The Neighborhood Upgrading and Shelter Sector Project in Indonesia

Sharing Knowledge on Community-Driven Development

Asian Development Bank
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Abbreviations

ADB  Asian Development Bank
BKM  badan keswadayaan masyarakat (community self-help organization)
CDD  community-driven development
FGD  focus group discussion
IDT  Inpres Desa Tertinggal (Presidential Instruction for Disadvantaged Villages)
LPMK  lembaga pemberdayaan masyarakat kelurahan (urban village community empowerment agency)
NUSSP  Neighborhood Upgrading and Shelter Sector Project
PNPM  Program Nasional Pemberdayaan Masyarakat (National Program for Community Empowerment)
PPK  Program Pengembangan Kecamatan (Subdistrict Development Project)
RP4D  Rencana Pembangunan Pengembangan Perumahan dan Pemukiman di Daerah (Regional Development Plan for Housing and Settlements)

Glossary

bupati  district and city heads
desa  semi-urban and rural village
dusun  sub-village
kelurahan  village-level administrative area located within an urban center
kimprawil  district-level settlement board
rukun tetangga  neighborhood unit comprising several households
rukun warga  administrative unit comprising several rukun tetangga
ungghah-ungguh  behaving politely
Acknowledgments

This study, entitled *The Neighborhood Upgrading and Shelter Sector Project (NUSSP) in Indonesia: Sharing Knowledge on Community-Driven Development (CDD)*, is one of the four CDD studies conducted in the People’s Republic of China, Indonesia, the Republic of Korea, and the Philippines under the ADB regional capacity development technical assistance project, *Sharing Knowledge on CDD in Asia and the Pacific* (RETA 7543).

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Executive Summary

Introduction

In 2005, with the support of the Asian Development Bank (ADB), the Government of Indonesia launched the Neighborhood Upgrading and Shelter Sector Project (NUSSP). The aim of the NUSSP was to improve urban slum neighborhoods and access to appropriate housing by low-income households in urban areas. It included four components:

(i) improving planning and management for upgrading existing neighborhoods and establishing new housing sites for the urban poor,
(ii) improving access by the poor to shelter financing through central and local financial institutions or their branches,
(iii) upgrading low-income neighborhoods and developing new housing sites for the urban poor, and
(iv) strengthening the institutional capacity of local government agencies in implementing NUSSP subprojects.

Of the four components listed above, only three employed the community-driven development approach. Community-driven development focuses on participation by the local community in planning and designing development initiatives, as well as on community control of resources, community involvement in implementation, and use of community-based monitoring and evaluation techniques. NUSSP activities are of five types:

(i) upgrading small and less dense slum areas,
(ii) upgrading denser and more complex slum areas,
(iii) new site development for poor communities,
(iv) housing microcredit for low-income communities, and
(v) capacity building for housing development stakeholders.

In all, NUSSP subprojects have been implemented in 32 cities in 17 provinces in Indonesia.

To identify lessons learned from NUSSP implementation that would allow its successes to be replicated elsewhere, ADB engaged the SMERU Research Institute to conduct a qualitative assessment of the project. The primary vehicles for collecting the data and information required for performing the assessment included focus group discussions, in-depth interviews, and household surveys using a questionnaire. Study sample areas included six communities in all, three of these are located in Lamongan District of East Java Province and the other three in the municipality of Yogyakarta in Yogyakarta Province. The study sample areas were jointly selected by SMERU researchers and program implementers. Carried out at both the national and district levels, the selection process used criteria that focused on local community characteristics and project performance indicators. The fieldwork for the study was conducted during May 2011.

Major Findings

Impact of Institutional Setting on Community Participation

The study sample communities included three types: rural villages (represented by Tugu), urban villages (Suryatmajan and Brontokusuman), and semi-urban villages (Bener, Blimbing, and Deket Wetan). The particular characteristics of these three types of villages impacted the level of community participation achieved during implementation of NUSSP subprojects, as well as the form this participation took. However, it is important to note that because the type of infrastructure to be financed under individual NUSSP subprojects was decided by the relevant rukun tetangga (neighborhood unit comprising several households) or rukun warga (administrative unit comprising several rukun tetangga), the phasing of
NUSSP activities differed among the sample villages, and this led to differences in the performance of the NUSSP subprojects included in the study. This was found to be particularly true in Yogyakarta, where the objectives of the *rukun tetangga* and *rukun warga* relevant to particular villages differed considerably.

