-staff. |

Kecamatan Level

- | | |
|--|--|
| 1. Improved coordination between representatives of services at Kecamatan level. | 1. Strengthen PDP team structure at Kecamatan level including Camat and representatives of services involved in PDP. |
| 2. Strengthened Kecamatan Staff skills. | 2. Provide courses and training for government personnel with a focus as project administration. |
| 3. Increased role for Kecamatan officials in PDP planning. | 3. Twice monthly coordinating meetings for Kecamatan PDP team. |

Village Level

- | | |
|--|---|
| 1. Increased understanding among and number of local officials involved in PDP implementation (especially from LSD, LKMD, or other local organizations). | 1. Training for village officials and other leaders. |
| 2. Inclusion of PDP motivators and service representatives in village planning and administrative apparatus. | 2. Weekly meetings of LKMD or equivalent village administrative organization. |

- concern for political bias in the formal identification of poor Kecamatans;
- the problem of limited meaningful involvement in PDP by officials at the Kecamatan and Village levels;
- the amorphous and often artificial village structure in N.T.T. which has no historical roots and minimal organizational assets; and
- the existence of major institutional constraints to development in N.T.T. suggesting that the key PDP task is an organizational one.

The final days in Kupang were spent with BAPPEDA and sectoral service personnel in a series of structured discussions which served as means to present preliminary findings and to gain feedback from Provincial officials.

This discussion was organized into three segments.

1. A general discussion of PDP administration focusing on four sub-issues.
 - coordination within the provincial PDP administration;
 - implications of the semi-autonomous PDP administrative chain at lower levels;
 - formal links between PDP and Kabupaten BAPPEDAS; and
 - the role of Nusa Cendana University in PDP.
2. An exercise in which PDP staff expressed what they could do to better support P.U.O.D. at the central government level and what support they needed from P.U.O.D. (see Exhibit 3).
3. A goal setting exercise in which participants considered PDP capacity-building in terms of the present situation, end of PDP goals, and specific objectives for one year hence. This was done for each of the four PDP administrative levels. (See Exhibit 4.)

As a result of these various interactions, the consultant team identified six major capacity-building issues which are analyzed further in this report. The issues are

1. The PDP administrative structure;
2. PDP coordination with non-PDP institutions;
3. The sustainability of PDP benefits;
4. The sub-Kabupaten role in PDP planning and implementation;

E X H I B I T 3

Mutual Support Exercise - BAPPEDA and Sectoral Service Heads
Province of N.T.T. - 18 September 1980

What we need from PUOD

1. Consistent information and administrative guidelines (written).
2. Training programs that are consistent with the objectives of PDP.
3. Guidelines for project administrative expenses that are flexible so as to be appropriate for local conditions.
4. Consideration of local rural development plans and realities when responding to proposals and suggestions from the field.
5. More evidence of trust and respect.

How we can support PUOD

1. Program management in accordance with expectations of PUOD.
2. Utilization of PDP benefits and opportunities in such a way as to go beyond personal achievement to the strengthening of institutions at all levels.
3. Effective and honest control of PDP activities.

EXHIBIT 4

Goal Setting Exercise - BAPPEDA Staff
Province of N.T.T. - 19 September, 1980

CAPACITY - BUILDING IN PDP

Present Status	End of Project Goals	One-year Objectives
<u>Provincial Level</u>		
1. Limited involvement of several BAPPEDA sections in PDP	1. Strong core development staff in BAPPEDA as result of PDP training and experience	1. Streamlined policy-making apparatus in BAPPEDA
2. Lack of clear criteria for role of BAPPEDA in PDP	2. Basis for continuing training after PDP	2. Greater technical understanding of projects and project management
3. Training conducted primarily on "one-shot" basis.	3. Clear guidelines for PDP administration.	
<u>Kabupaten Level</u>		
1. BUPATIs have limited understanding of PDP	1. Long-term training strategy for development staff	1. Effective project planning and evaluation skills
2. Limited skills and experience in Kabupaten BAPPEDAS	2. Integration of local development initiatives into BAPPEDA priorities	2. Inclusion of Camat's in preparing project proposals (joint-planning)
3. Weak coordination between PDP personnel and BAPPEDA	3. Adequate incentives to attract qualified staff.	
<u>Kecamatan Level</u>		
1. Limited capabilities of officials	1. Kecamatan staff able to implement operational plans	1. Kecamatan role in actual project planning, implement and monitoring
2. No training available for officials below Kabupaten	2. Significant role for Kecamatan officials in project planning	2. Study tours and workshops for Kecamatan staff
3. Weak organizational base	3. PDP staff given official status as Government staff	
<u>Village Level</u>		
1. Limited capabilities of officials	1. Functioning local organizations	1. Workshops for village leadership
2. Amorphous structure of villages in NTT	2. Effective local management of village project	2. Role in project administration for village organization
	3. Involvement of PDP motivators in local administrative structure	3. Greater understanding of PDP by village heads.

5. Strengthening village-level organizations; and
6. The P.U.O.D. support role.

A concluding section to this report summarizes impressions of N.T.T. capacity for PDP implementation in terms of organizational stock, organizational incentives, and organizational behaviour. Drawing from this assessment, a set of recommendations is offered.

I. ADMINISTRATIVE STRUCTURE OF PDP

In the Province of Nusa Tenggara Timur, discussion of PDP's administrative structure revolves around three important issues: provincial organizational arrangements, the creation of a temporary and autonomous PDP unit at Kecamatan and Village levels; and formal links between the PDP executing unit and BAPPEDA at the Kabupaten level.

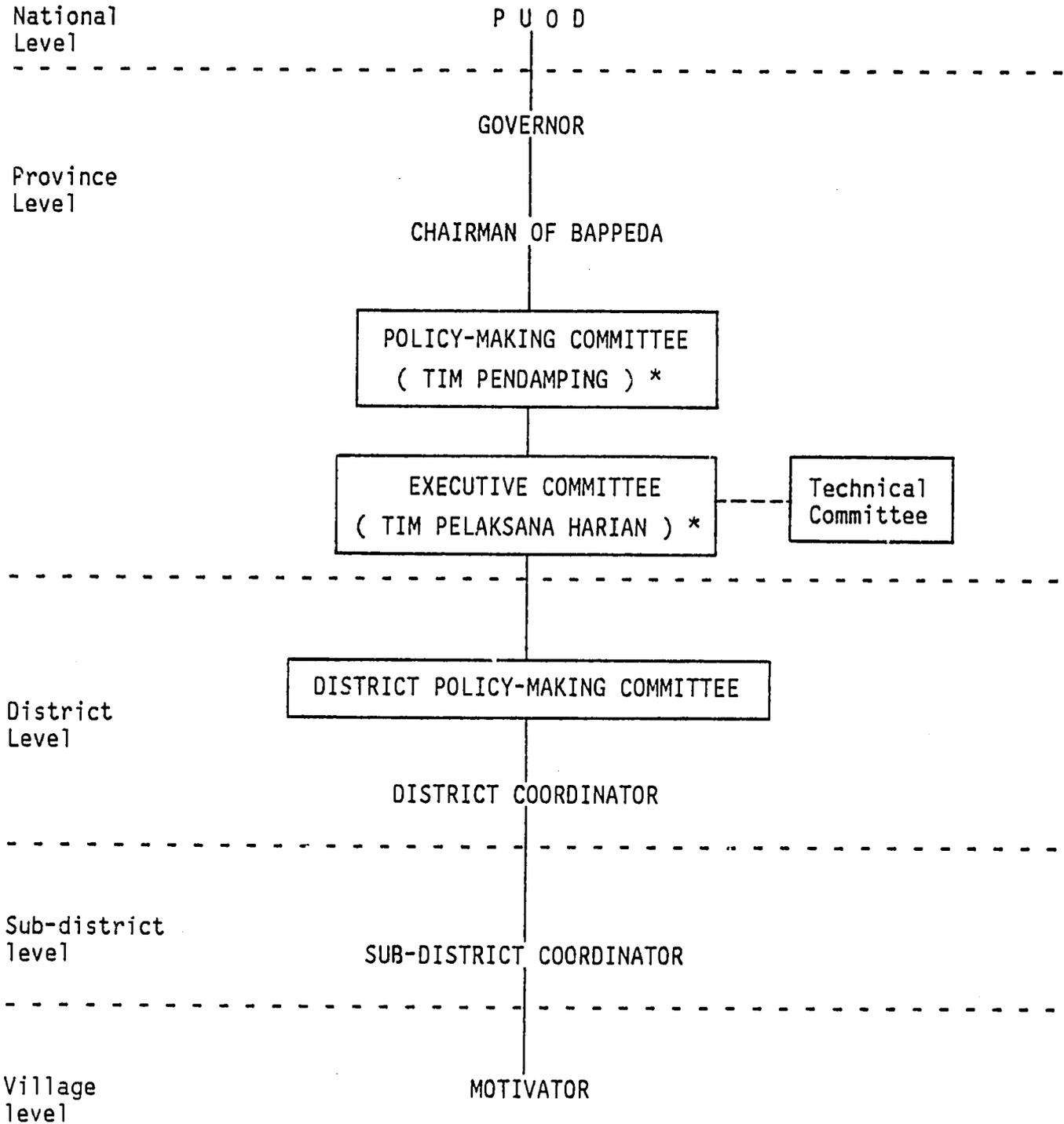
ORGANIZATIONAL ARRANGEMENTS AT THE PROVINCE

The placement of PDP activities in the Provincial BAPPEDA has been an indication of PDP's intention to build the capability of local government units to plan, to implement, and to monitor regional development projects. To carry out these activities BAPPEDA has formed three committees: a Policy-making committee (Tim Pendamping); an Executive committee (Tim Pelaksana Harian); and a Technical Committee (Tim Penasihat Akhli). Members of the policy-making and the executive committees are staff of the BAPPEDA but division of tasks between the two committees is somewhat unclear. The Governor's orders No. Bop. 013.1/161/79 and No. Bop. 013.1/207/80 specify that both committees are responsible for the implementation of PDP activities. The vague division of responsibilities has created an ambiguity in role and task understanding in the respective committees which threatens to impede effective performance. This ambiguity subsides at present only because the two committees are staffed by the same personnel.

Another institution-building objective of PDP is the operational coordination of various sectoral services (dinases) responsible for sectoral concerns in PDP project planning, implementation and evaluation. This objective shall be achieved through involvement of the dinases in PDP policy-making bodies and through participation in the implementation and evaluation of PDP activities. While the present PDP organizational set-up has been able to stimulate active participation of the various dinases in PDP project implementation, coordination in policy making has been limited. The existing Technical Committee is not a functioning body and not all relevant sectoral services are represented in the committee (see Exhibit 5).

EXHIBIT 5

PDP ORGANIZATIONAL ARRANGEMENT IN NTT



*Except for the chairman, members of these two committees are identical.

