



**USAID**  
FROM THE AMERICAN PEOPLE



Photo by ILO Asia-Pacific / Cropped from original

# APPLIED POLITICAL ECONOMY ANALYSIS OF USAID PRIORITY PROVINCES IN INDONESIA

## PAPUA PROVINCE

August - October 2020

# APPLIED POLITICAL ECONOMY ANALYSIS OF USAID PRIORITY PROVINCES IN INDONESIA PAPUA PROVINCE

## Monitoring, Evaluation, and Learning (MEL) Support to USAID/Indonesia

**Mechanism Number:** AID-486-I-14-00001 (IDIQ); Task Order 72049719F00001

**Prepared for:**

Elizabeth Mendenhall (COR)  
United States Agency for International Development/Indonesia (USAID)

American Embassy  
Jl. Medan Merdeka Sel. No.3-5, RT.11/RW.2  
Gambir, Kecamatan Gambir,  
Kota Jakarta Pusat, Daerah Khusus Ibukota Jakarta 10110  
Indonesia

**Prepared by:**

Social Impact, Inc.  
Contact: Valentine J Gandhi, Chief of Party  
2300 Clarendon Blvd., Suite 1000  
Arlington, VA 22201

This report was prepared by, Basab Dasgupta (Social Impact, PEA Lead), Christine Thomas (Social Impact, Program Manager) Luthfi Ashari (USAID, Study Team Leader), Kindy Marina (Social Impact Researcher) Cininta Pertiwi (SI Researcher), Leslie Hodel (SI MEL Technical Focal Point), Donald Tambunan (USAID), Ester Manurung (USAID), Deddy Setiawan (USAID) and Muhammad Sonata(USAID)

## ACKNOWLEDGEMENTS

### **PEA Field Work Team**

Luthfi Ashari – Team Leader  
Donald Tambunan – USAID Researcher  
Ester Manurung – USAID Researcher  
Dedy Setiawan – USAID Researcher  
Muhammad Sonata – USAID Researcher  
Kindy Marina – Social Impact Researcher  
Cininta Pertiwi – Social Impact Researcher

### **PEA Management, Analysis and Reporting Team**

Basab Das Gupta – TL  
Christine Thomas – Project Manager  
Valentine Gandhi – MEL COP and Project Director and Reviewer  
Leslie Hodel – MEL TFP and Reviewer  
Alexandra McMullin – Copy Editor  
Fina Hastuti – Contracts and Financial Support  
Lucia Monalisa – Procurement Support

### **USAID Program Office Management Support**

Elizabeth Mendenhall – COR, and Director Program Office  
Marunga Manda – PEA Co Lead, M&E Advisor  
Fitria Wahid – ACOR, GIS Specialist  
Yasmeen Thomason – ACOR, Deputy Director, Programs Office

## CONTENTS

Contents	I
Tables and Figures	4
Acronyms	5
Executive Summary	7
Introduction	7
Methodology	7
Findings	7
Special Autonomy ( <i>Otonomi Khusus</i> or <i>Otsus</i> ) of Papua	7
Governance and Accountability	8
Service Delivery	9
Inclusive Growth	9
Donor, CSO, and Private Sector Engagement	10
Conclusions	11
Recommendations	12
Introduction	13
Assessment purpose and Audience	13
Summary of Desk Review Findings	14
PEA Themes	15
Methodology	16
Data Sources and Selection	16
Analysis	17
Limitations	17
Dealing with sensitive questions	17
Logistical challenges	17
Findings	18
Theme 1: Special Autonomy ( <i>Otonomi Khusus</i> or <i>Otsus</i> ) of Papua	18
Theme 2: Governance and Accountability	19
Theme 3: Service deliveries	21
Health	21
Water, Sanitation, and Hygiene (WASH)	22
Education	22
Infrastructure	23
Training services	23
Role of local CSOs in Papua’s development	23
Theme 4: Inclusive Development	24

National Infrastructure development drive and Papua	26
Private Investment and Public Private Partnership (PPP)	26
Palm Oil Industry	26
Theme 5: Donor, CSO, and Private Sector Engagement	27
Donor Engagement	27
CSOs	27
Private Sector Engagement	28
Conclusions	29
Theme 1: Special Autonomy ( <i>Otonomi Khusus</i> or <i>Otsus</i> ) of Papua	29
Foundational factors	29
Rules of the game	29
Here and now	30
Dynamics	30
Theme 2: Governance and Accountability	30
Foundational factors	30
Rules of the game	30
Here and now	30
Dynamics	31
Theme 3: Service deliveries	31
Foundational factors	31
Rules of the game	31
Here and now	31
Dynamics	32
Theme 4: Inclusive Development	32
Foundational factors	32
Rules of the game	32
Here and now	32
Dynamics	33
Theme 5: Donor, CSO, and Private Sector Engagement	33
Foundational factors	33
Rules of the Game	33
Here and now	34
Dynamics	34
Recommendations	35
References	36
ANNEX 1: Background for each theme, based on Desk Review	37
Theme 1: Special Autonomy ( <i>Otonomi Khusus</i> or <i>Otsus</i> ) of Papua	37

Theme 2: Governance Reform	37
Theme 3: Service Delivery	37
Theme 4: Inclusive development:	37
Theme 5: Donor, CSO and Private Sector Engagement	37
Annex 1: Core and Supporting PEA Questions	39
Theme 1: Special Autonomy ( <i>Otonomi Khusus</i> or <i>Otsus</i> ) of Papua	39
Theme 2: Governance Reform	39
Theme 3: Service Delivery	39
Theme 4: Inclusive development	40
Theme 5: Donor, CSO and Private Sector Engagement	40
Annex 2: Findings, Conclusions, Recommendations Matrix	42

## **TABLES AND FIGURES**

Figure 1: Map of Indonesia, With Papua Province Shown in Red	14
Figure 2. Four Pillars Of Applied Pea Framework	16

## ACRONYMS

ADS	Automated Directives System
Bappeda	Badan Perencanaan Pembangunan Daerah (Regional Development Planning Agency)
Bappenas	Badan Perencanaan Pembangunan Nasional (National Development Planning Agency)
BDCF	Bilateral Development Cooperation Framework
BUMD	Badan Usaha Milik Daerah (Regional-Owned Enterprise)
CDCS	Country Development and Cooperation Strategy
CLA	Collaborating, Learning, and Adapting
COP	Chief of Party
COR	Contracting Officer's Representative
COVID-19	Coronavirus Disease 2019
CSO	Civil Society Organization
CSR	Corporate Social Responsibility
DAP	Dewan Adat Papua (Papuan Customary Council)
DO	Development Objective
DPRD	Dewan Perwakilan Rakyat Daerah (Regional People's Representative Assembly / Regional Legislative)
DTKPP	Dinas Tenaga Kerja, Perdagangan dan Perindustrian (Manpower, Trade, and Industry Office)
FCR	Findings, Conclusions, and Recommendations
FGD	Focus Group Discussion
FY	Fiscal Year
GBV	Gender-Based Violence
GIS	Geographic Information Systems
GoI	Government of Indonesia
HDI	Human Development Index
HQ	Headquarters
J2SR	Journey to Self-Reliance
KII	Key Informant Interview
KM	Knowledge Management
MRP	Majelis Rakyat Papua (Papuan People's Assembly)
M&E	Monitoring and Evaluation
MEL	Monitoring, Evaluation, and Learning
CSO	Non-Governmental Organization
OAP	Orang Asli Papua (Papua Indigenous People)
Otsus	Otonomi Khusus (Special Autonomy)
LG	Local Government (Pemerintah Daerah)
PEA	Political Economy Analysis
Perdasus	Peraturan Daerah Khusus (Special Regional Regulation)
PPP	Public-Private Partnership



Q	Quarter
RPJMN	Rencana Pembangunan Jangka Menengah Nasional (National Mid-Term Development Plan)
SI	Social Impact, Inc.
SOW	Statement of Work
STTA	Short-Term Technical Assistance
TT	Tetanus Toxoid
UKM	Usaha Kecil Mandiri
UNCEN	Cenderawasih University
UPTD	Unit Pelaksana Teknis Dinas (Service Technical Implementing Unit)
USAID	U.S. Agency for International Development
USD	United States Dollar
USG	United States Government
WASH	Water, Sanitation, and Hygiene

## EXECUTIVE SUMMARY

### INTRODUCTION

The U.S. Agency for International Development (USAID) and the Government of Indonesia (GOI), represented by the National Development Planning Agency (*Bappenas*), signed the Bilateral Development Cooperation Framework (BDCF) for the period of July 23, 2020 to September 30, 2025 to implement USAID's Country Development and Cooperation Strategy (CDCS) goal: "Indonesia is an advanced, just, prosperous, and self-reliant Indo-Pacific partner." This goal is in line with the GOI's National Medium-Term Development Plan (RPJMN) 2020-2024 goal and will focus on eight priority provinces, including Papua. To advance its self-reliance goal, the GOI has identified four priority areas for USAID support: government effectiveness, human capital, inclusive economic growth, and environmental sustainability. Based on these areas, USAID will advance the CDCS goal through four Development Objectives (DOs). This political economy analysis (PEA) is intended to inform project/activity design by better understanding the local dynamics, potential implementation challenges, and opportunities associated with working in Papua. The process started with a desk review to provide an overview of the province's political economy and sectoral information. During the second PEA stage, core and supporting questions were identified to complement desk review results with key information from structured interviews.

### METHODOLOGY

The study uses the PEA framework as a structured approach for examining *why things work the way they do*. It examines the power dynamics, economic forces, and social forces that influence development effectiveness and analyzes findings according to four "pillars": Foundational Factors, Rules of the Game, Here and Now, and Dynamics of all three. To respond and adapt to these realities, the approach guides stakeholders in understanding the inherent challenges for operationalizing the process of political thinking and rigorous collaborating, learning, and adapting (CLA). This study uses a combination of contextual review, desk review, and fieldwork (structured stakeholder interviews) for the analysis. The contextual and desk review, previously submitted as standalone pieces, assisted in identifying relevant questions for fieldwork and fed into the analysis as a background document.

### FINDINGS

To fill out the gaps as identified in the contextual and desk review, the team took a deeper dive to address a set of PEA questions under five themes: political relationship between the provincial and the national government, governance and accountability, basic service delivery, inclusive economic growth, and donor coordination. The following section highlights the key findings from the discussions from key informant interviews .

#### SPECIAL AUTONOMY (*OTONOMI KHUSUS OR OTSUS*) OF PAPUA

Exploration of this theme was done in relation to the Special Autonomy status, or *Otsus*, granted by the national government in 2001 to Papua's provincial government. *Otsus* for Papua was granted to increase Papua's authority over its own internal management with the goal to reduce poverty and improve welfare of Papua's indigenous people also known as *Orang Asli Papua* (OAP). Implementation of *Otsus* was done with the *Otsus* funds, which were meant to leverage the province's development process. The granting of *Otsus* by the national government to the provincial government resulted in a political relationship that has had an impact on the implementation of *Otsus*. With *Otsus* slated to end in 2021, the assessment team interviewed stakeholders about interest in proposing an *Otsus* follow-on.

Interviews with various stakeholders revealed that the upcoming *Otsus* would benefit from participation of other stakeholder actors present in Papua. Many stakeholders want to contribute to Papua's development. Therefore, informants concluded that it is essential for Papua's provincial government to accommodate and coordinate these stakeholders such as the national government, non-governmental organizations (CSOs), the Dewan Adat Papua (Papuan Customary Council or DAP), churches, universities, and media. Two other key actors are young Papuans and the private sector, with the latter having the capability to boost Papua's economic growth. Finally, international donors have a longstanding record of providing program assistance to improve and fill Papua's development gaps.

Informants repeatedly mentioned the desire for a more participatory approach to *Otsus* due to criticisms in the drafting process. In that process, not all Papua stakeholders were included, and so *Otsus* was not accepted by all key stakeholders. Informants cited this as a fundamental factor on why after 20 years of implementation, *Otsus* is seen as unsuccessful.

Currently, the Human Development Index (HDI) scores for Papua are the lowest rank among the provinces, and the province poverty rate is the highest in Indonesia. Nevertheless, due to mismanagement and lack of capacity within the provincial and district/city governments, *Otsus* funds initially intended only as leverage have become the primary source of funding for many districts. Realizing their dependency, district executives and legislatures have asked for *Otsus* to be continued beyond this year. Power abuses, tribal politics, and the lack of capacity of government leaders at the province and district levels also contributed to the failure of the Papua *Otsus*, with mismanagement and lack of professionalism and impartiality leading to issues of corruption.

The national and provincial governments are preparing a new scheme of *Otsus* funds, and the Technocratic Draft of the 2019 National Mid-Term Development Plan (*Rancangan Teknokratik Rencana Pembangunan Jangka Menengah Nasional* or RPJMN), which was developed at the national level, has clearly defined the plan for Papua. There is a Presidential Instruction currently being developed to empower *Bappenas* to coordinate the ministries in support for Papua. Before the next *Otsus* starts, several informants strongly suggested doing a thorough evaluation with all key stakeholders to ensure all perspectives are included.

## GOVERNANCE AND ACCOUNTABILITY

The assessment team identified several challenges in promoting reform in Papua, including tribal politics and political patronage. When a new District Head is elected, strategic positions would be given to *tim sukses*, or those that were part of their campaign team, many of whom do not have the necessary skills. The regulatory requirement of 70 percent minimum OAP staffing in government or state-owned institutions has made government offices and the state university lower their standard requirements. Many who have been hired do not actually have the needed skills, resulting in weak provincial and district governments' management for planning, documentation, implementation, or monitoring and supervision for program and budgeting. Additionally, development programs were heavily centralized in urban areas, as government leaders can more visibly see results there compared to programs in rural areas. As a result, urban development is progressing faster than development in rural areas.

More progressive District Heads have recently emerged who are committed to improving their communities' living conditions and demonstrate honesty and hard work. Middle-level government officials have more interest in governance reform due to their interaction with the community, but they need to have a strong foundation to encourage their supervisors to act. This is often dependent on the personality of the individuals involved.

Some informants said that CSOs and churches should be more involved in governance reform. CSO leaders are often older and therefore less dynamic, although some CSOs at the district level have more

potential and energy. These CSOs should be developed, and young activists encouraged to take leadership roles. Religious leaders could also be supported to advocate for improved government performance, especially for service delivery. However, only a few progressive religious leaders have expressed interest; many think their main focus should be on religious activities. Another potential key actor to ensure government transparency and accountability is the media, but currently journalists prefer to side with the government than do investigative reporting as many local media are dependent on local governments for the continuity of their business.

## SERVICE DELIVERY

Desk review findings identified poor health, education, water, sanitation, and hygiene (WASH), and economic conditions in Papua because of the lack of capacity and accessibility particularly in rural areas. The assessment team inquired about challenges of service delivery and the potential for involvement of other stakeholders to improve this situation. This revealed that government capacity and rural outreach were key challenges. District Heads are believed to lack capacity and leadership commitment, resulting in a lack of good planning, and fully realized programs. Government programs often lack monitoring and supervision mechanisms, especially in remote rural areas; most development programs are implemented only in urban areas. Due to the lack of sectoral coordination and shared vision, government programs that should be implemented through collaboration between two or more government offices are not happening. Unfortunately, the government officials' technical capacity building only comes from the related ministries, which rarely happens. The only available staff capacity building from Papua's government is regarding leadership based on rank.

Absenteeism of basic service providers is a notable issue in Papua, especially in remote areas. Security threats and safety concerns are causes of absenteeism of service providers which lead to disruption of basic service delivery, particularly in health and education services. Many health providers, including midwives and nurses, are reluctant to be placed in remote highland villages, leading to vacancies and, in turn, numerous unnecessary deaths. At the same time, even in Jayapura, the provincial capital, many residents have not adopted a clean and healthy lifestyle. The government built WASH facilities without providing community awareness training so people would know how and why to use them. Similarly, in the education sector, most highland areas do not have teachers, even the temporary ones. There is a high absenteeism among teachers who have been assigned remote areas. They only come when it is time for national exams or when the school year ends. Service delivery for community economic development also rarely happens in the villages. Due to the lack of planning and monitoring, government offices prefer to implement their programs in easy-to-access and safe areas. Even though lack of infrastructure is a pressing issue, province and district governments are not considering developing roads that open access to the district capitals a priority.

Some informants believe that CSOs can play an essential role in improving the OAP's socioeconomic conditions. Often in the absence of international donors and the interlinked issues, they stretch their energy to contribute to all rather than providing enough attention to each of the problems separately. It therefore makes donors' role essential in strengthening the capacity of the CSOs. Besides the CSOs, the other critical CSOs to urge local governments to make improvements are religious leaders. However, many are still limited to the communities' religious matters.

## INCLUSIVE GROWTH

Given inherent tensions around ethnicity-based discrimination and economic inequality, the assessment team gauged stakeholder opinions about how both the government and donors like USAID could better ensure inclusive development in Papua. Stakeholders confirmed tensions between the OAP and the non-OAP due to an education gap and the focus of many development projects in urban areas where most residents are non-OAP. The widening urban/rural economic disparity also widens ethnic disparities. To

protect the OAP, provincial and district governments have written regulations to ensure the OAP are able to become civil servants or state university students, or access government support for business and trade. Some progressive District Heads, although the number and make up of those categorized in this group were not specified, have chosen to focus on accelerating their districts' development while waiting for the OAP to gain the skills they need.

Gender inequality is still a major problem in Papua due to a prevailing patriarchal culture. This has negatively affected women at all levels in the community. Mainstreaming gender equality in policies is not a government priority. One CSO informant observed that female legislative members with strong personalities are needed to ensure the availability of programs related to gender. This person also suggested building awareness in the government regarding the impacts of gender inequality and potential government responses. At the same time, community awareness also needs to be increased to ensure they could participate in gender-based violence (GBV) prevention and reporting and allow GBV survivors to get the help they need. Educating the Heads of Districts is a must because they hold the most power in the areas, and donors need their commitment to address gender inequality issues.

Papua is not believed to be a profitable destination for private investment. Some companies are active in communities through a corporate social responsibility (CSR) mechanism. Some donors have offered incentives for companies to participate in a public private partnership (PPP) mechanism, however this procedure is seen as too complicated and potentially troublesome for companies. They might be more likely to accept a PPP mechanism if it would benefit all parties: the donor, the company, the government, and the community.

The current development of the Trans Papua road by the central government may have more negative impacts than positive ones. Construction may harm forests and reduce biodiversity. It will likely also encourage illegal logging. Although there is presence of palm oil plantations in Papua, an informant suggested that many palm oil companies procured licenses for their plantations either legally or through bribery, but very few have engaged in a plantation project. Instead they use the licenses to buy the lands, clear them, sell the timber, and leave the land unproductive. The palm oil business itself is still not profitable in Papua. Informants believe that investment in the industry has historically not been profitable due to the high transportation costs, the remote areas where the palm oil plantations could be located, and security issues. For the moment, the deforested areas are still small, but programs to prevent further damage to the forests are needed.

