

## Chapter 2 Thematic Evaluation

# Capacity Development of Local Administrations ~Case Study in Indonesia~

### 1. Summary of Evaluation Study

#### (1) Background and Objectives

With the background of advancing decentralization in developing countries, JICA places emphasis on (1) improving the efficiency and effectiveness of administrative abilities, (2) the promotion of balanced decentralization, and (3) encouraging participation and improving transparency as the development challenges in relation to support for governance to ensure administrative functions.<sup>1</sup> Since the end of the 1990s, local governments mainly in the Asian region, such as those in Indonesia and Thailand, have been supported. Currently, such support programs for decentralization and local administrations are being continuously launched not only in Asia, but also in Africa, the Middle East, Latin America, and other regions.

This thematic evaluation took up the case of Indonesia. The current situation and problems were clarified in terms of the “capacity development of local administrations,” which was important for decentralization, based on the policies and measures of the Indonesian government. In addition, the development challenges were clarified and the axis of evaluation analysis was systematically compiled.<sup>2</sup> Thus, in considering JICA projects that have been implemented as part of the movement towards decentralization in Indonesia, the approach to capacity development of local administrations was examined based on the axis and then comprehensively analyzed for comparison with the approaches of other donors. After summing up the efforts for implementing these projects on the capacity development of local administrations, lessons were drawn regarding approaches to the challenges of capacity development of local administrations from the previous analysis, and other lessons regarding the formulation and implementation of projects on the capacity development of local administrations were carried out from later analysis.

#### (2) Evaluation Study Period and Team

##### 1) Evaluation Study Period

From December 2005 to August 2006  
(Field study: April 10 - 29, 2006)

##### 2) Evaluation Study Team

The Office of Evaluation, the Planning and Coordination Department, JICA led this study. An examination committee was established consisting of external advisors (including two evaluation advisors), the staff of related JICA offices (Indonesia Office, Regional Department, and Social Development Department), and consultants. The head office (the Office of Evaluation and consultants) compiled and wrote a research paper based on discussions in the examination committee and results of the field survey.

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##### (3) Scope of Evaluation

This evaluation study, which aims to examine the approaches to capacity development of local administrations in the movement towards decentralization, has selected certain sector projects as targets: those that were started in period 1999 to 2001 when decentralization was promoted in Indonesia with the direct or indirect purpose of developing the capacity of local administration<sup>3</sup> (see Table 3-9). As for project analysis, the focus is on the capacity development of local administration while conducting an overview of the project as a whole and on an analysis of the approaches: because the target of analysis includes not only projects that have been implemented but also projects that are being implemented, and it is not always appropriate to analyze the impact or outcomes of such projects.

### 2. Framework of Evaluation

In this evaluation, “the Development Objectives Chart regarding the capacity development of local administrations in

1. JICA, 2005. Research paper “Governance Support of JICA: Development of Democratic Systems, Improving Administrative Functions, and Supporting Legislation,” p. 68. (in Japanese)
2. This field is relatively new and has not obtained much actual achievement of cooperation in the past. Therefore, the approach to cooperation and development objectives chart by JICA or other donors have not been fully established. This study addresses to establish/set the axis of evaluation analysis.
3. JICA projects involved in the movement towards decentralization seem to be influenced more or less by decentralization itself. This evaluation study selected projects regarding in particular the capacity development of local administrations based on the following aspects. Thus the whole of Indonesia or sectors are covered.
  - 1) The focus was on projects that were especially directly supported by local administrations and those that involved major sectors subject to decentralization, such as education, health, and agriculture.
  - 2) The target areas were selected mainly from South Sulawesi where there has been a past accumulation of cooperation projects.

**Table 3-9** Target Projects of Evaluation Study

	Project Title	Abbreviated Expressions	Sectors	Project Period	Schemes
1	Supporting Regional Development Policies for Local Governments	Regional Development Policies	Capacity development of local administrations	2001.4-2005.3	Technical Cooperation Project
2	Human Resources Development for Local Governance (Phase 1, 2)	Human Resources Development	Capacity development of local administrations	2002.4-2005.3 2005.4-2007.4	Technical Cooperation Project
3	Strengthening Sulawesi Rural Community Development to Support Poverty Alleviation Programs	Sulawesi Poverty Alleviation	Rural development	1997.2-2002.2	Technical Cooperation Project
4	Improvement of District Health Services in South Sulawesi	Improvement of District Health Services	Health Services	1997.4-2002.3	Technical Cooperation Project
5	Empowerment of Water Users Association	Empowerment of Water Users Association	Rural development	2004.4-2007.3	Technical Cooperation Project
6	Community Empowerment Program with the Civil Society in Indonesia	PKPM	Rural development	2004.1-2006.12	Technical Cooperation Project
7	Regional Educational Development and Improvement Program (Phase 1, 2) Local Educational Administration Improvement Program	REDIP	Education	1999.3-2001.9 2001.3-2005.3 2004.9-2008.9	Development Study Technical Cooperation Project