In the rural sample villages (Tugu, and to a certain degree, the semi-urban villages of Bener and Deket Wetan), the community retains a cohesive spirit, while the semi-urban village of Blimbing and urban villages (Brontokusuman and Suryatmajan) are less socially cohesive. Resolving a community-wide problem through mutual assistance is still relatively common among people living in rural villages. In such locales, institutions that have traditionally functioned as the medium of community communication remain well institutionalized. Administration at the community level, as well as at the *rukun tetangga* and *rukun warga* levels, remains lively in such villages—monthly meetings are common. Further, in the rural village setting, communication within the community tends to be direct, often occurring on a face-to-face basis. The same is also true of participation in community administration, in that this usually occurs without representation of any kind. In contrast, the opposite is true of some *rukun tetangga* in semi-urban and urban villages.

For the semi-urban and urban villages—Blimbing in particular—community participation in NUSSP subprojects was quite weak. However, this was not only true of NUSSP subprojects, but also of all community development initiatives implemented in this village. This outcome in part resulted from the livelihood strategies pursued by the residents of the semi-urban and urban villages. Since most of these villagers are fishermen who spend a large amount of time out at sea, it is difficult for them to participate in the community development process. Further, because of the long-standing tradition of women remaining at home in such settings, it is likewise difficult to involve women in community development processes.

In Brontokusuman and Suryatmajan, the level of participation in community development processes varied, with some subprojects experiencing a high level of participation and others a low level. This was to some degree the case because of the differing characteristics of particular subproject locations in each *rukun tetangga*. In Brontokusuman, some subprojects experienced low levels of participation due to elite capture.

In some villages, women became involved in the various phases of NUSSP subproject implementation, while in others, they deliberately remained uninvolved. In the latter case, the major reasons for low levels of female participation in NUSSP subproject implementation included (i) the fact that the NUSSP subprojects mainly focused on civil construction works, which meant that the community self-help organization and village authorities did not encourage the involvement of women; and (ii) a traditional belief that women should not be involved in public activities.

Overall, the study found no significant impact of NUSSP subproject activities on community participation in formulating policies that lay outside the scope of the NUSSP. This was in part true because participation in community affairs and representation was still viewed as being normative and formal, there thus being no observable pattern of villager needs and interests translating into community participation. Neither was any pattern of intensification of community involvement discerned by the study as evidenced by joint statements of needs or decision-making activities. To some degree, this outcome resulted from cultural values and practices that tend to legitimize village elites. For example, use of the Javanese-language phrase “*abot sawangane*” is common in the sample villages, an expression implying that people should defer to those considered older or wiser than themselves. This stance often provided the rationale for deferring to the participation of, or representation by, others in meeting community needs.

Although participatory programs such as the Urban Poverty Program, the National Program for Community Empowerment, and the NUSSP encourage strengthening of local institutions, no community self-help organizations (BKMs) genuinely rooted in community life were in place in the sample villages prior to inception of the NUSSP. In fact, these institutions were created in the sample villages solely for the purpose of meeting NUSSP requirements for community participation in implementing subprojects. Because BKMs only function in the presence of development projects that require local implementing agencies, once implementation of these initiatives is complete, the BKMs cease functioning.
Information Flows and Transparency in the Sample Villages

Generally speaking, information dissemination at the village level was found to be quite smooth in that information was provided through a number of channels, although traditional information flows rooted in village life were the major source of information concerning village development initiatives and public services. Such information flows typically occurred in a cascading manner, with information flowing from the village level down to the level of the sub-village, and thence down to the larger neighborhood-level unit (the *rukun warga*), and finally down to the level of the *rukun tetangga* (smaller neighborhood unit). At this level, information was generally disseminated to residents at meetings, which were typically deemed important enough that they should be attended by all members of the *rukun tetangga*.