## DONOR, CSO, AND PRIVATE SECTOR ENGAGEMENT

The assessment team examined opportunities for improved collaboration and partnership across key development actors. Findings are categorized below according to each type of actor.

**Donor Engagement:** Papua's complex social, economic, and political conditions parallel the great diversity of interests in the province. If donors want their programs to be sustainable and Papua to be capable of stewarding the welfare of its people, they must take into consideration the province's economic and political situation. It is not enough to only provide training and assistance without acknowledging other influential factors. Nonetheless, many donors still use this conventional approach. More donor sharing, coordination, and collaboration is needed. Supporting the provincial *Bappeda* facilitating the donors' forum is required to enable it to accommodate the needs.

**CSOs:** If CSOs have the capacity, they could implement programs and successfully reach their objectives. Since they are already part of the community, they are accountable to them. They are also an excellent agent to encourage government reform and improved service delivery.

Most of the CSOs in the highland areas are associated with churches, although they are financially separate. They only receive funding from people working for the churches and their network. The dearth of local support organizations (besides churches) able to address the many interlinking issues

facing communities has often led CSOs to expand their support outside of their organizational mission. Donor support is critical to securing enough funding for many CSOs. Unfortunately, churches in highland areas limited their focus to spiritual matters only. According to the Informants from CSOs in the highland areas, religious leaders could contribute in improving the community's socioeconomic conditions by advocating and providing inputs to the government that respected them.

*Private Sector:* Informants think the government does not understand the business world, and so community-level economic growth is somewhat out of focus. There are currently only a few successful Papuan businesspeople in the agricultural, fishery, and trade sectors. The government only encourages the construction and infrastructure sectors because they do not have to worry about potential disinvestment. The Papua branch of the Indonesian Chamber of Commerce and Industry, or Kadin Papua, has not been able to change the government's perception on this matter. Kadin believes the way to enable Papua to improve its business is by improving its products, not its people. When a product is of good quality, it is easier to sell. It is a waste of money and time to train people in business skills if they do not have the interest and commitment to follow through; only invest in people who are already in business.

International investment in Papua is not believed to be a priority due to the challenges described above. Therefore, if donors want companies to invest in this province, it is crucial to assist them. According to informants, donors should: a) show how business in Papua could be sustainable and profitable, particularly after donor assistance has ended; b) improve security; c) show the government, law enforcement, and the community that the companies are reliable; and d) ensure companies receives active support from the District Head.

## CONCLUSIONS

Otsus' socioeconomic challenges resulted from a lack of an overall strategy acting as a clear direction for all stakeholders for the last 20 years. As a result, provincial and district leaders developed planning as they liked, without consideration of what had been done by their predecessor. In addition, many government elites do not have the capacity to be in their positions. They have weak skills in planning, program prioritization, and monitoring and supervision including in budget allocation.

Many service deliveries are not running well, especially in rural/remote areas. Absenteeism of basic service providers is a notable issue in Papua, especially in remote areas. Security threats and safety concerns are causes of absenteeism of service providers which lead to disruption of basic service delivery, particularly in health and education services. The gap between urban areas, where many non-OAP reside, and the rural areas, where most OAP reside, has become wider. OAP also faces an education and skill gap that has furthered economic disparities. Gender inequality is also a major problem in Papua, and the government has not perceived this as a priority area.

Although there has been a centrally funded massive infrastructure development to encourage investors to come to Papua, notable investments have not yet happened. Instead, what development has occurred creates new problems, such as deforestation, and heightens the potential horizontal conflict between OAP and non-OAP. Although the provincial government has welcomed the palm oil industry to boost the economic sector, informants perceived that the industry is not yet seriously developed in the province. Instead, companies merely clear land, sell the timber, and leave the land. Regarding the private sector, the government has not contributed enough to encourage local business, despite an abundance of potential products. In the absence of government support, there are efforts by the private sector in facilitating several young Papuan entrepreneurs and districts' Badan Usaha Milik Daerah or regional-owned enterprises (BUMD) to develop potential Papuan products that can compete in broader markets.

## RECOMMENDATIONS

- Support the central government to provide tailored capacity building and assistance with clear sector-specific mechanisms and indicators at the province and district levels.
- Support local government capacity building around issues of governance and accountability through leveraging local resources, such as on how to work more effectively under Otsus both with stakeholders in Papua and stakeholders at the national level.
- Assist district governments to have multi stakeholders' dialogues to evaluate their service deliveries regarding health or community economic development. These discussions should be comprehensive and include social, economic, and political issues from different perspectives.
- Help District Heads with reform through the champion approach and by exposing them to program success stories.
- Ensure district government service deliveries are based on mapping and program prioritization, with adequate budget allocation and focus on villages to minimize the gap between urban and rural areas. This can be done through capacity building to ensure comprehensive planning and program mapping and prioritization; results-based monitoring and supervision including a complaint mechanism from the community; and budget allocation based on targets, needs, indicators, and time frame.
- Enable middle-level government officials to assist district government elites with reform and results-based decision-making and support the strengthening of collaboration with other government offices.
- Given CSOs' proximity to and understanding of community needs, strengthen CSOs in enabling them to do advocacy, close collaboration and pressure on governments to undertake reform especially in service delivery and gender mainstreaming, and empowering the community. Encourage and enable young CSO activists to take on more leadership roles in implementing progressive programs and facilitate increased community advocacy from the bottom up.
- Facilitate dialogues between CSOs, religious leaders, and communities to ensure religious leaders are willing to be involved in strengthening community socioeconomic conditions.
- Improve capacities of both individual and business communities (government agencies, associations, MSMEs, and skills training center/education institutions). Support local government to develop and streamline regulations/licensing for ease of doing business and creating enabling conditions for business communities (SMEs, National and MNCs) to contribute to Papua developments.

## INTRODUCTION

Politics and the political economy affect whether and how reforms happen in developing as well as in developed countries (The World Bank, 2009). Political economy analysis (PEA) is an analytical approach to indicate how political thinking can be applied more systematically to “understand the underlying reasons why things work the way they do and identify the incentives and constraints impacting the behavior of actors in a relevant system” (Menocal, 2018). Armed with a clear understanding of these complex dynamics, USAID/Indonesia will be better equipped to identify appropriate, sustainable solutions that enhance self-reliance.

This PEA study is intended to produce operationally relevant findings and implications to inform project/activity design for the upcoming CDCS by better understanding the local dynamics, potential implementation challenges, and opportunities associated with working in the eight provinces. USAID and the GOI, represented by the National Development Planning Agency (*Bappenas*), signed the Bilateral Development Cooperation Framework (BDCF) for the period of July 23, 2020, to September 30, 2025, to implement USAID’s CDCS goal: “Indonesia is an advanced, just, prosperous, and self-reliant Indo-Pacific partner.” Aligning it with the GOI’s 2020–2024 National Medium-Term Development Plan (RPJMN) goal, USAID as a donor will concentrate and integrate at least two-thirds of CDCS funding for national-level policy work in eight priority provinces, including Papua. To advance its self-reliance goal, the GOI has identified four priority areas for USAID support: government effectiveness, human capital development, inclusive economic growth, and environmental sustainability. Under the new CDCS, USAID/Indonesia will contribute to GOI priorities through the following CDCS development objectives (DOs): DO 1 - Effective, Democratic Governance Strengthened, DO 2 - Inclusive Market-Driven Economic Growth Increased, DO 3 - Environmental Sustainability Improved, and DO 4 - Priority Health Outcomes Improved.

To feed into its CDCS programming, USAID undertook a “deep dive” for the eight priority provinces through a PEA initiative that will allow the Development Objective (DO) teams to gain a better understanding of the local context, resulting in more tailored project activity designs. The advantage of using PEA in this regard is that it fits more systematically into this particular operational work to better address risks and respond to demands for an appropriate approach that is tailored to specific situations in the target areas to enhance development effectiveness.

## ASSESSMENT PURPOSE AND AUDIENCE

The Mission has tasked the Monitoring, Evaluation, and Learning (MEL) Support Team to guide each team from USAID’s eight target provinces to complete all phases of the study: contextual and desk review, data collection tool and protocol development, interviews, and analysis and report writing. This study will utilize USAID’s applied PEA methodology to better understand the local dynamics, potential implementation challenges, and opportunities associated with working in all eight provinces chosen by USAID/Indonesia as priority focus provinces under the Mission’s new CDCS.

The two key objectives of the PEA are to:

1. Help the Mission better understand the provincial-level context and the likelihood for change in priority development sectors.
2. Inform activity design in support of CDCS implementation, including suggestions of programmatic approaches to address key findings specific to each province.

Additionally, the PEAs should help Mission staff gain a greater understanding of the local-level elements required to support Indonesia on its journey to self-reliance.



## SUMMARY OF DESK REVIEW FINDINGS

The desk review exercise, the findings of which are documented in full in a separate report, highlighted several characteristics of Papua Province. Papua is the easternmost province in Indonesia, with 28 districts, and Jayapura city as the capital. It borders Papua New Guinea in the east, West Papua Province to the west, the Pacific Ocean to the north, and the Arafura Sea to the south. The total population in 2020 is an estimated 3,435,430 people consisting of around 255 tribes of indigenous people (OAP) and migrants (non-OAP). Much of its people are Protestants (66.0 percent), followed by Catholics (17.8 percent) and Muslims (16.2 percent). Papua is part of the Coral Triangle Marine Protected Area, which contains the world's most diverse coral reef fish life. Its forest is rich with fauna, especially various birds-of-paradise, making Papua a global priority for biodiversity conservation. Currently, Papua is a key target for infrastructure development from the central government. This project is controversial for both environmental concerns, such as deforestation and biodiversity loss, and social concerns regarding the OAP's further economic marginalization.

Figure 1: Map of Indonesia, with Papua Province shown in red



In 2001, the central government granted Special Autonomy (*Otsus*) status to Papua, which increased its authority regarding local empowerment, particularly to protect OAP rights. It allows the Papuan government to access the *Otsus* funds, which are valid for 20 years (until 2021), to reduce poverty and improve Papuans' welfare. However, the poverty rate remains disproportionately high (26.6 percent) compared to the national average (9.2 percent). Poverty is significantly higher in rural areas (35.4 percent) as compared to the urban areas (4.5 percent). In addition, Papua's commitment to social group equality is low (23.7 percent) compared to the national median (33.1 percent). Papua has the lowest Human Development Index (HDI) score (60.8) in the country.

Based on *Otsus* Law, decentralization devolved power from the central to the provincial level. However, fear of separatism led the central government to transfer power and concentrate autonomy at the district level. The local government has limited accountability and capacity of monitoring and planning; resulting in district-level budgeting that does not match local problems and needs. As the provincial road maps (2020) suggest, that makes Papua's capacity to govern only 23.9 percent compared to the national median score of 44.6 percent, while its government effectiveness is also low at 18.3 percent, whereas the national median is 58.8 percent. Mismanagement, corruption, political patronage, and power struggles are common in the province. According to USAID's Journey to Self-Reliance (J2SR) dashboard, Papuan's open government ranks 33<sup>rd</sup> out of 34 provinces with equally low civic participation (ranked 30<sup>th</sup>) and complaint mechanisms (ranked 33<sup>rd</sup>).

## PEA THEMES

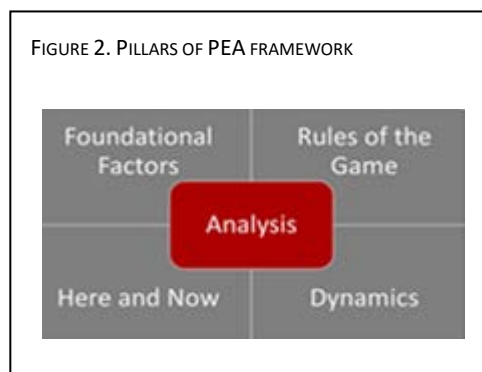
The desk review results summarized here presented a high-level overview of Papua-specific PEA pillars (Foundational Factors, Rules of the Game, the Here and Now, and potential Dynamics) as well as sectoral information based on a review of the relevant literature. During the PEA fieldwork stage, core and supporting questions were identified to complement the desk review overview with key information from interviews (See Annex 2). These questions are organized into themes. Theme 1 focuses on the intergovernmental interaction in terms of Papua's Special Autonomy or *Otsus (Otonomi Khusus)* and its implication on social sector development. Theme 2 looks into the current level of commitment to open and accountable governance and comprises three main topics: challenges, incentives, and drivers for reforms. Theme 3 addresses, through the lens of cultural and socio-economic diversity, gender inequality and geographic difference, the status of service delivery, challenges, and what the government and non-governmental organizations can do to improve service delivery in Papua. Theme 4 addresses inclusive economic development by focusing on unique, inherent challenges/tension due to ethnicity-based discrimination, economic inequality among migrants and indigenous people. Lastly, Theme 5 addresses collaboration and partnerships among key development actors such as donors, CSOs, and the private sector, and explores the most effective way to engage with regional development programs.

## METHODOLOGY

This study uses a combination of contextual review, desk review, and fieldwork for its PEA analysis. The contextual and desk review, previously submitted as standalone pieces, assist in identifying relevant questions for fieldwork, and hence, feed into the analysis as a background document identifying drivers of inclusive economic growth, better governance and accountability, and sustainable development of the priority sectors such as environment and health. The study uses the PEA framework as described by USAID (Menocal 2018), a structured approach for examining power dynamics, economic forces, and social forces that influence development effectiveness. To respond and adapt to these realities, the approach guides stakeholders in understanding the inherent challenges for operationalizing the process of political thinking and rigorous collaborating, learning, and adapting (CLA).

Following the PEA framework, the study identifies and breaks down the contributing factors to development (or lack of it) by examining four areas into which most constraints fit:

- 1) Foundational Factors: deeply embedded, longer-term socioeconomic structural factors that shape the nature and quality of a given political system, sector, or problem, and inform why it works or looks the way it does;
- 2) Rules of the Game: formal and informal institutions such as rules and norms that shape the quality of governance and influence actors' behavior and their incentives, relationships, power dynamics, capacity for collective action, and the extent to which public and private actors behave and interact in ways that are widely known and accepted;
- 3) Here and Now: how current events and circumstances influence the objectives and behavior of key actors or stakeholders, and how they respond to opportunities and impediments to change; and
- 4) Dynamics: ways in which the analytical components of the framework interact, addressing how they affect each other, and how they influence/shape prospects for change.



## DATA SOURCES AND SELECTION

The Papua PEA team selected six stakeholder groups for the interview: academicians, CSOs, governments, members of the private sector, media, and donor agencies or international organizations. The USAID/Indonesia PEA Team selected key informant interviews (KIIs) based on relevance and capacity of the KIIs to understand the issues. Initially, 20 interviews were planned for the study. However, over time, some respondents dropped out because of scheduling conflicts or bad Internet connections. Ultimately, the team conducted 17 interviews with 21 informants, including two focus group discussions (FGDs).

The PEA fieldwork was composed of four activity phases: introduction to and review of tools, fieldwork training, interview scheduling, and conducting interviews. The introduction to PEA and developing and reviewing of tools was launched between July 30 and August 7, 2020. Fieldwork trainings and interview scheduling were conducted between August 6 and September 3, 2020. While training was concurrent for all provinces, KIIs were staggered. The entire process took a participatory approach by involving both the provincial USAID team and the MEL team.

As interviews were all conducted in Indonesian, the SI researcher prepared the full interview transcriptions in Indonesian and their summaries in English. The Papua team then reviewed the interview summaries. Based on these reviewed summaries, the SI researcher mapped and coded all the summaries

in the process of drawing up a matrix of compiled findings, conclusions, and recommendations. This matrix was the basis for writing the draft report.

## **ANALYSIS**

The Papua provincial team began analysis on September 4, 2020. It utilized the framework published by the Learning Lab for assistance in initial KII and FGD summary translation and review in preparation for the Findings, Conclusions, and Recommendations (FCR) Matrix (see Annex 2)ann. As the first step of analysis, the team summarized each interview based on the information provided by the interviewee, followed by a team discussion. Once all interviews were summarized individually, a qualitative tally was prepared to assist in coding overall themes and frequency of interviewee responses for the PEA pillars. Finally, from this tally, the provincial team leaders summarized the overarching findings in the prepared FCR matrix. As a next step, the researcher prepared a summary of all interviews in the FCR matrix and disseminated this to other team members for their review. This participatory approach involved each member of the team in the process, and not only ensured quality but also created a sense of team ownership. The same approach was followed during the drafting phase of the report. A standardized PEA template was used to organize this report.

## **LIMITATIONS**

### **DEALING WITH SENSITIVE QUESTIONS**

Governance and accountability usually become a sensitive issue, particularly when an external team (including donors) discusses levels of corruption or inter-governmental relationship with government officials. The government officials cared enough to stress progress regarding problems but abstained from being too critical of the current administration. At the beginning of the data collection process, the team also realized that some informants do not view the central government in a favorable way. To ensure that different perspectives were captured and ensure neutrality, the team decided to interview central government officials as well. The team then triangulated information from different sources to get a balanced view. To make PEA questions as apolitical as possible, the team needed to work with the language of economics more than the language of politics. This is not an uncommon issue for PEA analysis. Hudson and Leftwich (2014) notes that because handling such issues is difficult, most PEA relies too much on economic assumptions and makes it more of an “economics of politics,” than political economy analysis.

### **LOGISTICAL CHALLENGES**

The team faced some challenges in finding informants that could be interviewed within the limited time frame. There were also technical challenges (two cases) as a result of interviews being conducted online. After some unsuccessful trials, the team decided to switch to phone interviews. Besides the unstable internet and phone connection in Papua, limited interaction during interviews meant the team had difficulties in capturing informants’ non-verbal and spontaneous responses.

## FINDINGS

### THEME I: SPECIAL AUTONOMY (OTONOMI KHUSUS OR OTSUS) OF PAPUA

The political relationship between different levels of government is addressed by focusing mainly on the Papua *Otsus* Law and its implication on sustainable social sector development. For this theme, discussions with informants captured how the provincial government should accommodate the interest of all key actors, including national government, civil society, and donor agencies, in ensuring that all development work in Papua is both high-impact and sustainable.

