

ASIAN DEVELOPMENT BANK

TAR:INO 35150

TECHNICAL ASSISTANCE

(Cofinanced by the Government of the United Kingdom)

TO THE

REPUBLIC OF INDONESIA

FOR

STRENGTHENING CIVIL SOCIETY PARTICIPATION

IN THE DESIGN, IMPLEMENTATION, AND MONITORING OF

ASIAN DEVELOPMENT BANK PROJECTS

August 2003

CURRENCY EQUIVALENTS

(as of 31 July 2003)

Currency Unit	–	Rupiah (Rp)
Rp1.00	=	\$ 0.000111
\$1.00	=	Rp 8535.00

ABBREVIATIONS

ADB	–	Asian Development Bank
BAPPEDA	–	Regional Development Planning Agency
BAPPENAS	–	National Development Planning Agency
BPS	–	Central Bureau of Statistics
CSO	–	civil society organizations
CSP	–	country strategy and program
DG-CRE	–	Director General of Community and Rural Empowerment, Ministry of Home Affairs
EA	–	Executing Agency
ICT	–	information and communications technology
IRM	–	Indonesia Resident Mission (ADB)
JICA	–	Japan International Cooperation Agency
MOHA	–	Ministry of Home Affairs
NGO	–	non government organizations
NGOC	–	Non Government Organization Center (ADB)
PMO	–	Project management office
RWG	–	regional working group
TA	–	technical assistance

NOTE

- (i) In this report, "\$" refers to US dollars.

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I. INTRODUCTION

1. In January 2001, Indonesia launched a decentralization program that transferred substantial authority and resources to regional, especially district governments, creating an urgent need for regional good governance mechanisms. One important aspect of encouraging good governance is increasing the involvement of civil society in decision-making and in monitoring of public sector activities.

2. The Country Strategy and Program (CSP) for Indonesia adopted in 2002, and the poverty reduction strategy of the Asian Development Bank (ADB) call for closer cooperation between civil society and government, and improved transparency of, and participation in decision making process in the Government. This is to be achieved within the scope of a geographic focus to ensure maximum use of ADB resources to reduce poverty. Success of the geographic focus will depend on ensuring local good governance practices. Ownership and commitment of regional stakeholders, civil society, and regional governments, which include both provincial and district governments, must be established. Strong, effective civil society organizations (CSO), especially non-governmental organizations (NGOs), will be needed for this purpose.¹

3. To establish closer linkages between ADB and civil society, particularly in the geographic focus areas, the CSO working group was established at the ADB Indonesia Resident Mission (IRM) in March 2001.² In order to deepen the interaction with civil society, an advisory technical assistance (TA) project—Strengthening Civil Society Participation in the Design, Implementation, and Monitoring of ADB Projects—was accordingly programmed for 2002 based on the request of the Government. IRM staff undertook a fact-finding Mission in June-August 2002, consulting with government officials at all levels and a wide spectrum of CSOs on the TA design and scope.³

II. ISSUES

4. Indonesia's decentralization process transfers responsibility for many areas of development to regional governments, including education, health, minor infrastructure, and the protection of some environmental resources. Potentially this process allows for more participatory approaches in development planning than in the past when decision-making was concentrated at the central government level. CSOs can play an important role in this new paradigm as they have been active in communities for decades and have valuable information concerning local development needs and priorities.

5. For ensuring sustainability and ownership, all projects must involve interaction with a broad range of stakeholders, including regional governments and legislatures, and civil society. Since its establishment in March 2001, the CSO working group has been meeting regularly with ADB project staff at the Indonesian Resident Mission (IRM) engaged in administering and processing loans and TAs to review sector or regional issues. This has provided a mechanism to take into account the views of civil society at every stage of the project cycle.

¹ "Geographic Focus" is explained in the CSP 2003-2005 document (para 50-55).

² Supporting this, IRM engaged a full-time NGO-public information officer in May-2002.

³ The TA was first listed in *ADB Business Opportunities* in 29 April 2002. The first draft concept paper was discussed with the CSO Working Group for IRM in July 2001. Follow up discussions on the TA were conducted with regional CSOs in Bandung in December 2001, in Medan in March 2002, and in Yogyakarta in June 2002.