However, in the case of all of these information dissemination channels, women tended to access information to a lesser degree than did men. This is because those invited to meetings are “heads of family,” and men are always heads of family in Indonesia. Women are considered heads of family only when their husbands are absent for reasons of death, divorce, or employment outside the village. Another folkway that systematically excludes women from information flows is that of disseminating information during Friday prayers, an event that under Islamic law only men are obliged to attend. In such cases, women only have access to the information thus disseminated when men share it with them. Another method of information dissemination that systematically excludes women is placing information on a public notice board at a kiosk, the Family Welfare Empowerment office, or a mosque, since women from traditional households seldom leave the home or visit public places.

Information relating to village finances is rarely disseminated to the public, and when it is disseminated, it is generally only provided to the village elite. The study found this to be true of all sample villages, the rationale for this restriction being that members of the village representative body are community representatives; thus, disseminating financial information to these representatives is deemed to be the same as disseminating it to the public. Further, there is a relatively broadly shared view that not all information should be disseminated to the community at large, but rather only that information relevant to the entire community. The study found this to be particularly true of information regarding village finances.

In general, the study found the public in the sample villages to be passive—even reluctant—about obtaining information regarding village finances. Two characteristics of village culture account for such reluctance: (i) a general trust that only the information they need to know will be disseminated to them, and (ii) the fact that village information dissemination mechanisms in general tend to be unresponsive to questions or complaints. As a result of the latter, once a question or complaint regarding information requested is met with a lack of response, villagers tend to be silent on later occasions instead of repeating the question or complaint concerned. Further, in some cases villagers are indifferent by nature, possibly because of a feeling that their position in the village is only that of a common person. For most villagers, village business is perceived as being properly limited to the village elite who are members of the village government structure.

Finally, all sample villages were culturally Javanese, a people who place a premium on behaving politely. In the context of Javanese society, raising questions regarding the responsibility of another person—particularly for the sake of transparency and accountability—is often regarded as questioning the purity of that person’s power, which in Javanese culture is one of the greatest social transgressions one can commit. For a more complete discussion of the Javanese notion of *unggah-ungguh* (behaving politely) and its impact on behavior, see Geertz (1960) and Anderson (1990).

In light of these cultural characteristics, information regarding NUSSP subprojects disseminated to villagers during the planning phase of subproject implementation must be understood within the context of *unggah-ungguh*. In this regard, the sample village communities to which information about NUSSP subproject implementation was disseminated naturally deemed such implementation to have been transparent. After all, the subproject financial report was posted on the public notice board. In the Javanese view, such an action could only make the subproject implementer be seen as willing to share information about subproject finances with the community at large.
In general, the study found NUSSP accountability to be good. Informants and respondents at various levels claimed to be satisfied with the performance of subproject implementers and considered them to be upright and responsible. Such assessments follow logically from an overall satisfactory quality of subproject outputs and lack of any allegation of corruption regarding subproject implementers. Overall, subprojects fully implemented by the community tended to be regarded as being more transparent and accountable than subprojects implemented by third parties, which were perceived as being less transparent and accountable, these two traits being linked in the view of a number of informants.

Overall, there appeared to be no significant perception that the NUSSP had impacted transparency and accountability in the villages where the survey was conducted. In general, informants and respondents felt that the degree of transparency and accountability regarding village administration had remained unchanged compared with 3–5 years prior to the NUSSP’s inception. The implication of this finding is that prior to inception of the NUSSP, transparency and accountability in some villages were already good and did not improve as a result of NUSSP implementation. For villages with poor transparency and accountability, NUSSP implementation also brought about no perceived improvement in either trait.

Quality and Sustainability of Infrastructure

In general, NUSSP subproject outputs were perceived by sample communities as being of good quality. This finding corroborates the overall sense of the researchers achieved through direct observation, in that some of the infrastructure constructed 5 years prior appeared to be in like-new condition or at the minimum, lacking any serious damage.

Just as there was significant variation in the manner in which NUSSP subprojects were planned and implemented, maintenance of subproject outputs also varied considerably, with some infrastructure constructed under the project remaining in good condition and functioning well, and other units suffering damage or being no longer in operable condition. In one of the rukun tetangga in Bener, the community was completely uninvolved in maintenance, as the perception was that maintenance was the responsibility of the BKM. However, in other sample villages or project sites, the community performed maintenance on subproject outputs on a self-management basis, the contributions of residents being in the form of either community service or monthly financial contributions. As a result, public toilets constructed 5 years prior under NUSSP subprojects at such sites remained operable and in good condition.