Based on the information gleaned from the interviews, Papua *Otsus* is believed to be problematic, as not all stakeholders were included during the formulation of *Otsus*, and several informants from multiple stakeholder groups cited issues with implementation. A salient point on the lack of stakeholder inclusion during the *Otsus* draft consultation was the exclusion of certain groups, particularly the pro-independence group, which caused *Otsus* to be deemed as weak or lacking legitimacy. During the implementation phase, the provincial government felt that they did not have the level of authority status as spelled out in the *Otsus* Law. For example, the provincial government had to consult the central government before making decisions, usually resulting in proposal adjustments. The province perceived this as a reporting process that actually reinforces the central government's control. Another challenging issue is the inconsistency between the *Otsus* Law and other laws, such as Law No. 23 of 2014 on Local Government (LG) and Law No. 41 of 1999 on Forestry. The *Otsus* Law fails to mention the applicability of these laws when disagreements arise with the *Otsus* Law. Therefore, the district government is unable to communicate directly with the central government, increasing friction between the central, district, and provincial governments. District leadership has used this discrepancy as an excuse to communicate directly with the central government and ignore the provincial government.

Some informants maintain that the *Otsus* Law is failing due to its implementation shifting away from its initial goal of improving welfare of Indigenous People or OAP (*Orang Asli Papua*). Currently, the Human Development Index (HDI) scores show Papua has the lowest rank among the provinces,<sup>1</sup> and the province's poverty rate is the highest in Indonesia. Due to mismanagement and lack of capacity within the provincial government, *Otsus* funds initially intended only as leverage have become the primary source of funding for many districts. Realizing their dependency, district executives and legislatures have asked for *Otsus* to be continued beyond this year. However, according to one informant, districts have not followed up on these requests due to the requirements for increased transparency and accountability in reporting.

According to several informants, power abuse, tribal politics, and the lack of government leaders' capacity at provincial and district levels also contribute to the failure of the *Otsus* Law. Some informants added that the central government is not assertive in enforcing laws and requirements for transparency and accountability. Inadequate attention was given to strengthen the provincial government capacity, and focus was placed instead on political aspects and timely fund distribution. Nevertheless, an informant stated that there is a plan to empower *Bappenas* through a pending Presidential Instruction to coordinate all ministry work for Papua.

Among other limitations, some informants stated that a vital component that is forgotten when the *Otsus* was enacted is the availability of a form of roadmap, with milestones acceptable by all key stakeholders. They believe that *Otsus* should have been given clear directions on the goals, implementation process, and relevant stakeholders who were to be part of it for the next 20 years. A roadmap for *Otsus* should have been completed with targets and indicators and subdivided into five-year

---

<sup>1</sup> Human Development Index score for Papua is 60.84, while the national-level score is 71.92. Retrieved on October 22, 2020 from Statistics Indonesia: <https://www.bps.go.id/indicator/26/494/1/-metode-baru-indeks-pembangunan-manusia-menurut-provinsi.html>

plans. In the absence of such plans and milestones, the required regulations from the central government concerning the *Otsus* Law were translated into a Special Regional Regulation (*Perdasus*) 13 years later. They concluded that if a clear roadmap were to be defined, decision-makers at each government level could have clear direction with relevant monitoring mechanisms and commitment in place. The executive and legislative roles and responsibilities at the provincial and district level are not seen as well-defined or available, according to one CSO informant.

Informants also indicated that a well-defined roadmap for Papua's development would provide direction for international donors, including UN agencies and international CSOs. Therefore, the provincial Regional Development Planning Office (*Bappeda*) needs to strengthen its efforts to facilitate collaboration with donors. To enable donors to achieve project objectives beyond government collaboration, work can also be done with civil society organizations (CSOs), such as CSOs, churches, universities, and the Papuan Customary Council (DAP), which have made positive contributions to the province's social, economic, and political conditions.

Currently, the central and provincial governments are preparing a new scheme for *Otsus* funds. The process is still pending at the House of Representatives (*Dewan Perwakilan Rakyat* or DPR) as decisions are yet to be determined on whether revisions of the *Otsus* Law are to be made comprehensively or on selected conflicting articles. To support this process, a plan for the Papua province has been clearly defined in the 2019 RPJMN *Teknokratik*. One informant noted that this content, however, is supposedly less focused on increasing investment and inviting private sectors, and does not guarantee government transparency and accountability for the prioritized provincial needs, such as human development and environment protection.

Before the next *Otsus* funding begins, one informant strongly suggested having a thorough evaluation of the 2001-2021 *Otsus*, through a bottom-up process conducted via a series of conversations between the central and provincial governments, stakeholders in the development process, and the internal conflict and pro-independence groups. To ensure objectivity, these dialogues should be done separately at the respective government levels to share concerns and expectations based on their unique *Otsus* experience. A government informant advised that such a process could include detailed dialogues about the economy, society, and political aspects, such as human rights or history. When these dialogue objectives have been met, the provincial and central government could begin discussing finalization. Examples provided by of LIPI and DAP informants highlighted how creating space for dialogues and shared aspirations fosters shared understanding, agreement, and solutions to future conflict resolution.

The informants remarked that the division of roles and responsibilities between the central and provincial governments should be clear as well. There is a general consensus among the informants that the inconsistency of laws at different government levels must be solved before the next *Otsus* to ensure there is no room for multiple interpretations when representing Papua in communication with the national executive and legislative branches. A formal mechanism must be made either through the Papuan People's Council (MRP) or Regional People's Representative Council (DPRD). The province is expected to be more open and assist the central government in balancing their political interests with strategic capacity building, especially for decision makers. As suggested by informants, if donors want to contribute to this process, solid collaboration between the central and provincial governments is needed, including having a clear mechanism and clear indicators.

## **THEME 2: GOVERNANCE AND ACCOUNTABILITY**

The discussion under this theme investigates the current level of commitment to open and accountable governance and comprises three main topics: challenges, incentives, and drivers for reforms. Informants revealed that some progressive District Heads have emerged, showing increased interest in growth, improvements, and leadership responsibility involving the community from which they are elected. From

the informants' perspective, mid-level government officials are more interested in a participatory mode of governance reform due to their proximity and connectedness to the community.

To support local government reform, informants advised that the government needs to see visible, beneficial results which focus on community instead of politics. One Informant explained an example where the performance of a *puskesmas*<sup>2</sup> improved after an CSO in Wamena successfully persuaded the district head to select the head of *puskesmas* through a proper selection process. As a result of the CSOs' effort, the provincial government conducted a seminar to socialize this tool to other District Heads, and several of them replicated it. Having visible results which benefit the community or constituents also becomes an incentive for local government to reform as it would then be to their advantage as a claim they can put forth if they run in future elections.

Informants believe a well-defined roadmap for Papua's development is vital for sustainable development and translation into the five-year plans, ensuring provincial and district governments' compliance. Moreover, they say the lack of adequate mechanisms and tools in program implementation, monitoring, and supervision should be addressed. Currently, many village programs are not running well due to lack of monitoring and supervision. Development programs run better in the cities, where they are easier to access and monitor. According to the informants, the provincial and district government's internal control management has not yet been appropriately implemented at all levels. These governments face a challenging situation implementing results-based monitoring and evaluation that created room for mismanagement and corruption.

All informants agreed that identifying strategic leaders is essential. However, tribal politics and political patronage are believed to still be common in Papua. After elections, District Heads often appoint their preferred candidates for strategic positions, even if they are not qualified. Some assume tribal leadership has the power to decide cabinet positions if a tribe member gets elected as the District Head. Because of the minimum quota for indigenous representation, and many not passing the required test for candidacy of an elected office, institutions often lower their standard requirements. As a result, many who are accepted to be a civil servant of a university do not have the needed skills. These two practices together have created a weak internal management system in the context of planning, documentation, implementation, or monitoring and supervision.

In terms of budgeting, one informant said that government institutions only assemble in September to discuss budget absorption from *Otsus* and other programs. Until that month, only 27 percent of the total budget was used, with the remaining 73 percent of funds requiring full expenditure in only three months. As a result, massive activities for budget absorption were undertaken without much planning. Other informants added that if the district government improves its budget management, programs could be strengthened throughout the province, including ensuring sustainability of successful CSO-run projects.

According to some informants, the quality of communication flow is an important aspect for the central and provincial government in overcoming the incoherent regulation on governance. A clear communication flow is needed to ensure every government level has the same perspectives on what needs to be done based on their roles and responsibilities. An example based on *Otsus* Law, the autonomy is at the provincial level, requiring coordination with districts and good understanding of their plans and programs. One informant indicated that budget allocation is decided at the provincial level, and all districts need to comply with it. However, since the funds come to each district in a bundle and every district has its own priority issues, districts make budget allocation decisions independently instead of following the province's proposed allocation. The districts sometimes use the LG law as an excuse to avoid the provincial agreement.

---

<sup>2</sup> Puskesmas are community health centers that are established to reduce primary health care gaps including primary care delivery, population health management, and geographic and financial access.

Most informants believe that CSOs could play an important role in strengthening government transparency and accountability. However, some feel that involvement of CSOs is hampered by pressure and intimidation from those in power. Informants suggested that this problem could be resolved by providing them resources to improve their capacity or by encouraging young activists to take more leadership roles. Informants also suggested that religious leaders could also be supported to improve government performance through advocacy, especially concerning service delivery. Several progressive religious leaders have spoken up about these issues, though many still believe they should only be involved in spiritual matters rather than socio-economic development. Informants also reminded that churches may also have their own issues with accountability. Therefore, it is important to assess their organizational 'healthiness' prior to working with them. Another potential key actor is the media, ensuring government transparency and accountability through investigative reporting. However, informants admitted that most journalists prefer to quote government statements rather than carry out their investigative roles. As many local media depend on their business from local governments, Informants also suggest the importance of understanding the political constellation of the media at local level when making alliances.

### **THEME 3: SERVICE DELIVERIES**

District governments lack good planning, especially for budget management, translating into incomplete programs that informants consider to be the main challenges to improving service delivery in Papua. Since districts cannot map and prioritize sectoral issues they will tackle, many follow the list of programs provided by the central government, choosing programs as if from a menu ranked in order of priority. This lack of comprehensive planning and leadership has also created discord between government offices at the district level. Government informants acknowledged that coordination is lacking most of the time because each has its own sectoral agenda and there is lack of common understanding that coordinated work is better suited to serve overall community development. Capacity building programs are also rare for government officials, as the process depends on either trainers from the related ministry coming to Papua or the ministry inviting relevant government officials to training outside of Papua. The only capacity-improvement activities available at the district level are related to leadership for government ranks.

Absenteeism of basic service providers is a notable issue in Papua, especially in remote areas. In addition to many programs not running due to the lack of regular monitoring, service providers do not want to visit remote places. Security threats and safety concerns are causes of absenteeism of service providers which lead to disruption of basic service delivery. Some informants, including a CSO informant and a provincial health office informant, mentioned that security is one of the reasons why local government staff, such as those in health and education sectors, are reluctant to stay in remote areas to provide basic services. A government informant indicated that for many service providers, the criteria for selecting villages as beneficiaries of programs is based on how far or how safe it is for them to go to those villages rather than prioritizing and ranking village needs. These conditions made many informants believe that every district should have a comprehensive plan based on their need, which should be reflected in each government office's overall program planning. District Heads should also help lead and ensure good coordination among the offices. Coordination meetings among middle-level government officials need to be intensified, as they are community-facing and have a good understanding of ongoing program situations.

### **HEALTH**

Many health providers, midwives, and nurses are reluctant to be placed in remote areas. Even if there is a *Puskesmas* in a community, it does not mean that a designated health provider is posted there. What is available instead are C-type midwives who did not undergo formal education but rather received



training from the missionaries who came to Papua during the 1980s. Their training is therefore often outdated, but due to the lack of health providers in villages in the highland areas, the district governments still use them and provide stipends. One informant suggested ensuring the availability of health providers in these districts through a rotation mechanism of single health providers over a period of two or three months.

In many cases, access to health facilities is affected by lack of roads. It is believed that many communities in remote villages have difficulty accessing health providers, even using roads that can be traveled by a motorcycle. Many unnecessary deaths occur because they could not access health assistance, or it arrived too late.

Specific subcultures and behaviors of many tribes may make health education program implementation complex. One Informant highlights that the malaria eradication program using bed nets is successful in some districts while failing in others. In these unsuccessful districts, it was noted that challenges were not because the training program was incorrect, but because some community members do not follow the instructions properly. A different respondent noted that a government program is supposed to give Tetanus Toxoid (TT) immunization for pregnant women during the *Posyandu*.<sup>3</sup> However, if villages do not receive preliminary information, some refuse the program or even expel the health providers, believing the TT immunization is a trick to increase fetus size so an operation would be needed during labor, thereby profiting health providers. These examples indicate that the District Health Office needs to know the communities that they serve through regular monitoring.

#### WATER, SANITATION, AND HYGIENE (WASH)

Even in the capital Jayapura, many people have not adopted safe WASH practices. A government informant attributed this to the limited budget for socialization and awareness programs and the lack of coordination between different government offices focusing on WASH. The informant further explained that for WASH, *Bappeda*'s role is to plan and provide a budget to develop the facilities, while building and socializing the facilities is the task of the Public Works (*Pekerjaan Umum* or PU) Office. At the same time, the District Health Office is expected to educate the communities. The informant added that if one of them fails in implementing the role, others may encourage them but cannot provide further support or collaboration due to the limit of budget and human resources.

The informants believe the lack of socialization or awareness building has failed to encourage the community participation needed in most health programs. For example, in the *Posyandu* program, the community's role is to prepare the site for the Integrated Service Post (*Posyandu*), cook additional nutritious food for children under five, or ensure mothers and their children would attend. If the community does not prepare the *Posyandu*, health providers can do nothing, and their visit is ineffectual. Another respondent explained that some of the WASH facilities are either not being used or have failed because of the community's lack of maintenance knowledge.

#### EDUCATION

Informants believed that Papua's main problem with its compulsory basic education program is teacher absenteeism. In remote villages, despite having school buildings, the regular hours of teaching are disrupted due to lack of teachers; teacher attendance is ensured only at the end of the school year or during the national exams. Many villagers create informal schools like the elementary school called "*Sekolah Kecil*." Teachers there are volunteers from the community that have an education level slightly higher than junior high.

---

<sup>3</sup> *Posyandu* refers to *Pos Pelayanan Terpadu* or an integrated service post. They are monthly clinics for children and pregnant women, providing vaccinations and nutritional supplements.

Issues created by the rural compulsory basic education program are highlighted in the example of Cenderawasih University, also known as UNCEN. An informant explained that due to the affirmation regulation, 70 percent of students accepted in UNCEN must be OAP. As with the civil servants' admission, in order to meet the quota, UNCEN was forced to lower their standards. As a result, some of the accepted students have difficulties reading and writing, because the quality of their compulsory basic education is far below standard. For UNCEN itself, handling students with a large competency gap is challenging, since their accreditation score makes them dependent on the funds from the Minister of Higher Education.

## INFRASTRUCTURE

The lack of infrastructure disconnects villages from the sub-district market or the district's capital city. Lack of market integration makes it difficult for farmers from rural areas to sell their products, many of which are perishable fruits and vegetables, in the urban areas, where the demand is higher. There are currently no initiatives to support fewer perishable crops or more accessible markets.

## TRAINING SERVICES

As indicated by an informant, one of the programs by the district Manpower, Trade, and Industry Office (DTKPP) is to train and assist independent small businesses. Given the limited budget and some unsafe locations, programs are only implemented in selected villages convenient for the office. An CSO informant indicated disappointment with the Agricultural Office because they showed no interest in helping farmers seeking for guidance in agricultural activities and show initiative to conduct visits to villages.

Some private sector informants believed that both provincial and district governments do not understand the business world. One government informant acknowledged that the government offices related to trade do not actually have a guide to building a business. With a district's DTKPP, they tried to help the farmers find buyers but then felt a significant challenge to negotiate with the potential buyer and coordinate with other related government offices to ensure the buyer's request could be fulfilled. Some available programs from the governments through DTKPPs focus on strengthening small businesses managed by OAPs through training and assistance in making products. Even so, these businesses struggle to promote their products.

## ROLE OF LOCAL CSOs IN PAPUA'S DEVELOPMENT

Informants agreed that local CSOs have played an essential role in improving Papua's socioeconomic conditions, especially for the OAP. In fact, in many highland villages, CSOs are the only institution besides the church<sup>4</sup> available to assist the community. Due to the interlinked development challenges, it is sometimes difficult for them to limit their work only to the issues that their institutions intended. Consequently, their responses tend to be less focused and comprehensive, especially with limited budget in the absence of donor support. One CSO informant explained that they could only conduct occasional seminars to raise awareness of family-related issues owing to limited funds. Usually, they could gather around 200 participants, mostly women, to discuss their daily struggles and gender-based violence (GBV). However, due to lack of funding, this CSO is unable to follow up with these women. Another CSO based in Yahukimo has focused on alleviating poverty and character strengthening of the community. Since there is a Tuberculosis pandemic in the area, they have also become actively involved in disease prevention and related treatment program. Informants stated that due to the large

---

<sup>4</sup> In highland areas, most churches are Protestant.

geographical areas, these CSOs usually only focus on their working regions. Furthermore, the CSOs lack coordination or collaboration, for example with advocacy at related government offices.

Donor informants confirmed that many local CSOs working on socioeconomic issues with donor support could successfully implement projects. Unfortunately, according to others, after these projects ended, many CSOs could not continue to assist the community without donor funding. They hoped the projects could be acknowledged or even adopted by the government, but this did not happen. Another donor informant stated that some CSOs are able to continue assistance to the communities for three years after the project ended because they have a strong commitment to the community.

Almost all CSOs in highland districts and some other places come under church supervision, though without financial support offered. The churches are conservative and limit their focus on congregation religious aspects. CSO informants thought that churches should be one of the key actors to improve the community welfare. There is a need for the CSOs and communities to actively convince churches to expand their roles. At the same time, other informants said that reformist priests who are starting to emerge may help the process. For example, one informant is a female priest from a church network that has a program to train some church leaders to become paralegals in order to assist GBV survivors. She realized that GBV issues could not be solved using traditional religious norms, such as through patience and prayer. Several other progressive religious leaders are believed to have spoken out about their concerns and advocate for the government's need to reform and improve their community services.

The state university also has programs to assist the community. One informant explained that the Community Service Programs in UNCEN enable students to practice lessons learned, introducing them to sectors such as social work. The programs included incubator programs to develop machinery or improved varieties of plants, as well as fieldwork in the communities where they use their incubators' products. The Faculty of Math and Science are most active in implementing community service programs.

Informants recommend that donors assist District Heads to promote better leadership and management. Since the District Heads have the most power in their district, having a good and respectful relationship with them is essential. Some District Heads have shown genuine interest in community welfare improvement, while others seem to be more motivated by superficial political wins. Donors will need to consider each one's incentives to effectively support change. For instance, some may respond favorably to invitations to give opening speeches or cutting ribbons when there are well-publicized ceremonial events. Small strategies like these could have big impacts on donor programs.