6. Although the CSO working group provides a good avenue for consultation with civil society, CSO involvement in development activities is generally limited. Lack of access to information and understanding of external funding agencies' policies and procedures on the part of CSOs has hindered strengthening of cooperation among them. Capacity weaknesses, especially affecting sustainability of CSO activities, also hinder CSO involvement in development planning and implementation. Lack of institutional structures to coordinate efforts between CSOs and government agencies and among CSOs is a further problem.

7. CSOs in Indonesia address a variety of felt needs. Some focus more on advocacy of issues at a macro level such as debt reduction, governance, anti-corruption, labor and environment. Other CSOs work in specific sectors such as education, health, and rural development. While some are mainly based in Jakarta, others have large networks throughout Indonesia. However, on the whole, while the process of democratization has led to an upsurge in the numbers of CSOs and their activities, they are not sufficiently equipped technically and organizationally to play a meaningful role in development as yet. Their capacity building needs are numerous.

8. ADB's operations are more directly relevant for CSOs functioning in sectors. These CSOs need to be brought more closely into ADB operations throughout the project cycle. CSO involvement in the design, implementation, monitoring, and evaluation of ADB projects can ensure that these will bring tangible benefits to the intended beneficiaries, which can help ensure strong local ownership and sustainability. With experience in ADB projects, CSOs can also strengthen their capacity for cooperation in local development and governance.

9. During ADB's consultations with regional civil-society representatives, CSOs requested the establishment of regional organizations similar to the Jakarta based CSO working group, especially in the provinces falling within the CSP's geographic focus. The regional working groups (RWGs) will interact with regional governments on development matters, particularly relating to ADB projects. Such interaction could involve, for example, participating in project related discussions, informing the ADB and Government about problems and issues associated with implementation, and in benefit monitoring and evaluation workshops. Exposure to ADB projects will also help RWGs build capacity in project implementation and administration. When given training and other capacity-building inputs, some under the TA, RWGs are expected to ensure that externally funded projects will have positive impacts and involve a wider range of stakeholder groups of people in key decision making.

III. THE TECHNICAL ASSISTANCE

A. Purpose and Output

10. The short-term goal of the TA is to develop a mechanism to fully integrate civil-society representatives as key regional players and stakeholders in ADB assisted projects. The long-term objective of the TA is to enable CSOs to contribute to participatory development at the regional level.

B. Methodology and Key Activities

1. Establishment of CSO Regional Working Groups

11. RWGs will act as consultative bodies on general development issues such as poverty reduction and regional economic needs, as well as on specific issues related to ADB projects. RWGs are expected to have regular consultations with regional governments and ADB staff during project design and implementation. RWGs will be kept informed of all ADB activities and are expected to provide information and feedback at all stages of the project cycle — design, processing and implementation. RWGs will also coordinate their members' activities in these areas. The existing Jakarta-based CSO Working Group will play a major role in establishing and supporting their operations.

12. Three pilot, provincial RWGs will be established during the TA implementation, initially in provinces where ADB operations will be concentrated,⁴ where ADB-CSO cooperation already exists or where significant numbers of ADB projects are ongoing.⁵ Interaction of ADB staff with civil society at the regional level is an important element in capacity building for participating groups and will provide valuable inputs for ADB operations.

13. The TA will determine the criteria for CSO selection, and modalities of functioning and interaction with ADB staff and regional governments. Some general criteria for CSO selection have been identified during TA processing such as working experience with funding agencies and substantial activities in sectors that are the focus of ADB operations in the CSP. The potential for RWGs to coordinate the activities of CSOs will be explored using ADB's experience with coordination mechanisms in the Japan Fund for Poverty Reduction (JFPR)-9000 INO: Assisting Girl Street Children at Risk of Sexual Abuse. This activity supported a coordination mechanism among NGOs implementing the project in Yogyakarta, enhancing their ability to help project beneficiaries. The TA will advise on the expected financial and capacity building needs, such as training for CSO working groups, and coordinating inputs from ADB and other sources.

2. Capacity Building and Training Activities for Civil Society Organizations

14. Capacity building activities will be conducted under the TA to improve the ability of CSOs to contribute to project design, management, implementation, monitoring and evaluation, and to work closely with regional governments. Some limited training will be provided to CSOs for general institutional development (e.g. supporting improved business planning, project formulation, and fund raising). Materials on these topics will be developed in the Indonesian language and made available through the IRM web site. A core set of trainers from civil society will be trained during TA implementation and the learning process will be continued through training of trainers. Training will include relevant regional Government staff as resource persons and CSO representatives so as to achieve a participatory approach.