Indonesia” is set as the axis of evaluation analysis in order to analyze approaches to the capacity development of local administrations with regard to target projects. This Development Objectives Chart is used to analyze approaches by JICA and other donors. Lessons are then drawn from two aspects regarding: (1) the approaches to the challenges of capacity development of local administrations, and (2) project formation and implementation of capacity development of local administrations.

### 3. Development Objectives Chart regarding the Capacity Development of Local Administrations in Indonesia

#### (1) Outline of Development Objectives Chart regarding Capacity Development of Local Administrations in Indonesia

The Development Objectives Chart table regarding capacity development of local administrations in Indonesia was examined and prepared by the Evaluation Examination Committee as shown in Table 3-10. It systematically arranges various groups of objectives concerning a specific development theme to be treated at three levels: development objective, core objective, and sub-targets of core objective. It is used as an analytical matrix to examine the policy and directions towards resolving issues, as well as the purpose and structures of cooperation programs by viewing the structure for each objectives in a cross-sectional manner in order to grasp the whole picture.

#### (2) Views and Notes on the Development Objectives Chart

On examining the guidelines to align the development objectives or goals with the structure of cooperation programs, it is useful to examine approaches to the development objectives based on the relation between objectives at the upper and lower levels, which is an incremental relation between the development objectives and core ones, and then between the core objectives and sub-targets of core ones, in order to clarify the structure of the development objectives. As for the development objectives of the capacity development of local government administration, all superior objectives regarding the system, framework, financial administration, personnel capacity, and administrative operations are similar and influence

each other. Thus a scenario to deal with development objectives should be planned after assessing the full picture provided by the Development Objectives Chart, while noting the interrelations between the development objectives in the Development Objectives Chart genealogy (relation between development objectives or core objectives beyond the development ones). Then, it is important to assess the core objectives and sub-targets necessary, and sufficiently solve the development objective by noting the relation between the development objectives or core objectives transcending the development ones. Understanding the relation among development objectives leads to grasping which objective is more important in solving upper-level development objectives and what kind of effort is made by the counterpart government or other donors. Moreover, JICA can establish its goal and scenario more strategically by approaching to the objective from the viewpoint of mutual complementarities and synergy effects. In this way, the Development Objectives Chart can be utilized to implement cooperation from a programmatic standpoint.

### 4. JICA's Efforts regarding Capacity Development of Local Administrations in Indonesia

#### (1) Changes of Strategy and Ideas in Regional Development and Capacity Development of Local Administrations for the Last 10 Years

In the mid-1990s, to be sure, JICA recognized the necessity of decentralization and capacity development of local administrations for the future, but the Indonesian government at the time had the policy of maintaining the centralization system. Thus when JICA's support was required for the promotion of individual projects, JICA treated both issues within the framework of the projects.

In the middle of 1997, social and political crisis spread to Indonesia. JICA provided emergency support in such a critical situation, focusing on securing a social safety net. At the same time, JICA shifted its attention to support which is directly beneficial to citizens. Although the movement towards decentralization had developed at that time, JICA had not clearly set out the guideline to promote decentralization. To cooperate with the central government as the major counterpart, along with involving regional governments, JICA took approaches to

**Table 3-10** Development Objectives Chart for the Capacity Development of Regional Government Administration in Indonesia