#### **THEME 4: INCLUSIVE DEVELOPMENT**

Many informants believe that OAPs lack education, capacity, and other skills in almost all sectors, especially in the trading and service sectors. They say the development process is heavily skewed toward cities rather than villages where most OAP live. As a result, the faster economic growth of the non-OAP areas has led to a wider rural-urban gap. Since the *Otsus* Law permitted it to accommodate OAP aspirations, some informants explained that the provincial government allocated 70 percent of places in government or state-owned institutions for OAPs. However, given the OAP's lack of skills, the government reduced the standard of admission criteria. Therefore, as with educational institutions, the skill sets of the people who have been accepted is below expectation, resulting in an inability to meet industry demand.

Based on the provincial government's affirmation,<sup>5</sup> using the same reason to protect the OAPs, the districts made further regulations that might differ from one to the other. Based on the information provided by informants, OAPs in Yahukimo can only run motor taxis or open other small businesses. In Jayawijaya, the Manpower, Trade, and Industry (Dinas Tenaga Kerja, Perdagangan dan Perindustrian or DKTPP) provides OAPs with support to start businesses. Sometimes governments got carried away in achieving the affirmation OAP quota. One informant said that five years ago, the Governor instructed the districts to do economic affirmation on divestment. The District Head in Memberamo Raya interpreted this instruction to mean he should force non-OAP businesspersons to sell their assets to OAPs. He wrote an open letter on this matter, including the target businesspersons' names, and posted it in Jayapura's Sentani airport. This heightened the worries of the non-OAP because they perceived the quotas as a systemic process to discriminate against them.

Still, some District Heads are progressive; some have made bold steps to recruit temporary civil servants with the required capacity regardless of whether they are OAP or not. As an incentive, they provided these positions with a higher salary. According to one informant, this results in a faster development process because those responsible have the capacity to complete their work. When the foundation for further development is strong enough, and qualified OAPs are available, this process could easily continue. However, these progressive leaders often come under attack because they are viewed as siding with OAPs. In Jayawijaya, the government saw a discrepancy between position placement and unqualified persons and adjusted their utilization for affirmation of lower positions only (those requiring high school graduation).

Another issue of concern is gender inequality. GBV, maternal and neonatal health, or WASH issues disproportionately affect women and girls. Some informants mentioned that the number of female representatives in the legislature is limited. None of them have a strong personality and understanding to fight for gender mainstreaming in Papua's regulations and programs. Unfortunately, the government does not perceive gender equality as a priority because these issues are so ingrained in the culture. Some informants strongly suggest educating not only the government but also the community. They point out it would be useless if the government strengthens its reporting and services related to GBV, but at the same time, victims could not access them due to an unsupportive environment. One informant added that several District Heads have become more aware of these matters, such as in West Papua where they have replicated the Service Technical Implementing Unit on GBV. Unfortunately, as in many other sectors, oversight still relies on the District Head's commitment and interest. Informants also acknowledge the importance of religious and customary leaders and of community buy-in. Some leaders have emerged and have done good work in their community, but there is a need to facilitate and coordinate them to strengthen their efforts and motivate further participation.

Informants advised using the champion approach, which acknowledges and appreciates progressive District Heads, religious, and customary leaders, as well as activists, GBV survivors, or government officials from middle management. Across different sectors or issues, such champions need support to engage in this work. Champions that can bridge the gap between OAP and non-OAP issues are particularly important, as their work can help reduce the gap between urban and rural, especially concerning service delivery. There is a need for CSOs and government champions to partner in raising community awareness and mainstreaming gender equality in related regulations and programs.

---

<sup>5</sup> At the provincial level, the affirmation is only related to the minimum quota (70 percent) for Indigenous People to be accepted as civil servants or students in the state university. However, the districts made their own regulations that they claimed would ensure Indigenous People could access their rights. These regulations might differ from one district to another.

## NATIONAL INFRASTRUCTURE DEVELOPMENT DRIVE AND PAPUA

A current massive national level-led presidential infrastructure development drive has potential to connect Papua's districts with other parts of the country. This includes a Trans Papua highway project that consists of 12 segments across Papua and Papua Barat Provinces, integrating isolated communities with the market and making business more convenient and less costly. Some informants, however, note the adverse effects of this infrastructure. According to them, construction will negatively affect forest conservation and other natural environments. Legal and illegal loggers will be encouraged to do more work in Papua because they will be able to reach previously remote areas, possibly luring villagers who live near or in forests into selling their forests. Due to high levels of poverty in these areas, it is thought that these illegal loggers could even utilize people in the area to cut trees for them and destroy Papua's natural environment by promoting open palm oil plantations.

Despite the central government's infrastructure efforts, some informants noted that district infrastructure development has almost no positive impact on OAPs' economic conditions. The OAPs' actual need is roads that connect their villages to the sub-district and district capitals so they can access public services or the market to sell their products. Development of these types of roads at the district and sub-district level has not been the provincial government's priority. The infrastructure efforts by the national level, meanwhile, such as the Trans Papua Highway, intends to focus more on increasing outside investment into the province rather than addressing infrastructure issues at the district level.

## PRIVATE INVESTMENT AND PUBLIC PRIVATE PARTNERSHIP (PPP)

According to informants, Papua currently is not a destination for private investment due to high transportation and investment costs, and lack of infrastructure and security. One informant explained that different approaches must be used if Papua wants to invite international companies to invest in the province. According to the informant, donors could facilitate this process. Donors should: show that business in Papua could be sustainable and profitable, particularly after assistance from the donor is finished; ensure security; indicate to government, law enforcement, and the community that companies are reliable; and encourage support from the District Head.

Several informants confirmed that there is no public private partnership (PPP) scheme has ever been used to support infrastructure and community developments in Papua. Even large mining and oil and gas companies are still using the Corporate Social Responsibility (CSR) mechanism, which is considered the simplest way to provide support to a community. A private sector informant explained that several donors have tried to entice some companies in Papua to adopt a PPP scheme, but they have not been successful even with incentives of up to 50 percent off the investment cost. Companies feel this is outweighed by too many requirements and attached strings. According to one informant, if Papua wants to promote a successful PPP scheme, there should be a better strategy to enable the donor, government, company, and the benefiting community to have equal benefit.

## PALM OIL INDUSTRY

Although the provincial government has welcomed the palm oil industry to boost the economic sector, some informants said there were not any serious plantations in Papua. Informants believe that investment in the industry has historically not been profitable due to the high transportation costs, the remote areas where the palm oil plantations could be located, and security issues. Nevertheless, many companies have obtained palm oil plantations and industry licenses, either legally or through bribery. These licenses were obtained not because companies want to have palm oil plantations, but because they are after the timber on those lands. It is believed that after they clear the land, they leave it unproductive. To camouflage this approach, some companies might put small oil palm plantations in

areas that can easily be seen. Infrastructure development has made the efforts of companies with plantation licenses lighter in doing the deforestation.

According to some informants, corrupt practices in the issuance of licenses is still not a concern in Papua because compared to the extent of Papua's forests, the size of lands that have been the subject of deforestation and illegal logging is still relatively small. The informants also note there are many tribes living near or within these forests, with many living in poverty due to the sole source of income being low-value farming products and therefore easy targets of illegal loggers. One solution to prevent deforestation is through empowering these communities to take advantage of the forests' potential and customary lands to improve their income in non-destructive ways. One example revealed during the desk review is raising butterflies. Another informant suggested involving communities in developing ecotourism. When the communities' welfare is improved, they become the forefront of forest conservation.

## **THEME 5: DONOR, CSO, AND PRIVATE SECTOR ENGAGEMENT**

### **DONOR ENGAGEMENT**

Informants believe that when working in Papua, donors must realize that the province's complex social, economic, and political conditions are not because their people are unintelligent but because many interests are at play in the province. Therefore, it is not enough for donors to contribute to Papua's development process by only providing training. There is an urgent need to also work and think politically to ensure, either directly or indirectly, that programs contribute to Papua's conflict resolution, enabling their programs to be sustainable. The informants assumed only a few donors and international organizations adopt this approach, while many still focus only on training and providing technical assistance on their priority programs. Informants suggest that provincial *Bappeda* needs to be assisted with strengthening their donor forums to share and support each other. Whenever possible, collaboration might be the best solution to support a program or activity. An example provided by an informant is a situation where there is a need to support dialogues among various sectoral stakeholders from all levels in Papua toward common understanding on how to move a specific sector agenda forward. Collaboration to support these dialogues would be better to ensure that all voices could be heard, including those of the donors.

Informants indicated some issues that might need to be considered for donor engagement. First, donors should select the target areas not by ease of access, but by those requiring the most assistance, even though they are often more remote. Secondly, since many tribes have their own culture, language, and customs, it is better to implement projects in several smaller areas rather than one large area. Finally, donors should have an agreement on the standard cost that they are going to use. Usually each donor has its own standard cost that creates confusion among local CSOs and assisted communities because the gap of the amount could be significant. Consequently, when there is more than one project in a district despite the sector or the objectives being different, some people prefer to be more committed to one project than the other because there are more financial incentives.

### **CSOs**

Donor informants strongly suggest involving CSOs in programs due to their commitment, hard work, and dynamics. By providing CSOs with the right capacity, they could implement programs and successfully reach their objectives. Since they are part of the community, they need to be accountable to them and provide empathy in assisting them. They are also good agents to encourage government reform and improvement of service delivery.

CSO informants stated that the most significant challenge faced in the absence of donors is limited funding. As noted above, most CSOs in the highland areas are under church oversight, although these churches typically do not provide financial support. The many interwoven issues faced in the villages often require CSOs to direct their attention beyond their organization's focus, as they are the only institution besides the churches that are available.

CSO informants noted that churches usually limit their focus to the religious matters only. According to these informants, religious leaders could help improve their community's socioeconomic affairs, especially in advocating and negotiating with the government. Communities also need their religious leaders to hear their aspirations and provide them with more realistic solutions. Informants believed that there is a need for CSOs and communities to have dialogues with the churches to highlight the urgency of their congregations' socioeconomic matters. Several informants added that some reformist priests are starting to emerge that might help this process. Since religious leaders have community buy-in, they can advocate for government reform and use the government's responsibility for service delivery as the entry point.

### PRIVATE SECTOR ENGAGEMENT

As noted above, private sector informants feel that the provincial and district government does not understand the business world, and therefore community economic growth is out of focus. Currently, there are only a few business people in the agricultural, fishery, and trade sectors, which are Papua's strengths. The government only acknowledges the construction and infrastructure sectors because they do not have to worry about profit loss there. The Papua branch of the Indonesian Chamber of Commerce and Industry (*Kamar Dagang dan Industri Indonesia* or Kadin) has not been able to change the government's perception in this matter. Some informants stated that to enable Papua to improve their businesses, there must be an empowering of its products, not its people. When a product is of good quality, it is easy to sell. As informants noted, previous programs for entrepreneur capacity building were unsuccessful, resulting in a loss of project money and time.

The informants stated that one potential way to expand the business community is through young Papuans emerging in the business world, with some choosing to become entrepreneurs or work in district village-owned enterprises or BUMD (*Badan Usaha Milik Desa*). Furthermore, the informants explained that currently, Kadin has done business calculations of some Papuan products that are marketable and profitable for the local companies, either private or government-owned. This business calculation was used to develop a pilot project to make vanilla extract and citronella oil. Kadin facilitates some young entrepreneurs and districts' BUMDs to work with farmers. The role of the entrepreneur and BUMD is to prepare the land, seeds, fertilizer, and a distillery kitchen, and ensure quality control. Since Kadin Papua has a good network in the business community, its function is to find the buyers and facilitate communication with young entrepreneurs and BUMDs. When the industries had a suitable working mechanism and buyers were satisfied with the products, they would invite them to see the manufacturing facility to discuss the possibility of increasing investment.

## CONCLUSIONS

Papua's socioeconomic challenges are rooted in a variety of issues such as weak and non-inclusive planning or program prioritization, limited authority at the provincial level, limited capacity, and wide gaps between OAP and non-OAP communities' access to basic public services and benefits from development efforts. Conclusions from field interviews are presented below through the lens of the PEA pillars.

### THEME I: SPECIAL AUTONOMY (OTONOMI KHUSUS OR OTSUS) OF PAPUA

#### FOUNDATIONAL FACTORS

The power structure between the central and provincial governments is based on a hierarchy which leads to the central government having more power than the provincial and district level governments. However, to enable Papua to have more internal control, in 2001, the central government granted it with the Special Autonomy or *Otsus* which included access to *Otsus* funds for the next 20 years to reduce poverty and improve the welfare of the OAP. However, the Papua provincial government feels that they did not hold the authority which was supposedly granted to them by *Otsus* Law. Another issue is that although the *Otsus* Law granted the province autonomy, this was not in line with the LG Law that at the district level. After almost 20 years of *Otsus*, Papuan people consider *Otsus* to be unsuccessful because they perceive that its goal did not come to fruition.

Provincial government must be able to accommodate all key actors that could contribute positively to Papua's development process. This starts with the central government, which has the highest power to lead, manage, and coordinate all Indonesia provinces. CSOs have also been involved for a long time in assisting their communities with socioeconomic affairs and advocating, negotiating, and complementing government programs. Churches likewise have a long history of community engagement and are respected by all due to their efforts to mediate communication between tribes and assist the community, especially in spiritual matters. Then there are the universities and media, which need help strengthening their roles. Another key actor is the young Papuans, who are the province's future and therefore must be included. The private sector are also actors that could support Papua's economic growth. Finally, donors have a long record of providing program assistance to improve and fill in the gaps in Papua's development.

#### RULES OF THE GAME

The required regulations from the central government concerning the *Otsus* Law were translated into the *Perdatus* only 13 years later and needed still more time before they were interpreted into the Governor Regulation and other related regulations. The organizational structure, roles, and responsibilities of the executive and legislative at provincial and district levels are not well defined and, for some, even unavailable. As a result, both provincial and district level governments do not have a comprehensive plan complete with targets and indicators to ensure they are on the right path in achieving the purpose of the *Otsus*. It also led to weak management either in planning, implementing, or monitoring programs and budget allocation. Unfortunately, tribal politics and political patronage are typical in Papua. Many people in the strategic government positions are elected and selected due to this reason rather than based on their competency. Moreover, the central government does provide enough empowerment to the local government. The *Otsus* funds that were planned only as leverage have become the main income source for many districts in the province.

There are many actors with good intentions who have the same vision for Papua and Papua's provincial government needs to facilitate and coordinate in order to ensure everybody, including youth and the private sector, can fulfill their roles and responsibilities.



## HERE AND NOW

The central and provincial governments are preparing the next *Otsus*. Papua's development plan has also been included in the 2019 RPJMN Teknokratik. To ensure all ministries could work together for Papua, the central government is preparing to empower Bappenas to be the lead coordinator through a Presidential Instruction. One action missing in developing the next *Otsus* is a thorough evaluation of the 2001-2021 *Otsus* from the perspectives of stakeholders both in Papua and at the central level. All Papua groups must be included, including the pro-independence groups. Evaluation results must be used to decide whether the *Otsus* Law would be revised in its entirety or only in selected problematic articles.

## DYNAMICS

A strong suggestion for a thorough *Otsus* evaluation is through a series of bottom-up dialogues in Papua at all levels and in Jakarta, where all the national stakeholders with interest in Papua are located. After the conclusions in Papua and at the national level are reached, then the high levels of the two could have a final dialogue to ensure common understanding and agreement on what needs to be done for the next *Otsus* and how to resolve potential conflicts in the future. This should be an in-depth process and not just a one-time ceremonial event.

The inconsistency of the *Otsus* and LG laws have created friction between the central, provincial, and district level governments because many times, using the LG Law as an excuse, district level governments contacted the central government directly and vice versa without including the province. Other sectoral laws are also not consistent with the *Otsus* Law, and they have likewise not been resolved.

## THEME 2: GOVERNANCE AND ACCOUNTABILITY

### FOUNDATIONAL FACTORS

Due to the tribal politics and political patronage, many civil servants are selected without the leadership skills they need for their new position. Government strategic positions are given based on this tribal and political patronage where most of those selected are unqualified for the positions. Lack of professionalism or impartiality of civil servants due to this led to mismanagement and lack of transparency and local government responsiveness, which also cause issues of corruption.

The inconsistency between the *Otsus* Law and laws on local governance have not been resolved by the central and provincial governments, a situation some use for their benefit. Due to threat and intimidation, CSOs that focus on good governance and investigative media have not done much. Meanwhile CSOs at the district level, most of which are assisting communities with public service delivery, lack capacity and are occupied with various socio economic issues.

### RULES OF THE GAME

Inconsistent regulations between central and provincial, and district/city levels have caused conflicts and misuse of the laws as an opportunity for people's self-benefit. However, the central and provincial governments' main purpose of addressing inconsistent regulations on governance were not to address these issues but instead is to make the agreed mechanisms between them run smoothly.

## HERE AND NOW

There are currently some District Heads and government offices Heads who are progressive, with a genuine interest in improving community living conditions. Middle-level government officials are more

prepared for reform because they are the ones that communicate directly with the community and therefore have more compassion for their conditions and needs. A strong foundation to enable them to encourage their leaders is needed. Unfortunately, these conditions are still dependent on the individuals' personalities. Strengthening systematic mechanisms for monitoring and supervision of both programs and budgeting is required at the province and district levels. Clear targets and indicators are needed to ensure the provincial and district governments could have guidance for comprehensive planning with adequate monitoring and supervision.

#### DYNAMICS

There is a need to develop CSOs to ensure they could be active in advocating, assisting, and putting pressure on the government to reform. Encouraging young activists from the CSOs to take leadership in these programs is needed. Donors should also use government champions as role models, especially District Heads.

### THEME 3: SERVICE DELIVERIES

#### FOUNDATIONAL FACTORS

The quality of government service deliveries is dependent on district leadership and its internal management. Unfortunately, leaders often do not have the capacity required for their positions, especially in ensuring the districts' planning and budgeting are transparent and participatory with good coordination among the government offices. At the same time, related ministries tend to ignore reality and only provide generic capacity building, which do not respond to Papua's unique conditions. Without monitoring and supervision by the local government, delivery of public services has been done without clear direction, prioritization, or minimum quality standards. Coordination among government offices does not run well due to a lack of shared vision and communication.

#### RULES OF THE GAME

The Otsus funds always come to the districts in a bundle. Due to a lack of capacity to analyze local situations and needs, many districts just list a number in a menu of priority programs. Whether for WASH or small industry, where many times several government offices must collaborate, these offices limit their focus only on their roles and responsibilities without supporting each other. Without systematic monitoring and supervision, many public services are not running, especially in highland areas. CSOs that work with these communities have tried to advocate for them with the related government offices, but they have received little positive response.

#### HERE AND NOW

Absenteeism of basic service providers is a notable issue in Papua, especially in remote areas. Security threats and safety concerns are causes of absenteeism of service providers which lead to disruption of basic service delivery, particularly in health and education services. Many villages in the highland areas are isolated and do not have access to health providers with modern training. In education, major challenges with teacher absenteeism have left many graduates with skills far below standard, especially in the villages. Limited infrastructure has constrained farmer access to markets. Local CSOs do not have the power to put pressure on the government because of a lack of funding and capacity.

