

Good Governance Brief

Innovations in Local Public Service Management

Challenges and Opportunities in Decentralized Governance in Indonesia

As in other countries across the globe—both industrialized and developing—the performance of local governments in Indonesia is measured primarily through the delivery of basic social services. Key services include education, health care, water supply, sanitation, waste management, and the creation of a conducive investment climate. While continually improving service delivery is a tangible manifestation of good governance in promoting human development, local governments have to contend with a number of challenges and limitations. This good governance brief focuses on emerging motivation and progress made in a number of jurisdictions supported by the USAID Local Governance Support Program in improving their management systems for effective service delivery. It includes discussion of:

The most effective approach to service improvement is likely to be progressive and incremental, using action plans as “building blocks” to implement simple improvements that are likely to succeed and sustain themselves.

- existing limitations to good public service delivery
- emerging willingness to improve service management
- examples of innovations in selected jurisdictions
- factors contributing to innovation in service delivery, and
- conclusions and recommendations for future actions.

Existing Limitations to Effective Delivery of Decentralized Services

Adequate infrastructure and human resources are often cited as the primary ingredients for effective delivery of services at the local level. However, just as important, and probably more challenging, is the institutional framework for service delivery. In Indonesia, institutional constraints present enormous barriers to service delivery which are difficult to address.

Even though landmark legislation in 1999 devolved considerable responsibility for public service management and service delivery to local governments, inconsistencies in the legal and regulatory framework for decentralization have left regional governments struggling to define and discharge their roles and responsibilities, have complicated planning and budgeting, and have quite often led to a form of paralysis where inaction is considered safer than action. Regional governments caught up in this legal limbo have by and large not been pro-active in guiding local development and public service management.

The current piecemeal civil service reform perpetuates bureaucratic inefficiencies. Positions in local government are sought-after, but as promotions are not merit-driven, there is little incentive to perform well. As a result, many civil servants do not feel the need to invest in public service reform efforts that may consume a lot of time without providing tangible career rewards during their tour of duty.

Widespread corruption also continues to be detrimental to good governance. Anti-corruption legislation and enforcement, including public procurement reform, are still at an embryonic stage, leaving citizens facing unnecessarily high costs and operational inefficiencies in public service provision.

Processes for local democratic consultation and decision-making are still emerging after a decade of decentralization. There is a lack of incentives and know-how to develop meaningful democratic processes. Quite often, regional governments view citizens as troublemakers rather than as partners in development, resulting in a failure to build a common sense of purpose for improving service delivery.

Emerging Willingness and Motivation to Reform

Although the obstacles outlined above appear to stand in the way of significant improvements in public service management, there are bright spots in the form of local willingness and even dedication to reform in some jurisdictions. There is an emergent popular movement to advocate for public service management innovations that are able to create 'islands of integrity', garner political currency, and demonstrate robust potential for acceptance, replication, and sustained reform across a broad spectrum of local public services. The inspiration to innovate is driven not only by the lack of affordable services, but also by other factors.

First, some local governments and citizens now understand that improvements in service provision do not necessarily equate with large capital outlays, but rather with a robust customer and pro-poor orientation. If properly executed, there can be significant gains in citizen satisfaction with public services, with the additional benefit of enhancing the popularity of local leaders. The trade-off is that local governments accept more participation, and the implicit increase in transparency and accountability. Local governments can no longer hide behind the excuse that there is no money to improve services.

Second, there is convergence of opinions. Good governance and public service management are ideas whose time has come. They are gradually being made more explicit in government policies, have become a popular topic in talk shows related to government accountability, and make local leaders who do not publicly endorse them appear out of touch. Nowadays, even though leaders often try to only pay lip service to citizen demands, they can ill afford to be seen to be doing nothing to improve public services. This encourages civil society organizations to increasingly advocate reforms.

Third, there is greater connectivity. Whereas twenty years ago low-income households (who suffer most from poor services) would probably have remained silent and apathetic, the spread of telecommunications around the world has brought a multitude of television and radio channels to practically all but the poorest and most isolated households. The people have become smarter both politically and socially, are more aware of the issues, better able to compare and appraise public performance, better connected and organized in networks, more able to converge in special interest groups, and more confident in formulating demands and pushing for reform.