Development Objectives	Core Objectives	Sub-targets of Core Objectives	
(1) Development of a system and framework for local autonomy	(1)-1 Clarifying the relationship between the central and regional governments	● Clarify the authorities and roles of the central (Ministry of Home Affairs/BAPPENAS/ Ministry of Finance/each Sectoral Ministry and Agency) and regional governments.	
		● Clarify the authorities and roles of the local government and decentralization among the central government, Ministry of Home Affairs, BAPPENAS, Ministry of Finance, and each Sectoral Ministry and Agency.	
	(1)-2 Clarifying the authority/role/relationship of regional governments	● Clarify the authorities and roles of provinces whose functions affect more than one local government.	
		● Clarify the authorities and roles of local governments (districts and municipalities) providing local services.	
		● Clarify the relationship between provinces and local governments.	
		● Clarify the relationship between local governments and 'Kechamatan' (administrative body under local government).	
	(1)-3 Promoting the representation system for democratic administrative control	● Promote connection/cooperation/wide-coalition among autonomies.	
		● Establish and conduct the democratic election system.	
	(1)-4 Ensuring transparency and accountability of administration	● Enhance the power of local councils for supervision and introduction towards administration.	
		● Improve the ability of local council members.	
	(2) Establishment of financial management system	(2)-1 Improving the efficiency of governmental and financial administration through reform of the local financial administration system	● Establish the supervisory system towards local councils.
			● Promote information disclosure and public announcements.
● Promote the announcement system and enhance the supervisory system.			
(2)-2 Establishing a fair and neutral budget system for regional government finances		● Establish a financially efficient relationship between the central and regional governments (transferring the tax revenue basis, distribution of subsidy/deconcentration fund).	
		● Establish the efficient system of local finance (including financial reform within the autonomy).	
		● Establish an efficient system for the budgeting process.	
(2)-3 Establishing an efficient expenditure system for regional government finances		● Clarify the position of regional public corporations/enterprises.	
		● Establish a fair and neutral taxation system (including tax payment system).	
		● Establish a fair and neutral subsidy/bounty system.	
(3) Capacity development of local public officials	(3)-1 Reforming the civil service in order to improve administrative performance	● Establish revenues by local bond or borrowing.	
		● Implement a sufficient budget and establish a system for bidding/contracts.	
	(3)-2 Expanding the system for capacity development among local public officials	● Establish an efficient system for accounting and closing.	
		● Establish an efficient system for accounting and auditing.	
		● Reform the civil service system of the regional government and improve the efficiency of personnel administration (recruitment/salary/promotion/dispatching).	
		● Improve the ethics of the personnel.	
(4) Effective and efficient administration of regional governments	(4)-1 Improving the process of planning, implementation, and evaluation	● Enhance personnel training and education for managers.	
		● Prepare an environment for efficient training (improve facilities/implement instructor training/link with the personnel system/conduct the recognition system, etc.).	
		● Develop personnel resources on the job (OJT/personnel exchanging).	
	(4)-2 General improvement and raising the level of efficiency of administrative services	● Establish the preparation and implementation process of the development plan based on objective facts like regional basic data while maintaining consistency with the upper-level plan.	
		● Establish and operate the mechanism of citizen participation in preparation and implementation of the local development plan (including measures for improving community planning capabilities).	
	(4)-3 Enhancing the capacity of administrative organizations	● Conduct and report administration evaluation (administration/measures), feedback (including from citizens), and establish a monitoring mechanism.	
		● Improve the effectiveness of administrative affairs/projects (reflection of results of monitoring and evaluation).	
	(4)-4 Improving administrative capacity through the promotion of public participation	● Form an efficient administrative organization (including efficient work-sharing in each office).	
		● Promote IT.	
	(4)-5 Promoting leadership	● Promote citizen participation in the implementing process of administrative services.	
		● Establish a partnership with civil society on the implementing process of administrative services.	
● Establish and operate the system for outsourcing to civil society or the private sector.			
		● Clarify the roles of head/executive officers of regional government.	
		● Improve the leadership and management capacity of head/executive officers of regional government.	
		● Implement the vision mission program by the head and promote its monitoring.	

Interrelationship between Development Objectives

← Relation between Development Objectives from Upper to Lower levels →

put emphasis on improving the linkage between the central and regional governments.

Since the two laws of decentralization were established in 1999, the direction of decentralization had been still unclear. Therefore, JICA focused on support not influenced by decentralization, which was the capacity development of local administrations through support to regional development by regional initiative.

With the enactment of the two laws in 2001, JICA enhanced efforts to support decentralization, but was focusing on support to deal with the confusion caused by decentralization rather than promoting decentralization. Particularly, it put emphasis on 1) capacity development of local administrations as the recipient of decentralization and 2) reconstructing the linkage which was once broken by decentralization between the central and regional governments.