## DYNAMICS

Some progressive District Heads have a genuine interest in helping their community. Likewise, some CSOs have successfully advocated with District Heads for reform, although at a small scale such as adopting a proper test to select a Head of a *Puskemas* or replicating a special unit to handle GBV cases. Nevertheless, these cases need to be appreciated and used as role models for others. These CSOs cannot do this work alone; they need donor support.

## THEME 4: INCLUSIVE DEVELOPMENT

### FOUNDATIONAL FACTORS

As the gap between urban and rural areas has become wider, there is a chance for horizontal conflict between these two groups. Another issue of concern is related to gender inequality.

To boost Papua's economic growth, the central government has conducted a massive infrastructure development with the hope that it would attract businesses to invest in Papua, although other challenging factors make doing business not profitable.

### RULES OF THE GAME

Riots broke out in several places in Papua in 2019 over tensions between OAP and non-OAP groups. At the same time, gender inequality has exacerbated problems with maternal and neonatal health and GBV. Meanwhile, infrastructure development is having adverse effects on Papua's natural environment. The central and Papua governments have struggled to balance between growth in a resource-rich area and environmental conservation. Some of the issues they face include 1) peat lands conversions, 2) a lack of coordination between provincial and district governments with investors, CSOs, and local communities in registering local customary land claims, and 3) increased natural resource extraction following road development. Private sector in Papua does not use the PPP approach, preferring the CSR approach which is considered the simplest way to provide support to a community. Additionally, companies feel that PPP approaches are outweighed by too many requirements and attached strings.

### HERE AND NOW

There is a need for the government to be objective and make the community realize that both OAPs and non-OAPs want the same level of welfare and justice. Instead of adding more affirmative action that, in the end, only weakens the quality of the civil servants and higher education students, the government needs to improve the quality of compulsory basic education. Balancing the development process in urban and rural areas is critical because the villages are far behind, and almost all those residents are OAPs. Related to gender, the executive and legislative must be educated on the importance of mainstream gender equality in regulations and government programs. Education is also needed on the demand side, focusing on tribal and religious leaders to raise awareness in their communities.

Although there has been infrastructure development which have made it easier and cheaper for people and products to travel, unfortunately, there are also negative impacts to this development. The negative impacts of this development are significant: 1) construction negatively affects forests and biodiversity; 2) it motivates villagers to be more consumptive because many unimportant products now reach the previously isolated areas; 3) it increases tensions between OAPs and non-OAP as more non-OAP use the roads to travel to OAP areas in search of a better living; and 4) it provides access for illegal loggers to reach more logs.

Unfortunately, Papua's government is not balancing centrally funded infrastructure development with road development within or between districts. The OAPs need these roads the most as it would

provide them with easy access to markets or make health providers and teachers more willing to be placed in the villages.

### DYNAMICS

Minimizing the gap between urban and rural areas is essential, especially concerning health, WASH, education, and economic development. There is a need to strengthen district capacities on leadership, coordination, and results-based monitoring and supervision. The role of CSOs and churches are vital in supporting development especially in involving the community in development process due to their existing engagement with the local community. Similar responses are needed to ensure service deliveries consider gender equality aspects.

To protect the forests and biodiversity, there is a need to help communities develop sustainable livelihoods which are non-destructive to the environment. When they are thus empowered, they are on the frontline to protect their forests and other natural habitats.

## THEME 5: DONOR, CSO, AND PRIVATE SECTOR ENGAGEMENT

### FOUNDATIONAL FACTORS

Donors' conventional work is to improve a community or situation in a certain area based on their missions. CSOs have also contributed to the development process in Indonesia for a long time, although many lack capacity. Given geography and their focus on the communities they assist, district-level CSOs that work on socioeconomic affairs tend to work alone and lack networking and collaboration skills for efforts such as advocacy. While some CSOs focus on good governance, many, especially those that work at the provincial level, are weak due to threats and intimidation. Churches in Papua are important parts of their communities, but many limit their assistance to the spiritual aspects of their congregations only.

The local government does not give enough attention to the private sector to accelerate Papua's economic growth. Only a few local companies work in the agricultural, fishery, and trade sectors, which could be Papua's path to boost its socioeconomic conditions. Kadin has the potential to contribute more to the development of local industry. Challenging situations in Papua such as high transportation and investment costs, security issues, potential conflict, and lack of infrastructure are barriers to investment for both national and international companies.

### RULES OF THE GAME

Many donors that work in Papua have not acknowledged the power dynamics and social and economic forces that influence developments in the region. Taking those forces into consideration is crucial to improve program effectiveness and sustainability. Several donors do realize the need to comprehensively understand the local context and have adopted the working and thinking politically approach. CSOs need to be trained to properly manage the programs they will implement and prepare them to keep up this work without donor support. In the meantime, progressive religious leaders are emerging, and they need a forum for sharing and collaboration, and the ability to encourage others to join them.

Strengthening local government capacity to support private companies in other sectors besides construction and infrastructure is needed. There is a need to strengthen implementation of central government policies to ensure there are no gaps, especially concerning private sectors incentives. No challenges with local regulations.

## HERE AND NOW

Many donors still focus solely on providing capacity building and assistance. There is a need for sharing and collaboration among all donors to increase coordination of efforts. The provincial *Bappeda* responsible for facilitating the donors' forum has to be assisted in meeting this need.

Donors can encourage young CSO activists to take leadership roles in implementing progressive programs. Donors can provide them with the right training and help them create a good network among themselves for sharing and collaboration on work that is better done together, such as advocacy and dialogues with the government. CSOs that are assisting communities in improving their socioeconomic conditions particularly need to master advocacy skills. Moreover, CSOs and communities need to have dialogues that would encourage churches to take an active role in improving the communities' well-being.

Currently, there is attention from the private sector on several district BUMDs and on young Papuan entrepreneurs to improve Papua's products. To facilitate economic development, a product approach should be used instead of empowering people without any related business background or interest to be successful entrepreneurs. When Papua has good quality products, people that work in those sectors will be motivated to improve their own business.

## DYNAMICS

Sharing and collaborating with other donors has become more important to ensure smooth and supportive development programs. CSOs might be able to develop a good network with district governments. However, to ensure program sustainability, they also need support from the provincial government. Provincial government needs to encourage and foster motivation of district governments to take over or provide forms of support to enable continuity of development programs.

There is a need for the local government to acknowledge and engage with the private sector beyond construction and infrastructure sectors. For example, the local government can assist the private sector in ensuring their CSR programs are appropriately targeting the needs of the community.

## RECOMMENDATIONS

Based on findings from the PEA interviews, the following are approaches USAID could consider taking to support the development of Papua Province most effectively:

1. Support the central government to provide tailored capacity building and assistance with clear sector-specific mechanisms and indicators at the province and district levels.
2. Support local government capacity building around issues of governance and accountability through leveraging local resources, such as on how to work more effectively under Otsus both with stakeholders in Papua and stakeholders at the national level.
3. Assist district governments to have multi stakeholders' dialogues to evaluate their service deliveries regarding health or community economic development. These discussions should be comprehensive and include social, economic, and political issues from different perspectives.
4. Help District Heads with reform through the champion approach and by exposing them to program success stories.
5. Ensure district government service deliveries are based on mapping and program prioritization, with adequate budget allocation and focus on villages to minimize the gap between urban and rural areas. This can be done through capacity building to ensure comprehensive planning and program mapping and prioritization; results-based monitoring and supervision including a complaint mechanism from the community; and budget allocation based on targets, needs, indicators, and time frame.
6. Enable middle-level government officials to assist district government elites with reform and results-based decision-making, and decision-making and support the strengthening of collaboration with other government offices.
7. Given CSOs' proximity to and understanding of community needs, strengthen CSOs in enabling them to do advocacy, close collaboration and pressure on governments to undertake reform especially in service delivery and gender mainstreaming, and empowering the community. Encourage and enable young CSO activists to take on more leadership roles in implementing progressive programs and facilitate increased community advocacy from the bottom up., enable young activists to take more leadership roles.
8. Facilitate dialogues between CSOs, religious leaders, and communities to ensure religious leaders are willing to be involved in strengthening community socioeconomic conditions.
9. Improve capacities of both individual and business communities (government agencies, associations, MSMEs, and skills training center/education institutions). Support local government to develop and streamline regulations/licensing for ease of doing business and creating enabling conditions for business communities (SMEs, National and MNCs) to contribute to Papua developments.

## REFERENCES

Menocal, Alina Rocha, et al. (2018). “Thinking and Working Politically Through Applied Political Economy Analysis: A Guide for Practitioners.” USAID.

[https://usaidlearninglab.org/sites/default/files/resource/files/pea\\_guide\\_final.pdf](https://usaidlearninglab.org/sites/default/files/resource/files/pea_guide_final.pdf)

Hudson, D. and A. Leftwich (2014). “From political economy to political analysis.” DLP Research Paper, No.25, DLP, University of Birmingham, UK. <http://www.dlprog.org/publications/frompolitical-economy-to-political-analysis.php>

World Bank 2009: Problem-driven governance and political economy analysis good practice framework, The International Bank for Reconstruction and Development / The World Bank.

## ANNEX I: BACKGROUND FOR EACH THEME, BASED ON DESK REVIEW

### THEME 1: SPECIAL AUTONOMY (OTONOMI KHUSUS OR OTSUS) OF PAPUA

**Background:** Dana Otsus, which is the main source of funding that Papua receives from the national government, will end in 2021. There is a concern that the discontinuation of Dana Otsus will affect social sectors' development programs. Therefore, there is discussion regarding follow-on for Dana Otsus, although no final decision has not been made since welfare indicators in Papua have not shown any significant improvement in the last 18 years. Moreover, the Dana Otsus has purportedly enabled corruption and elite capture. It has benefitted urban areas and mining centers disproportionately and only contributed a little to rural development. The funds also provoked conflict, both within the province and between the central and Papua governments over the control of monies allocated for development.

Besides the provincial and district level governments, there are other key actors such as CSOs, the private sector, international donors, and the national government. The desk review revealed that the provincial government's lack of capacity results in district level budgeting that does not match local problems and needs. Nevertheless, actors such as reform-oriented regents, donors and international actors, churches, and CSOs constitute important champions for public service delivery improvement.

### THEME 2: GOVERNANCE REFORM

**Background:** The poverty rate in Papua is still high (26.55 percent) compared to the nation's as a whole (9.22 percent). There is a significant gap of poverty between urban (4.53 percent) and rural areas (35.36 percent). Unfortunately, the provincial government does not have the capacity to do planning and monitoring, resulting in district-level budgeting that does not match local problems and needs. Papua's governance structure is the least open and accountable. Theoretically, decentralization devolves power from the national to provincial levels. However, in Papua this introduced shortcomings in public service delivery and inconsistent regulations in certain sectors. Corruption issues in Papua are rooted in political patronage, power struggle, and elite capture

### THEME 3: SERVICE DELIVERY

**Background:** In Papua's case, shifting power from the national government to the provincial and local government authorities introduced shortcomings in public service delivery and inconsistent regulations in certain sectors. As a result some health issues such as maternal and newborn health, infectious disease (especially HIV AIDS and TB), WASH, education, and infrastructure have become among the worst in the country. The desk review revealed that some contributing factors are cultural, socio-economic, and gender norms, and geographical barriers.

### THEME 4: INCLUSIVE DEVELOPMENT

**Background:** Despite its abundant natural resources, Papua's population is the poorest in Indonesia. Based on the Desk Review, Papua's commitment to social group equality is low (23.7 percent as compared to national median 33.1 percent). Most of the population lives in the rural areas (69 percent). Unfortunately many development programs have not reached them.

### THEME 5: DONOR, CSO AND PRIVATE SECTOR ENGAGEMENT

**Background:** According to the desk review, donor agencies, international development partners, churches, and CSOs constitute important champions for public service delivery improvement.



Unfortunately, private sector investment in healthcare is still slow and there is a lack of a skilled healthcare workforce.

## ANNEX I: CORE AND SUPPORTING PEA QUESTIONS

### THEME 1: SPECIAL AUTONOMY (OTONOMI KHUSUS OR OTSUS) OF PAPUA

1. Dana Otsus, from national to Papua, ends in 2021. What is the interest of the national and provincial government proposing Otsus follow-on (if this is currently the case)?
  - a. What has been proposed to be done differently by the provincial government on the mechanism and the objectives of the Dana Otsus follow-on. [HN]
  - b. Regardless the follow-on of Dana Otsus, what are the provincial government's plans and strategies to ensure the continuous improvement in the social sectors? Do you think the provincial government is already on the right track? Please explain your answer. [D] [RG]
  - c. Is there any collaborative plan between national and provincial governments for after 2021 (besides the Dana Otsus follow-on if it is going to happen)? [D][FF]
  - d.
2. How do you think the provincial government should accommodate the interest of all key actors including national government and donor agencies in ensuring that all development work in Papua is both impactful and sustainable? [HN][D]

### THEME 2: GOVERNANCE REFORM

3. What are the main challenges in promoting reform in Papua? How to incentivize the reform? [FF][RG]
  - a. What are the main incentives/reasons of local and provincial governments and CSOs to support governance reform (particularly for public service delivery improvement)? [FF] [HN]
  - b. What are the main incentives/reasons/motives of the national/provincial government to address incoherent regulation on governance? [RG]
  - c. What are the main drivers for provincial and district governments to implement a sustainable development approach in local development plans? What can be done to improve it? [D][RG]
  - d. What needs to be done to ensure government efforts to implement impactful inclusive development and minimize the high poverty rate in the rural areas [HN]
4. How functional and efficient are the provincial and district mechanisms to prevent mismanagement and corruption? [HN] [RG]
  - a. What are the main drivers and enablers for the provincial and district governments' current performance? [HN][FF]
  - b. How do you think the different layers of government can improve their performance? [FF]
  - c. Do you think the CSOs have enough participation to improve government transparency, accountability, and measure their responsiveness? How so? [HN][D]

### THEME 3: SERVICE DELIVERY

5. Evidence suggests that the health, education, WASH and economic conditions in Papua are alarming.
  - a. What do you think about the challenges facing by Papua's government in improving service delivery conditions in your sector? [D][HN]

- b. Looking through the lens of cultural and socio-economic diversity, gender inequality and geographic difference, what needs to be done differently by the government to overcome the challenges in improving access and quality of services concerning leadership and coordination? [HN][RG][D]
6. Besides the government, do you think other stakeholders could also provide significant contribution in improving Papua's socio-economic status such as CSOs and donor agencies? Therefore, [HN]
- a. How to strengthen the CSOs' and churches' roles and responsibilities to ensure they could provide support in improving Papua's socio-economic conditions? [HN]
  - b. What should be done differently to ensure the effectiveness of donor agencies' support in improving Papua's socio-economic conditions? [HN]

#### **THEME 4: INCLUSIVE DEVELOPMENT**

7. Given the unique, inherent challenges/tension due to ethnicity-based discrimination, economic inequality, *pendatang* (migrants) and non-*pendatang* (indigenous peoples),
- a. What, in your opinion, should be the right approach for the local governments for inclusive development in Papua? [RG]
  - b. What, in your opinion, is the best strategy/approach of donor agencies such as USAID to ensure inclusivity in development work so that it can be realized, and contribute to conflict resolution? [HN][D]
8. Through the lens of the President's infrastructure drive, how do you think it's going to ensure successful infrastructure development in Papua? [FF] [RG]
- a. How do you think it will affect mining, logging, and oil palm plantation, conservation of forests and habitats? [HN]
  - b. Conventional wisdom suggests that massive government investment in infrastructure may crowd out private involvements and investment. Do you think this assessment is correct? If so, then what necessary steps, in your opinion, should the provincial government take to protect the balance of PPP in Papua? [RG][D]
9. Palm oil has become more important for Papua to improve its economic condition. Please describe the government efforts to ensure transparency and accountability of the extent and location of palm oil production. [FF]
- a. While expansion of the palm oil industry is welcome to boost Papuan economy, it also leads to clearing of land and deforestation. How do you think the local government should balance it? [HN][RG]
  - b. Do you think corrupt practices in issuance of licenses are a concern in Papua? Why so? What needs to be done?
  - c. What do you think needs to be done to prevent conflict around agricultural concession areas between communities, companies, and the government? [D] [RG] [FF]

#### **THEME 5: DONOR, CSO AND PRIVATE SECTOR ENGAGEMENT**

10. How can collaboration and partnership among target key development actors be improved in leveraging resources? For example,
- a. With other international development partners: How do we promote collaboration and coordination among development partners? [D] [RG]

- b. With CSOs and churches: How to devise a differentiated/more effective approach based on lessons/evidence of past work in Papua? [D]
- c. With private sectors: what are the available potentials for leveraging? [D]

## ANNEX 2: FINDINGS, CONCLUSIONS, RECOMMENDATIONS MATRIX

Resource Person: (1-17 to protect identity)

PEA Key Factors: [FF] Foundational factors, [RG] Rules of the game, [HN] Here and now, [D] Dynamic