Fourth, the emergence of open media creates publicity. Publishing houses such as the Jawa Pos give out annual awards for local governments that have done well in propagating decentralization and democracy. Also, studies are regularly commissioned to investigate regional governance performance in various areas. These surveys do not hesitate to expose the good, the bad, and the ugly, and are cause for both local pride and trepidation when published. Public exposure helps to galvanize poorly-performing local government into action to make them look better, while those that do well are proud to take the public spotlight.

The increased citizen attention to public service delivery is slowly whittling away at old habits, even though local leaders have sometimes obstructed citizen participation when they found it to be undermining vested interests. There is currently a paradigm shift towards increased public participation and access to information, greater transparency and accountability, multi-stakeholder planning and oversight, and increased partnering between consultants and local government agencies for service improvements.

Service Delivery Innovations in Local Governments

Improving service delivery is often as much a management challenge as it is a technical or financial one. Key issues in improving service delivery management include improved data management, service organization, and constituent or customer relations. To assist partner governments to improve their management of public services, LGSP has focused on locally identified priority services in order to create and implement a local Service Improvement Action Plan (SIAP). The box on the next page describes the main features of a SIAP.

LGSP has supported reform-minded local government units in a number of partner jurisdictions to introduce a variety of service delivery and accountability mechanisms, in collaboration with local stakeholder groups. The ones described below are considered good practices, having been previously applied in other countries in one form or another, and then been adapted to the circumstances of local governance in Indonesia. What they have in common is their multi-stakeholder, pro-customer and pro-poor orientation, their focus on low-cost management solutions to overcome service bottlenecks, and their use of consultants to partner with client local government agencies.

One-stop Services

Description: An integrated services point, sometimes called a One-stop Services (OSS) point, is a local government facility where several services are integrated under one roof. The primary purpose is to increase efficiency by combining the processing of related services, as well as reducing customer travel, waiting time and expenses. Some facilities at the district level combine the issuance of licenses and permits, birth certificates, identity cards, and other legal documents. Others are set up to promote local economic development by

What are Service Improvement Action Plans?

As part of its technical assistance program, LGSP helped organize local stakeholders in target jurisdictions to select priority public services to be improved and then assisted them in planning and implementing the improvement. Key services included education, health, economic public services, basic environmental services such as water, sanitation and waste management, and non-sector organizational development. Service Improvement Action Plans (SIAPs) improve the delivery of a particular public service, and increase awareness about public service management in general. SIAPs strengthen data management, service organization, and customer relations through the '3PO' approach, which analyses and improves Procedures, Personnel, Policies, and Organization. SIAPs are normally short-term (from one month up to one year) and improve the performance of an existing service based on existing programs and budgets. In some cases, however, they are used to produce a new output (such as a local regulation) or even a new service (such as the Local Financial and Asset Management Body, or BPKKD in Aceh Barat).

Action Plans complement, not supplant, existing LG statutory plans, and are usually financed through the annual local budget. Each SIAP is prepared by a local group of stakeholders who have a stake in solving a service shortage or bottleneck, then implemented by the local government unit that is responsible for delivery of the service, and subsequently appraised by the parties involved. The SIAP includes a list of activities to be completed, a time frame, a budget, actors responsible for its completion, and performance indicators. It is possible to have successive SIAPs to improve a service, for instance, a first SIAP to produce a local regulation on service management, and a second SIAP to manage the service improvement.

Preparation of a SIAP follows a logical sequence of problem identification, performance gap analysis, formulating options, selecting a preferred solution, defining the steps in implementing the solution, mobilizing resources, and monitoring performance. Apart from stakeholder commitment, success in SIAP implementation is mainly determined by clarity of purpose, ability to match objectives with resources, and consistent oversight. The effect may be measurable after a short time (for instance, customer service), or may become visible only after a considerable time lag (for instance, when the organization providing the service has to be overhauled or created from scratch). The implementation of one or more SIAPs can help local government units set realistic performance targets and budget allocations towards achieving minimum service standards.

providing integrated banking and marketing services to small and medium enterprises. At the sub-district level, they can become constituent outreach points for sector services such as health and education, provide public information to citizens, and even mediate civic disputes.