⁴ The CSP's geographic focus includes the provinces of West Java, Banten, Central Java, East Java, Yogyakarta, South Sumatra, North Sumatra, West Nusa Tenggara, Southeast Sulawesi, and Lampung.

⁵ One RWG will be established in Yogyakarta to build on strong ADB-NGO activities, including the JFPR 9000 – INO: Assisting Girl Street Children at Risk of Sexual Abuse. Two other RWGs are proposed to be established in Bandung, West Java; and Medan, North Sumatra. Discussions on the TA have already been conducted in these two provinces with local governments and CSOs. Final selection of RWG location will be completed after consultant selection and further local consultation.

15 The TA will help maintain a regional CSO database⁶, which will build on existing database of Indonesian CSOs published by other organizations including external funding agencies such as JICA. The TA will identify and help development-oriented CSOs that have sector or technical capabilities and regional interests. The database will be useful to government agencies, CSOs, and ADB staff, enhancing cooperation and coordination among them. The TA will explore avenues to ensure that such databases will be maintained, including through public-private partnerships.

16. The TA will also disseminate information on ADB policy, procedures, and operations to build civil society capacity to support good governance in externally funded development projects. With access to and better understanding of information on ADB policies, procedures, and operations, civil society will be able to participate more effectively in ADB operations. Under the TA, simplified information packages will be developed and disseminated through the IRM web site.

17. The TA will develop a basic geographic information system (GIS) on ongoing ADB projects in Indonesia and those to be processed to allow regional CSOs become aware of ADB programs in their jurisdictional areas.

D. Cost and Financing

18. The total TA cost is estimated at \$375,000 equivalent of which \$223,000 is the foreign exchange cost and \$152,000 is the equivalent local currency cost. ADB will finance \$300,000 to cover the entire foreign exchange cost and \$77,000 of the local currency cost. The technical assistance will be financed by ADB on a grant basis from the ADB-funded TA program. The Government of the United Kingdom's Department for International Development will provide \$100,000 in grant financing from the ADB/DFID Partnership for Innovation in Poverty Reduction as part of the total ADB financing of the TA. The Government will bear the balance of \$75,000 equivalent of the local currency cost by providing office facilities, administrative support, and remuneration and per diem of counterpart staff and their local transport. The details are in Appendix 2.

E. Implementation Arrangements

19. The Directorate General of Community and Rural Empowerment (DG-CRE), Ministry of Home Affairs (MOHA) will be the Executing Agency of the TA. DG-CRE has very strong operational capacity in the focus provinces and has been running many training programs and developing modules related to participatory development in these regions. This can support the information dissemination process and capacity-building activities designed. DG-CRE will establish a project management office (PMO) at least 1 month before the TA commencement and keep the office fully functional during the TA implementation. A full time staff of an appropriate level will be assigned to head the PMO and will coordinate and supervise the consultant's work. Provincial government coordinators will be appointed to monitor TA implementation in their regions.

20. The involvement of both government and civil-society organizations will be crucial for the success of the TA. Central PMO staff and the provincial coordinators will work closely with the RWGs which are the TA implementing agencies. Adequate regional government support and facilitation are essential for the TA's success which should be secured by the provincial

⁶ The database needs to be available in a variety of forms, including CD-ROM and on the Internet.

government coordinators. The role of each of the key participants in the implementation of the TA will be spelt out during the regional consultation workshops to ensure an effective participatory approach is adopted.

21. Using the simplified technical proposal, ADB will select and engage a firm or consortium of international and domestic consultants in accordance with ADB's *Guidelines on the Use of Consultants* and other arrangements satisfactory to ADB for engaging domestic consultants. The TA is estimated to require 18 person-months of consulting services provided by one international consultant and three domestic consultants. The international consultant will be a participatory development specialist and team leader. The three domestic consultants will be (i) a civil society development specialist, (ii) information and communications technology specialist, and (iii) developer of the CSO database. The consultants will be engaged over a period of seven months, which is also the expected TA duration. The consultants' terms of reference are in Appendix 3.