THE TEMPORARY AND AUTONOMOUS PDP UNIT

Based on the assumption that PDP could not effectively function through the existing administrative structure of the Kabupaten, Kecamatan, and Village in N.T.T., autonomous Kabupaten Coordinators, Kecamatan Coordinators, and Village motivators are assigned the task of overseeing the implementation of PDP related activities at their respective jurisdictions.

The policy of establishing an autonomous but temporary project management unit has been proven a successful organizational strategy and has resulted in some impressive early project performance. The strategy, however, has certain pitfalls from an institution-building point of view. For example, it is unlikely to strengthen the Kecamatan capability to make and to implement plans as PDP activities are run by a Kecamatan Coordinator who is not a government employee. In this structure the Camat has no formal link with the project and the Coordinator is not under his direct supervision. There may be more ultimate potential for conflict than for cooperation.

Similarly, at the village level, the activities of PDP are managed through a motivator who is independent of the presently limited village administrative structure. Considering the social-cultural condition of the area, the motivator arrangement is undoubtedly a very important mechanism. This strategy, however, may have a limited lasting impact on the village administration. PDP and the Motivators should put effort into working more directly through the Village Chiefs and Village Institutions such as LSD, LKMD, and KUD.

Further consideration of sub-Kabupaten capacity building concerns is contained below in discussion of issues IV and V.

LINKING PDP WITH THE KABUPATEN BAPPEDA

The third administrative concern in the NTT institution building effort is the formal link between the short-term PDP with the long-term development of BAPPEDA. One of the major purposes of PDP is the strengthening of BAPPEDA's planning and evaluation capacity as well as capability at the Kabupaten level. To achieve this goal the local government should make every effort to use PDP as a mechanism to develop the Kabupaten BAPPEDA, which is still in the embryonic stage.

One way to do this is by attaching PDP staff to BAPPEDA. In this way the Kabupaten BAPPEDA, which consists of only a Chairman at present, can be strengthened with additional skills and experience.

II. COORDINATION WITH NON-PDP INSTITUTIONS

Since the very beginning, the NTT's PDP has been managed solely by the BAPPEDA. Several provincial sectoral services such as Dinas Peternakan, Pertanian, Perkebunan, and the Directorate of Rural Development of the Provincial Secretariat have participated in the implementation of specific projects, but their involvement has been limited to this activity only. This raises a question very relevant to the institution building objective of the program: to what extent have other government agencies, the university, and private organizations been involved in the planning, implementation and evaluation of the program?

There are three particular sources which can bring broader organizational support to PDP; the Development Bureau of the Provincial Secretariat, private community development organizations, and Nusa Cendana University.

THE ROLE OF THE DEVELOPMENT BUREAU

Within the Indonesian local government structure, the Development Bureau at the Provincial secretariat has a pivotal role as coordinator for the implementation of development programs in the province. In NTT, however, this coordinating role has been limited to certain development activities only as the BAPPEDA has also been involved in the implementation of INPRES and APBD (Provincial Annual Budget) projects. This may somewhat limit the BAPPEDA's capacity to function effectively as a planning agency, as too much management and energy is devoted to horizontal coordination between the cooperating agencies and to other administrative tasks. PDP, in a sense, has increased the degree of BAPPEDA's deviation from its primary task as planning agency and, at the same time, has weakened the role of the Development Bureau.

This is one effect of the PDP organizational strategy based on multiple sources of technical resources combined with centralized resource control. A stronger agency such as BAPPEDA, with visible political support from the Governor, tends to dominate the program and expand its general prestige.

Unfortunately, from the point of view of institution building, this is not necessarily a healthy result. The institution-building objective of PDP will not be achieved if the program is run without full administrative support from agencies within the provincial secretariat such as the Development Bureau.

In the case of NTT, the friction between BAPPEDA and the Development Bureau is not limited specifically to PDP but to most development activities in the province. This friction originates largely from unclear division of tasks between BAPPEDA and the Bureau.

THE ROLE OF PRIVATE COMMUNITY ORGANIZATIONS

In NTT, there are several private or church related community organizations which have been involved in, and have gained substantial experience in, community development activities. The Yayasan Indonesian Sejahtera, for example, has gained considerable success in its effort to change the traditional Timorese system of shifting cultivation by introducing a new plowing system (sistem bajak).

Another church related group that has been very active in community development activities prior to PDP is the PLKK under Mr. Itja Franz. This group has achieved impressive results in the introduction of small water-pumps, home gardening, and reforestation techniques, particularly on the island of Roti.

These groups will be able to provide very valuable informational inputs to PDP and should be used to the utmost. For example, their involvement in PDP policy-making committee (Tim Pendamping) could bring more field-oriented thinking into PDP policies.

THE ROLE OF THE UNIVERSITY

Until now, the role of Nusa Cendana University has been limited to the execution of evaluation studies without enough guarantee that their recommendations will be taken into consideration in PDP policies and without clear coordination with PDP success criteria.

The Nusa Cendana University has made much progress in its plans to establish a Faculty of Dryland Agriculture. Formal permission has been secured from the Department of Education and the Department of Agriculture will provide technical support for the plan. Since one of the major technical support activities of PDP in the province will be the promotion of dryland farming and animal husbandry, PDP should make some effort to involve the university in these activities. This involvement should not be limited to technical services but include planning and policy-making participation as well.

III. SUSTAINABILITY OF PDP BENEFITS

The ultimate goal of PDP implementation is to create self-sustaining improvements in beneficiary well-being. The PDP capacity-building focus is directed to this end. Indeed, what will most appropriately be sustained at the end of direct PDP assistance are not necessarily PDP sub-projects but rather a stream of development activities generated from a strengthened sub-provincial institutional infrastructure. To the extent local organizational capabilities are developed, functions performed by higher levels in the government structure or by outsiders may be transferred to lower levels and there be more appropriately sustained.

In a real sense, then, all that is said in this report about the issue of capacity-building speaks also to the issue of benefit sustainability. Two aspects of particular importance--increasing the role of sub-Kabupaten government in project planning and implementation and strengthening village level institutions--are discussed below as separate issues. This section deals more broadly with the sustainability question and suggests that by two key measures of potential benefit continuation there is reason for concern. These measures are

- the degree to which activities have been, or are likely to become, institutionalized; and
- the extent to which needed resources are, or are likely to be, generated at the local level.

INSTITUTIONALIZATION

A necessary condition for multi-level institutionalization of PDP's decentralized approach to rural development is strong and visible political support. In N.T.T. this support is forthcoming from both the Governor and the BAPPEDA. PDP is a high priority in this resource-starved province and articulation of its capacity-building objectives is prominent feature of program descriptions emanating from leadership at the Provincial level. Unfortunately, as one moves down the administrative chain through Kabupaten, Kecamatan, and village levels, understanding of and commitment to capacity-building objectives weakens while, at the same time, dependence on special PDP-supported personnel increases. Below the Kabupaten level, few institution-building activities are

built into PDP in N.T.T. Camats may indirectly learn from the experience of being involved on the edge of PDP administration and local farmers will have opportunity to increase their technical knowledge from the PDP motivators, but PDP institutional arrangements are centered primarily in the special PDP reporting chain through the Kecamatan and Kabupaten Pengawas (Coordinators). This system, which exists in parallel to the formal administrative chain, is unlikely to outlive external PDP funding.

As a result, the learning and experience obtained by those in the PDP reporting chain may not be readily transferred to the regular government apparatus, especially at Kecamatan and village levels. Indeed, it is foreseen that the Kecamatan-level Pengawas, who are not government staff, will become candidates to join Kabupaten BAPPEDAS when PDP funding ends. The Kecamatan would thus lose its key and perhaps only PDP coordinating resource.

At the village level, little attempt is being made or is planned to work with or through existing organizations such as the LSD or LKMD, primarily because they are seen as weak and peripheral to the PDP project focus. There is thus no significant institutional focus at this level beyond periodic gatherings of PDP farmers to discuss needs or announce plans made at higher levels.

A significant feature of PDP is the decentralization of development planning to the Kabupaten level. Institution building in the newly created BAPPEDAS in Belu and T.T.U. shows considerable promise. Motivation is high as is understanding of PDP goals. For example, in the context of a goal-setting exercise (see Exhibit 2) the BAPPEDA in T.T.U. expressed concrete concern for two key institution-building objectives--better coordination at all levels and more involvement of village organizations. It is hoped that their concern will be supported at the Provincial level. The very effective way in which capacity-building is already evident in the activities of Provincial and Kabupaten personnel needs to break through to lower levels as well as a significant opportunity will have been lost and benefit sustainability will be doubtful.

RESOURCES

Research into rural development has indicated that local resource commitment is a key factor in project success and, particularly, for project sustain-

ability. This local commitment may take many forms and does not necessarily imply direct contributions of funds. PDP in N.T.T., recognizing that the severe poverty of farmers in target Kecamatan includes direct resource commitment, has not given adequate consideration to other ways of developing local "ownership" of benefits. Yet such ownership is important if local participation is to outlast external resource flows.

For example, one feature of PDP in N.T.T. is the construction of food storage buildings, each to serve several nearby villages. Currently, farmers are forced by market conditions to sell their produce at depressed harvest-time prices and later repurchase at dry-season prices that may be double or triple what they received earlier. The PDP warehouses, by contrast, will buy production at a fair price and resell with a modest mark-up to cover costs of the warehouse staff and routine maintenance. Thus the farmer incurs a reasonable cost for the service of storage.

But, in reality, it is a PDP-subsidized cost since the mark-up does not include any allowance for amortizing the cost of constructing the warehouse. Such a subsidy may help insure that the warehouses give a better deal than outside traders but they do not help develop a sustainable system. It can be expected that, after PDP, existing warehouses will fall into disrepair and no new ones will be built due to lack of an institutionalized funding source. If, by contrast, capital costs were amortized over a reasonable period and included in the mark-up, then a sustainable system could be created to which farmers were contributing and the merits of which versus other investments they could judge for themselves. Of course, if the resulting mark-ups resulted in a system that was non-competitive with traders, then the whole warehouse concept would best be abandoned. Few things work more against benefit sustainability than hidden subsidies.

In general, PDP planning in N.T.T. should consider ways in which some benefits from externally funded project activities could be recycled, thus generating the local resource commitment that is seen as impossible at this point. Part of capacity-building is to develop the capability of rural people to invest in their own betterment and be less dependent on others.

IV. SUB-KABUPATEN ROLE IN PROJECT PLANNING AND IMPLEMENTATION

Bottom-up planning is talked about so much at all levels of PDP in N.T.T. that everyone seems to assume it is happening. In fact, it is very limited and there is little evidence that the situation will change to significant degree.

What has been accomplished, however, should not be minimized. Two innovative features of PDP administration in N.T.T. regarding which there are strong commitment and demonstrable progress are:

- A key planning and implementations focus devolved to the Kabupaten level involving both the Kabupaten BAPPEDA and sectoral services; and
- A serious attempt to ascertain local needs and aspirations and incorporate them in the planning process.