Variation regarding the degree to which maintenance was practiced in the sample villages is closely related to the specific local context and the manner in which a particular subproject was implemented. In less participatory villages such as Blimbing and Brontokusuman, in which subprojects were implemented under the subcontractor (SP2) method, the commitment of the community to performing maintenance tended to be low. However, villages that implemented their subprojects using the self-implementation (SP3) method tended to be more committed to performing maintenance. Other factors contributing to this variation in commitment to performing maintenance included the degree of solidarity present in the community. In more socially cohesive villages—which tended to be rural villages such as Tugu, and to a certain extent, Bener and Deket Wetan, and some enclaves in urban villages such as in Suryatmajan—there was a greater commitment to performing maintenance than in less socially cohesive villages.

Neighborhood Upgrading and Shelter Sector Project Implementation

The NUSSP primarily targeted regional governments with a high degree of commitment to improving slum areas within their jurisdictions. This is reflected in the two most important criteria used for selecting NUSSP beneficiary areas: (i) willingness of the local government to provide counterpart funding for subproject implementation, and (ii) the proportion of the jurisdiction’s population living in slum areas, the latter criterion favoring urban areas for beneficiary site selection owing to their greater population densities as compared with rural areas.

While in the end the project targeted both urban and rural locales, the NUSSP General Guidelines (Version 1.2, page 3) state that NUSSP implementation was to begin in kelurahan (village-level administrative areas located within an urban center) with slum areas as their centers of activity. Subsequently, NUSSP coverage was to expand to other areas within the same
kelurahan, with project activities spreading to the area surrounding the city or district to which the kelurahan in question belonged.

Two factors necessitated a more pragmatic approach to NUSSP implementation. First, it was difficult to comply with the criterion that NUSSP implementation begin in kelurahan with slum areas as their centers of activity. This is so because only a few cities in Indonesia (Bandung, Jakarta, Makassar, Medan, and Surabaya) satisfied this criterion. Second, because Indonesia lacked a national blueprint for improving slum areas at the time the NUSSP was approved, the exact location of the country's slum areas was unclear. This mitigated against NUSSP subprojects being implemented according to national, regional, or even local priorities.

As a result, selection of NUSSP beneficiary villages was under the authority of the district and city governments, together with NUSSP project management staff at the district and city levels. These communities were thus selected in the absence of their submitting a proposal to the district or city government concerned. However, for the National Program for Community Empowerment (PNPM) and Urban Poverty Program subprojects, qualifying as a beneficiary community required the village government to submit a proposal.

The NUSSP’s institutional structure related to all levels of government administration, from the national level down to the villages. In this regard, it was similar to the implementing agency structures of other participatory programs such as the PNPM. The leading ministry for implementing the NUSSP was the Ministry of Public Works, the Directorate of Cipta Karya in particular. At the national level, in addition to a number of coordinating institutions, there was a technical implementation team known as the Project Management Unit, which was assisted by a consultant team referred to as the National Management Consultant. This same structure, along with coordinating government institutions, was then replicated at the provincial, district, and city levels. These provincial-level consultants were then supervised by the provincial level of NUSSP administration and the district and city program coordinators who were responsible for technical implementation of the project. To facilitate management of subproject activities at the village level, each beneficiary community was encouraged to set up a BKM for facilitating and organizing community participation under individual NUSSP subprojects.

Construction of infrastructure by the BKM under a particular NUSSP subproject occurred in one of two ways: (i) self-implementation (commonly referred to in NUSSP field operations as the SP3 pattern), under which the beneficiary community itself performed the construction works concerned; or (ii) contracting a third party to perform the construction works concerned (the SP2 pattern). Ultimately, the BKM decided which of these mechanisms for completing the construction works concerned was the most amenable to local conditions in a particular beneficiary community. Both means of completing construction works were represented in the sample villages included in the study. In Deket Wetan and Tugu, all civil works were performed by members of the community themselves under the supervision of the relevant BKM. In contrast, in Blimbing, a third-party contractor performed these works with only a few local community members participating as wage laborers. In Bener, Brontokusuman, and Suyatmajan, both the SP2 and SP3 patterns were employed according to the size and type of the subproject concerned.