The two laws were revised in 2004, and JICA has been shift-

ing its project attention from the support of decentralization to the regional development of backward areas in Indonesia, even while keeping the activities focused on 1) and 2) described above. Based on the strategy above, JICA is now promoting a developing plan for eastern Indonesia. As a part of this plan, the regional development program for South Sulawesi province is ongoing. This program, aiming to “promote poverty alleviation through regional development in South Sulawesi province,” is supporting development of the entire region by organically linking the development in urban area and villages, to make a multi-strata approach for regional governments and regional society, and promote cooperation among projects.

## (2) Approach to Capacity Development of Local Administrations by Target Project of JICA

Table 3-11 shows a summary of 7 projects (3 are completed; 4 are ongoing) implemented by JICA in order to improve the

**Table 3-11** Outline of Target Projects and Approaches to Development Objectives

Project Title	Project Outline	Approach to Objective
Regional Development Policies	The purpose is to “improve the capacity of local administrations in the regional development field (or capacity of the central administration to support local administrations) in the central and local governments for promoting local autonomy.”	Centering the approach on ‘(4)-1 improving the process of planning, implementation, and evaluation’, the major development objectives including ‘(1)-2 clarifying the authority/role/relationship of regional governments’ (especially promoting the linkage among local governments) and ‘(4)-4 improving the administrative capacity through the promotion of public participation’ were also dealt with in the planning process. ‘(1)-1 clarifying the relationship between the central and regional governments’ and ‘(4)-5 promoting leadership’ are indirectly coped with.
Human Resource Development	The purpose is to “improve the training operation capacity to develop personnel resources including local public officials at the Education and Training Agency of the Ministry of Home Affairs and Local Training Center” and “announce and make understood the administrative method based on the policies and guidelines regarding decentralization in the regional governments.”	Centering on ‘(3)-2 expanding the system for capacity development among local public officials’, important development objectives for promoting decentralization such as ‘(1)-2 clarifying the authority/role/relationship of regional governments’, ‘(4)-1 improving the process of planning, implementation, and evaluation’, and ‘(4)-2 general improvement and raising the level of efficiency of administrative services’ are also indirectly approached.
Sulawesi Poverty Alleviation	The purpose is to “make the social development model based on citizen participation applicable to South Sulawesi (Takalar Model).”	Approaching ‘(4)-1 improving the process of planning, implementation, and evaluation’, ‘(4)-2 general improvement and raising the level of efficiency of administrative services’, and ‘(4)-4 improving the administrative capacity through the promotion of public participation’ are also dealt with, the upper-level objective (4) is widely covered, and additionally combined with ‘(3)-2 expanding the system for capacity development among local public officials’.
Improvement of District Health Services	The purpose is to “develop regional medical personnel including doctors, midwives, and technologists in South Sulawesi, and improve the technical capacity of the healthcare director of each province to make or implement the healthcare plan.”	Developed PROAR* and introduced it to (or operated at) the healthcare center level, ‘(4)-1 improving the process of planning, implementation, and evaluation’, and ‘(4)-2 general improvement and raising the level of efficiency of administrative services’. PROAR process approaches ‘(4)-4 improving the administrative capacity through the promotion of public participation’ are also dealt with. Additionally, ‘(3)-2 expanding the system for capacity development among local public officials’ is also coped with.
Empowerment of Water Users Associations	The purpose is to “revitalize water users associations with farmer participation through support and cooperation by the regional governments, and establish a fair operation/management model of irrigation facilities.”	Approaches to support activities by the province and improve the capacity of provincial officials for empowering water users associations (bridging approach (4)-2 and (4)-4 to approach (3)-2) are taken, with effects of revitalizing the water users associations by farmers (4)-4, improvement and efficiency of administrative service (4)-2, and expanding the system for capacity development among public officials, (3)-2 are intended to be achieved.
PKPM	The purpose is to “establish and spread the administrative system for education of local governments, centered on school management with citizen participation in the target project group, by enhancing the capacity of stakeholders in school education, including local administrators of education.”	Focusing on ‘(4)-2 general improvement and raising the level of efficiency of administrative services’, an approach to promoting school management with citizen participation (‘(4)-4 improving the administrative capacity through the promotion of public participation’) is combined, along with ‘(3)-2 expanding the system for capacity development among local public officials’.
REDIP	The purpose is to “improve linkage among governments (central and regional), NGOs, and communities in community-empowerment.” Cultivating facilitators for village development through training is supported so that citizens could develop villages by themselves.	Not clearly indicated is the viewpoint of “the administrative capacity of regional governments,” and projects involving regional autonomies are found (‘(4)-4 improving the administrative capacity through the promotion of public participation’). Improving the communities’ capacity of planning/implementing is promoted through activities conducted by master facilitators (‘(4)-1 improving the process of planning, implementation, and evaluation’).