22. At least four regional consultation workshops will be conducted for the technical assistance to decide: (i) the process to establish the RWGs, (ii) the process to select the members, and (iii) operational procedures for RWGs. Subsequent workshops will support RWGs activities including (i) CSO coordination, (ii) capacity-building exercises, and (iii) consultations on regional development issues such as the design and implementation of externally funded development projects. The consultants will prepare a brief inception report after the first 3 weeks in the field, an interim report at the end of the fourth month, and a draft final report at the end of the seventh month of the TA.

IV. THE PRESIDENT'S DECISION

23. The President, acting under the authority delegated by the Board, has approved (i) ADB administering a portion of technical assistance not exceeding the equivalent of \$100,000 to be financed on a grant basis by the Government of the United Kingdom, and (ii) ADB providing the balance not exceeding the equivalent of \$200,000 on a grant basis, to the Government of Indonesia for Strengthening Civil Society Participation in the Design, Implementation and Monitoring of Asian Development Bank Projects, and hereby reports this action to the Board.

TECHNICAL ASSISTANCE FRAMEWORK

Design Summary	Performance Indicators/ Targets	Monitoring Mechanisms	Assumptions and Risks
<p>Goal</p> <ul style="list-style-type: none"> ▪ Promote regional economic growth and poverty reduction through good governance and participatory development planning. 	<ul style="list-style-type: none"> ▪ Achievement of poverty reduction and sustainable development. ▪ Enhancement of regional capacity and institution. ▪ Development of an effective information dissemination process and system to support participatory development planning in 12 months. 	<ul style="list-style-type: none"> ▪ Reports by regional BPS on regional economic and poverty indicators ▪ Level of public participation in development planning and managing development funds. 	<ul style="list-style-type: none"> ▪ Lack of Government support. ▪ Insufficient capacity of regional institutions. ▪ Weak cooperation between governments and CSOs.
<p>Purpose</p> <ul style="list-style-type: none"> ▪ CSOs becoming active stakeholders in regional development. ▪ Implement ADB Projects Efficiently ▪ Ensure sustainable outcomes of Projects 	<ul style="list-style-type: none"> ▪ Four regional consultations among ADB staff, government agencies, and CSOs during TA implementation ▪ CSOs involved in development decisions, including externally funded projects. 	<ul style="list-style-type: none"> ▪ Monitoring reports by consultant teams and RWGs ▪ Internal ADB documents and reports on Project Performance 	<ul style="list-style-type: none"> ▪ Independence of CSOs. ▪ Different CSO capacities, orientation, and clientele. ▪ CSO commitment and willingness to participate.
<p>Outputs</p> <ul style="list-style-type: none"> ▪ Establishment of RWGs ▪ ICT-Based Information Dissemination ▪ Development of Regional CSO Database ▪ Development of Capacity-building and Training Activities for CSOs 	<ul style="list-style-type: none"> ▪ Three CSO Regional Working Groups established and fully operating after TA implementation. ▪ Increasing public awareness and understanding of ADB policies and procedures. ▪ Increasing awareness and understanding among ADB staff on role and profile civil society organizations. ▪ The design of future ADB projects reflects strong regional ownership by addressing regional needs and priorities 	<ul style="list-style-type: none"> ▪ Regional CSO Working Groups giving inputs to ADB operations ▪ Regular evaluation and updating of database and website 	<ul style="list-style-type: none"> ▪ Weak ICT capacity of various stakeholders in the regions, which could hinder information dissemination process. ▪ Lack of resources within ADB to support sustainability of project outputs.

ADB = Asian Development Bank, CSO = civil society organization, ICT = Information and Communications Technology, and RWG = Regional Working Group

Appendix 2

COST ESTIMATES AND FINANCING PLAN
(\$'000)