QUESTION	SUMMARIZED RESPONSE
<b>Theme 1: Special Autonomy (Otonomi Khusus or Otsus) of Papua</b>	
<p>Dana Otsus, from national to Papua, ends in 2021. What is the interest of the Central and provincial governments proposing Otsus follow-on (if this is currently the case)?</p> <p>What has been proposed to be done differently by the provincial government on the mechanism and the objectives of the Dana Otsus follow-on?</p> <p>Regardless of the follow-on of Dana Otsus, what are the provincial government's plans and strategies to ensure continuous improvement in the social sectors? Do you think the provincial government is already on the right track? Please explain your answer.</p> <p>Is there any collaborative plan between national and provincial governments after 2021 (besides the Dana Otsus follow-on if it happens)?</p>	<p>Otsus for Papua has been problematic from the stage of drafting its Law (8)</p> <p>Otsus considered a fail due to abuse of power, lack of strategy and mechanism, overlapping Laws, corruption, and perceived weak governance capacity (8)(10)(15)</p> <p>The situation is due to no roadmap/grand design on how it would be implemented in 20 years that could be easily segmented into the 5-years planning. If this grand design is available, it could be the basis for good coordination between the national and Papua. The monitoring and supervision process would just analyze whether the planning reflects the master plan. (16)(8)(6)</p> <p>The Central government is not assertive in enforcing laws, transparency, and accountability in Papua. Instead, they often claimed the capacity of the Papuan government is weak. Meanwhile, Papua blamed the Central government for the failure of Otsus. (17)(4)(6)</p> <p>When the Otsus Law is enacted, many authorities must be given to Papua to determine the substance of the Perdasi and Perdatus. However, those authorities are not provided by the Central government, and therefore the Perdasi and Perdatus become problematic. The centralistic ego is still high. (1)(4)(17)</p> <p>Substantively, regulations from the Central related to the Otsus Law are translated into a Perdatus 13 years later and another lapse of time to translate the Perdatus into Governor Regulation and other technical regulations. (16) While in terms of institutional structure, the executive and legislative roles and responsibilities in the province and districts are not well structured or available. (16).</p> <p>The Otsus Law expected the Three Stones (Custom, Religion, and Government) could play the leading roles. Only the religious institution received 10 percent of the Otsus funds while none for the Custom. (4) (2)</p> <p>People's movements to reject the new Otsus are currently high and even some progressive religious leaders are taking part. Papua's people indicator of Otsus to success is the improvement of their welfare, which is not happening. (10)(6)(1) (4) Nevertheless, this situation is also heated up by the interest of some groups because they would get benefits from it. They are a.) Pure militants who always want Papua to be independent, b.) Those who enjoyed the Otsus funds and worried they would get caught, and c.) Opportunists in hope to enjoy the part of the Otsus funds' volume 2. (6)</p> <p>Due to the current heighten situation to reject the new Otsus, there is a need to provide all groups in Papua to have a space for dialogues and voicing their aspirations (4)(8)</p> <p>All executives and legislatures of all districts/cities have asked for Otsus to be continued because, until now, Papua still highly dependent on it. (10) (8). However, they do not dare to make accountability reports on the implementation of Otsus, and there is no accountability process for Otsus funds at provincial and districts' DPRD. (10)</p> <p>President Jokowi has a deep concern for Papua; unfortunately, the existing Ministries still think based on their sector and treat Papua the same as the other provinces. Therefore, the results depend heavily on the capacity of the Papuan government at provincial and district levels. At the same time, they do not have the ability to do it. (17)</p> <p>There are around 250 tribes in Papua that feel they are not under the others. There is a need for a mechanism either through DPRD or MRP to ensure Papua's representation when communicating with the Central. (1)(8)</p>

	<p>Several Ministries have rigid regulations and strong sectoral's ego that become uneasy for them to collaborate to support Papua development process (8)</p> <p>Bappenas will be empowered through a Presidential Instruction so it could coordinate all Ministries for Papua's development, although the result is unclear until now. (17)</p> <p>Compared to the previous; the 2019 Teknokratik RPJMN is less economically oriented that focuses on increasing investment and inviting private sectors. Nevertheless, it does not guarantee improvements in government transparency and accountability mechanisms to increase the HDI score. (17)</p> <p>The Central and Papua governments are preparing a new scheme of Otsus funds. (8)(6)</p> <p>There is an urgent need for dialogues, sharing aspirations (8) (4) to do a thorough evaluation of Otsus in Papua through a comprehensive series of dialogues that involve all parties and all layers, both from Papua and Jakarta, including the pro-independence groups. The aim is to see each group's concerns and expectations based on the 20 years of experience and find a common understanding. The output provides a complete picture of various perceptions on the Otsus process and how to improve it in the future, including resolving conflicts of interest and ensuring OAP's welfare. It should be serious dialogues and not just ceremonial or similar to a seminar. (8)</p> <p>For the next ten years, a serious effort has to be made to change the perspective of Central and Papua governments. They must realize not to make Papua's future become like Java without acknowledging the local conditions and uniqueness. (17)</p>
<p>How do you think the provincial government should accommodate all key actors' interests, including national government and donor agencies, in ensuring that all development work in Papua is both impactful and sustainable?</p>	<p>There is a need for the Central, which focuses heavily on political matters to comprehensively strengthen Papua civil servants' capacity on coordination, management, and administration. (16) (8)(4)</p> <p>Papua government has to be able to strengthen its communication with the Central on their needs, especially concerning capacity on planning, program, monitoring, and supervision, including in budgeting. With budgeting, Papua's condition is unique, and many areas are still remote, which makes the unit cost significantly higher. The Central government need to understand why the program budget might not be enough in a district in Papua compare to other provinces (13)(10)(16)</p> <p>CSOs at the district/city level could be an excellent incentive to force the government to improve its performance. (16) Unfortunately, there is intense pressure and intimidation against them, including the university at the provincial level, making them weak. (16) (11)(6) A similar situation with the media where it tends only quoting government statements rather than undertake investigative tasks to monitor governments' performance. (16) (2)(6)</p> <p>The government unable to see the role of private sectors besides contractors and suppliers to support the development in Papua, especially in improving the economy of the community (10)(12)(14)</p> <p>There is a need to provide all groups in Papua to have a space for dialogues and voicing their aspirations, including pro-independence groups (4)(8)(10)</p> <p>University could play important roles in strengthening public services, and community involvement in the development process (5)(2)(6)(16)(11)</p> <p>Some churches' leaders are progressive and have shown their concerns about Papua's social, economic, and political situations.(10)(6)(2)</p> <p>A mechanism for all key stakeholders to participate has to be built (16)</p> <p>To ensure reform, tribes' leaders and Heads have to be involved. (6)(4) (2)</p> <p>Young Papuans can improve the situation because they are more open-minded and believe they could have many other life choices than just being civil servants. (2)(17) Their progressive attitude face challenges from the older generation who has the political authority at the moment. (2) Exposing young Papuans to pursue higher education outside of Papua is an excellent solution. They can get intellectuality and, at the same time, be acculturated that enables them to work and compete with non-OAP and be proud as Papuans. (5)(6)</p>
<p><b>Conclusion</b></p>	<p><b>Foundational factors</b></p> <p>The power structure between the Central and provincial governments is shaped based on a hierarchy that means the Central has more power than the provincial and district level government. However, to enable Papua to have more internal control, in 2001, the Central</p>

granted it with the Otsus completed with access to Otsus funds for the next 20 years to reduce poverty and improve the OAP's welfare. However, the Papua government feels that the authorities mentioned in the Otsus Law have not been given to them. Another issue is the Otsus Law granted the province autonomy, which is not in line with the LG Law that presents it to the district. This incoherent has created friction between the Central, provincial, and the district level governments because many times, by using the PD Law as an excuse, the district level government directly contacted the Central and vice versa without including the province. Besides the LG Law, some other sectoral Laws are also not consistent with the Otsus Law, and they have not been resolved. Unfortunately, after almost 20 years, Papua's Otsus is considered failed by the Papuan because they perceived its ultimate goal is not happening. The fundamental factor that made the Otsus unsuccessful is that there is no Grand Design agreed by all key stakeholders and aims as a concrete direction on what needs to be achieved, how to achieve, and who should be involved in achieving them.

In the future provincial government have to be able to accommodate all key factors that could contribute positively to Papua's development process. It starts with the Central government with the highest power to lead, manage, and coordinate all Indonesia provinces. Then, CSOs involved since a long time ago to assist the community in their socioeconomic affairs and advocate, negotiate, and complement the government works. At the same time, churches have a long-time history. All respect them due to their efforts to make the tribes communicate with one another and assisted the community, especially in spiritual matters. Then there are also the university and media that need to be boosted to strengthen their roles. Another key actor is the young Papuans, who are Papua's future and therefore need to be included since now. The other potential party is the private sector that has to be more involved to boost Papua's economic growth. Finally, the donors with a long record provided program assistance to improve and fill in the gaps in Papua development.

#### **Rules of the game**

Besides the absence of a Grand Design, the required regulations from the Central concerning the Otsus Law was translated into the Perdasus 13 years later and needed some more time before it was interpreted into the Governor and other related regulations. The organizational structure, the roles, and responsibilities of the executive and legislative at provincial and district levels are not well defined and, for some, even unavailable. As a result, both provincial and district level governments do not have a comprehensive plan completed with targets and indicators to ensure they are on the right path in achieving the purpose of the Otsus. It also made them have weak management in planning, implementing, or monitoring program and budget allocation. Unfortunately, the tribe politics and political patronage are typical in Papua. Many people in the strategic government positions are elected and selected due to that matter rather than their capacity. Moreover, the Central government does not give them enough empowerment that they need. The Otsus funds planned only as leverage has become the main income source for many districts in the province.

There are many actors with good intentions that have the same vision for Papua to have the welfare they deserved and protect their precious natural environment. The Papua's government needs to facilitate and coordinate to ensure everybody could do their roles and responsibilities for Papua. Nevertheless, two groups that often missed to be included are the young Papuans and the private sectors.

#### **Here and now**

Currently, the Central and Papua government is preparing the next Otsus. Papua's development plan has also been included in the 2019 RPJMN Teknokratik. To ensure all Ministries could work together for Papua, at the moment, the Central is preparing to empower the Bappenas to be the lead coordinator through a Precedential Instruction. One action missing in developing the next Otsus is a thorough evaluation of the 2001-2021 Otsus from the stakeholders in Papua and at the Central level. Not to make the same mistake, all Papua groups must be included, including the pro-independent groups. The evaluation results have to be used to decide whether the Otsus Law would be comprehensively revised or only the problematic articles in it and as a foundation to develop the Grand Design.

#### **Dynamics**

A strong suggestion for a thorough Otsus evaluation is through a series of bottom-up dialogues in Papua from all levels and in Jakarta, where all national stakeholders interested in Papua are located. After the conclusions in Papua and Jakarta are reached, then the high levels of the two could have final dialogues to ensure common understanding and agreement on what needs to be done for Otsus volume 2 and how to resolve potential conflicts in the future. This is a big process and not just a onetime ceremonial event approach.

## **Theme 2: Governance Reform**

<p>What are the main challenges in promoting reform in Papua? How to incentivize the reform?</p> <p>What are the main incentives/reasons for local and provincial governments and CSOs to support governance reform (mainly public service delivery improvement)?</p> <p>What are the main incentives/reasons/motives of the national/provincial government to address incoherent regulation on governance?</p> <p>What are the main drivers for provincial and district governments implementing a sustainable development approach in local development plans? What can be done to improve it?</p> <p>What needs to be done to ensure government efforts to implement impactful inclusive development and minimize the high poverty rate in the rural areas</p>	<p>Weak internal control management of both provincial and district governments either in planning, documentation, implementation, and M&amp;E processes. (16) (14)Such as,</p> <p>The management of APBD and Otsus funds should be separated, but the districts are not doing that due to a lack of control from the province. (16) (10)(6)</p> <p>Planning and budgeting are not executed on time on a lack of transparency and accountability (16)(5)(2). An example, from January to September, budget absorption from Otsus funds and others only 27 percent. To disburse the remaining 73 percent, the only way is through massive unplanned activities without indicators. (16)</p> <p>The measurement of government performance results through development indicators has not been carried out correctly. (9)(16)</p> <p>The government do not have any mechanism to channel the community's complaints and aspiration (16) (11)(3)</p> <p>The lack of ability and mechanism for districts to make program prioritization and to manage the funds (1)(9)(6)</p> <p>A Grand Design/road map for the next 20 years that can be translated into the 5-years plan is important. Therefore, people in power in that 5-years could have direction and acknowledge what had been done by their predecessor. And they must comply. (8)(16)</p> <p>The Central and Papua provincial government should solve the incoherent regulation to ensure government at all levels could have the same perception and understanding (1)(16)(8)</p> <p>The provincial and district governments need to have the ability to do budget allocation based on needs and priority (16)(9). Moreover, the legislative (DPRD) should also have the capacity to analyze data to ensure the budget planning process based on need and priority could be realized. (13)(16)</p> <p>There is a need for the Central, which focuses heavily on political matters to comprehensively strengthen Papua civil servants' capacity on coordination, management, and administration. (16) (8)(4)</p> <p>Unfortunately, there are rarely technical capacity building opportunities available for government officials, especially concerning service deliveries because they come from the Ministry above the Dinas. Local funds could only be used to provide leadership training when someone got promoted to a higher level. (12)(16)</p> <p>The desire to reform is there (1)(16)(14), although mostly comes from the middle management level because they interact directly with the community. (16) (14) Therefore, they must have a strong foothold to encourage high-level people to convey it to the DPRD. (16)</p> <p>Several Districts' Heads and people in strategic positions are currently more committed, diligent, and care for their community. As a result, they have become role models for their subordinates. They understand that if they are not caring, dishonest, and not work hard for the community; they will not be re-elected. In the end, it solely depends on the individuals, not the system (14) (11)(9)(7). Consequently, the situation could not be for long because these right persons will be replaced, rotated, or mutated, and there is no guarantee that the replacements will have the same quality. (11)(9)</p> <p>Many government officials from strategic positions until those who work in the field do not have the required capacity for those positions. (12)(13)(9)(5)(6)</p> <p>The recruitment process should be carried out with a clear standard through auctioning, and only people with appropriate competency could be accepted. (12)(13) (1)(5)</p> <p>When a new District Head is elected, the district's strategic positions are usually given to his success team, and many of them do not have the required capacity. (13)(6)</p> <p>Tribes' politics are typical in Papua as of the success team and protect if someone is questioning their Head Leader who has a strategic position in the government. Some tribes' Heads also can decide who gets what position if a tribe member gets elected as the District Head. Therefore to ensure reform, tribes' leaders and Heads have to be involved. (6)(4) (2)(13)</p> <p>The government plans to split the Papua and some of its districts to bring services closer to the community. Unfortunately, it also means an increase in routine government spending. If it does not compliment the strengthening of the human resources capacity, then the development processes will still not progressing (10). On the other hand, smaller covered areas would make it easier for the government to handle (6)</p>
---	---



	<p>There is an affirmation for the village development fund program that required 2 FOs prioritizing the OAP to assist a village. To accommodate the OAP quota, the admission standard was lowered and resulting in many of the FOs' lack capacity. Not to mention due to their number is reduced, they have to assist several villages at once. With no monitoring from the above and the community's pressure, many FOs only distribute the community's cash funds, and no development activity is happening. (2)(7)</p> <p>There is some inconsistency between Otsus Law with some sectoral Laws such as UU Pemerintah Daerah (PD Law), which put the autonomy at the district level. On the other hand, the Otsus Law gives autonomy to the province. As a result, district governments or even some group of people on the grounds of LG Law repeatedly contacted the Central Government directly and made the province feels excluded. (9) (1)(8) (4)The other is UU Kehutanan, which stated that the right to grant customary forest is the Ministry of Forestry, while the Otsus Law said it is the right of Papua. (1)(17)(16)(4)</p> <p>The inconsistency of Otsus Law with some sectoral Laws has created friction in the Papuan governments. That made the Papuan people blame and demanded the Centre fix the situation because the Otsus Law does not mention any other Laws that can beat it. (1)(4)</p> <p>Development programs only happen in urban areas because it could be easily seen by the high level of government people. While in rural areas, where most of the OAP live, due to lack of monitoring and supervision, many development programs, especially concerning service deliveries, are not happening. (5)(17)(9)(3)(7)</p> <p>Both Central and Papua governments have not had any agreement to solve the above inconsistency of Laws. Papua persistent in using Otsus Law while the Central stated that sectoral Laws have to be implemented in all regions in Indonesia. (1)(8)(6)(17) (4)</p> <p>The budget received by a district is usually running out for routine programs. Therefore, it is difficult for the government to adopt new programs despite the evidence showed they are good.(15)(5)</p> <p>Use champions in programs to do reform, strengthen programs, influence others, or their superiors. They can be anyone from a District Head or others in a government's strategic position until the community, traditional or religious leaders. (13) Searching for champions at the beginning of the program. (13)</p>
<p>How functional and efficient are the provincial and district mechanisms to prevent mismanagement and corruption?</p> <p>What are the main drivers and enablers for the provincial and district governments' current performance?</p> <p>How do you think the different layers of government can improve their performance?</p> <p>Do you think the CSOs have enough participation to improve government transparency, accountability, and measure their responsiveness? How so?</p>	<p>The Musrenbang process at the village level is not practical because it is not reflected in the villages' development process that almost none is existing. (3) Community participation in the development process, especially in service deliveries, is still low (3)(13)</p> <p>Internal control management is weak from planning, program implementation until monitoring and supervision. (16)(14)</p> <p>The Central government should strengthen the capacity of the provincial government in coordination, management, and administration, including monitoring and supervision (16)(8)(4)</p> <p>The provincial government should strengthen its coordination and mechanism in conducting monitoring and supervision to the district, including in ensuring budget allocation, management, and efficiency (16)(2)(6)(13)</p> <p>District government have to focus on the development process in rural areas with good and systematic monitoring and supervision (5)(3)(7)(17)(10)(16) Moreover, districts have to have good communication with the province to discuss local specific issues and needs including in budget constraints (13)</p> <p>Many sub-districts' Heads in highlands areas are rarely in the offices expect when it is almost time for an election. (11)(14) Moreover, most do not have a concrete program for their district. (6)(13)(7)(3)</p> <p>Before the province disburses the 80 percent of Otsus funds to the districts/cities, it made a 30 percent deduction for joint authority affairs at the provincial level. There is no clear objective or indicator for these activities. (16) When 80 percent of the funds are being distributed to the 29 districts/cities,</p> <p>There is no guidance on how the province would do the M&amp;E on planning and implementation and how reporting mechanism would be. (16).</p> <p>15 out of 29 districts/cities do not have PAD. Therefore the funds are mostly used for routine expenditures and a limited budget for programs. (10)(1)(13)(9)(6)Lack of funds has made district governments must select the appropriate beneficiaries. (12)(1)The problem to ensure all needed beneficiaries could enjoy the program's benefits is accounting for transfer regulation. Specifically, for Otsus funds, other sources of funds cannot interfere unless managed through Otsus Law. (1)</p> <p>MRP and DPRD could play three essential functions, namely legislation, budgeting, and oversight. Unfortunately, their commitment to these three roles has not yet emerged from them. (16) (2)(13)</p>

	<p>Due to ego sectoral, lack of commitment, and communication, it is not easy for a Dinas to collaborate with another Dinas. (12) (5)</p> <p>Government data shows an inflating number of villages and people to raise funds for the district election. (2) The 2020 National Census was done online, and many places in Papua are not connected to the internet, which supports incorrect data for Papua. (2)(5)</p> <p>Mismanagement and corruption happened due to their mentality. They have been confined for a long time, so their expression is exaggerated while mentally not ready when they get a chance. (6)(5)</p> <p>Since the pandemic of COVID-19, every impoverished family, especially in the villages, receive regular BLT from the government. However, in some districts in the highland areas, the amount they received is less than what is stated in the circular letter. (7)</p> <p>CSOs and community leaders do not have the capacity to do advocacy to push the government to improve its service delivery mechanism and performance. (3) (11)(7)</p> <p>Some CSOs concerned with government mismanagement and corruption have reported many cases to law enforcement such as Tipikor, Polri, and KPK because their power is only until reporting. In most cases, there is no response from law enforcement because they are co-opted. (2)(6) At the same time, the CSOs received pressures and seriously threatened that, in the end, made them silent and just followed the flow. (2)(6)</p> <p>No movement is available in Papua to give pressure to the government to promote transparency and accountability. CSOs' role has to be strengthened to enable them to carry this role, although many of their leaders are not young anymore and might slow down the process because they are less courageous and dynamic. (17) Include universities because there are many young people there (17) (5)</p> <p>Another solution is to provide intense capacity building and facilitation to a group of middle-level civil servants to be at the forefront of the reform process. Nevertheless, it is time-consuming because the capacitating process could take until five years, although the results for the next five years are also worth it (17)</p>
--	--

