

## TECHNICAL ASSISTANCE COMPLETION REPORT

Division: **SESS/SERD**

<b>TA No. and Name:</b> TA 3179-INO: Capacity Building for Participatory Planning, Monitoring, and Evaluation		<b>Amount Approved:</b> \$1,540,000	
		<b>Revised Amount:</b> \$1,540,000	
<b>Executing Agency:</b> National Development Planning Agency (BAPPENAS)	<b>Source of Funding:</b> Asian Currency Crisis Support Facility	<b>TA Amount Undisbursed</b> \$151,276 <sup>1</sup>	<b>TA Amount Utilized</b> \$1,388,724 <sup>1</sup>
<b>Date</b>		<b>Completion Date</b>	
<b>Approval</b> 25 March 1999	<b>Signing</b> 10 June 1999	<b>Original</b> 31 December 2002	<b>Actual</b> 30 June 2003
<b>Fielding of Consultants</b> 17 January 2000		<b>Account Closing Date</b>	
		<b>Original</b> 31 December 2002	<b>Actual</b> Not yet closed <sup>1</sup>
<b>Description</b>			
<p>1. On 25 March 1999, ADB approved the Community and Local Government Support Sector Development Program (CLGS-SDP) to support decentralization reforms adopted by the Government after the 1997 economic crisis. CLGS-SDP includes a \$200 million policy loan with two attached technical assistance (TA) grants<sup>2</sup> and a \$120 million investment project loan with an attached TA 3179-INO, the subject of this report. The expected benefits of CLGS-SDP included (i) more responsiveness of local governments to communities' needs, especially poorer communities; (ii) a more demand-driven and responsive approach to local infrastructure development; (iii) better quality and higher efficiency in public service delivery; (iv) improved governance; and (v) local ownership of related processes, projects, and works, leading to improved sustainability. The Government requested support to prepare and implement decentralization and to help district governments carry out their expanded mandates. The investment project aimed to provide funds for reducing poverty through improved access to basic services and infrastructure development, emphasizing community participation. TA 3179-INO was designed to develop a participatory project implementation scheme for the investment project in consultation with local governments and communities.</p>			
<b>Objectives and Scope</b>			
<p>2. The TA's objectives were to (i) design a participatory planning, monitoring, and evaluation system (the PPME Approach) for all involved government levels and communities to implement the investment project; (ii) identify key criteria and indicators to be used for macro-level monitoring of project inputs, outputs, and impacts; (iii) develop a project performance monitoring system for collecting, recording, and analyzing updated information on project implementation; and (iv) identify strategies to strengthen and institutionalize public and community participation in policy making and planning processes at the district level. The TA provided for a total of 97 person-months of consultant services with 37 months of international consultant input and 60 months of domestic consultant input.</p>			
<b>Evaluation of Inputs</b>			
<p>3. The TA was adequately formulated to help build the capacity for participatory planning, monitoring, and evaluation. The terms of reference (TOR) clearly defined the TA objectives. A consortium led by BMB Management Consultant carried out the TA satisfactorily. Consultant inputs were 43.8 person-months of international and 76.5 person-months of local, totaling to 120.3 person-months. This was 23.3 person-months more than the original provision. The increase resulted from a 6-month extension of the TA closing date and an increase in the number of workshops and seminars required by an expansion of target districts under the investment project. The 6-month extension of the TA closing date approved by ADB also allowed the consultants to further strengthen the institutionalization of the PPME Approach for operations after the completion of the investment project.</p>			
<p>4. The TA was carried out in three interrelated phases. First, various materials and programs were developed for implementing the investment project, including the manual of the PPME Approach, training modules, monitoring indicators, management information system, public awareness campaign program, and guidelines for community development. These materials and programs were tested in the pilot districts and fine-tuned during implementation. Second, the consultant organized local workshops and seminars under the investment project to ensure dissemination of the PPME Approach and to collect feedback from stakeholders. Finally, during the extended period, the consultant assisted concerned government agencies to strengthen the institutionalization of the PPME Approach. ADB's performance in supervising the TA activities was satisfactory. BAPPENAS' performance as the Executing Agency was also satisfactory, and BAPPENAS was satisfied with the inputs.</p>			

<sup>1</sup> As of 7 June 2004, the final variation order is being processed.