The first step in the planning cycle is the visit of a team which includes provincial, Kabupaten, and Kecamatan personnel to target villages for discussions with village chiefs and assembled groups of farmers. Within the limitations of this single visit by a rather imposing entourage, a serious attempt is made to foster open discussions and elicit local expression of needs and priorities. This information is then passed up to the Kabupaten and Provincial levels where the actual planning is done. Except for their role in interpreting local needs and aspirations, village and Kecamatan officials have virtually no role in planning projects. They also have little apparent role in later implementation which is handled by PDP staff including village motivators, Kecamatan and Kabupaten Pengawas (Coordinators), and technical advisors, augmented in some cases by government staff from sectoral services such as agriculture or animal husbandry. Project information systems for example, are dependent on the special PDP reporting chain. To date, village heads and Camats have had no role in project reporting nor do they control any PDP resources.

That this is the present status is less disturbing than the fact that there seem to be no clear plans to change it. Only in the Kabupaten of T.T.U. was any voluntary mention made of attempting to involve sub-Kabupaten officials or organizations in a more meaningful way (see Exhibit 2). Yet it would seem

that the essence of PDP capacity-building should be a focus that, in time, continues beyond the Kabupaten level. At a minimum this would suggest joint-planning in which village and Kecamatan officials would work with Kabupaten planners in preparing project documents. Another approach might be the joint development of worksheets which could be used by local officials as an input to higher level planning. Eventually, the local planning role could increase beyond these first steps. A suggested task for PDP staff in N.T.T. is to determine what planning and administrative tasks could be effectively performed at lower levels and what kind of in-place training would support further devolution of responsibility. The key is to determine how best higher levels can provide support to the lowest planning and management operational level possible. Such support might include training, development of guidelines, and technical/managerial assistance.

This is at the heart of capacity-building. To be sure, further decentralization will place great strains on existing organizational capabilities. Requirements for coordination will be increased. Communications demands will be multiplied. And a broader role in decision-making is likely to draw persons into the process who possess very limited managerial skills. In addition to all the normal management demands of development projects, decentralized activities add such elements as ambiguity about the respective roles of staff and local leaders, lack of clarity about specific responsibilities, and the tendency of local elites to "hijack" project benefits. But the risks must be taken. The current focus on effective project administration through a system that puts the formal sub-Kabupaten structure on the periphery carries the greater risk that PDP's capacity-building objectives will remain largely unachieved in N.T.T.

V. STRENGTHENING VILLAGE-LEVEL INSTITUTIONS

Local organizations often serve as an important link between development projects and local people. They can play a role in facilitating two-way communication, encouraging self reliance, and providing a means of mobilizing popular support among beneficiaries.

In N.T.T., organizational resources at the local level are virtually non-existent. As in Indonesia generally, most communities do have a nominal semi-official development committee (LSD or LKMD) under the chairmanship of the village head. These organizations have no historical roots and in no PDP target village do they now play a meaningful role in any activities related to PDP sub-projects. Nor are they characterized by typical attributes of organizations which contribute to the development process such as

- openness to participation by a broad spectrum of the community;
- capacity for multiple functions;
- linkages with other organizations as sources of power and resources; and
- equitable distribution of organizational benefits.

PDP's response to this weak organizational infrastructure is to bypass it and depend instead for local links on occasional survey visits from higher level PDP staff and on the activities of the village motivators.

The motivator program is a key element in the N.T.T. PDP program. It draws on the innovative motivator system of the Indonesian Council of Church's Development Center. It is a well-conceived attempt to bridge the gap in local administrative structures and provide a direct means for mobilizing and training farmers. Motivators are also to be the key village-level element in the PDP sub-project reporting system. The first motivator training class was recently completed and motivators have just assumed their posts in the field. It thus is too early to assess their effectiveness but the experience of some motivators who were in the field prior to training was generally positive.

Motivator training, coordinated by the Directorate of Community Development in Kupang, was largely technical and theoretical in the first round. Limited attention was given to those issues of group dynamics and human relations which could increase the effectiveness of the motivators. Attention should be

given to broadening the curriculum in the future. In this connection also, some supervised field experience would be desirable using established PDP sites or the facilities of other rural development training programs such as the PLKK near Kupang.

With this broader training, motivators would be able to give some attention to strengthening institutional structures at local levels. Such a focus is essential if a void is not to be left when the motivators leave. Ideally the LSD and LKMD would be energized and equipped to continue many of the functions initially performed by motivators and, in time, to engage in real local planning as well as to generate and control resources. Only with some resources at their disposal can project beneficiaries act on the decisions that they make. Without resources--the present situation--they can do nothing but express their wishes and wait for the infrequent visits from above to be told what they should do.

Under the discussion of sustainability above, the food storage sub-project of PDP was described. This project also involved a bypass of an existing organizational structure, the KUD, which is a local cooperative system, largely dormant in N.T.T. PDP should consider the long run potential of managing the food storage program through the KUD's instead of through hired staff accountable to the PDP administrative network. Here again, a trade-off between efficiency and longer-term effectiveness should be considered in the light of PDP institution-building goals.

Such redirection as well as a partial reorientation of motivators from sub-projects to capacity-building in LSD's or LKMD's will happen only as a result of clear guidelines established at the top PDP planning levels supported by appropriate incentives for targeted behaviour. As long as PDP staff expect to be judged on how well projects are executed there will be little motivation to attend to local capacity-building mandates, no matter how clearly these objectives are proclaimed in Jakarta and Kupang.

In the long run, villagers must gain the individual skills and group capabilities necessary to carry on project initiatives and respond to evolving community needs. Only by following a strategy of building both staff and beneficiary capacity can PDP overcome the barriers to sustainable rural development in N.T.T.

VI. STRENGTHENING PUOD SUPPORT

With its very limited number of staff, the Directorate of Regional Development of the Directorate General of Government and Regional Autonomy has made an intensive effort to introduce the new PDP approach to regional development. This new approach, which gives more initiative to local government, has been accepted with enthusiasm by Provincial and Kabupaten officials.

There are, however, some weak links in the PUOD-Province relationship that need further attention from PUOD in order to improve the performance of the program. For the sake of clarity these are presented in terms of three categories:

A. CONSISTENT ADMINISTRATIVE GUIDELINES

There is a common feeling among the BAPPEDA and the PDP staff that guidelines and information from PUOD are not always clear and consistent. Information from PUOD personnel and administrative guidelines seem at times to be even contradictory. It may be preferable if, in the future, PUOD places more emphasis on written communication with the regions, although oral communication is, in some cases, also necessary.

B. CONSISTENCY IN BASES FOR PLANNING AND BASES FOR EVALUATION

If, in the evaluation of PDP, more weight is given to the institution building aspect, this will provide a necessary incentive to encourage greater emphasis on this objective.

It is a common understanding of the BAPPEDA staff, and the other local administrators as well, that the objective of PDP is to improve the welfare of the people. In planning, emphasis is given more to the achievement of this objective than to capacity-building goals.

This raises the issue of incentive to innovation. If in the planning and implementation of PDP activities, an emphasis is given to capacity building objectives, while, in evaluation and reimbursement, the emphasis is on project success, many PDP programs may be assessed unjustly. The effect of this on innovation will be negative.

C. TRUST AND RESPECT FOR LOCAL INITIATIVES

The underlying idea of PDP is to provide more freedom to regional administrators in planning, implementing, and evaluating of regional development activities.

PUOD can strengthen this initiative by giving greater trust to the regional administration in the consideration of regional rural development plans. There is, at present, some reluctance to innovate for fear of violating central guidelines which are seen as excessively rigid and inviolable.

CONCLUSION

Findings and recommendations growing out of the Consultant team's interaction with PDP in the province of NTT are briefly summarized below under the headings of three aspects of institutional capacity:

ORGANIZATIONAL STOCK

Village Level

Local resources--administrative, organizational, and financial--are extremely limited in NTT. Thus there is virtually no base from which capacity-building may take place. The PDP village motivator system is an innovative attempt to fill this gap but there is some risk that it will supplant efforts to build capacity in the regular village administrator apparatus. Beneficiary involvement in project planning and resource commitment is very limited so far. Implementation of both project and capacity-building objectives is constrained by the isolation of many PDP villages and the attendant communications difficulties.

Kecamatan Level

There is also virtually no organizational base at this level but the Camat met by the team in Biboki and Lamaknen were impressive. The PDP Coordinator attached to each Kecamatan will strengthen administrative capacity at that level but there is a risk of inadequate coordination and of the Camat being bypassed in the reporting network.

Kabupaten Level

Kabupaten BAPPEDAS are newly formed and, as yet, are not functioning organizations. There exists, however, a positive momentum and a significant role in PDP has been devolved to the Kabupaten level which will require the active participation of both the new BAPPEDAS and Kabupaten Sectoral Service personnel. There is a potential reservoir of skill at the Kabupaten level but important organizational tasks remain.

Provincial Level

The N.T.T. provincial BAPPEDA consists of a number of well-trained and experienced personnel. Furthermore, political support for PDP is very strong from the Governor's office. Therefore, the potential for the program's N.T.T.

is very high. The key task is to effectively mobilize and coordinate the personnel and organizational resources already available. At present, the administrative stock in Kupang is not being fully utilized.

Recommendations

- Broaden motivator training to include human relations and organizational dynamics issues;
- Provide training for Kecamatan and Village administrative personnel;
- Develop information systems incorporating the formal sub-Kabupaten apparatus and beneficiaries;
- Utilize non-PDP organizational resources and personnel through an advising group or as members of PDP administrative committees.

ORGANIZATIONAL BEHAVIOUR

Village Level

PDP efforts to incorporate village aspirations and needs into project planning represent a major step forward but should not be confused with the real bottom-up planning that is a longer-term objective. Village level projects subsidized by PDP may not be sustainable unless some benefits are recycled into them as a form of local resource commitment. Motivators may be focusing on project success at the expense of local organizational development.

Kecamatan Level

Understanding of PDP capacity-building goals is limited at sub-Kabupaten levels with the result the focus is mainly project oriented. There is some risk that the role of the Kecamatan Coordinator will impede development of capacities in the regular administrative structure and that conflict may develop over division of responsibilities. The Camat is also given little role in project planning in PDP.

Kabupaten Level

Commitment to PDP objectives and to developing the necessary organizational mechanisms is high. The role of the PDP Kabupaten-level Coordinator is somewhat unclear, particularly the nature of his connection to the Kabupaten BAPPEDA and the degree to which his program control function will supplant the regular government apparatus.

Provincial Level

The Provincial BAPPEDA gives high priority to PDP but with the effect that some BAPPEDA staff not assigned to PDP feel somewhat left out of the action. An ambiguous overall administrative structure leads to some confusion and conflict over roles. The quality of technical assistance is high but the advisor's role in actual program management seems more visible than may be appropriate.

Recommendations

- Increase institution-building focus at sub-Kabupaten levels, especially in role of village motivators;
- Review PDP administrative guidelines at all levels to increase flexibility and appropriateness to local conditions;
- Enlarge role of Nusa Cendana University and private agencies in N.T.T. in a mutual exchange of learning and experience with PDP;
- Institute joint planning procedures which include Camats and Village Chiefs in high-level planning meetings.