<p><b>Conclusion</b></p>	<p><b>Foundational factors</b></p> <p>Due to the thick tribe politics and political patronage, many are elected without the leadership skills needed for that position. As a return of the favor, they usually give the government strategic positions to their successful team, and most of them are not qualified too. They do not have a vision of what needs to be achieved during their power time, resulting in weak plans, priority programs, and monitoring and supervision. Their lack of mechanism and tools for programs and budget allocation creates plenty of room for mismanagement and corruption. The incoherent between the Otsus Law and Law on governance has not been resolved by the Central and Provincial governments, making the situation more complicated because some use it for their benefit. Due to threat and intimacy, CSOs that focus on good governance and media that one of its important roles is to investigate have not done much. While CSOs at the district level, which most of them are assisting the communities, including public service deliveries, are lack capacity and occupied with various socio economic issues.</p> <p><b>Rules of the game</b></p> <p>The Central and Papua's governments' main incentive to address incoherent regulation on governance is because it makes the agreed mechanism between the two-run smooth. They do not have to worry about some conflicts that would arise or some people that use the incoherency of Laws as an opportunity to get their benefit.</p> <p><b>Here and now</b></p> <p>There are currently some District Heads and government offices' Heads who are progressive with a genuine interest to see the living condition of the communities improved. Their performance would become much better if only there is a Grand Design to assist them. Middle-level government officials are more prepared for reform because they are the ones that communicate directly with the community and therefore have more compassion for their conditions and needs. A strong foundation to enable them to encourage their leaders is needed. Unfortunately, these conditions are still dependent on the individuals' personalities. Strengthening systematic mechanisms on monitoring and supervision both for programs and budgeting is required at province and districts. In the end, a Grand Design with targets and indicators is needed to ensure the provincial and district government could have guidance to make comprehensive planning completed with adequate monitoring and supervision. Although before the Grand Design is available, both Central and Provincial governments should have solved the incoherent regulation on governance.</p> <p><b>Dynamics</b></p> <p>There is a need to capacitate CSOs to ensure they could be active in advocating, assisting, and putting pressure on the government for reform. Encouraging young activists from the CSOs to take leadership in doing the programs is needed because they are braver, think out of the box, and dynamic. The other suggestion is for the donors to use champions as role models based on their roles and responsibility, especially the District Heads.</p>
<p><b>Theme 3: Service Delivery</b></p>	
<p>Evidence suggests that health, education, WASH, and economic conditions in Papua are alarming.</p> <p>What do you think about the challenges facing Papua's government in improving your sector's service delivery conditions?</p>	<p>To ensure communities have access to public services, districts, especially in highland areas, need infrastructure not only to connect them but, more importantly, to connect villages and the villages to the capital city within a district. (3) (11)(2)(10)(11)(7)</p> <p>In doing service deliveries, districts government have not complied to ensure the minimum service standards and national standards are applied (16)(9)(13)</p> <p>Public Services issues:</p> <p>Related to education: Papua's 12 years of compulsory basic education teachers are still far from excellent. (5)(9) In villages, especially the remote ones, teachers, even the honorary ones, are reluctant to be placed there, leaving many schools in the highland areas without them or they only come rarely. (3) (11)(7) To fulfill village children's education needs, the community developed informal elementary schools,</p>

Looking through the lens of cultural and socioeconomic diversity, gender inequality, and geographic difference, what needs to be done differently by the government to overcome the challenges in improving access and quality of services concerning leadership and coordination?

where the teachers are volunteers or receive small stipends from the community. Their education usually is junior or not graduated from high school. (3) (11)

For a university like Uncen, with many students below the minimum standard, increasing the institution accreditation is impossible and has been dependent on funding from MDikti. Simultaneously, it needed to increase funding to develop research programs and educational and community services to ensure students could see other career alternatives besides just being a civil servant. (5)(6)(17)

Related to health: many villagers do not have access to health providers, even midwives or nurses. Some villages have Puskesmas buildings but without services available. In several districts, some committed health providers who try to do regular visits to the villages face challenges on arriving in those districts due to their remoteness. What are available in the communities are midwives C. They are laywomen trained by missionaries during the 80s that are currently not young anymore, and they received some incentives from the Dinas Kesehatan. (7)

Lack of monitoring and supervision from the province and lack of funds from other sources have made districts have different interpretations of budget allocation on health stated in the Otsus Law should be at least 20 percent. The impact is on the district's ability to provide health services to its community. The problem is that most districts' PAD is minimal, and if there is a fund shortage to respond to a health program needs, they could not cover it from other sources of funding. (9)

District governments also are lacking in mapping health issues in their region and do prioritization based on it. As a result, since the funds come in a bundle, the easiest option is to follow the list of programs menu from the national level, which is assumed to be a list of program priorities.

Concerning WASH, even in the city of Jayapura, many people still could not adopt a clean and healthy lifestyle (15)

Related to the economy: the government does not understand the world of business, and therefore, supporting the community's economic growth is out of focus. There are very few local business people in the agricultural, fishery, and trade sectors, which are Papua's key strengths. Almost no government efforts to improve the business in these sectors. Only the infrastructure and construction sectors with clear mechanisms and systems, while others do not yet exist.(10)(14)

OAP are not used to intense competition, and they need assistance for their economic development that focus on what they are best at. For example, if they are farmers, they should only focus on developing agriculture (10)(5)(3)

Most villagers have low personal money management. Due to no village development planning, many villages' Heads then distribute the village cash funds from the government to their community. After the village cash funds distribution, many villagers would usually go shopping and have fun in the city. (3)(7)(17)

In Jayawijaya city, the Manpower, Industry, and Trade Office have successfully trained coffee farmer groups to expand their business from selling raw coffee to selling roasted coffee in packages with their brands. Some have been sold in Jayapura (14).

Although they are still small in number, some young OAP who just returned from schooling outside of Papua has embraced changes and choose to enter the private sectors rather than become civil servants (10). Their business is still small and does not have any strong market. They still need time to decide whether they want to be involved in non-business issues (10). Unfortunately, KADIN, APINDO, and HIPMI do not have a shared roadmap to help these young generations. (10)

To support the community to run a successful business, do not focus on human empowerment but do product empowerment instead. Select people who already run a business no matter how small it is because it means they are already committed to being an entrepreneur. Then assist them in growing their business with products that they can be proud of. (10)

Lack of infrastructure has made product transportation cost for districts in highlands areas expensive because the only way is to use air transportation. (10)(14)(7) To get subsidize is not easy even for CSOs unless legalized companies (7)(14)

At the district level, the government does not have a clear mechanism on field monitoring and supervision to ensure the public services are running and meet community expectations. (3) (11). There is no government program socialization to the villagers that created the community's misunderstanding and ignorance to use the public services. They do not understand they need to be involved in the programs, including taking care of the public services buildings in their villages.(11) (15)

Annually every village receives cash funds aim for village development. However, there is no guidance on using the funds and what it is for despite village facilitators' availability. Due to community requests, many villages' Heads disburse the village cash funds among families of that respected village. (3)(7)(17)(2)

Gender inequality has negatively affecting girls and women in all sectors, including in health and economy (9)(7)(13)

	<p>The role of District Head is vital if International Development Organizations want to ensure their sectoral programs achieved their goals. To make them support the programs, sometimes we need to accommodate their interests in a politically correct way. (9)</p>
<p>Besides the government, do you think other stakeholders could also provide a significant contribution to improving Papua's socioeconomic status, such as CSOs and donor agencies? Therefore,</p> <p>How to strengthen the CSOs' and churches' roles and responsibilities to ensure they could provide support in improving Papua's socioeconomic conditions?</p> <p>What should be done differently to ensure the effectiveness of donor agencies' support in improving Papua's socioeconomic conditions?</p>	<p>With their limitation, CSOs provide training and raise awareness to the community to teach them basic skills such as home economics, ensuring the safety of pregnant mothers, or on family welfare and women empowerment. (3)</p> <p>Experience shows CSOs can strengthen communities' commitment and involvement to ensure public services could run and serve them (16). Unfortunately, the local government has shown no effort to continue many good projects developed by the CSOs after closing. (11)(13)</p> <p>Churches' roles to ensure gender equality can be enhanced. Some churches have facilitated their selected members to become certified paralegals to handle GBV cases by the law. (13)r</p> <p>Lack of qualified CSOs that focus on advocacy and monitoring to ensure all children have easy access to formal education (7) (3)</p> <p>There is a need to capacitate CSOs to do effective advocacy and dialogues with the government on social and economic affairs. (7)(16)</p> <p>Encourage and facilitate the province to convincingly showcase districts' successful programs and motivate other districts to replicate. Provide technical assistance for districts that want to replicate using their budget. (13)</p> <p>With its limited funding, Uncen has research and community services that have tried to support and work with the community to improve their economic condition. Such as developing machinery to enable farmers to make derivative products from their farms or biological programs to produce new varieties of certain valuable plants. (5)</p> <p>Although they are still small in number, some young OAP who just returned from schooling outside of Papua has embraced changes and choose to enter the private sectors rather than become civil servants (10). Their business is still small and does not have any strong market. They still need time to decide whether they want to be involved in non-business issues (10). Unfortunately, KADIN, APINDO, and HIPMI do not have a shared roadmap to help these young generations. (10)</p>
<p><b>Conclusion</b></p>	<p><b>Foundational factors</b></p> <p>The quality of government service deliveries is dependent on district leadership and its internal control management. Unfortunately, since the Otsus started in 2001, tribe politics and political clientelism by providing access to strategic positions in exchange for electoral support is high in Papua. Resulted in sectoral government, leaders do not have the capacity required for the positions, especially in ensuring the districts' planning and budgeting are comprehensive with good coordination among the government offices. At the same time, related Ministries tend to ignore reality and only provide generic capacity buildings similar to other provinces. These capacity buildings lack in quantity and qualities because not specifically responded to the unique Papua's conditions. Due to the lack of monitoring and supervision, the service deliveries have been done without clear direction and prioritization or minimum standard quality. Coordination among government offices is not run well due to lack of sharing a vision, high sector's ego, and lack of communication.</p> <p><b>Rules of the game</b></p> <p>The Otsus funds always come to the districts in a bundle. Besides what is stated in the Otsus Law, they have to decide how they would divide the funds. As a result, due to perceived other priority needs, even the required percentage of funds stated in the Otsus Law, such as health or education, is not followed by some. Based on the mechanism between the Central with the provincial governments, direction for programs to be implemented usually comes in the form of a menu that could be adjusted to the local conditions. Nevertheless, due to a lack of capacity to analyze local situations and needs such as in health, many districts just the list number in the menu that treat it as the priority programs. While for WASH, or small industry, where many times, several government offices have to collaborate, in reality, they limit to focus only on their roles and responsibilities without supporting each other. With the absence of systematic monitoring and supervision, many public services are not running, especially in highland areas. The CSOs that assisted the communities have tried to advocate the related government offices, but they have not received any positive response for most. Except for some CSOs that have existed for a long time, the government has acknowledged their assistance to improve its situation.</p> <p><b>Here and now</b></p>

	<p>Many villages in highland areas are isolated and lack roads that can be passed by the motorcycle that left them without access to health providers except some midwives type C that receives training in the 80s from the missionaries and therefore is not young anymore. As a result, many unnecessary deaths and pandemics are easy to happen because no access or health assistance arrived too late.</p> <p>In education, most schools in the villages do not have teachers, even the honorary ones. They come only at the end of the school years or during the national exams. Many graduated students from basic compulsory education, especially in the villages, are far below standard. Not because they are unintelligent but due to the poor education quality. At the same time, farmers do not receive any assistance on where to sell their products or whether they have grown the right plants. The local CSOs try their best to assist the community, but they do not have the power to pressure the government to improve their performance because of a lack of funding and capacity.</p> <p><b>Dynamics</b></p> <p>There are currently some progressive Districts Heads with a genuine interest in helping their community have a better life. While some cases from the CSOs showed, they were successfully advocating the District Heads to do some reform, although the scale still small such as adopting the fit and proper test to select the Director of a Puskesmas or replicating the special unit to handle the GBVcases. Nevertheless, these cases need to be appreciated and be used as role models for others. The CSOs could not do the work alone, and they need support from the donors.</p>
<p><b>Theme 4: Inclusive Development</b></p>	
<p>Given the unique, inherent challenges/tension due to ethnicity-based discrimination, economic inequality, pendatang (migrants) and non pendatang (indigenous peoples),</p> <p>What, in your opinion, should be the right approach for the local governments for inclusive development in Papua?</p> <p>What, in your opinion, is the best strategy/approach of donor agencies such as USAID to ensure inclusivity in development work to be realized, and contribute to conflict resolution?</p>	<p>OAP are lack of capacity in almost all sectors, especially in trading, service, and informal sectors. Finally, the economic growth of non-OAP progress faster. The gap between the city and the village becomes wider because most of the OAP live in the villages. (5)(4)(10)</p> <p>With reason to protect the OAP, the provincial government made affirmation regulations such as in the opening of new civil servants, there is a 70 percent quota of those who got accepted should be OAP. A similar situation happens in taking new college students in the state university or accessing special government facilities for new entrepreneurs or business persons. Usually, to meet the quota, standards are downgraded, and many who got accepted do not have the required capacity. (3)(2)(1)(5)(12)</p> <p>Unequal treatment for OAP and non-OAP is heightened at the district level, where many of them produce a specific regulation that discriminates further the OAP and non-OAP. For example, the motor taxi business is only for OAP, or shophouses can solely be owned and run by OAP. (3)(6)</p> <p>This affirmation has raised a new concern that it would support further discrimination that, in the beginning, was only done unconsciously. For example, because the service provider has to be OAP, they prioritize giving the services to the OAP. (2) The other concern is that the admission standards have been lowered and made accepted people do not have the minimum required capacity. (1)(12)</p> <p>There is a substantial concern among OAP that the non-OAP/migrants would take all economic and political aspects previously belong and managed by the OAP. Due to these affirmations, the OAP became more worried that they would be excluded from Papua's development and easily upset when they feel the non-OAP are provided an opportunity to compete with them. (3)(15) (6)Such as in Paniai district, where the community refuses to accept non-OAP as civil servants. (6)</p> <p>Several districts' Heads have made bold steps to recruit (temporary) government officials with adequate incentives to anybody that matched the requested capacity. The result is a faster development process because those who work have the appropriate capabilities. (13) (14)(12)(2) When the foundation for further development has been strong, and the OAP are ready, they can easily continue the process. However, these progressive leaders often come under attack because they are considered not siding with the OAP. (2)(13)</p> <p>Donor agencies could play essential roles in strengthening district governments capable of doing comprehensive planning, monitoring, and supervising public service to ensure they are functioning effectively and accessible to all villagers. (3) The exit strategy should be clear to ensure the government could maintain its good quality M&amp;E program after the donor agency left. (3)</p> <p>Development agencies should have a new paradigm and do their work in areas where assistance is needed the most and relatively never touched by International Development Organizations such as in highland regions. (14) (3)(17) (9)</p> <p>The August 2019 riots showed how non-OAP took fierce retaliation because of the sense of injustice that had to be suppressed so far. If the feeling of injustice continues, there is a concern the radical people like the former FPI could see an opportunity to come to Papua because there is discrimination against non-AOP. (2)</p>

	<p>To end the horizontal conflict between the OAP and non-OAP, there have to be serious efforts to make them understand that in the end, they all want the same things, namely welfare and justice. (2)</p> <p>Gender inequality is a serious issue in Papua due to its thick patriarchal values, and it is not perceived as a priority by the executive and legislative. (7)(13)(9). The government needs to understand gender equality comprehensively and mainstream it into the policies and programs. There are relatively no parliamentarians, especially women, with substantial capacity to ensure gender programs based on budget planning. There is a need for a responsive gender budget. (13)</p> <p>There is an urgent need to mainstream gender equality into those two institutions' programs, especially concerning policies. Nevertheless, improving their capacity is no use without increasing community awareness, especially traditional and religious leaders. (13)</p> <p>Churches' roles to ensure gender equality can be enhanced. (13)(7) Some churches have facilitated their selected members to become certified paralegals to handle GBV cases by the law. The certified paralegal is a program from the Ministry of Law and Human Right (13)</p> <p>There is a need for a multi-stakeholders' forum to discuss gender inequalities and improve women's condition in Papua. (13)</p> <p>Currently, CSOs have minimal interest in gender issues. There is a need to strengthen their roles, including in advocacy and providing data and information to the government on the impact of the patriarchy culture in the community (13)</p> <p>Gender-based violence is a common issue in the community, especially in the villages. (7) (13)</p> <p>Many men have two or even more wives that make women are trapped deeper in poverty. (7)</p> <p>Domestic work, including farming chores, made women excluded from the outside world even just to share their emotional burden. (7)</p> <p>When the government provided financial support to villagers, the person who received it must be the family's head. Many of the families never enjoyed the support because the husbands would just go to the city and spend it or give them to their younger wives (7)</p> <p>Affirmation for OAP is tolerated under the Otsus Law. At a glance, the process is unfair, but it is a solution to mediate other aspirations. (5)(1) Nevertheless, there is a large gap of education and ability to compete between the OAP and non-OAP despite the Otsus Law protects OAP. (5)(6)</p>
<p>Through the lens of the President's infrastructure drive, how do you think it will ensure successful infrastructure development in Papua?</p> <p>How do you think it will affect mining, logging, oil palm plantation, conservation of forests and habitats?</p> <p>Conventional wisdom suggests that massive government investment in infrastructure may crowd out private involvements and investment. Do you think this assessment is correct? If so, then what necessary steps, in your opinion, should the provincial government take to protect the balance of PPP in Papua?</p>	<p>The negative consequences of infrastructure development on the OAP and environment are,</p> <p>Deforestation, legal/illegal logging (17) (10)</p> <p>Increased consumerism of OAP due to consumer goods such as cigarettes, instant noodles, or soft drinks could penetrate previously remote areas (17)</p> <p>No positive impact on investment due to other prominent challenges, (17)</p> <p>Invite migrants to come to Papua and heighten the potential of horizontal conflict between OAP and non-OAP (17)(15)(10)(4)</p> <p>No positive impact on OAP economic improvement due to the focus is to build inter-district connections. The community needs access from their villages to the market in the sub-district or the district capital city. (17)</p> <p>While the positive ones are,</p> <p>Make it easier for OAP to visit families and friends in other districts (17)(15)</p> <p>Communities that previously lived in isolated areas are exposed to acculturation (6)</p> <p>Relatively no PPP mechanism is implemented in Papua. Even big companies in Papua are using the CSR mechanism that is more straightforward. (14)(10)</p> <p>Several development agencies try to facilitate companies including in Papua, to do PPP mechanisms with attractive incentives. However, they have not been succeeded, and one of the reasons might be that too many requirements could be very troublesome for private companies.</p>