\* Problem-solving type action research



administrative capacity of regional governments in Indonesia, according to “what kind of development objectives each project seeks to approach and what kind of efforts have been made” from the standpoint of the capacity development of local administrations.

### (3) Approach to the Capacity Development for Local Administrations by Major Donors

Here we will outline the approaches to the capacity development of local administrations of Indonesia by other major donors along with Table 3-12. One of the characteristics of approaches by other donors is that all donors adopt the “establishment of a financial management system” as shown in (2) in the table as an approach to the development objectives. Although there are some differences in efforts by each donor in terms of individual development objectives, the World Bank, Asian Development Bank, German Technical Cooperation (GTZ), and U.S. Agency for International Development (USAID) widely cover the major development objectives of superior development objective (2). The Canadian International Development Agency (CIDA) also covers all major development objectives, though the individual development objectives are limited. As mentioned above, they seem to make efforts to achieve the higher level of development objectives.

'(1) Development of a system and framework for local autonomy' is the development objective as the basis of decen-

tralization. Three donors (USAID, GTZ, CIDA) adopt '(1)-1 clarifying the relationship between the central and regional governments' and '(1)-2 clarifying the authority/role/relationship of regional governments', and two donors (USAID, GTZ) support '(1)-3 promoting the representation system for democratic administrative control'. All donors deal with '(1)-4 ensuring transparency and accountability of administration', even partially or otherwise. We can say that superior development objectives are widely covered according to their priorities. However, efforts to '(1)-3 promoting the representation system for democratic administrative control' will apparently be required occasionally in the future.

'(3) Capacity development of local public officials' as the development objective approached by other donors is relatively limited compared to the other development objectives. Two donors (ADB, USAID) support '(3)-2 expanding the system for capacity development among local public officials', and USAID covers '(3)-1 reforming the civil service in order to improve administrative performance'. USAID covers almost all the core development objectives, and strategic efforts towards superior development objectives are considered to be making progress.

Moreover, as to '(4) effective and efficient administration of regional governments', all the donors except for CIDA adopt approaches to most of the major development objectives (except for (4)-5), which is the most-adopted approach next to

**Table 3-12** Development Objectives Chart for Indonesia and Approaches by JICA and Other Donors

Development Objectives	Core Objectives	JICA						Other Donors				
		Regional Development Policies	Human Resources Development	Sulawesi Poverty Alleviation	Improvement of District Health	Empowerment of Water Users	REDIP	PKPM	World Bank	ADB	GTZ	USAID
(1) Development of a system and framework for local autonomy	(1)-1 Clarifying the relationship between the central and regional governments	△							○		○	
	(1)-2 Clarifying the authority/role/relationship of regional governments	△	△	△			△		○		○	○
	(1)-3 Promoting the representation system for democratic administrative control		△								○	○
	(1)-4 Ensuring transparency and accountability of administration								○	○	○	○
(2) Establishment of a financial management system	(2)-1 Improving the efficiency of the governmental and financial administration through the reform of the local financial administration system								○	○	○	○
	(2)-2 Establishing fair and neutral budget system for regional government finances								○	○	○	○
	(2)-3 Establishing efficient expenditure system for regional government finances								○	○	○	○
(3) Capacity development of local public officials	(3)-1 Reforming the civil service in order to improve administrative performance		△									○
	(3)-2 Expanding the system for capacity development among local public officials	△	○	○	○	○	○			○		○
(4) Effective and efficient administration of regional governments	(4)-1 Improving the process of planning, implementation, and evaluation	○	△	○	○	△	○	○	○	○	○	○
	(4)-2 General improvement and raising the level of efficiency of administrative services		△	○	○	○	○		○		○	○
	(4)-3 Enhancing the capacity of administrative organizations									○		○
	(4)-4 Improving administrative capacity through the promotion of public participation	○	△	○	○	○	○	○	○		○	○
	(4)-5 Promoting leadership	△	△									

'(2) establishment of a financial management system'. Especially, their efforts are concentrating on '(4)-1 improving the process of planning, implementation, and evaluation'; '(4)-2 general improvement and raising the level of efficiency of administrative services'; '(4)-4 improving the administrative capacity through the promotion of public participation'.