Example: In the province of South Sulawesi, local governments have trouble reaching out to isolated communities to provide basic services. In 2007 the district of Pinrang decided to change that by setting up an integrated service point¹ as a pilot in the sub-district office of Palateang. The service point faced initial

¹ Pos Pelayanan Publik Pariipurna (P4)

difficulty in getting properly organized and staffed, before LGSP provided guidance that enabled it to provide administrative services in basic health and education. The service point has also successfully mediated disputes between citizens over basic local resources such as land and water. It is now in the process of introducing a citizen charter and formulating service targets that will enable the local government to measure performance.

Example: In a dozen districts spread across North Sumatra, Central Java, East Java and South Sulawesi, the local industry, trade and commerce office decided to support local micro, small and medium enterprises (MSMEs), since they constitute the backbone of the local economy but usually lack the resources to fully develop their potential. With LGSP support, these units opted to combine the disparate and mostly ineffective services they normally provided at a single business service point. These clinics provide training, information and consultation to MSMEs to improve their internal management, product quality, access to credit and markets, and to combine their efforts through partnering and clustering. Most of these business clinics also have a citizen charter specifying the type and quality of services they provide to MSMEs. For example, the clinic in Tebing Tinggi, North Sumatra, which opened for business in late 2008, has set an initial target for 2009 to turn 40 existing small and underperforming enterprises—out of a total of 4,500—into viable enterprises, create 10 business partnerships through linking and matching, and achieve 75% customer satisfaction on all services provided. Other integrated service points have also begun using performance indicators to determine how they are doing.²

Citizen Charter

Description: A citizen charter³ is a public statement signed by a local service agency on the guaranteed quality and quantity of a particular service. Where there is a specific constituency or customer group, the charter can be an agreement signed by both parties. The charter is normally displayed at the location where the service is provided. Customers will use the charter as a basis for appraising service delivery, and can lodge complaints if the agreed standards are not met.⁴

Example: In the district of Deli Serdang in North Sumatra, the local health office decided to pilot a program for service excellence in five of its 32 community health clinics (*puskesmas*). The citizen charter became the foundation for “service with a smile”, with each staff member at the clinic wearing a smiley badge showing their willingness to serve. To make it work in practice, LGSP recommended several additional components. Each health clinic unit now has at its entrance a glass box with three compartments color-coded in red, yellow and green (for poor, so-so, and good service) and a box containing strips of paper with the same colors. Patients can express their level of satisfaction with the service provided by inserting the color of their choice in the appropriate slot. They can also write specific comments on the paper if they so desire. For the first time, the clinics have started compiling statistics on service performance based on the number of strips of each color received by each clinic. During the first quarter of 2009, one clinic in Tanjung Morawa witnessed a 6% increase in the number of visitors as a result of increased confidence in the services provided. Also in 2009, a first-time survey by a local civil society organization showed a level of satisfaction with service

² See also the LGSP Good Governance Brief titled “*The Role of Local Governments in Promoting Decentralized Economic Governance in Indonesia*”, LGSP, Jakarta 2009.

³ *Maklumat Pelayanan* in Indonesian

⁴ The new law on public services passed by the Indonesian parliament in June 2009 gives citizens the right to sue the government over poor service delivery.

delivery of 82%. This result has now become the baseline by which customer satisfaction will be measured in the future. Importantly, the local health office plans to regulate a system of checks and balances based on the articles in the citizen charter so that sanctions and awards can be applied.

Electronic Citizen Information Service

Description: An electronic citizen information service consists of a local web site for e-government, including a gateway that allows the public to submit both emails and SMSes.⁵ The facility can be used to manage citizen information, queries, and complaints. A system administrator refers any incoming information to the appropriate local government unit. Responses are usually provided within 24 hours. Since all SMS, emails, responses and results are automatically registered and published on the local government's web site, the system can be used as a public oversight tool by the district head, the local council and civil society organizations alike.