INCENTIVES

Village Level

Incentives for beneficiary participation depend on access to externally supplied resources and the basis for sustainability is limited. Motivators training and expectations are keyed more to project performance than to organizational development and administrative accountability is to higher levels, not the community.

Kecamatan Level

Kecamatan Coordinators are accountable to the PDP structure, not the Kecamatan structure, and measurement of their performance is keyed to project activities more than capacity-building. Camats may see the PDP administrative chain as a threat to their own control and perceive little incentive to cooperate closely.

Kabupaten Level

PDP resources provide a strong incentive to the appropriate Kabupaten agencies through honorariums for project managers, study opportunities, and

civil service status for new staff needed for PDP administration. Activities are guided by instructions from higher levels which do not always encourage the flexibility needed for innovation. Planning in accord with guidelines takes precedence over encouragement of a greater planning role at lower levels.

Provincial Level

Incentives for junior staff are reduced by feelings that rewards such as training are available only for senior staff. As at other levels, innovation is constrained by fears of violating guidelines or risking reimbursements from Jakarta. Administrative guidelines are seen as inflexible. There is no apparent incentive for broader cooperation and coordination with non-PDP personnel (even within BAPPEDA) or organizations.

Recommendations

- Emphasize development of local resource commitment, at least through some recycling of project benefits;
- Clarify PDP capacity-building objectives and match incentives for staff to serve of those objectives;
- Review evaluation criteria to bring them into accord with capacity-building goals;
- Broaden access within PDP staff to PDP rewards.
- Clarify administrative guidelines from PUOD with sufficient flexibility to allow local initiative.

ADDENDUM

Subsequent to the September, 1980 visit of the consultant team several significant and promising developments have occurred in the N.T.T. PDP. These are briefly noted below.

1. The PDP Kabupaten Coordinators have become members of the Kabupaten BAPPEDAs. This is an important step in improving the linkage between PDP and the Kabupaten BAPPEDAs and, at the same time, strengthens those BAPPEDAs with personnel who have benefited from PDP training.
2. A workshop on bottom-up planning was held in December, 1980 in which familiarity with and commitment to bottom-up planning principals were strengthened at all levels of PDP implementation.
3. The Bupati of Kabupaten Belu has issued an instruction relating to planning in which steps in the process from village to province are clearly spelled out. The system articulated in these instructions indicates a significantly greater role for both village heads and Kecamatan officials than was evident during the September visit.

Each of these developments represents evidence of progress in the capacity-building aspect of PDP in N.T.T.

APPENDIX A

ITINERARY - N.T.T. CONSULTANT TEAM

10 September	05.00 - 12.30	travel from Surabaya to Kupang.
	16.30	meeting with Frank Welsh, RMI Consultant.
	18.00	meeting with BAPPEDA N.T.T.
11 September	09.00	meeting with BAPPEDA and Sectoral Service Staff.
	11.00	meeting with Mr. Pelapelapon, YIS.
	12.00	meeting with Mr. Itja Franz, PLKK.
	17.00	meeting with evaluation team, University of Nusa Cendana.
	19.00	meeting with Frank Welsh.
12 September	08.30	meeting with BAPPEDA.
	10.00 - 17.00	travel from Kupang to Atambua.
	20.30	meeting with Bupati and PDP Project Manager, Belu Kabupaten.
13 September	09.00	visit to dryland agricultural station (under construction), Sukabitetek.
	10.00	meeting with Camat Buboki.
	11.00 - 17.00	visits to villages of Lokomia and Beloe.
	20.00	meeting with BAPPEDA and Sectoral Service Staff, Kabupaten Belu.
14 September	08:00 - 13.00	travel from Atambua to Kecamatan Lamaknen.
	14.00	farmers meeting - Nualain.
	18.00	farmers meeting - Kewar.
15 September	08:00 - 13:00	travel from Kewar to Atambua.

16 September	06.30 - 10.00	travel from Atambua to Kefamenanu.
	10.00	meeting with BAPPEDA and Sectoral Service Staff, Kabupaten T.T.U.
	14.00 - 19.00	travel from Kefamenanu to Kupang.
17 September	08.30	meeting with acting chairman, BAPPEDA N.T.T.
	10.00 - 17.00	report preparation.
	19.00	meeting with PDP staff.
18 September	09.00	meeting with Governor, N.T.T.
	11.00	meeting with BAPPEDA, Sectoral Service Staff, and University Nusa Cendana staff.
	13.00 18.00	report preparation.
19 September	08.00	meeting with Rector, Nusa Cendana University.
	09.00 - 11.30	meeting with BAPPEDA and Sectoral Service Staff.
	13.00 - 18.00	report preparation.
20 September	09.00	meeting with Development Bureau, N.T.T.
	12.00	depart for Jakarta.

ANNEX B

REPORT OF CAPACITY-BUILDING CONSULTATION
PROVINCIAL DEVELOPMENT PROGRAM
KALIMANTAN SELATAN

10 - 18 September 1980

by

Mochtar Buchori
and
Gary Hansen

INTRODUCTION

The consultant team of Dr. Mochtar Buchori and Dr. Gary Hansen visited the province of South Kalimantan during the period of September 10 - 18. Dr. Buchori's visit was terminated on September 14 when he was called to return to Jakarta to undertake another assignment. The initial part of the visit (3 days) to South Kalimantan involved meetings with several of the provincial BAPPEDA staff and the provincial heads of the Dinas (sectoral) offices. The second half of the visit (2 days) involved visits to the three Kabupatens currently involved in the administration of the PDP effort. Details on the itinerary of the field visits are listed in Appendix A of this annex.

The timing of our visit made it somewhat difficult to schedule a series of in-depth meetings on the PDP program. The Governor and several of the provincial BAPPEDA staff were preparing to depart for the Hajj. In addition, the PDP project coordinator was on assignment outside the province. As a consequence the consultants were able to engage in only one meeting with BAPPEDA staff together with the provincial Dinas heads. In addition, several brief sessions were held with a few of the BAPPEDA staff including the BAPPEDA chairman. Visits at the Kabupaten level were somewhat constrained by the fact that Kabupaten staff were not available during one of the three days spent in the field. Thus, three Kabupaten had to be visited within a two day period which limited the time available for discussion. At each of these Kabupatens a general meeting was organized involving the Bupati, PDP staff and relevant Dinas departments. In addition, one field visit was undertaken where a half day was allowed to visit the PDP project sites.

During all of the above activities the consultants were accompanied and assisted by two provincial BAPPEDA staff, Mr. Atmatsa and Mr. Alfian, and by the PDP consultant, Mr. David Quain.

PERCEPTIONS OF PDP

By and large, PDP is seen by South Kalimantan officials as different from other development programs, especially in terms of its inter-sectoral focus. These officials have a good grasp of the administrative shortcomings

which must be overcome to fully realize the benefits of the PDP approach to regional development.

The PDP emphasis on bottom-up planning is well understood conceptually in South Kalimantan although such a system is not yet operationally complete. That is, awareness of problems in implementing bottom-up planning is greater than awareness of systematic administrative solutions and institutional arrangements to support the bottom-up planning principal of PDP.

The deviation of PDP from other development programs is viewed by some officials as a problem in that PDP is symptomatic of a compartmentalization of central government assistance to the province. Moreover, in this view, coordination between the different categories of assistance is poor. A particular problem is perceived in overlapping credit programs which result in the availability of more credit than can be effectively absorbed locally.

In this context, many local officials feel that PDP needs a distinctive organizational structure in the province. Furthermore, such a structure must be staffed with strong and imaginative leaders who could give PDP greater visibility and take the initiatives necessary for effective implementation. The beginnings of such a structure are represented by the existing Tim Pembina or Policy-making team at the provincial level. But this structure must be extended to lower levels as well to be fully effective.

It was repeatedly emphasized that the nature of PDP is such that it makes greater administrative demands than other programs. Intensive communication and coordination is required among agencies; education and extension activities must spread broadly among recipient communities; adequate base-line information must be gathered; project staff must be recruited and trained; and systems for project monitoring must be rapidly and carefully developed. It is obviously difficult to fulfill all these administrative demands with the existing organizational structure. One recommendation of provincial personnel is to more deeply involve the apparatus of the multi-level Bang Des (village development) agency in PDP implementation. This would be especially valuable at the Kabupaten level.

In summary, PDP's greatest asset in South Kalimantan is a high level of interest on the part of personnel involved in the program. This interest must be channeled through stronger and better staffed organizational

structures. Improved management of agricultural extension, for example, is needed to help residents with problems of cropping and cultivation on relatively poor land. It is at this operational level that the institutional and sub-project goals of PDP can become mutually reinforcing.

COORDINATION

In South Kalimantan as elsewhere, coordination among agencies involved in PDP is lacking. Particular manifestation of this problem is evident in overlapping credit programs where local recipients have received credit through several sub-projects administered by different agencies. Another example is the situation where several agencies compete for a single subproject or fail to cooperate when managing related subprojects.

Attempts to improve coordination have thus far run afoul of bureaucratic barriers. There are many such obstacles to changing operational arrangements in government agencies, even when the goal is to improve multisectoral or interagency cooperation. When these arrangements have been established from above, it is particularly difficult for province-level officials to interfere. In this context, certain difficult organizational preparations should precede a program such as PDP. Such preparations were lacking in South Kalimantan. Thus, many of the perceptions cited in the first section of this report stem from lack of preparation. The lesson to be learned is that implementation of a bottom-up, intersectoral, community-oriented program such as PDP takes time and a lot of learning.

STAFFING

An issue which was repeatedly brought forward by the Dinas Staff at the Kabupaten level was the fact that their capacity to undertake projects was seriously limited by a lack of trained technical personnel. With the exception of the Dinas Pertanian, all of the other PDP Dinas departments (Peternakan, Perindustrian, etc.) have no technical staff below the Kabupaten level. At the Kabupaten level there were, on the average, from one to three technical personnel in each of the Dinas departments. In some cases these individuals were responsible for more than one Kabupaten (one Kabupaten Dinas had three technical personnel which were supposed to service three Kabupatens).

The issue of strengthening Kabupaten Dinas staff was discussed at some length. Particular attention was focussed on hiring additional technical personnel on a contract basis for the duration of the PDP project. This approach was currently being utilized by the Dinas Pertanian in the administration of the Bimas program. The other Dinas offices indicated that it would be difficult for them to utilize employee contract services in the PDP. First, it was not clear that funds could be made available for such an effort. Secondly, there was some concern over the fact that if a person was hired on a contract basis, at the end of the PDP project these individuals should be appointed to permanent civil service positions. Indeed, it was thought that they should have this job security guarantee when they enter into the initial contract arrangement, thereby providing them an incentive to work for the project and assuring the Dinas that its staffing capacities would be sustained as the PDP emerges into a larger program effort.

Apparently, there have been discussions to engage in contract hiring followed by permanent appointments in the civil service, but in the absence of assurances from higher authorities that contract personnel would be able to become permanent civil servants, the issue of new staffing still remains at an impasse.