In the view of community members participating in the focus group discussions carried out under the study, not all NUSSP subproject outputs were consistent with the priorities of the beneficiary communities. For those that were, subproject outputs were perceived as addressing only a portion of the problems or issues faced by the kelurahan or village concerned. Some of the NUSSP subprojects perceived by focus group discussion members as not responding to the priorities of the communities concerned (these priorities being indicated below in parentheses) include the following:

- Bener—neighborhood roads, neighborhood hall;
- Blimbing—neighborhood roads;
- Brontokusuman—pathways and bathing, washing, and toilet facilities;
- Deket Wetan—pathways and bathing, washing, and toilet facilities;
- Suyatmajan—garbage collection and transport facilities, water reservoir.

Apart from the question as to whether NUSSP subproject outputs were consistent with the priorities of the beneficiary communities concerned, what is definitely true is that residential areas in most of the
sample villages experienced significant upgrading. Except in the case of Suryatmajan, over the 5 years following NUSSP implementation, the number of slum areas in the sample villages decreased. Further, most NUSSP beneficiary communities perceived their subprojects as being useful. In fact, 95% of household survey respondents—who represented the entire spectrum of rich, middle-income, and poor social groups—regarded NUSSP subproject outputs as being "useful" or "very useful."
Introduction

Background

1. Since the 1990s, efforts to minimize the weakness of top-down development approaches have given way to a new approach to development that puts the beneficiaries themselves at the center of the development process. This approach is commonly referred to as community-driven development (CDD). CDD focuses on community participation in planning and design of development initiatives, community control of resources, community involvement in implementation, and community-based monitoring and evaluation. The Neighborhood Upgrading and Shelter Sector Project (NUSSP) was a development initiative that used the CDD approach to improve slum neighborhoods in urban areas. In general, the NUSSP incorporated all of the CDD elements referred to above.

2. The Asian Development Bank (ADB) has taken an interest in learning about community-driven development in Indonesia, in particular as it relates to the NUSSP, which was itself funded by ADB. The NUSSP was chosen to represent CDD in Indonesia for purposes of this study because (i) it is one of the few urban CDD programs implemented in the country, and (ii) no study to date had assessed its impacts, especially in the context of good governance at the village level or above. The fact that there have only been a few urban CDD programs in Indonesia makes learning from the existing programs a priority, in that the lessons learned from these few programs might be used to help improve similar ongoing or future initiatives that employ the CDD approach or similar mechanisms.

Community-Driven Development in Indonesia

3. The NUSSP was not the first CDD program in Indonesia. Long before the NUSSP, Indonesia had implemented a CDD program focusing on rural poverty and other development issues. In the late 1970s, the Government of Indonesia launched an initiative called the Program for Improving the Income of Small Farmers and Fishermen. This initiative, which was partly funded by ADB, ran until 2005. The program gave microcredit and technical assistance to small-scale or poor farmers and fishermen to improve their productive capacity and income. In the 1990s, there also existed a popular poverty reduction program, the Presidential Instruction for Disadvantaged Villages (IDT). While the instruction was issued in 1992, the program was not implemented until 2 years later. The IDT incorporated the CDD approach in that it provided grants to community groups in villages categorized as poor or underdeveloped. Beneficiary groups were then free to use the grant money provided to them for any initiative they considered important for the development of their village or for poverty reduction. At that time, the IDT was the government’s flagship poverty alleviation program.

4. Following the Indonesian reform movement that occurred after the New Order era came to an end and the country encountered the 1998 financial crisis, the government launched the most popular CDD project in Indonesia, the Subdistrict Development Project (PPK). This initiative employed the CDD approach by giving rural communities grant money and all authority to control the uses to which these grant funds were put, including planning and implementing all development activities financed under these grants, as well as monitoring and evaluating the initiatives thus financed. In 1999, just 1 year after launching the PPK, the government further addressed urban poverty by creating another CDD program called the Urban Poverty Program, which was the first and largest national urban poverty alleviation program in existence at that time. As with the PPK, the Urban Poverty Program also incorporated the CDD approach, albeit with adjustments to attune the program with urban conditions. Implemented as an independent project for several years, in 2007 the Urban Poverty Program was subsumed by the National Program for Community Empowerment (PNPM), an umbrella program for...
community empowerment projects in Indonesia. Today, the urban PNPM is in its third phase and covers nearly all municipalities in Indonesia. The beneficiary community has always been the central actor in all of the initiatives referred to above.