	<p>PPP mechanism could be implemented in Papua if the development agencies could bring large investments to support the private companies. The results will benefit not only the development agency and the private company but also the government and the community. (14)</p> <p>Unfortunately, Papua's government does not understand the business world and how to develop business opportunities to support Papua's development process. In their minds, private sectors are limited to contractors and suppliers for construction and infrastructure. (14) (10)</p> <p>Massive infrastructure development in Papua contributes significantly to deforestation and environmental destruction, especially from the legal and illegal investments that take advantage of the new roads to previously isolated areas. (5)</p>
<p>Palm oil has become more important for Papua to improve its economic condition. Please describe the government efforts to ensure transparency and accountability of palm oil production's extent and location.</p> <p>While the palm oil industry's expansion is welcome to boost the Papuan economy, it also leads to the land clearing and deforestation. How do you think the local government should balance it?</p> <p>Do you think corrupt practices in the issuance of licenses is a concern in Papua? Why so? What needs to be done?</p> <p>What do you think needs to be done to prevent conflict around agricultural concession areas between communities, companies, and the government?</p>	<p>There is an urgent need to empower community groups who are living in and dependence on the forests. Therefore, they could take advantage of the potentiality of the forests and their customary lands. If their welfare is stable, they could be at the forefront to conserve their forests from those who want to destroy the ecosystem. (10)(5)(6)</p> <p>Although the scale is still small, illegal logging and natural destruction are growing and invite many players. These illegal players are facilitated by the improved infrastructure to approach poor OAP communities in or near the forests to sell the logs to them.(10) (17) The palm oil business has not developed because from the economic calculation, due to the high investment cost, it is still not profitable. Companies have been buying licenses legal or illegally for oil palm plantations. However, what they do is only to take the logs and then let the land become unproductive. There is no serious oil palm plantation so far in Papua (17)</p> <p>New settlements, doing farming by shifting cultivation, and illegal logging in the outskirts of the city like in Jayapura city has slowly disturbed the nearby conservation areas and affecting the water supply for the city (15)</p> <p>Forests and lands are generally customary forests of belong to communal. Most tribes who live in these areas are poor and could easily be lured to sell or mortgage their forests while what these investors want is deforestation. (5)</p>
<p><b>Conclusion</b></p>	<p><b>Foundational factors</b></p> <p>Lack of monitoring and supervision mechanism made most development processes happen in the cities where most non-OAP reside because the elites could easily see it, and it is. At the same time, a large number of people living in the villages are the OAP. Complement with better education and life skills to compete, the situation has made the economic conditions of the non-OAP grow faster, and the gap between urban and rural has become more expansive. It occurs despite the affirmation regulations that have been made by the provincial and district government. There is always a chance for horizontal conflict between these two groups. Another concerning issue is related to gender inequality that happens due to the Papua people's patriarchy culture. It has negatively affected women in all community levels from the executive and legislative until the family. Unfortunately, the Papua government not considers gender equality as a priority because they, too, are part of the culture.</p> <p>To boost Papua's economic growth, the Central government has conducted a massive infrastructure development that connects districts. The hope is it would make many business people want to invest in Papua. Unfortunately, research shows it will not increase Papua investment because other challenging factors that made doing business in Papua are still considered not profitable, including in the palm oil industry. Infrastructure expansion has contributed to the destruction of Papua's forests and biodiversity. Although if compared to the size of Papua's natural environment, the size is still small.</p> <p><b>Rules of the game</b></p> <p>The affirmations heighten the OAP concerns that they would be excluded in their land without it. Therefore, they got easily upset if they feel the government is given an opportunity for the non-OAP to compete with them. On the other hand, the non-OAP have become worried about what they perceived as systematic discrimination against them because the number of affirmations is kept increasing. Unconsciously, some OAP in the public services started to give better treatment to OAP. As a result, the 2019 riots happened in several places in Papua, and the non-OAP fought back to release the tension that they had hide. Concerning gender equality, data have shown that</p>



	<p>gender inequality has made it disproportionately affected women, such as in Maternal and Neonatal Health or GBV. Unfortunately, due to the culture, the number of women in the legislative is very limited, and without the capacity to ensure gender mainstreaming in Papua's policies and budget allocation.</p> <p>The infrastructure development has adverse effects on Papua's natural environment. The Central and Papua government have struggled to balance between growth in a resource-rich area and environmental conservation. Some of these imbalances include a.) Select and control peat lands conversions, b.) The lack of coordination between provincial and district governments with the investors, CSOs, and local communities in registering local customary land claims, and c.) Increase extraction from road infrastructure development. Looking at the private sectors in Papua, none of them are using the PPP approach. Even the big mining and oil &amp; gas companies are using the CSR approach due to its convenience system and not considering the other party except the assisted community.</p> <p><b>Here and now</b></p> <p>There is a need for the government to be objective and make the community realize that both OAP and non-OAP want the same welfare and justice. Instead of adding more affirmation that, in the end, only weaken the quality of the civil servants and higher education students, the government needs to improve their compulsory basic education based on the SPM. Balancing the development process in urban and rural areas is critical because the villages are far behind, and almost all the residents are OAP. Related to gender, the needs are to educate the executive and legislative on the importance of mainstream gender equality in regulations and government programs. Education is also needed from the demand side due to their patriarchy values, especially focusing on tribes and religious leaders to motivate their communities to create a conducive environment.</p> <p>As can be seen today, the extensive infrastructure development has made it easier and cheaper for people and products to travel. Unfortunately, the negative impacts seem more significant, mainly because, a.) Negatively affect the forests and biodiversity due to the construction, b.) Motivate villagers to be more consumptive because many unimportant products could reach the previously isolated areas, c.) Increase the tense between OAP and non-OAP because the non-OAP will use the roads to travel and find more income, d.) Invite more non-OAP to come to find a better living, e.) Provide access to illegal loggers to take more logs directly or through the communities.</p> <p>Unfortunately, Papua's government is not balancing infrastructure development invested by the Central, with road development within the districts or some districts in highland areas that are excluded. These roads are needed the most by the OAP because it would provide them with easy access to markets or make health providers and teachers willing to be placed in the villages.</p> <p>Illegal logging and deforestation increase faster, although the amount is still minimal compared to the size of Papua's forests. Unfortunately, other conditions that open access for deforestation are the issuance of the license to have oil palm plantations in Papua. In reality, there have not been any serious oil palm concessions due to other challenging factors that made the palm oil industry still not profitable to be implemented in the province. However, many companies have bought the license for oil palm plantation, but it is just a cover-up to take those forests' logs. After they were done with deforestation, they would leave the lands unproductive.</p> <p><b>Dynamics</b></p> <p>Minimize the gap between urban and rural is essential to ensure development programs are happening in the villages, especially concerning health, WASH, education, and economy. There is a need to strengthen district capacities on leadership, coordination, and result-based monitoring and supervision. The role of the CSOs and churches on these matters is essential. Similar responses need to be done to ensure service deliveries are taking into account the gender equality aspects.</p> <p>To protect the forests and biodiversity from more destruction, there is a need to empower the communities to have better income without obliterating the environment. When they are empowered, they would be on the frontline to protect their forests and other natural habitats from others who want to harm them.</p>
<p><b>Theme 5: Donor, CSO, and Private Sector Engagement</b></p>	
<p>How can collaboration and partnership among target key development actors be improved in leveraging resources? For example,</p> <p>With private sectors: what are the available potentials for leveraging?</p>	<p><b>Private Sector</b></p> <p>Challenges for private companies that want to invest in Papua: a.) The investment cost is much higher compare to other provinces; b.) to approach, convince, and maintain a good relationship with related stakeholders in low profile especially local government (District Head), law enforcement, and the community the company work with, c.) Capacity to understand local culture and local wisdom that is useful to avoid and solve problems in the field, d.) Convince stakeholders as a clean, trustworthy, and want to support Papua's goal in advancing the community's welfare. (14)(10)</p>

With other international development partners: How do we promote collaboration and coordination among development partners?

With CSOs and churches: How to devise a differentiated/more effective approach based on lessons/evidence of past work in Papua?

Local governments, especially in the highland areas, are accustomed to seeing private companies as cash cows and not as partners to improve the communities' welfare. (14)

There have not been any significant benefits from the Center's policies for foreign companies. (14) While local policies are relatively conducive. (14)

The government has received complaints from those who want to invest in Papua, such as high investment cost, security, land issues, or OAP's unique culture. Unfortunately, no response from the government so far. (10) (14) One solution is to make local business people and BUMDes capable of supporting farmers from providing good seeds and fertilizers until machinery enables farmers to create derivative products. Then they could send the products to the investor. Only when the system is ready, and the investor is satisfied with the products. They can visit the farmers and the production place and consider whether they want to invest more in the business. (10)

### **International Development Organizations**

Good collaboration among International Development Organizations is urgent to enable everybody to perceive that Papua's development faces many challenges because many interests are playing there both from the Center and from Papua itself. International Development Organizations, including USAID, that adopt the approach "working and thinking politically," deserve appreciation, and others should do the same. (17)(8)(4)

Development organizations could assist private sectors that want to invest in Papua. The challenges are still immense to do it by themselves, especially if they are international companies. (14)

If want to facilitate private companies to invest in Papua, several points to be considered: a.) Security, b.) Ensure all stakeholders the companies are clean and would not cheat or do malicious acts, c.) Employees and other companies' partners (such as farmers) are committed and supportive, d.) Government support, e.) Able to convince the private companies that their business in Papua could be sustainable and profitable. (14)

When implementing a project, development agencies usually ignored previous projects done in the areas despite the projects were similar or could be connected. As a result, the community gets confused, especially since the approaches are somehow different from one to the others. (11)(13)(3)

There is a need for better communication among development agencies and CSOs to ensure their programs could support each other and support government programs. Through good collaboration, it is hoped that there could be a common strategy or standard to support the communities that would not confuse them (11)

International development agencies could collaborate and play a role in facilitating multi-stakeholder dialogues in Papua based on specific sectors and involve many layers. The dialogues have to be comprehensive in discussing various related issues, including the social and political ones. Find a shared understanding and an agreed solution. (8)(17)(16)

### **Civil Society Organizations**

CSOs are important because

Voicing the aspiration of the community

Oversight and mentoring government work

Partnering with the government, especially to provide information from the field in the decision-making process (16)(17)

There are many local CSOs that work directly with the community with similar missions to improve their welfare. Many of them are under the churches' coordination, despite the CSOs not receiving any financial support from them. (3)

Experience shows programs of some projects are still running after they were closed for three years because the CSOs have escorted them (16)

If properly capacitated, CSOs have an essential role in collaborative governance on the demand side. (16)

Some CSOs do not always work in one place but move around based on the project's request. As a result, they have to leave behind the community that they already know how to assist them. Then they have to adapt again to the conditions of the new project area. (11)

Some churches' leaders are progressive and have shown their concerns about Papua's social, economic, and political situations. (10)(6)(2) They are potential agents of change if properly capacitated because most people respect religious leaders, especially

	<p>history have shown it was the religious leaders that connected the tribes in Papua (7)(2)(6). The more conservative churches still draw a line that they would only focus on spiritual matters, and social affairs are the CSOs' focus. (7) A situation that happened despite the churches received 10 percent of the Otsus funds, and most are used to renovate or make new church buildings. (7)</p> <p>DAP is an independent OAP organization and covers both Papua and Papua Barat. It has branches until in every tribe. The role is to recommend representatives in the MRP, voice OAP aspirations, and facilitate related conflicts. (4)</p>
<p><b>Conclusion</b></p>	<p><b>Foundational factors</b></p> <p><i>International Donors</i></p> <p>Donors' conventional work provides assistance to improve the community or situation in certain areas based on their missions.</p> <p><i>CSOs</i></p> <p>CSOs have contributed to the development process in Indonesia for a long time. However, although they have good commitment and genuine interest in helping the communities, many lack of capacity. Geographical factors and their focus on the communities they assisted, district-level CSOs that work for socioeconomic affairs, tend to work alone and lack networking and collaboration on work-related efforts such as advocacy. While CSOs that focus on good governance, many especially those that work at the provincial level, are weak due to threats and intimidation.</p> <p>At the same time, many churches in Papua are still conservative and limited their assistance to their congregations' spiritual aspects only. Although in the 80s and before, religious leaders were at the frontline to assist the communities on their socioeconomic matters.</p> <p><i>Private Sector</i></p> <p>The local government does not give enough attention to the private sectors to accelerate Papua's economic growth due to their lack of business world knowledge. They limit their understanding only to the construction and infrastructure sectors because they do not have to worry it would be lost and that many have received personal benefits from them. Only a few local companies work in the agricultural, fishery, and trade sectors, which are Papua's strength to boost its socioeconomic conditions. Kadin has the potential to contribute more. For national and international companies, they do not see Papua as a priority province for investment due to challenging situations such as high transportation and investment costs, security, potential conflict, and lack of infrastructure.</p> <p><b>Rules of the Game</b></p> <p><i>International Donors</i></p> <p>Many donors that work in Papua have not acknowledged power dynamics and social and economic forces that influence the regions' developments. Taking into consideration those factors is crucial to improve the effectiveness and sustainability of the programs being implemented. Several donors realize the need to comprehensively understand the local context and adopt the working and thinking politically approach.</p> <p><i>CSOs</i></p> <p>CSOs need to be capacitated concerning the programs they will implement and prepare them to keep up their good work without the donors' support. About the churches, progressive religious leaders are emerging, and they need a forum for sharing, collaboration, and encourage those who are still in ambiguity to join them.</p> <p><i>Private Sector</i></p> <p>Strengthening local government capacity to support private companies in other sectors besides construction and infrastructure is needed. Appropriate systems and working mechanisms have to be developed together with them. Related policies from the Central, there is a need to strengthen their implementation to ensure no gap with what is written, especially concerning private sectors' incentives. No challenges with local regulation when the government has known and supported the private sector will be provided when needed.</p> <p><b>Here and now</b></p> <p><i>International Donors</i></p> <p>Only several donors, including USAID, have adopted the working and thinking politically approach. Thus, many still focus solely on providing capacity building and assistance in the geographical areas that they work that might affect the effectiveness and potential</p>

	<p>sustainability of the programs that they bring. There is a need for sharing and collaboration among the donors to have the same perspective on analyzing Papua's conditions and ensuring all work in harmony and open to the potentials of cooperation. Provincial Bappeda responsible for facilitating the donors' forum has to be assisted in fulfilling the need.</p> <p><i>CSO</i></p> <p>Many CSOs are dominated by senior people, making them more conservative, less brave, and lacking dynamic. There is a need to facilitate young activists from CSOs to take leadership roles in implementing progressive programs. Provide them with the right capacity building and encourage them to have a good network among themselves for sharing and do collaborative work for activities that are better to be done together, such as advocacy and dialogues with the government. For CSOs that are assisting the communities in improving their socioeconomic conditions, they especially need to master the advocacy skills. Moreover, CSOs and communities need to have dialogues that would encourage the churches to take an active role in improving the communities' socioeconomic status. Support from progressive religious leaders might be required.</p> <p><i>Private Sector</i></p> <p>At the moment, Kadin Papua is setting their attention to several district BUMDs and a small number of young Papuan entrepreneurs to involve them in improving Papua's products with high economic values and developing business to sell those products. Use the product approach instead of empowering people without any related background to be successful in business. When Papua has good quality products, automatically people that already work in those sectors would be motivated to improve their business. While for national and international companies, due to many challenges that they have to face compared with if they work in other provinces, Papua has not become a priority province to invest.</p> <p><b>Dynamics</b></p> <p><i>International Donors</i></p> <p>Sharing and collaborating with donors has become more important to ensure smooth development programs supporting each other. Discussions in the donors forum should also include this matter and be encouraged by the Bappeda.</p> <p><i>CSOs</i></p> <p>CSOs might be able to have a good network with the district governments. However, to ensure program sustainability, they need support from the provincial government. The provincial government needs to motivate and encourage the districts' government to take over or provide some support to that program.</p> <p><i>Private Sector</i></p> <p>There is a need for the government to acknowledge and start to engage and coordinate other private sectors besides the construction and infrastructure sectors. Assist them in ensuring their CSR programs are targeting the needed ones and be acknowledged by the government.</p>
<p>Recommendations</p>	<p><b>GOVERNMENT EFFECTIVENESS</b></p> <p>SUPPORT THE CENTRAL government to provide tailor made capacity building and assistance with clear mechanism and indicators for Papua's government at province and district levels including the sectors.</p> <p>Assist district government to have multi stakeholders' dialogues to evaluate their service deliveries such as on health or community's economic development. The discussion should be comprehensive and include the social, economic and political issues as well. Therefore, different perspectives on direct and indirect challenges, strength and opportunities could be acknowledge and accommodate in the planning.</p> <p>Capacitate and assist Districts Heads to do reform by exposing them to success stories of some programs or projects, and the champion approach.</p> <p>Assist district government to have the mechanism and skill on: a.) Comprehensive planning and program mapping and prioritization, b.) Result-based monitoring and supervision including a complaint mechanism from the community, c.) Budget allocation based on targets, needs, indicators and time frame.</p> <p>Support district government to ensure their service deliveries are based on mapping and program prioritization with adequate budget allocation and focus on the villages to minimize the gap between urban and rural.</p>

### **HUMAN CAPITAL**

Assisting the middle level government officials to enable them to assist the district governments' elites a.) to make reform and in making the result-based decisions, and b.) support them to strengthen the collaboration with other government Offices.

Facilitate dialogues between the CSOs, religious leaders and the communities to ensure religious leaders are willing to be involved in strengthening the socioeconomic conditions of the communities.

Strengthen CSOs: a.) Capacity to enable them to do advocacy, close collaboration and pressure the government to do governance reform especially in service deliveries and gender mainstreaming, b.) Capacity on community empowerment based on sectors, c.) Young activists to enable them to take more leadership roles; d.) Capacity of Religious leaders to allow them to actively involved in strengthening the socioeconomic conditions of the communities.

### **ENVIRONMENTAL SUSTAINABILITY**

Empower the communities that live near or in the forests to enable them to improve their socioeconomic condition and resist temptation from illegal loggers. Capacitate them to be at the forefront to protect their lands and forests from people that want to harm to them.

### **INCLUSIVE ECONOMIC GROWTH**

Support Kadin Papua to facilitate young entrepreneurs and districts' BUMDs to enable them to have good quality products with a competitive price to be sold outside of Papua.

U.S. Agency for International Development