GUIDELINES

Throughout the discussions at the provincial and Kabupaten level it was frequently mentioned that there was a need for more precise and timely guidelines (pedoman) from Jakarta for project planning and implementation. At the same time however, there was a feeling that when guidelines did come from Jakarta they were frequently late in arrival, and did not fit their particular circumstances. It was indicated that they might wait for several months before receiving a program guideline and that they were unable to take any interim actions before being authorized to do so by the guidelines. This obviously served to slow down the process of project implementation. When asked why they did not prepare their own guidelines based on their own needs and problems, and then submit them to Jakarta for approval, the answer was that they were not authorized to do so. Thus, an element of frustration remained in that they felt constrained from taking those initiatives which would expedite timely project planning and implementation.

PROJECT DISPERSION

A subject which was repeatedly mentioned concerned the great distances PDP personnel have to travel in visiting and monitoring project activities. Given the large size of the three PDP Kabupatens and the sometimes poor conditions for road transit (particularly in the rainy season) many hours need to be spent in travelling to project locations. The frustration associated with these kinds of travel demands is in part connected with the perceived shortage of travel funds for fuel and the maintenance of vehicles and motorcycles. It could also be suggested that this frustration might arise from the fact that out-put in travel time far exceeds the in-put of learning experiences acquired in actual project management. In brief, a disproportionate amount of time is frequently being spent on the road in contrast to actual contact hours with a particular project. It was mentioned that Dinas staff try to visit a project twice a month. In some cases this only provides for limited involvement and opportunity in creative and innovative project implementation.

It should be mentioned in this context that greater emphasis is being placed upon introducing a monitoring system for the PDP projects. A quarterly written reporting system will be used by project personnel in undertaking this task. It was mentioned however that it will take some period of adjustment in bringing this system into effective operation. Kabupaten staff indicated that except for financial flow data the existing monitoring system relies heavily on verbal communication rather than written communication. Nevertheless, the long travel distance to field projects works against verbal communication as most staff do not have time to make frequent and repeated trips to the project sites. In effect therefore, it appears that project distance may, in the transition, at least, yield a more reactive than anticipatory monitoring system.

LOCAL LEVEL INSTITUTIONS

An issue of major importance to the PDP administration concerns the institutional mechanism for the disbursement and recovery of credit made available through the PDP program. This concern revolved around several problems. First, there is the need to assure that low income households will not use the credit for consumptive rather than productive purposes.

Secondly, in view of the fact that a number of Dinas are operating both PDP and non-PDP credit programs there is a concern that lack of coordination among these programs might result in some households receiving "double" and "triple" credit allotments, a condition which would likely reduce the repayment rate and undermine the capacity of local credit institutions. Thirdly, there is a general concern about the prospects of recovering credit given out to low-income households. These issues served to highlight the larger question of PDP organizational linkages at the village level. It appeared that the LKMD had yet to become a strong organizational structure within the village. In this situation the KUD was emerging as a primary candidate for undertaking various PDP credit activities. It is still unclear however, what functions this organization can appropriately undertake in the disbursement of credit and other production inputs.

The problem of institutional development at those levels below the Kabupaten will continue to require considerable attention in the implementation of PDP activities. The PDP staff are pursuing this subject with considerable forethought and caution. In particular, more attention is being focussed on involving the Camat and Lurah in project identification and implementation.

SOLUTIONS

Mention of the above issues should not overshadow the fact that South Klaimantan officials have been working on ideas to overcome the problems they are facing.

Regarding the problem of coordination, for example, it is suggested that a more active role by the provincial governor would help break the logjam. In particular, a decree by the governor could give Bupati's the legal authority to manage improved coordination among the various agencies involved in PDP. Confidence in this idea grows from observation of the success achieved by the Bupati of Bojonegono who has successfully administered implementation of an integrated village development project in his Kabupaten. This success is attributed to his ability to persuade the various agencies in Bojonegono to modify traditional behavior in the interests of improved coordination. The basis for this Bupati's success was not explained, however. In any case, it is realized that such "enforced" coordination is easier to effect at the Kabupaten or Kecamatan levels than at the province or central government.

Another suggestion is that officials develop informal approaches to coordination to which they can resort when problems develop. Such approaches must not violate established procedures but can serve to mitigate conflict between agencies in the interests of carrying out work that is essential to the project.

The problem of overlapping credit programs must be addressed through better synchronization so that credit is made available on a step-by-step basis rather than all at once. For example, an important credit input begun by one agency could be continued in the second year using credit arranged by another agency. The present reality is that in one year two or three kinds of credit are issued without effective utilization by the people. Then, in later years, no credit of any kind is available.

In one sector, the problem of a lack of skilled manpower is being addressed by a program of training persons in the processing of rotan and other local grass fibers. With the arrival of artisans from Java to work with local artisans, Kalimantan Selatan has succeeded in producing goods which have been successfully marketed. Hopefully this experience will have an influence on other sectors, especially to upgrade administrative skills. With help from the central government, local training programs could be established to deal with techniques of planning, administration and evaluation of PDP sub-project. In time, such training could be combined with regional and national programs or become part of a multi-province training system. However the training is organized, it should be directed not only toward provincial officials but also toward Kabupaten and Kecamatan personnel. It is also important that up-to-date and appropriate training materials be used or the opportunity will be wasted.

CONCLUSION

The problem of institution-building represents a major challenge to PDP in South Kalimantan. The major problems appear to be feelings of inadequacy among officials in the province and the awareness that organizational systems are not yet able to support the demands of the program. These problems need both theoretical and functional solutions. But these solutions must be flexible. Standard answers will not serve. Instead, creativity and imagination will be needed to cope with constantly changing circumstances.

PDP is a new program both conceptually and operationally. It can be imagined that for at least 5 years, new problems will be encountered that can only be solved with new ideas, new methods, and new attitudes. As an innovative program, PDP will require a steady stream of new ideas to assure effective continuation of PDP initiatives after external inputs are no longer available.

APPENDIX A

ITINERARY - SOUTH KALIMANTAN
CONSULTANT TEAM

10 September	13.00 - 13.30	meeting with Kalsel BAPPEDA chairman
11 September	09.00 - 10.00	meeting with Kalsel BAPPEDA chairman and several BAPPEDA staff
12 September	09.00 - 11.00	meeting with several Kalsel BAPPEDA staff and Dinas staff
13 September	09.00 - 10.00	meeting with Director of LP3
	11.00 - 12.00	meeting with Dinas Peternakan staff
	12.00 - 13.00	meeting with Dinas Perindustrian Director
16 September	08.00 - 12.00	meeting with Bupati and Dinas staff for Kabupaten Hulu Sungai Utara
	13.00 - 16.00	field visits to PDP project in Kabupaten Hulu Sungai Tengah
17 September	08.00 - 10.00	meeting with Bupati and Dinas staff in Kabupaten Hulu Sungai Selatan
	11.00 - 13.00	meeting with Dinas staff and PDP coordinator in Kabupaten
18 September	09.00 - 10.00	meeting with Kalsel PDP coordinator

ANNEX C

REPORT OF CAPACITY-BUILDING CONSULTATION
PROVINCIAL DEVELOPMENT PROGRAM
BENGKULU

19 January - 5 February, 1981

by

Sofian Effendy
and
Jerry VanSant

INTRODUCTION

The team of Sofian Effendy and Jerry VanSant visited Bengkulu in January 1981, to complete the first series of capacity-building assessments in the four PDP IIa provinces. Time was spent in the provincial capital of Bengkulu as well as in meetings with officials in the two Kabupatens involved in PDP - Bengkulu Utara and Bengkulu Selatan. Additionally, during the first days in the province, there was opportunity to visit the sites of most of the current ongoing projects. These visits were made in conjunction with the 4-day presence of a Bang Da/USAID Monitoring Team whose concern was specifically project-oriented.

A full itinerary of the Bengkulu field visit is contained in an Appendix to this report. A few comments will be noted here regarding the team's approach and broad impressions.

The opportunity to visit projects with the USAID Monitoring Team at the beginning of the visit was useful both as an overview of Bengkulu PDP progress and as an occasion to share impressions with USAID staff representing the offices of Program, Rural Development, and Agriculture. In terms of PDP's dual goals of capacity-building and successful sub-project implementation, the two external teams travelling together represented a parallel dual focus. That assessment of the two PDP thrusts is conducted separately (despite the coincidence of joint project visits in this instance) is symbolic of a general failure to well integrate the two objectives in practice at either the central or provincial levels. This issue will be discussed later in this report under consideration of the Bang Da/USAID role in the Bengkulu PDP.

Cooperation from PDP personnel in Bengkulu with the visit of the capacity-building team was excellent. Moreover, their understanding of the team's purpose was such that the planned itinerary was appropriately oriented to a focus on organizational dimensions of PDP activity in the Province.

Organization and implementation of project activity in the Bengkulu PDP has lagged other PDP IIA provinces due to a series of staff changes and other disruptions which delayed meaningful project initiation until September, 1980. It is largely for that reason that this team visit was postponed until several months after the September trips to the other PDP IIA provinces. As a result of the delays, the Bengkulu PDP program is generally regarded by Jakarta Bang Da and USAID officials as a laggard. In fact, however, from an institution-building perspective the program here may well be a leader. It is to be commended for a commitment to using the regular, in place, government and institutional structure at all levels as the organizational base for PDP implementation. This commitment invites predictable problems, especially when key personnel change. But it serves the goal of sustainable development better than the expedient of special, temporary PDP administrative arrangements oriented to successful pilot project implementation only. Bengkulu's commitment to institution-building objectives deserves greater recognition and support from Jakarta than it currently receives.

In keeping with the approach to information sharing advocated in the main report of the PDP IIA capacity-building consultation, the Bengkulu team utilized various exercises to encourage broad participation in discussion and to demonstrate methods for facilitating better communication and joint planning.

In the Kabupaten of Bengkulu Selatan, BAPPEDA and Sectoral Service personnel were divided into three groups for an interim goal-setting exercise. Results of the separate discussions were reported out and discussed. The purpose was to develop some specific short-term objectives for improving the planning process and both horizontal and vertical coordination. Results of this exercise appear in Exhibit 1.

In the Kabupaten of Bengkulu Utara, the head of the Kabupaten Sekretariat and Several Sectoral Service Heads participated in a meeting with the team. For reasons unknown no BAPPEDA staff were present. An exercise was used in this session in which those present divided into two groups to discuss factors supporting and restraining effective planning coordination for PDP in the Kabupaten. The results of this exercise appear in Exhibit 2.