Example: Early in 2005, only several months after the tsunami, the district of Aceh Jaya, in cooperation with LGSP and disaster relief agencies present in the area, created a simple citizen information and complaints desk in what remained of the town of Calang to handle resettlement, rehabilitation and reconstruction problems. Although the facility consisted only of a wooden barracks with few staff and only one computer, it was so successful that three other districts affected by the tsunami decided to copy it. The main difference was that they launched an electronic version developed and introduced by LGSP for this purpose, allowing anybody to send information by mobile phone. The rationale for going electronic was that only a few months after the tsunami, almost everybody had started using mobile phones instead of waiting for landlines to be restored, and after about a year, most local governments were already connected to the Internet. The web-based version has now become the new standard by which citizens measure public service management. Much like a citizen charter, it includes response targets and features to track response time and compile reports. While the setup may differ between districts, it allows any party to keep tabs on the performance of each local government unit in handling service problems. Heads of local governments have reportedly already taken disciplinary action where the response was not satisfactory. The provincial government is now preparing an instruction to replicate the system to all cities and districts in Aceh and is considering a version that will not only monitor local performance, but will also cover rehabilitation and reconstruction issues at the regional level.

Customer Information Management System

Description: A customer information management system is a computerized database to manage information about services provided to customers, for instance, health care in public clinics and hospitals. Its purpose is to make service quicker, easier, cheaper, and more accurate by providing the service provider with complete and reliable data while at increasing customer satisfaction.

Example: In 2005, the local health office in the municipality of Madiun in East Java adopted a promising computerized patient registration and information management system from a community health clinic (*Puskesmas*) in the town of Ngawi located in a neighboring district.⁶ With LGSP support, the Madiun Health Office tested it out and developed it further in one pilot clinic. Once the system was deemed robust, it was

⁵ Known as *Sistem Pelayanan Informasi dan Pengaduan Masyarakat (SPIPM)* in Indonesian

⁶ *Sistem Informasi Manajemen Puskesmas (SIMPUS)*

replicated it to all five clinics in the town, and the health office developed a system to track the performance of each clinic. Significantly, while the clinics used to take a whole day to produce the monthly compilation of health data, this now takes only an hour. In addition, the clinics have started tracking staff attendance and punctuality, as well as health insurance coverage for the poor and disadvantaged. Because of the rapidly increasing volume of data, the application had to be redesigned, and in early 2009 an improved system came online.

Electronic Government Procurement

Description: An electronic government procurement unit is an organization tasked with managing procurement of all goods and services through a web site, thus eliminating manual tender procedures. Any vendors that want to submit bids have to qualify through the government web site, and if successful, will receive a digital ID and password. In a country such as Indonesia—where internet connections can be erratic—this presents considerable systemic challenges. In addition, no system can completely eliminate opportunities for malfeasance. Even so, the potential benefits are enormous in terms of administrative cost savings, transparency, and accountability.

Example: Several years ago, the national government started propagating the introduction of electronic procurement of goods and services in regional governments as part of a public procurement reform drive. It selected several provinces that were most likely to succeed, and with the help of a donor program, provided assistance to install the system. In 2007, the provincial government of West Java decided it was ready to embrace e-procurement, and subsequently received central government and donor assistance to set up the facility, install the software, and train staff to operate the system.

LGSP assisted the provincial government in issuing several regulations and in establishing this Electronic Procurement Agency.⁷ The new LPSE was equipped with staff, office space and reliable telecommunications. After its official launching in July 2008, LPSE faced initial rejection by several local government agencies and vendors claiming that slow connections and a non-user friendly system were delaying procurement. Although the system undeniably faced teething problems, the fundamental but unstated complaint was that transparent procurement was not a welcome development. LPSE has responded to such criticism by continuously improving processes and upgrading its facilities.

The table on the next page lists the innovations described in the preceding paragraphs, the districts where they were successfully introduced, and sites where they had been replicated (both within and outside the initial district) as of June 2009.