Looking at the supporting situation by other donors in chronological order, most of them focused on supporting the aspect of a system or framework centered on superior development objectives (1) and (2) at an earlier step of decentralization in Indonesia. Superior development objective '(1) development of a system and framework for local autonomy' is important at an earlier step of decentralization; at the next step when decentralization has been advanced to some extent, superior development objective '(2) establishment of a financial management system' with more elaboration is focused on among the systems and frameworks. As above, according to the degree of progress or maturity of decentralization, earlier supports to intervene in decentralization have been made. Since around 2005, when the framework development was settled, some donors have been shifting their attention regarding capacity development towards effective administration operation or personnel development. Now they are making efforts from both sides of institutional elaboration and the concrete capacity-enhancement of local governments.

## 5. Overview and Lessons Learned

### (1) Overview

#### 1) Approach to Objectives by JICA

The target projects of JICA towards the capacity development of local administrations concentrate both on '(3) capacity development of local public officials', and '(4) effective and efficient administration of regional governments'. Looking at the major development objectives, JICA mainly approaches '(3)-2 expanding the system for capacity development among local public officials', '(4)-1 improving the process of planning, implementation, and evaluation', '(4)-2 general improvement and raising the level of efficiency of administrative services', and '(4)-4 improving administrative capacity through the promotion of public participation'. Development objectives (3) and (4) give the most direct influence on the capacity development of local administrations, thus not only JICA but also most other donors are approaching both. On the other hand, efforts from the institutional side as seen in development objective (1) or (2) can largely impact the implementation of projects and produce an effect of stability on projects covered by development objective (3) or (4).

#### 2) Comparison with the Approaches Implemented by Other Donors

Comparing the approaches of donors, we can first point out that JICA is alone in not approaching direct support to '(2) establishment of a financial management system'. While other donors put emphasis on support for institutions or frameworks, such as '(1) development of a system and framework for local autonomy', JICA focuses on objectives (3) and (4) that are not directly related to institutions or frameworks.

### 3) Overview for Approaches of JICA's Cooperation

When we survey the approaches in the target projects of JICA from the viewpoint of the relation among the superior development objectives, we find that several core objectives are approached in each project. Overall linking of the improvement of personnel capacity and the implementation of administrative service in approaches to development objectives (3) and (4) could have a synergy effect on personnel development and administrative services, and could lead to securing sustainability.

Summarizing JICA's approaches according to the axis of region/time, the ongoing efforts in South Sulawesi province have significant effects in terms of (i) participatory regional development, (ii) highly understanding of importance on cooperation between regional governments and civil society, and (iii) actual progress of its cooperation.

Our survey reveals that the people involved are acting on their initiative. For example, the province conducts rural development involving universities or NGOs, or the province develops an original system for rural development inspired by the outputs of JICA projects. This is probably because JICA has accumulated projects' experiences relating to local administrations and regional development implemented in South Sulawesi province.

### (2) Lessons Learned

#### 1) Lessons Learned from the Approaches to Objectives

- The whole picture regarding the objective "the capacity development of local administrations" and strategic efforts to achieve the objective through grasping the relationship

As mentioned above, approaches to objectives regarding the capacity development of local administrations by JICA focus on '(3) capacity development of local public officials' and '(4) effective and efficient administration of regional governments'. At the same time, approaches to the various core objectives bridging between development objectives (3) and (4) are also taken in each project. As shown in these examples, the improvement of administrative service in decentralization seems to be inextricably linked with promoting conscious reform and improving the administrative capacity of local officials. An organic effect can be expected by combining projects. For example, not only the direct approach to the capacity development of administrators ((3)-2), but combining an approach to improvement and efficiency of administrative services in (4)-2 and an approach involving various stakeholders in (4)-4 would be taken. And for increasing the quality of administrative services, not only OJT but also the training of the administrators in charge of civil service would be contained in the system.

On the other hand, some cases need efforts to develop objectives from the institutional side regarding authorities or financial resources seen in development objective (1) or (2) in order to make those efforts more effective and sustainable. We also found an example where projects for major objective (3) or (4) were adversely affected because the framework or system of the intergovernmental relationship or regional financial system was not fully established. When the development plan does

not link with budgeting, the situation of the institutional framework of financial administration should be fully grasped because the effective implementation of the development plan may be greatly affected. Since establishing the regional government's administrative system/framework including its financial system is an essential issue to form the basis of regional government, JICA may need to give more consideration and cooperate in an assistance framework if the objective is set as high priority. Even though JICA does not directly make an approach, it is important for JICA to be aware of the association with JICA's assistance including efforts made by the recipient government or other donors.