EXHIBIT 1
Kabupaten Bengkulu Selatan (Manna)
Interim Goal - Setting Exercise

	Present Situation	One-Year Objectives
Planning Process (roles of Kab. BAPPEDA, Camats, and people)	<ul style="list-style-type: none"> . Planning preceded by visit to areas to obtain local needs, information but this information is not systematic or complete. . DUPS structured by Dinases for sending to Province. . Locations (Kec.) set by Provincial officials, thus ability of Kab. to deal with identified needs limited. . Planning chain: Camat → Dinas → Bupati 	<ul style="list-style-type: none"> . Target locations set by Kabupaten . Ability to support needs analysis with systematic data (need specific data collection project). . Effective planning chain to include BAPPEDA as coordinating group for Sectoral Services and Bureaus thru joint planning team.
Status of coordination and cooperation between Kab. BAPPEDA and Sectoral Services	<ul style="list-style-type: none"> . BAPPEDA just formed - using data from Sectoral Services as basis. . Coordination beginning for '82-83 planning but key role still played by Development Bureau. 	<ul style="list-style-type: none"> . Management training provided to project leaders from Sectoral Services and BAPPEDA staff. . BAPPEDA playing a key consultation role for Sectoral Services in planning submissions to Bupati. . BAPPEDA preparing overall development strategy.
Relationship of Kab. PDP officials with Provincial BAPPEDA	<ul style="list-style-type: none"> . Project requests submitted by Bupati to Provincial BAPPEDA. Further consultation at behest of Province only. . Coordination increasing but not optimal. . Too many DIP and DUP revisions demanded by Province. 	<ul style="list-style-type: none"> . Faster preparation of project plans. . Greater guidance in planning process from Province. . Provincial BAPPEDA staff made available as short term consultants at Kab. level.

EXHIBIT 2

Kab. Bengkulu Utara

(Argamakmur)

Force Field Analysis

STRENGTHENING KABUPATEN PLANNING

Driving Forces

1. Good cooperation between Sectoral Services and PDP leaders.
2. Training for BAPPEDA personnel (potential)
3. Bottom-up planning processes already established.
4. Strong economic potential in Kabupaten.
5. Strong interest in development programs among people of Kabupaten.

Restraining Forces

1. BAPPEDA only recently formed.
2. Relative roles of Sectoral Service personnel and BAPPEDA not yet clarified.
3. Size of Kabupaten and transportation difficulties.
4. Lack of training and technical assistance for Kabupaten staff.
5. Shortage of skilled technical manpower.
6. Lack of funds to finance adequate administration and field work.

In both Kabupatens, participation in the exercises and ensuing discussions was broad and a good understanding of PDP was evident. A commitment to bottom-up planning was also demonstrated.

The final days in Bengkulu were spent in meetings with certain provincial officials involved in PDP, including the head of the provincial secretariat and the heads of the Bureaus of Development and Finance respectively. At a final meeting with the Provincial BAPPEDA and Sectoral Service heads, the team discussed its preliminary findings and solicited feedback. Additionally, a mutual support exercise was conducted in which BAPPEDA personnel and Sectoral Service staff respectively met in groups to discuss what they needed from each other and how they could support each other. The purpose of this exercise was to highlight specific steps which could be taken to improve coordination. As in all exercises of this sort, the focus is in local generation of ideas and commitment to them rather than the delivery of external advice. Result of the goal setting exercise appear in Exhibit 3.

As a result of the various interactions with PDP personnel in Bengkulu, the team identified four summary issues which are further analyzed in this report. These are:

1. The PDP administrative structure.
2. Credit programs in PDP Bengkulu.
3. The Bang Da*/USAID support role.
4. The Bang Da administrative role.

Key aspects of the program such as planning coordination, communications, and training will be discussed under one or more of the listed headings.

*Bang Da (Regional Development) is the Government of Indonesia office responsible for PDP within the Ministry of Home Affairs.

EXHIBIT 3
MUTUAL SUPPORT EXERCISE - BAPPEDA AND SECTORAL SERVICE HEADS
PROVINCE OF BENGKULU

BAPPEDA STAFF

<u>What we need from Sectoral Services</u>	<u>How we can support Sectoral Services</u>
1. Regular information flow regarding status of planning, implementation, and other development activities.	1. Provide strong administration guidance to planning process.
2. Continuity between plans and ongoing development activity.	2. Promote opportunities for greater communications and coordination with and among Secretarial Services.
3. Consistency between PDP activity and other regional or sectoral projects.	3. Assist the Sectoral Services in linking Sectoral projects to overall provincial development priorities.
4. Consistency of plans with national development guidelines and programs.	
5. Adequate budget support to Kabupaten level to support administrative needs.	
6. Coordination with and openness to input from Kecamatan and Village level Leaders.	

SECTORAL SERVICE STAFF

<u>What we need from BAPPEDA</u>	<u>How we can Support BAPPEDA</u>
1. Leadership in coordinating provincial development activities, especially planning.	1. Give maximum cooperation to BAPPEDA.
2. Clear PDP organizational structure with job descriptions and clarity regarding expectations from Sectoral Services.	2. Improve coordination in Sectoral Services activities.
3. Clear reporting system for Sectoral Services to use in reporting to BAPPEDA.	3. Provide technical inputs to planning process.
4. Clear administration guidelines especially regarding expense/budget matters.	

I - THE PDP BENGKULU ADMINISTRATIVE STRUCTURE

In fulfilling their role in PDP, Bengkulu provincial officials have given strong attention to institution building objectives. Achieving these objectives, however, means overcoming a number of obstacles including Bengkulu's isolation, its shortage of trained administration personnel, and the lack of established organizational arrangements and communications facilities.

Nonetheless, in a relatively short time considering the difficulties, Bengkulu has established a strong and promising base for PDP implementation and for further upgrading provincial capacity to manage that implementation. If the capacity-building focus is maintained in a consistent and planned manner, then Bengkulu province has the potential to be a major PDP success with benefits that ultimately go well beyond PDP in both scope and time.

This Section of the Bengkulu Annex will describe the administrative Structure of PDP in the province with an emphasis on issues of coordination and communication both horizontally at the provincial level and vertically between the province and lower administrative levels. Additionally, the issues of bottom-up planning and the role of Camats will be discussed.

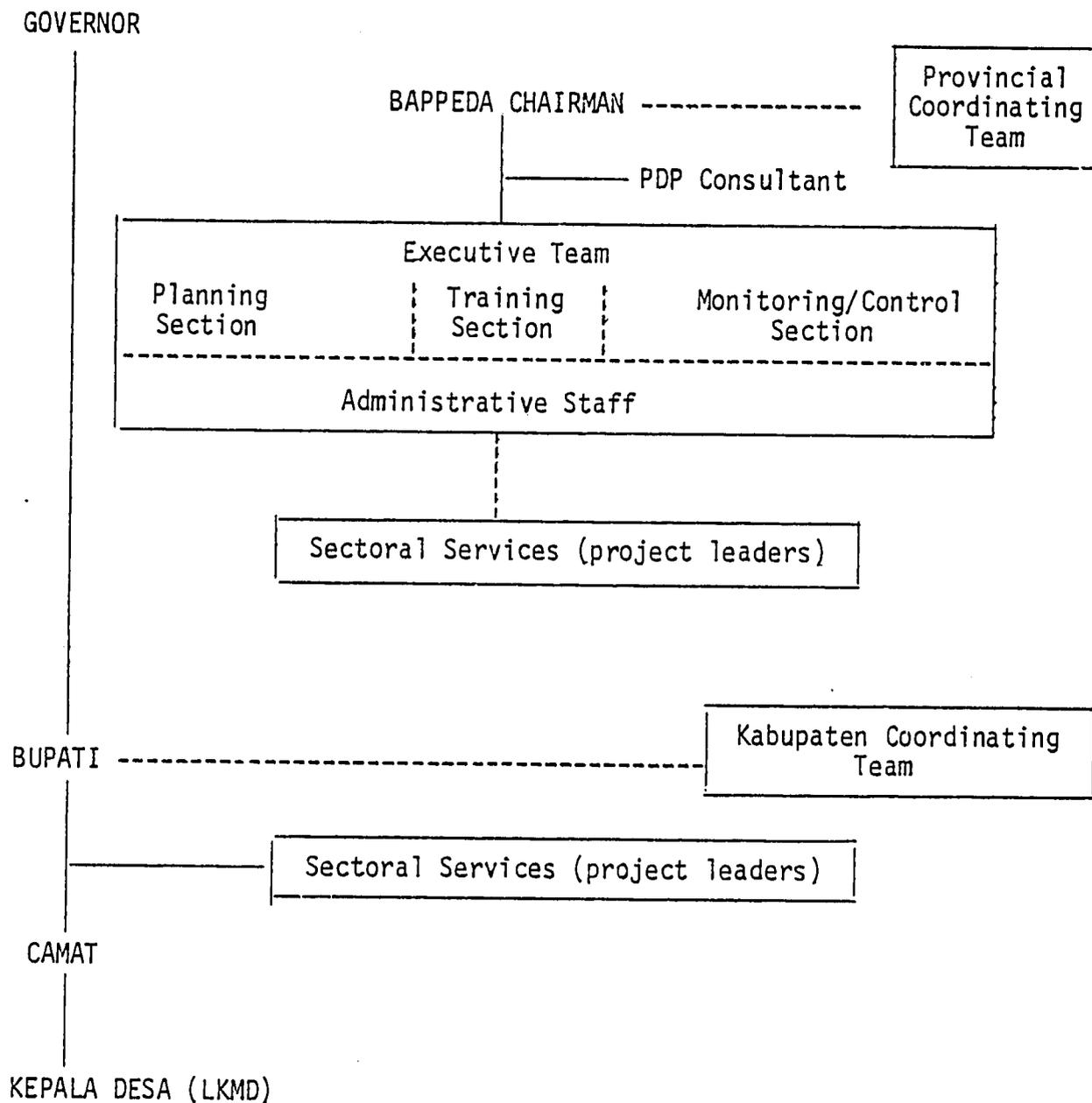
PROVINCIAL PDP ORGANIZATION

A primary goal of PDP is to strengthen the capacity of provincial government to plan and manage development activities. For PDP, at least in its early stages, the provincial government is the key administrative focus.

In order to carry out PDP in Bengkulu, the Provincial BAPPEDA has formed two committees, a Tim Pendamping (Executive Team) and a Tim Pembina (Coordinating Team). The place of these teams in the overall PDP structure is indicated in Exhibit 4. The Coordinating Team consists of five members including the Governor (as an advisor), the Head of the Provincial Secretariat, his assistant, and the heads of the provincial Bureaus of Development and Finance respectively. In theory, the coordinating team should play a broad policy-making role for PDP in Bengkulu but, in reality, it has not consistently fulfilled that function nor any other significant role. If this Coordinating Team is to function in meaningful capacity with relation to PDP, its

Exhibit 4

ORGANIZATIONAL STRUCTURE OF PDP BENGKULU



membership should be broadened to include the BAPPEDA chairman and the heads of Sectoral Services involved in PDP.

The representation of the BAPPEDA and Sectoral Services on the PDP Coordinating Team together with the related Bureau heads will greatly facilitate horizontal communication at the provincial level. In particular it will serve to improve coordination between sectoral development, regional development, and PDP.