⁷ Unit Layanan Pengadaan Secara Elektronik (LPSE)

**Selected Service Management Innovations Introduced with LGSP Assistance,
and Their Adoption in Other Locations**

Instrument	Introduced in:	Adopted by:	Total as of June 2009
One-stop-Services (Integrated public services point at subdistrict level)	Pinrang, South Sulawesi (SS) – 1 subdistrict	Pinrang, SS – 11 other subdistricts	12
One-stop-Services (Integrated public economic service center at district level)	Tebingtinggi, North Sumatra (NS)	Pematang Siantar, NS Klaten, Central Java (CJ) Kebumen, CJ Probolinggo, East Java (EJ) Mojokerto, EJ Kediri, EJ Palopo, SS Enrekang, SS Jeneponto, SS Soppeng, SS Jejara, CJ	12
Citizen Charter (public health service excellence)	Deli Serdang, NS – 5 subdistrict clinics	Deli Serdang, NS – 5 other clinics Tebingtinggi, NS – 1 clinic Serdang Bedagai, NS – 5 clinics	16
Citizen Charter (health promotion)	Boyolali, CJ – 1 subdistrict clinic Boyolali, CJ – 1 village clinic Sukoharjo, CJ – 1 village clinic	Boyolali, CJ – 1 subdistrict clinic Boyolali, CJ – 13 village clinics Sukoharjo, CJ – 8 village clinics	25
Electronic Citizen Information Service	Aceh Barat, Aceh (AC)	Aceh Province Banda Aceh, AC Aceh Besar, AC Aceh Jaya, AC Bireun, AC Aceh Timur, AC Pidie, AC Jejara, CJ	9
Customer Information Management System	Madiun, EJ – 1 clinic	Madiun, EJ – 4 other clinics Kediri, EJ – 1 pilot clinic Deli Serdang, NS – 5 clinics (planned)	11
Electronic Government Procurement (management unit)	Province of West Java	West Sumatra Province Bukittinggi, West Sumatra (WS), Solok, WS Padang Pariaman, WS Pasaman, WS	10

Factors Contributing to Successful Implementation

As the table indicates, with the help of improved management practices introduced with LGSP assistance, regional governments have demonstrated their ability to respond to citizens' needs and deliver key public services, including to the poor. In a number of cases, the needs expressed by multi-stakeholder groups in each locality were used as the basis for providing or improving a priority service, such needs having emerged during the action planning process. Five key factors appear to contribute to the success of these measures and their potential for institutionalization so as to ensure their sustainability: committed leadership; appropriate tools and methodologies; opportunity to observe and replicate innovation; agencies that can assist in institutionalizing reforms; and an enabling policy framework.

Committed Leadership

This is a prerequisite for initiating change. Ideally, both the district head and local government unit (SKPD) heads should publicly support transparent and accountable service delivery. Their active and visible endorsement is an important first step in decision-making and resource allocation in support of improved service delivery.

The introduction of improved management practices through the citizen charter in Deli Serdang in North Sumatra provides a good example of the difference that committed leadership can make. LGSP's initial offer to provide technical assistance to the district of Deli Serdang looked like a non-starter for several months as local political will appeared to be lacking. However, once the district head overcame his reservations about the proposed technical assistance, and local stakeholders became more vociferous about poorly performing health services, he became a strong supporter. Four years later, Deli Serdang has become a stellar performer, successfully completing a pilot program for service excellence in five community clinics, then rolling it out to ten more clinics in the district. Not only that, the same district head has also publicly committed himself, the local health office, and five other and local government units to apply principles of good service management using a citizen charter based on the health office example.

The One-stop Services point in Pinrang, South Sulawesi has also benefitted from strong leadership by a District Head. Bolstered by a new national policy to enhance the role of sub-districts, in 2009 the newly elected district head decided to expand the range of services to be provided at the integrated service point piloted in the sub-district of Palateang, and has committed to replicate it to eleven other sub-districts before the end of his term in 2014. Committed leadership is often the single most important change agent in introducing reforms.