<sup>2</sup> TA 3177-INO: Capacity Building to Support Decentralized Administrative Systems and TA 3178-INO: Capacity Building to Support District Level Budgetary Systems.

### **Evaluation of Outputs**

5. The consultant produced a total of 51 reports in Indonesian and English, including additional publications that were not included in the revised TOR but became necessary while implementing the PPME Approach. The final report that fully incorporates ADB's comments and concisely presents TA activities and recommendations. Other major publications include the manual of the PPME Approach (3 volumes), training modules for different government levels and communities, and handbooks for facilitators, local governments, and on conflict management, in addition to numerous progress and field trip reports.

6. The TA deliverables were submitted on time and were of high quality. The main output, the PPME Approach manual, includes two participatory approaches for two types of infrastructure to be developed under the investment project: (i) Type A: small-scale infrastructure fully developed by communities; and (ii) Type B: relatively large infrastructure implemented by district governments. The PPME Approach for Type A proved to be highly effective for communities to identify and develop small-scale infrastructure through the participation of the whole community, including the poor and women. Almost all communities have fully demonstrated their capabilities to develop small-scale infrastructure. Their good performance prompted the executing agency to request for a second phase of the CLGS project targeting regions that were not covered by the first phase of CLGS. The PPME Approach for Type B was less satisfactory because community members' participation appeared to remain superficial. Although a public hearing forum in which community members could participate was introduced, the participation level was not much different from the decision-making process prior to decentralization. One weakness found in the PPME Approach manual after the first year of implementation was the insufficient emphasis on operation and maintenance (O&M). The Project Management Office of the investment project strengthened the manual's O&M section after the TA was closed.

7. The consultant developed monitoring indicators and a management information system (MIS) and successfully transferred its operation to the Project Management Consultant. Using the MIS, two comprehensive interim performance evaluation reports were provided in the period in 2000-2002. To facilitate the institutionalization of the PPME Approach, the consultant developed guidelines for its sustainability. However, the PPME Approach strongly focuses on assisting the poor and women based on the CLGS project objectives, and is therefore difficult to reconcile with many communities' decision-making hierarchy. The PPME Approach required the poor to participate in the planning process to improve their access to basic infrastructure, bypassing to some extent, a hierarchy that is usually dominated by rich village elites. The PPME Approach was accepted as long as the CLGS project provided funds. To mainstream the PPME Approach, some adjustments in the current procedures of the PPME Approach, or in regulations influencing decision-making in communities, would be necessary.

### **Overall Assessment and Rating**

8. Overall, the TA is rated successful. It demonstrated the feasibility of a participatory project approach for the implementation of the CLGS investment project through strengthening the capacity of local governments and communities. The TA effectively developed the PPME Approach and other programs that were used during project implementation. The PPME Approach for Type A proved highly effective for building local governments' institutional capacity in project management and for communities in developing small-scale infrastructure. The PPME Approach for Type B proved less effective in promoting community participation but increased communities' awareness of the investment process. The TA delivered the PPME Approach design and other required deliverables in a timely manner and in a form which facilitated the implementation of the investment project.

### **Major Lessons Learned**

9. The PPME Approach proved to be effective in promoting communities' participation in infrastructure development and strengthening their capacity. Local governments demonstrated their capability in project and financial management and communities were able to develop small-scale infrastructure using the PPME Approach. The sustainability of infrastructure is likely to be enhanced compared to those developed under a traditional top-down approach because of the strengthened sense of ownership. The Project provided opportunities for solidarity among community members who jointly improved their livelihood. The local governments and communities can expand the use of the PPME Approach in delivering other public services as mandated by decentralization. The PPME Approach for Type B needs to be modified to strengthen stakeholder participation in the planning and construction of larger infrastructure.

### **Recommendations and Follow-Up Actions**

10. The Project covered Java and the regions adjacent to it. It would be beneficial if more local governments and communities could improve their capacities to deliver public services in a participatory manner. A second CLGS loan (CLGS-2) in regions that were not covered under the current Project is thus desirable. The preparation of CLGS-2 has been scheduled for 2005 in the country strategy and program of ADB. If CLGS-2 were to be implemented, the PPME Approach for Type A should be used because of its proven effectiveness for capacity building of local governments and communities, and assistance provided to modify the Type B Approach taking into account lessons learned above.