The Executive Team carries out ongoing management of PDP including planning and evaluation. In particular, it is responsible for preparation of DUPs and DIPs, Key planning documents in the Indonesian system. The DIPs and DUPs are prepared based on information and recommendations that originate at the Kabupaten level. The Executive Team establishes overall priorities as a basis for project selection. It is assisted in this task by expertise from the Sectoral Services who assess the technical merit of the various proposals.

The Executive Team is chaired by the Vice-Chairman of the BAPPEDA. Its membership consists of nine additional regular BAPPEDA staff, three of whom are delegated particular responsibility for planning, training, and monitoring respectively.

In the first year of PDP in Bengkulu, coordination between the BAPPEDA and Sectoral Services has been relatively good, largely because all PDP projects have been managed from the provincial level with all sub project leaders coming from the provincial Sectoral Services. Some difficulties do occur when Sectoral Services designate their Heads as project leaders. These officials have a broad range of concerns that distract their attention from PDP issues. Coordination has been better when lower level Sectoral Services staff are named as project leaders and can give higher priority to PDP agendas. But these persons must have the authority to make decisions and commitments for their Services.

In the second year of PDP implementation, responsibility for 30% of PDP projects has been devolved to Kabupaten level Sectoral Services. In the plans for 1981/1982, 80% of the projects will reside with the Kabupaten. As the role of the Provincial Sectoral Services decreases and that of the Kabupaten increases, coordination difficulties will grow, especially in view of the problems of communication between Bengkulu and the relatively distant Kabupaten capitals. Nonetheless, the downward devolution of

responsibility is thoroughly consistent with PDP capacity-building objectives and should be commended. But to ensure a continuing constructive role in PDP by the provincial Sectoral Services it becomes increasingly important to tie them into the policy-making process through membership on a revitalized Coordinating Team or, at least, through an ad hoc group that brings Sectoral Service, BAPPEDA, and Bureau personnel together for information sharing and policy discussions. Such a group does now review DIPs and DUPs thus functioning as a de facto Coordinating Team. It also provides an avenue of communication between the Sectoral Services and BAPPEDA. Since, historically, the Services have reported directly to the Governor, any mechanism that reinforces BAPPEDA -Service Coordination is to be desired.

KABUPATEN PDP ORGANIZATION

Until very recently, there have been no Kabupaten BAPPEDAs in Bengkulu. Therefore the Kabupaten involvement in PDP has depended on unofficial and erratic coordinating teams involving such officials as Bureau Heads and the Head of the Kabupaten Secretariat. With the creation of the BAPPEDA, planning responsibility will shift to these new entities. This coincides with the devolution of major PDP sub-project responsibility at the Kabupaten level. Therefore there is a great need for organizational development work in the Kabupatens to strengthen the new BAPPEDA, and work out their linkages with other Kabupaten institutions on one hand and with the provincial BAPPEDA on the other. This should be a major priority for the provincial BAPPEDA and for USAID and Bang Da in their support roles. As suggested for the province level, organizational arrangements should include formal opportunities for Kabupaten BAPPEDA and Sectoral Service coordination, perhaps through an arrangement parallel to the broadened Coordinating Committee recommended for the Province.

The main obstacle to high performance at the Kabupaten level is the shortage of trained manpower combined with a lack of facilities, transportation, and other administrative support. The provincial level should endeavor to provide assistance, especially in the form of training or short term technical assistance by provincial staff. This assistance would be particularly appropriate at the time Kabupaten DIPs and DUPs are prepared.

BOTTOM UP PLANNING

Bottom-up planning is a widely accepted PDP goal in Bengkulu. It is manifested to as yet a limited degree by the involvement of Camats (sub-district Chiefs), Village Leaders, and local organizations such as LKMSs. This involvement is relatively informal but it is significant that the Bengkulu PDP is making a serious attempt to work through regular existing structures.

Basically the process works according to the following sequence: First the Camats call meetings of village leaders in their jurisdictions to assess and prioritize local needs. A project list is developed in each PDP Kecamatan and is transmitted to the Kabupaten Sectoral Services. The Kabupaten coordinating group (pre-BAPPEDA) screens the requests in coordination with the respective Camats and, after approval by the Bupati, the Kabupaten's recommended project list is forwarded to the province where it is reviewed by the Sectoral Services to assure that the suggested projects are compatible with other sectoral or regional project plans.

With counsel from the Sectoral Services, the PDP Executive Team makes the final selection of projects for approval by the Governor and transmittal to Bang Da. On the whole, the process seems to work well and is fostering a sub-kabupaten involvement in planning that did not exist before PDP. From the standpoint of constructive coordination, the weakest link in this vertical chain from village to Jakarta is the province - Bang Da relationship. This is further discussed in Section IV below.

With the creation of Kabupaten BAPPEDAs, the Kabupaten role in the chain will be more structured and potentially stronger. In all likelihood there will be some temporary problems as the BAPPEDA finds its footings and develops new patterns of operation. These problems can be anticipated and appropriate assistance should be provided by the province in a timely fashion.

The system described above does invite certain questions. For example, do the Camats and village leaders adequately represent the interest of poorer villagers? And how can local need identification give direction to the political process by which target Kecamatans are chosen? Not all of these questions can be or must be answered now. They represent the next level of issues with which the Bengkulu PDP must cope as the structural innovations take hold and capacities grow.

THE ROLE OF CAMATS IN PDP BENGKULU

In the formal governmental structure of Indonesia, the Kecamatan (sub-district) is the lowest level. Village leaders have not traditionally been government employees. From the standpoint of PDP, the Camat is a Key figure because he is the closest formal link with the people who are intended as ultimate beneficiaries of PDP sub-projects.

The role of Camats in PDP Bengkulu is significant. Most important is the Camat's role in initial project selection. As described in the previous section, the Camat is the link between the Kabupaten Structure and the people. His role is essential if PDP is to be responsive to the real needs of the rural poor.

The Camat also plays a Key role in credit projects since applications are screened by Kecamatan level committees. The Camats in Bengkulu have also chosen the participants for facilitator training. These trainees are regular Kecamatan or village leaders who are trained to become local development motivators. In contrast to similar training in the Province of N.T.T., these motivators do not become PDP supported personnel but return to their previous roles.

Until now, the role of Camats in actual project management and monitoring is limited. This is not surprising since until recently, there has been little actual PDP project activity. As patterns of project management responsibilities will devolve to sub-province levels in a manner similar to the growing Kabupaten and Kecamatan roles in planning. There is evident commitment to this outcome.

SUMMARY OF RECOMMENDATIONS

- I - 1 The PDP Bengkulu Coordinating Team should be upgraded by the addition of the BAPPEDA Chairman and PDP-related Sectoral Service Heads to its membership. It should then function as the primary provincial PDP policy-making body.
- I - 2 Sectoral Service project leaders should be drawn from staff below the Service Head. But they should be delegated sufficient authority and possess competence to adequately represent their respective service at planning and coordinating meetings.

- I - 3 A PDP Executive Team should be formed in the newly created Kabupaten BAPPEDAs. This team would be administratively responsible for Kabupaten level PDP activities.

- I - 4 The role of Camats should be gradually broadened from the current planning role to a cooperative role with Kabupaten PDP staff in project implementation and monitoring.

II. THE PDP CREDIT PROGRAM IN BENGKULU

Credit programs represent a major portion of planned PDP activity in Bengkulu. For FY 1979/1980, 32.5 percent of the total sub-project budget supports credit projects. In FY 1980/81, the percentage jumps to 62.4. These credit funds are planned to assist projects dealing with cash crops improvements, rice and secondary food crops production, livestock acquisition, small scale industries, rubber and coffee marketing, fishing boat motorization, truck acquisition (for marketing), fish culture development, and hand tractor acquisition. There is, in fact, a credit component in virtually every sub-project sectoral area. In some of these cases, credit assistance will be funneled through existing KUDs (local cooperatives).

As indicated in Table 1 below, the great majority of PDP credit for FY 1980/81 (84%) is to be dispensed to farmers or groups of farmers. Credit dispensed to KUDs represent 16% of the total.

Table 1
CREDIT PROGRAMS - PDP BENGKULU FY 1980/1981

Recipient and Type of credit	Amount (Rp 1000)	% of Total
Farmers/Farmers Groups		
Direct Loans	153,600	31.9
Livestock	149,000	31.0
Machinery	<u>103,500</u>	<u>21.5</u>
	406,100	84.4
KUD		
Direct Loans	35,900	7.5
Machinery	<u>38,800</u>	<u>8.1</u>
	74,700	15.6
TOTAL	<u>480,800</u>	<u>100.0</u>

Unfortunately, in view of their relative importance and, in some cases, links to other sub-projects, credit programs in Bengkulu have experienced serious delays. There are a number of reasons for the delays, most of which are administrative in nature. These reasons can be distinguished, in part, by the type of recipient and nature of the credit.

In general, credit through KUDs has been managed more smoothly than credit intended for direct distribution to farmers or groups of farmers. And credit sub-projects involving equipment loans (trucks, boat motors, etc.) have had more success than direct cash loans. In retrospect, neither development is surprising since direct credits to farmers or newly organized groups are among the most failure-prone projects in general development experience.

Credit difficulties have had a serious impact on the plans of the Sectoral Services responsible for related sub-projects. This is particularly true for certain agricultural initiatives where seasonal factors are of great importance and small delays can lose a year's time. Meanwhile, the effect of preparatory work among potential recipients is largely dissipated. Since government staff often begin work with local people in an atmosphere of some lack of trust, the domino effect of credit delays produces failed expectations and reinforcement of disdain for external assistance. For this reason, the heavy concentration of credit programs in the Bengkulu may be seen as an unnecessarily high-risk approach.

As noted above, the greatest credit problems have occurred in programs oriented directly to farmers. Such programs are extremely difficult due to the need to structure special mechanisms to disperse credit and monitor repayments. This problem is reflected in the fact that over a year of negotiation between the provincial BAPPEDA and Bang Da was required to secure agreement on an overall credit plan. When agreement was reached in December 1980, further difficulties remained at sub-provincial levels. Local committees at the Kecamatan level were formed by order of the Bupatis of the two PDP Kabupatens. These committees, chaired by Camats, were to oversee selection of credit recipients, distribution of funds, and monitoring of repayments (in cooperation with the Provincial Finance Bureau and Bank Rakyat Indonesia).

To date no direct farmer credit has been issued. The identified problem is a series of personnel changes at both Kecamatan and Kabupaten

levels which have required that the process of forming committees and authorizing credits begin anew. But, more broadly, the problem lies in the attempt to institute a program that requires a relatively sophisticated and mature organizational base before that base exists. Credit programs should be a long-term product of successful PDP institution building, not a mechanism for it. The risk of front-ending wide scale credits is too high and the cost too great.

Early credit schemes should be limited instead to working with existing KUD structures, attempting to strengthen them in the process. Moreover, such credits should be oriented to collective capital such as trucks or machinery so that individual responsibility is to a group of peers rather than an outside project. In other words, while institutional arrangements are being tried and tested, low risk schemes are preferable. Later, when the likelihood of overloading the system is reduced, broader credit programs may gradually be introduced.