Appropriate Tools and Methodologies

Jurisdictions ready to innovate are usually in search of the appropriate knowledge and tools to do the job. In many cases, change caught on only after local stakeholders became convinced they had the right instruments, and that they would be able to finish the job. For example, the service improvement action planning (SIAP) approach advocated by LGSP was quickly accepted by local stakeholder groups as it provided a practical method to improve a service incrementally. Use of electronic tools such as e-procurement, customer information systems and SMS gateways described above also hold appeal in making breakthroughs in modes of service delivery. In the same vein, accountability instruments introduced to support service improvement—such as the citizen charter—have been readily accepted when found suitable to their purpose and not overly difficult or expensive to use.

Opportunity to Observe and Replicate Innovation

The adoption of a successful innovation in one jurisdiction can trigger its replication, not only by spreading it to other LG units in the same jurisdiction but also to other jurisdictions.

After the province of West Java successfully created a new LG unit for e-procurement, LGSP helped to disseminate it to the province of West Sumatra, which soon created a similar unit modeled on the unit in West Java. The municipality of Banda Aceh followed by launching its own version with LGSP assistance.

The successful introduction of action planning methodology and adoption of a citizen charter across a number of LG units in Deli Serdang, North Sumatra caught the attention of the leaders of two other jurisdictions in North Sumatra—Tebing Tinggi and Serdang Bedagai—who ordered their own LG units to apply a citizen charter using their own experiences with service improvements in SME development and education. After opening an integrated service point that aimed to develop local enterprises, Tebing Tinggi started receiving visitors from other interested districts with a view to replication.

The electronic patient data information system developed for community health clinics in the municipality of Madiun, East Java, also captured the interest of the districts of Madiun and Kediri, also in East Java, which readied themselves to use it in their own community clinics, with the Madiun Health Office and the system consultants being called in to provide training. And five health clinics in Deli Serdang, North Sumatra are considering following suit as soon as their computer hardware has been upgraded.

Agency Capacity to Assist in Institutionalizing Reforms

A crucial factor in implementing—and sustaining—reform is the availability of civil society organizations, universities and other service providers to advocate reform, provide technical advice, and facilitate implementation of the reform agenda. As catalysts, they are able to motivate local stakeholders, maintain the momentum during the often cumbersome reform process, monitor and appraise progress, and act as oversight entities to safeguard outcomes. In a number of innovations described above, local governments brought in service providers from university or other institutions to develop materials and provide advisory services, thereby strengthening the prospects that these institutions can continue to provide support, and spread the innovations to other local governments. Gradually, a market for consultant services is emerging.

For example, the Health Services Development Center of the University of Diponegoro in Semarang has assisted a number of local health offices in the development of citizen charters and health insurance schemes for the poor. The private firm PT Inovasi Tritek Informasi in Bandung helps local governments build web sites that manage citizen information. And the Center for Economic and Public Policy (PSEKP) at the University of Gadjja Mada in Yogyakarta trains local governments in public service contracting with a view to promoting public-private partnerships. LGSP was the initial “matchmaker” between these institutions and local governments, but all are now generating their own business. Because their services can be provided to local governments over an extended period of time, innovations can be institutionalized more easily.

Enabling Policy Framework

The innovations cited in the preceding paragraphs were in some cases bolstered by the issuance of a particular Government of Indonesia (GOI) regulation. Such regulations are often a prerequisite to a local official's authority to proceed. They also help generate a market of consultant services to help LGs institutionalize the guidance. In some of the cases described above, the Ministry of Home Affairs observed the innovations introduced by LGSP, endorsed related training manuals and applications, and is now keen to share them across jurisdictions throughout Indonesia. A water management body at the Ministry of Public Works saw a local water management unit created in Aceh Jaya with the help of LGSP, endorsed the training manual, and has now incorporated it in its training curriculum.

These national ministries are rolling out regulations through a socialization process, and establishing direct relationships with service institutions to deliver the training and materials. During April and May 2009, the Directorate General of Public Management at the Ministry of Home Affairs rolled out its policy on regional cooperation and strategic efforts to improve public services to approximately five hundred provincial and local government executives through four regional workshops with LGSP assistance. At these workshops, booths were provided for the service providers to directly interact with interested local governments. In addition, the Ministry of Public Works plans to roll out a policy on creating local management units for drinking water supply based on the Aceh Jaya model.