5. The description of these poverty alleviation initiatives demonstrates that urban poverty was never considered a national problem in Indonesia until the Urban Poverty Program was introduced in 1999. Prior to the latter’s implementation, the government perceived poverty solely as a rural and unidimensional phenomenon. Some regional and local governments had begun addressing urban poverty earlier—as Jakarta Province’s Neighborhood Improvement Program implemented during the 1970s demonstrates. However, the scope of this latter initiative was limited, and its programs were specific to local conditions; as a result, it never attracted national interest. During the late 1990s, when urbanization had accelerated and urban development had created slum areas that were increasing in number each year, the government began paying more attention to urban issues.

6. However, during the late 1990s there existed in the common perception a rural bias regarding the role of poverty alleviation. This was even true in

<table>
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<th>Year</th>
<th>Poverty Line (Income per person per month [rupiah])</th>
<th>Number of Poor Persons (millions)</th>
<th>Poverty Rate (percent of total population)</th>
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</table>

Notes: Figures in italics signify years when the urban poverty percentage surpassed the rural. Estimates for 1996b and onward use a new methodology for computing the poverty line.
public policy circles that addressed poverty issues and formulated poverty reduction programs. The reason for this bias was that the number of urban poor at the time fell far short of the number of rural poor, the former amounting to only a quarter of the latter (Table 1). In the early 1980s, even when the percentage share of the urban poor in the total population had increased, in absolute terms the urban poor numbered only one-third the size of the rural poor population.

7. That said, increasing numbers of urban poor has clearly been one of the negative impacts of urbanization in Indonesia. Table 2 shows that the percentage share of the urban population in the country’s total population has steadily increased over time, and that this has narrowed the difference between the percentage shares of Indonesia’s urban and rural populations in the country’s total population (Indonesian Central Bureau of Statistics 2010). It must be remembered, however, that this long-term trend toward rapid urbanization was ultimately driven by a significant rural–urban wage differential, particularly on Java Island where economic activity, industry, services, and trade are concentrated. Ultimately, the rapid pace of urbanization that resulted from this significant rural–urban wage differential was not accompanied by correspondingly rapid development of space, infrastructure, and facilities. This led to an inevitable increase in the number of urban poor, which was accompanied by overcrowding of residential areas, the latter in turn creating substandard development, and thence, slums.

8. In general, slum areas are characterized as places in which (i) small houses not meeting health and decent standards of social life are located; (ii) buildings are immediately adjacent to each other, making them prone to destruction by fire; (iii) clean water supply is lacking; (iv) electrical wires are not well installed, and have limited capacity; (v) drainage is poor; (vi) roads are inadequate and in disrepair; and (vii) public toilet facilities are limited. These conditions result in the spread of disease, which decreases productivity on the part of area residents, increases vulnerability to physical harm, and creates a wide range of other social problems.

9. In light of the trend toward urban slum expansion, significant attention should be devoted to urban issues. However, only a few studies directly addressing urban poverty issues and slum areas have been conducted. Also lacking is serious research scrutinizing the government’s existing efforts to address urban poverty. In this context, a study that identifies lessons learned from programs such as the NUSSP are an important step in increasing the efficiency of future government-sponsored poverty alleviation initiatives.

The NUSSP as an Urban Community-Driven Development Initiative

10. Implemented by the Ministry of Public Works and funded by ADB, the NUSSP ran from 2005 until 2010 and covered 32 municipalities nationwide.
Though completed in 2010, the government’s strategic plan for 2010–2014 includes NUSSP Phase II as a priority program.

11. The NUSSP is clearly part of the government’s urban poverty reduction efforts. This is apparent from its official website (www.nussp.or.id), which states that the project aims to help the government reduce urban poverty through partnerships involving the government, the private sector, and local communities. In short, the objectives of the NUSSP are

(i) decreasing the number of slum areas,
(ii) establishing local institutions at the community level that are independent and responsive,
(iii) improving community self-reliance in building residential housing and improving the environment, and
(iv) creating clean and healthy living behaviors in beneficiary communities.