SUMMARY RECOMMENDATION

II - 1 Bengkulu credit programs involving cash credits directly to farmers should be reviewed as to their feasibility at this stage of PDP development. Greater focus should be given to loans of capital equipment to established KUDs in keeping with PDP's institution-building objectives.

III. THE BANG DA/USAID SUPPORT ROLE

The conceptual framework underlying this series of institutional capacity assessments has been the assertion that organizational behavior is a function both of organizational "stock" or resources and of the incentives which provide a link between stock and behavior (see general report, Section I).

Because of the dual goals of PDP - quick impact sub projects and institution building - there are significant inconsistencies at all levels of PDP regarding targeted administrative behavior and the incentives to support that behavior. Although commitment to institution-building is widely articulated, staff in the field must respond to success criteria of a more traditional nature. In this context, it is of particular note that those involved with PDP in Bengkulu have retained a strong commitment to working within regular institutional structures at the cost of some delays in implementation.

MONITORING

The role of the Bang Da/USAID monitoring team is symbolic of this dilemma. With an assigned focus exclusively on percentage completion of planned physical outputs as a basis for reimbursements from Jakarta, a team such as this strongly reinforces other built-in incentives to successfully complete projects without regard to institutional arrangements.

This somewhat mechanical percentage completion approach to monitoring reflects the in-progress state of virtually all sub-projects in Bengkulu. Later evaluations, it is said, will take into account such concerns as impact and benefit distribution. But the interim nature of the monitoring operation is no reason to overlook institutional factors. Indeed, were monitoring consistent with PDP goals, this interim overview would focus primarily on the institutional structures and procedures for planning and implementation which underly the ongoing projects.

An example is provided by the project in desa Kandang to "construct a public duckyard to provide training to poor fishermen for building boats". There is, in fact, at this site a seemingly well constructed boat, complete except for installation of the motor and mechanical parts. However, it turns out that the boat was built by a single hired laborer, hardly consis-

tent with the stated goal "to provide training to poor fisherman". Thus, from a capacity-building framework, this project is up to now a disappointment and should be so judged by BangDa and USAID.

In general, to the extent BangDa and USAID have leverage and wish to apply it within PDP, they should use that influence in a consistent manner to support organizational capacity-building. This may mean revising traditional projection-oriented evaluation and monitoring procedures.

TRAINING

It is widely recognized that training is used for two purposes in PDP. One is skill development; the other is a "bonus" for high level PDP participants. Most overseas study and observation terms fall into the latter category and serve little purpose beyond the creation of local jealousy and resentment. Such "training" would best be omitted.

The great majority of training funded by PDP in Bengkulu has been relevant and well targeted. A variety of recognized in-county training centers have been used and a broad range of topics addressed. Since training is obviously a central component of capacity-building, this activity supports PDP's institutional goals.

With the notable exception of Facilitator Training (which involves local officials designated by Camats) all the Bengkulu training activities have been for Province-level personnel. This focus is not consistent with the devolution of planning responsibility to Kabupatens which is already taking place at a rapid pace. It is very important that relevant training be made available to Kabupaten personnel to support their increasing role in PDP. As has been the case with training for provincial staff, topics should include both technical and management concerns, including organizational development. Staff of the newly formed BAPPEDAs in the Kabupatens of Bengkulu Utara and Bengkulu Selatan are a particularly appropriate target for training now. It would best be arranged to take place at their own respective locations.

OTHER KABUPATEN SUPPORT

In addition to training, there are other forms of timely support which should be given now to Kabupaten level personnel and, by extension, to Camats who are working closely with Kabupatens in the Bengkulu PDP

planning process. BangDa and USAID should give support to mechanisms by which Provincial staff give technical and organizational support to Kabupaten staff. In addition to training, technical assistance support could be provided by the loan of provincial staff to the Kabupatens for short term assignments. This process would also serve an improvement of coordination between the provincial and Kabupaten Centers. Since this type of assistance is something the Kabupatens are asking for, it would not be viewed as interference from the top.

If such a pattern of technical assistance were developed from province to Kabupaten, it should be done using well qualified personnel. This service should be supported with incentives that make it clear that temporary work at the Kabupaten is a recognition of ability, and not a demotion of any sort.

It seems clear that, as PDP develops, the Kabupatens will increasingly become the Key administrative level for planning and implementation. While USAID's focus under its agreements with the GOI may remain at higher levels, it should give greater support in such ways as are possible to various initiatives to increase technical and organizational capacity at the Kabupaten level.

CONSULTANTS

In Bengkulu, as in at least two other PDP IIa Provinces, there will soon be a change in the long-term resident consultant assigned to the provincial BAPPEDA. There is some expectation that the role of the new consultants will be more technically oriented rather than the planning role now specified. Such a change would be a mistake, again reinforcing the tendency to subordinate PDP's institutional goals.

Now that sub-project activity is in full swing, it is particularly important to support institutional capacity building in PDP. Since this is a somewhat innovative developmental thrust both for USAID and the GOI, it is a highly appropriate arena for consultant support. Therefore a major qualification to be sought in candidates for long term consultant roles in PDP IIa is experience with management and organization in developing countries.

SUMMARY OF RECOMMENDATIONS

- III - 1 BangDa and USAID monitoring and evaluation should integrate assessment of capacity-building and sub-project goal achievement.
- III - 2 BangDa and USAID should provide grant funds for training Kabupaten BAPPEDA and other sub-provincial personnel involved in PDP.
- III - 3 BangDa and USAID should support mechanisms by which technical assistance and other support is given by provincial personnel to Kabupaten PDP staff.
- III - 4 BangDa and USAID should continue to focus long term technical assistance to the Provincial BAPPEDA on planning, management, and organizational development skills.

IV. THE BANGDA* ADMINISTRATIVE ROLE

In any project such as PDP, certain tension and even conflict is inevitable between the Center and operational staff in the field. Moreover, some of the complaints or resentments in the field may well be based on misinformation or misunderstanding. And because the Center must make and execute policy with the needs of a variety of field programs in mind, certain policies may seem ill-advised to any one field program.

Nonetheless, the perceptions of the field are a factor which the Center must take seriously. Perceptions themselves are real even when based in misunderstanding or on lack of appreciation for limits to the Center's freedom of action.

In this context, it is not surprising that Provincial PDP staff voice certain complaints about the role of Bang Da. Moreover, many of the comments heard by the team in Bengkulu were consistent with criticisms made in other PDP IIA provinces. Some relate to substance and some to style but all are factors viewed by the field as barriers to optimum implementation of PDP objectives.

GUIDELINES

As in other provinces, PDP officials in Bengkulu have been confused by what are seen as changing and inconsistent guidelines from Bang Da. More specifically, oral guidelines are seen as often contradictory and written guidelines as late or inappropriate. Opportunities to resolve these difficulties by fact to face communication are limited. When they do occur, these occasions are not well utilized due to what is seen by field personnel as a highly paternalistic and judgemental atmosphere in which their views are not taken seriously.

Clearly the guideline problem requires urgent attention. A process recommended in the general report is particularly applicable in Bengkulu: joint preparation of guidelines by Bang Da and provincial personnel working as a team. This may require some difficult compromises but, in the process, levels of mutual understanding would increase.

*Comments in the section refer to Bang Da and/or its predecessor office, PUOD.

A particular guideline that is a source of difficulty in Bengkulu (as in other provinces) is the 7% administrative expense limit. This limit is inconsistent with some of the special administrative needs of newly decentralized development strategies. For example some of the measures suggested above for assisting Kabupaten level management require greater latitude for administrative costs. Since PDP has organizational goals that are different from typical sectoral programs, greater administrative flexibility is needed.

DELAYS

It is felt by PDP personnel in Bengkulu that credit programs have been seriously hurt by Bang Da delays (see section II of this Annex). Bang Da is faulted not so much for the delay in approving a credit scheme as for the lack of communication during the time the credit program was held up. It would better serve local learning if Bang Da would explain why any credit or other program submitted by the province was inadequate and work with Provincial staff in an advisory role to help correct the deficiencies. In any event, due to the interdependence of various aspects of a PDP program, delays in one segment can have a crippling effect on the whole program. Consistent with the bottom-up planning objectives of PDP, Bang Da should be more responsive to initiatives from below in terms of both of timing and substantive feedback.

COMMUNICATION

Further to the above is the overall tone of Bang Da-province communications. The province is disturbed by what is viewed as a distinct lack of trust or respect for local opinions. One example is the transfer of an agricultural consultant from Bengkulu to another province prior to contract expiration. This move was initiated by Bang Da without prior consultation with the Province which viewed the transfer as a major disruption to its program.

Similar peremptory behaviour is evidenced at the time of DUP review by Bang Da. The atmosphere is described by Provincial staff as like an "inquisition". The focus, according to provincial perceptions, is not on potential benefits, broad program strategy, or even management plans. Rather focus is exclusively on control aspects such as safeguard against

misuse of funds. Bang Da, according to some, gives no evidence of ever reading the project statements. True or not, in such an atmosphere of distrust, communication is severely constrained.

The point in raising these concerns is not to increase the atmosphere of mutual defensiveness that is already a major part of the problem. It is to indicate that there has been a major communications problem between Bang Da and the field which severely hinders effective PDP implementation. Bang Da, in its leadership role, should take the initiative to overcome these communications gaps. Its success in so doing will be a major indicator of its own organizational capacity.

SUMMARY OF RECOMMENDATIONS

- IV - 1 Bang Da should support incentives which reward attention to institution-building objectives.

- IV - 2 Bang Da should utilize joint-planning techniques to generate PDP guidelines and should endeavor to formulate these guidelines in a timely and consistent manner.

- IV - 3 Bang Da should treat Provincial initiatives with respect and support open communication with Provincial officials in problem solving.

- IV - 4 Bang Da should consider greater flexibility in administrative guidelines especially the 7% administrative expense limit.

APPENDIX
ITINERARY - BENGKULU CONSULTANT TEAM

- 19 January Travel to Bengkulu. Project visits with USAID monitoring team (Effendy)
Arrival in Jakarta. Discussions with Carl Dutto (Van Sant)
- 20 January Project visits with USAID monitoring team (Effendy)
Meetings with BangDa, USAID, and Colin Mac Andrews, RMI Chief of Party (VanSant)
- 21 January Project visits with USAID monitoring team (Effendy)
Travel to Bengkulu. Project visits with USAID monitoring team (Van Sant)
- 22 January Project visits. Presentation of USAID monitoring team report to BAPPEDA and Sectoral Service Staff. Meeting with the Governor of Bengkulu Province.
- 23 January Discussions with BAPPEDA Staff in Bengkulu. Discussions with PDP consultants John Miksic and Max Alleries.
- 24 January Travel to Manna, capital of Kab. Bengkulu Selatan. Meetings with BAPPEDA and Sectoral Service Staff.
- 25 January Rest.
- 26 January Travel to Agar Makmur, Capital of Bengkulu Utara. Meetings with SekwilDa and Sectoral Service Staff.
- 27 January Report preparation
- 28 January Report preparation