Conclusions and Recommendations

LGSP has demonstrated that initiatives to reform should start with simple innovative actions for which commitment and resources are relatively easy to obtain, and that will instill confidence and develop experience before being replicated and scaled up. Local governments can benefit from assistance to foster reform, undertake advocacy, facilitate multi-stakeholder groups in implementing reform agendas, monitor performance, and safeguard and replicate outcomes.

A recent study undertaken by LGSP⁸ showed that it is desirable to foster partnerships between consultants and local governments to develop capacities and provide expertise to local jurisdictions. Creating a market for consultant services and advocacy includes networking and advocacy among professional institutions and practitioners, public oversight bodies, watchdog organizations and civil society groups. In addition, there is a need to develop a market for appropriate tools⁹ for capacity-building, especially those that are government-endorsed. The effectiveness of the tools developed by donor projects—useful as they may be—needs to be demonstrated to government partners to ensure their endorsement and embedding in government training curricula.

Even without wholesale civil service reform, it is possible to strengthen market-based merit-driven systems that accredit consultants, and provide awards and incentives for good performance, to both local governments and their partners in progress. Donor programs that initiate and support change must assist local governments

⁸ “*Local Governance in Indonesia: Developing a Market for Consultant Services*,” LGSP, Jakarta 2009

⁹ LGSP has developed several tools, including “Service Improvement Action Planning” and “Public Service Contracting,” that can be used by local government in partnership with consultants.

to be ready to manage public services by their own devices, and hire qualified service providers to help them do it. In that respect, universities may offer the best assurance for providing services that are likely to be around for a long time.

In brief, LGSP experience demonstrates that for innovations in service management to take hold on a meaningful scale, several components have to be in place. First, there has to be clear local commitment to improve public service management in one or more areas. Second, there has to be a 'marketplace' that can team up local stakeholders with qualified consultants, uses practical tools and methods that inspire action and to the extent possible enjoy GOI buy-in. Third, the local actors who are to work together have to do so long enough to build trust and confidence, and create sufficient momentum, political commitment and successful outcomes to make improvements sustainable. Fourth, local actors have to actively pursue and take full advantage of learning, networking, sharing resources and experiences, and any other opportunities that may arise to leverage results. Finally—and not surprisingly—the most effective approach to service improvement is likely to be progressive and incremental, using action plans as “building blocks” to implement simple improvements that are likely to succeed and sustain themselves before tackling more complicated service improvement programs.

About LGSP

The Local Governance Support Program (LGSP) provides local governments in Indonesia with technical assistance that supports a framework for governing justly and democratically. LGSP supports local governments to become more competent at the core tasks of integrated planning governance and finance, and more capable of supporting improved service delivery and managing resources. LGSP also strengthens the capacity of local legislatures and civil society organizations to perform their roles of representation, oversight, and citizen participation in the decision-making process. LGSP works with over 60 selected Indonesian local governments in nine

provinces: Aceh, North Sumatra, West Sumatra, Banten, West Java, Central Java, East Java, South Sulawesi and West Papua.

LGSP is implemented in partnership with the National Development Planning Agency (Bappenas), the Ministry of Home Affairs, the Ministry of Finance, and local governments and civil society organizations in the target provinces. LGSP is funded by the United States Agency for International Development (USAID) and implemented by RTI International in collaboration with the International City/County Management Association (ICMA), Computer Assisted Development Incorporated (CADI) and Democracy

International (DI). Implementation of the program began on March 1, 2005 and is projected to run through September 30, 2009.

LGSP National Program Office

Indonesia Stock Exchange Building,
Tower 1, Floor 29,
Jl. Jend. Sudirman Kav. 52-53,
Jakarta 12190, Indonesia
Tel: +62 21 515 1755
Fax: +62 21 515 1752
Email: info@lgsp.or.id
Website: www.lgsp.or.id