12. Nationally, NUSSP implementation fell under the authority of the Ministry of Public Works, though the project was funded from the proceeds of an ADB loan and district and city budgets. Selection of district and city beneficiary sites was on a competitive basis using two selection criteria: (i) commitment of the relevant district or city government to contribute to funding the initiative and (ii) the proportion of the population living in informal settlements, which are generally slum areas. Given the second criterion, NUSSP subprojects were generally to be implemented in urban locations with relatively large slum areas, such as Jakarta and other large cities. Thus initially, the NUSSP was not designed to improve neighborhoods in small cities or rural areas. However, for reasons explained below, the NUSSP came to target smaller cities and even rural villages.

13. The NUSSP’s core activities included upgrading slum areas, expanding income-earning opportunities available to low-income communities, and improving access of low-income households to appropriate housing. The NUSSP comprised the following four components:

(i) improving planning and management for upgrading neighborhoods and establishing new housing sites for the urban poor,
(ii) improving access of the poor to shelter finance through central and local financial institutions and their branches,
(iii) upgrading poor neighborhoods and developing new housing sites for the urban poor, and
(iv) strengthening the institutional capacity of service delivery agencies relevant to NUSSP implementation.

14. At the subproject level, these components translated into five activities:

(i) upgrading, for small and less densely populated slum areas,
(ii) upgrading plus, for more densely populated and more complex slum areas,
(iii) new site development, for poor communities,
(iv) microcredit, for appropriate housing for members of low-income communities, and
(v) capacity building, for housing development stakeholders.

15. Of the four project components, only the third (upgrading poor neighborhoods and developing new housing sites for the urban poor) employed the CDD approach. As with other CDD projects, it is within the activities that compose this third NUSSP component that beneficiary community involvement played the greatest role in project implementation. Within this component, the beneficiary community participated in planning the subproject, controlling and accounting for financial and other resources, implementing the subproject itself including physical construction of community facilities, and monitoring and evaluating implementation and subproject outcomes.

16. The CDD approach was not incorporated into the NUSSP’s third component in order to follow a current trend in international development discourse and policy, but rather for the purpose of making subproject implementation more efficient and ensuring sustainability of subproject outputs. Similarly,
bringing the community itself into the development process endorsed transparency and accountability in general. This in turn was to (i) increase the effectiveness and efficiency of the development process itself, (ii) reduce corruption and misappropriation of project funds, and (iii) improve the sustainability of maintenance of subproject outputs. In addition, exposing the community to development activities in a collective way was to enrich its collective pool of knowledge, strengthen social capital, and encourage community members to remain actively involved in the development process and sustain service delivery of subproject outputs. In short, the CDD approach was to increase the overall quality of the development process, encourage good governance, and empower the beneficiary community.

Objectives of the Study

17. The study’s chief focus was assessment of the NUSSP’s contribution to encouraging (i) community participation in the development process and (ii) good governance in the beneficiary communities as well as in the cities in which the beneficiary communities were located. The objectives of the study were as follows:

(i) **Community participation.** The study was to identify lessons learned relating to community involvement in planning, implementing, and monitoring NUSSP subprojects. The NUSSP’s third component (upgrading poor neighborhoods and developing new housing sites for the urban poor) envisioned the village-level community as taking the lead role in the entire subproject cycle. Ultimately, the aim of the project was for community involvement in the project cycle to be institutionalized in every decision-making activity at the village level, this even extending to development initiatives falling outside the NUSSP.

(ii) **Transparency and accountability.** The rationale underlying the NUSSP was that increasing community participation would improve transparency and accountability within the beneficiary village. Further, such a bottom-up development approach would give ample room for community members to voice concerns and raise objections regarding development initiatives. As a result, development practices would become more responsive to community needs and demands, and corruption as well as other misuses of power and funds would be impeded. The study assessed the degree to which NUSSP implementation brought about these desirable outcomes.