The degree of maturity in the development objectives and core objectives, however, depends on the degree of progress of decentralization. It is also important to examine the relation among the development objectives and priorities according to the degree of progress of decentralization, for instance, having a step for institutional building at an early stage of decentralization, a step for progressing and operating institutional building, and then a step to improve the accuracy of the institution. In addition, each objective for the capacity development of local administrations involves major actors such as the central government, all tiers of regional governments, and civil society. Thus it is also critical to confirm in a multilayer way the relationship between various actors and the development objectives surrounding the administrative capacity of regional governments. Grasping the objectives again from the viewpoint of the actors can make clear which approaches should be combined for solving objectives.

As mentioned above, by grasping the current situation and the whole picture of the objective according to the degree of decentralization, the following are important: consideration of the vertical relation from the upper to lower development objectives and the collateral relation (among the development objectives or core objectives beyond the development objectives), confirmation of the objective structure aiming to solve upper-level development objectives, and examination of the involvement or positioning of appropriate actors for solving objectives. This can lead to formulating a more strategic JICA program focusing on setting medium to long-term goals and clarifying the cooperation scenario, organically combining investments, cooperating with other institutes, and accumulating the past experience of JICA, etc. Even in projects not directly aiming for the capacity development of local administrations, by making the regional government a major actor, the projects can be implemented more effectively and continuously by strategically involving the elements for the capacity development of local administrations.

■ Effectiveness of a medium to long-term strategy, and multiplied efforts centering on region

Over the last decade JICA has implemented projects (involving participation ranging from local residents to heads of local administrations in a multi-layered way) for local administration and regional development in South Sulawesi province. Through JICA's previous assistance, experience in development plan-formulation, and its implementing methods such as the "citizen participation" style are accumulated and variously applied to other projects in South Sulawesi province. Efforts to formulate and implement a local government plan

with citizen participation require partnership and a trusting relationship between a local government and various stakeholders, including the regional community. In South Sulawesi province, several projects such as Sulawesi Poverty Alleviation are implemented based on the concept of establishing a cooperative relationship between provincial/district governments and the regional community. A step-by-step approach to universities or NGOs as well as various classes from the heads of provincial governments to citizens seems to promote a change in officials' consciousness and duties, leading to the capacity development of local administrations. Meanwhile it is difficult for such support to achieve much in one project whose the project period is usually 3 or 4 years. The concept of citizen participation was spread from the district level near citizens and subsequently led to smooth implementation of support activities at the provincial level. This indicates the importance of combining approaches in the medium to long term based on a time axis according to the degree of progress of decentralization and the degree to which the target's capacity has matured.

As noted above, we think that total governance capacity can be improved by grasping comprehensive objectives in one region, and examining support activities for stakeholders at a multi-layer level surrounding regional governments along with a time axis based on a medium to long-term strategy.

## 2) Lessons Learned from Planning and Implementation

■ Choice of a counterpart in noting devolution of authority (Development Objectives Chart (1)-1 and (1)-2)

As for decentralization in Indonesia, many authorities were transferred to districts and municipalities, centered on the local administrations including civil service, and with the province in the upper tier. However, for some cases it was difficult to determine at which level the counterpart should be designated or how the roles should be divided since the divisions of roles are not defined between the central government, provinces, districts/municipalities at the threshold of decentralization. Moreover, on the project for local administrations involving the central government as a counterpart, the relationship among central ministries or agencies and between the central and regional governments also had a great impact.

In decentralization, it is essential to note the devolution of authorities to local governments (provincial and district/municipality), and to set counterparts on multiplied levels according to the authorities. When the central government is involved, it is also important to note the division of roles among central ministries or agencies, or between the central and regional governments.

■ Capacity development of local administrations balanced between theory and practice (Development Objectives Chart (3) and (4))

Since decentralization was rapidly introduced to Indonesia in a short period, the regional governments had to understand and practice the new idea immediately. In such a situation, many projects intended to reflect in duties the new knowledge or ideas learned through not only lectures but also such practices as OJT, and this led to a change of consciousness. In some projects, pilot projects regarding the improvement of



administrative service were promoted focusing on ownership by administrators. At the same time, training directly linked with administrative services was conducted in order to feed back the practice at work. That led to not only increasing the effect of training but also establishing a training system to continuously develop personnel as the basis for improvement of the civil service.