Item	Foreign Exchange	Local Currency	Total Cost
A. Asian Development Bank Financing^a			
1. Consultants			
a. Remuneration and Per Diem			
i. International Consultants	120.0	0.0	120.0
ii. Domestic Consultants	70.0	0.0	70.0
b. International and Local Travel	3.0	17.0	20.0
c. Reports and Communications	0.0	5.0	5.0
2. Equipment	5.0	5.0	10.0
3. Training, Seminars, and Conferences			
a. Facilitators	0.0	10.0	10.0
b. Training Program	0.0	10.0	10.0
c. Workshops	0.0	20.0	20.0
4. Translation Services	0.0	5.0	5.0
5. Miscellaneous Administration and Support Cost	0.0	5.0	5.0
6. Representative for Contract Negotiations	5.0	0.0	5.0
7. Contingencies	20.0	0.0	20.0
Subtotal (A)	223.0	77.0	300.0
B. Government Financing			
1. Office Accommodation and Transport	0.0	25.0	25.0
2. Remuneration and Per Diem of Counterpart Staff	0.0	50.0	50.0
3. Others	0.0	0.0	0.0
Subtotal (B)	0.0	75.0	75.0
Total	223.0	152.0	375.0

^a Asian Development Bank financing comprises \$200,000 from the Technical Assistance Special Fund and \$100,000 from the Government of the United Kingdom.

Source: Asian Development Bank estimates.

OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

A. International Consultant

1. Participatory Development Specialist / Team Leader (7 person-months)

The team leader will have the following primary tasks:

- Ensure that the regional working groups (RWGs) are established and well functioning, through the following
 - (i) consultations with central Government agencies, regional governments, national and regional civil society organizations (CSOs), and external funding agencies;
 - (ii) field visits and consultations with regional governments (administrative and legislative) and CSOs; and
 - (iii) organization of at least four regional workshops for the following purposes:
 - identify and select core members in each regional CSO working group,
 - identify the key tasks related to ADB operations to be performed by the CSO regional working groups, and
 - develop a support plan for the CSO regional working groups' ADB-related activities.
- Develop a plan on how to disseminate information on ADB policies, procedures, and operations to civil society, through information and communications technology, etc.
- Develop a methodology monitoring and evaluation system for project processing and implementation, and for disseminating these systems to the general public.
- Supervise a needs assessment of regional participating CSOs to understand capacity-building opportunities to ensure sustainability of organizational efforts in local development processes.
- Design a training program module on project management and administration, and general organization development, along with the module's implementation strategy.
- Organize one training session on project management and administration for civil-society core trainers during TA implementation.
- Evaluate the Ministry of Home Affairs' existing modules, training programs, and overall activities related to participatory development, and assess how they can support the activities of the TA, and provide recommendations for improvements.
- Conduct regular discussions with Indonesia Resident Mission and Non-Government Organization Center (NGOC) staff in ADB headquarters to ensure that all activities under the TA are consistent with ADB's overall NGO cooperation agenda.

B. Domestic Consultants

1. Civil Society Development Specialist (7 person-months)

The specialist will have the following primary tasks:

- Identify and select the regional CSOs most relevant for ADB operations, the CSO's organizational capacity, and provide recommendations on how to strengthen them. Support the needs assessment of regional participating CSOs to understand capacity building opportunities.
- Develop the criteria to select CSOs most qualified to design, implement and monitor ADB projects and ensure that these criteria are widely accepted across a broad range of CSOs.
- Develop comprehensive RWG terms of reference, which should describe the process of accountability and ensure their acceptability among CSOs.
- Prepare an operations paper on one ADB project that is still in the early stages of implementation, and assess and recommend ways that CSOs can help achieve the project's development objectives.
- Prepare an operations paper on one ongoing under performing ADB project, assess and recommend ways that CSOs can improve the project's performance.
- Develop a plan to provide resources (including financial) from internal ADB and external sources to maintain the sustainability of the CSO working groups.
- Disseminate to RWGs the most relevant information on ADB experiences in working with CSOs in other countries.

2. Information and Communications Technology Specialist (2 person-months)

The specialist will have the following tasks:

- Develop a project database in the form of a geographic information system (GIS) for all ongoing and future ADB projects in Indonesia.
- Develop and implement a dissemination plan for the IRM website in the selected provinces.

3. Civil Society Organization Database Developer (2 person-months)

The specialist will have the following tasks:

- Prepare a CSO database in the targeted provinces that are most relevant for ADB or other development operations. Provide contact details and a summary of the CSO's past project experience. Include national and regional CSOs that have already cooperated with ADB. This task will be performed, based on the input and cooperation with the civil-society development specialist.
- Place the CSO database on the IRM web site in coordination with the information and communications technology specialist and Office of Information System and Technology, ADB.
- Ensure that the new database is compatible with the central, web-based NGO database by NGOC in coordination with the ICT Specialist.