Support in a decentralizing system needs to introduce new ideas or change the consciousness of administrators. Combining training to get knowledge or skills and components to learn through experience leads to practical improvement of administrative services and cultivates personnel who responsively sustain their learning. It is important to improve the capacity while maintaining a balance between theory and practice; for example, experience through planning or implementing a pilot project or an action plan by themselves, or sharing the experience of others through on-site visits.

■ **Increasing the effect of and ensuring sustainability by enhancing collaboration among various stakeholders (Development Objectives Chart (4)-4)**

As one of the characteristics of the efforts by JICA for the studied projects, we can point out that not only provincial/district governments but also various stakeholders beyond district governments, such as the regional community, NGOs, or universities are involved as support targets. Concretely speaking, as an approach to enhancing the cooperative relationship between provincial/district governments and the regional community, it is promoted to establish a framework including stakeholders like NGO or universities and improve the coordination capacity of provincial/district governments.

The capacity of local administrations not only includes the capacity of regional government itself, but also the capacity to involve and coordinate various stakeholders. Enhancing the collaboration with various stakeholders such as the regional community, NGOs, universities, or the private sector will increase the problem-solving capacity not only for the regional government but also for the region, leading to quality improvement of administrative service. At the same time, we need to give special consideration to the relationship between regional governments and stakeholders. For instance, if NGO comes to the front in approaching citizens, the role of regional governments may become vague. In constructing partnerships, we need to clarify carefully the role of each stakeholder while respecting their subjectivity and the position of regional governments.

■ **Utilizing the leadership of the heads of regional governments (Development Objectives Chart (4)-5)**

In Indonesia, the authority of the heads of regional governments was enhanced by decentralization. Moreover, the power of the heads has influenced all aspects of local administrations since the legitimacy of the heads has been increased by direct elections. Therefore, we can say that the heads have great impact when JICA implements local projects.

The responsibility and role of the heads in regional governments are significant, thus it is important to utilize their leadership with understanding and to support the project conducted by the heads for smooth promoting of the project. Utilizing leadership of the heads is effective when the project which



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should promote a program starts, or when important decision-making is required. On the other hand, however, too much dependence on the leadership of the heads may lead to risks; for example, arbitrary utilizing of a project or losing consistency or changing policies along with a change in the head, etc. Therefore, the implementing system of a program should be institutionalized along with the progress of the project, and a system to secure sustainability should be established. It is better to regard the leadership of the head as a supplemental element.

■ **Spillover effect by modeling**

Many JICA projects aimed to systematize and model the achievements of pilot projects. Especially when regional governments play a pivotal role in model operation, it is officially positioned as administrative service. Accompanying personnel distribution, development of the organization system, and budget appropriation, sustainability is then secured. After the project, the effect also spreads to other regions. Modeling (systematizing) the achievements of the project and involving the systematizing processes taken into the local administrations systems in the project will spread to other regions as well as securing sustainability.

After the cooperation, it is supposed that “localization of the model” will be promoted in the process where regional governments manage the model along with various changes occurring in the process. The most important thing is that measures to prevent changes affecting the sustainability of the systems should be included from when the project is in operation. Furthermore, it is effective to develop personnel who understand the meaning of the system and support it for keeping the essential idea of the system.

■ **Japan's characteristic method focusing on ownership**

It is found that approaches in target projects by JICA are focusing on fostering ownership by the counterpart and changing consciousness. Particularly in PKPM and Sulawesi Poverty Alleviation, personnel who can autonomously implement regional development were cultivated by adopting the principle focusing on ownership by stakeholders such as local administrators or NGOs. Those personnel are small in number, but efficient and continue autonomous efforts as “Facilitators” without continuous JICA support. Thus they are greatly expected to sustain development on a community basis consis-



tently and steadily. As the effect, various efforts made in South Sulawesi province have yet to prove but seem to indicate initiative sustainability.

Cultivating stakeholders like NGOs or administrators who are focusing on learning through experience and their ownership is a characteristic method of Japan that enhances sustainability of cooperation effects and self-development, and one that is found less in projects by other donors. It suggests that the essential changes in consciousness could happen through programs focusing on learning by experience and ownership, thereby making participants in the projects able to autonomously implement development on a sustainable basis.