(iii) **Quality and sustainability of infrastructure.** Assessment of the quality of infrastructure constructed under NUSSP subprojects was seen as being inextricably linked to assessment of local accountability. In particular, CDD assumes that a participatory approach to implementation of development initiatives helps citizens convey their concerns to and demand accountability from local leaders, which ultimately ensures better quality of construction works. The sustainability of infrastructure constructed under NUSSP subprojects was thus seen as depending both on the quality of construction attained and on the existing institutional arrangements for operation and maintenance. The study examined beneficiary perceptions regarding the quality and sustainability of the infrastructure constructed and the services delivered under NUSSP subprojects, as well as the factors that may have affected both the quality and sustainability of subproject outputs. It also attempted to discern the degree to which local citizens were able to influence their leaders and prevent rent-seeking and mismanagement of resources from occurring during the contracting and construction phases of subproject implementation. Finally, the study assessed the institutional arrangements for operation and maintenance of subproject facilities and the extent to which the roles and responsibilities of key actors relating to subproject implementation (communities, regional and local governments, central government) were effectively fulfilled.

(iv) **Project implementation.** Examination of issues relating to NUSSP implementation was important in that this facilitated identification of lessons learned from the project itself. In this regard, the study particularly focused on implementation of NUSSP subprojects at the village level, since it was at this level that implementation most directly influenced the project’s overall impact. Actual
The Neighborhood Upgrading and Shelter Sector Project in Indonesia

Implementation of the NUSSP understandably differed from that envisioned during the project’s design and planning stages; ultimately, these differences influenced NUSSP outputs and outcomes as well as the project’s overall impact. That said, the purpose of this study was definitely not that of evaluating the NUSSP itself.

Research Design and Methodology

18. Based on the information gathered from the fieldwork carried out under the study, several conclusions that may give indications of the impact of NUSSP on transparency and accountability at the village level can be drawn. These conclusions relate to indications of the NUSSP’s impact on transparency and accountability rather than impacts themselves because the study methodology—which relied on perceptions of informants and respondents—excluded the possibility of directly attributing impacts of the NUSSP to particular causes. Further, a number of development initiatives with goals similar to those of the NUSSP that were implemented in the study’s survey locations may have influenced the responses of the informants and respondents.²

19. The study was conducted with the understanding that the NUSSP was a development project incorporating CDD that was formulated at the central government level for the purpose of addressing urban poverty at the district and city levels. At the city level, urban poverty is quite a diverse phenomenon in many respects. Since the NUSSP was a national development program designed to be implemented nationwide, both the design of the NUSSP and the goals that its designer (the Ministry of Public Works) hoped to achieve are important to the discussion here.

20. Because the NUSSP was to be implemented at the district and city levels, obtaining information relating to implementation at those levels was important to fulfilling the study’s objectives. Further, to implement the NUSSP, district and city governments needed to adjust the NUSSP to their particular local contexts. Support of the local government also was necessary to resolve implementation issues that inevitably arise when undertaking large-scale projects, as well as to ensure smooth implementation.

21. The NUSSP targeted specific communities at the kelurahan (urban village) level. At this administrative level, a number of factors may affect implementation of any development initiative that incorporates the CDD approach as did the NUSSP. These factors include

(i) overall economic conditions,
(ii) the livelihood strategies of community members,
(iii) the degree of social and economic inequality present in the community concerned,
(iv) the quality of governance,
(v) the degree to which social capital has been amassed,
(vi) the degree of social exclusion of particular groups,
(vii) differences in the level of political power of individual stakeholders or agencies,
(viii) conflicts between social groups, and
(ix) the degree of gender equality achieved in the beneficiary communities or locales concerned.

22. Lessons learned from previous studies relating to CDD suggest that these factors can profoundly affect both the implementation and the achievements of CDD-related initiatives. As a result, all of the above factors were taken into account in formulating the research methodology for the present study, including the formulation of research instruments; selection of local researchers; the district, city, and kelurahan to be included in the study sample; and any special cases that were to be considered.

23. In short, meeting the above objectives required the study to adopt a qualitative approach to analysis that was supported by a limited household survey using a questionnaire. In general, focus group discussions (FGDs), in-depth interviews, survey interviews, and direct observation by researchers were

² A number of informants confused the NUSSP with similar initiatives such as the Urban Poverty Program. The most obvious mix-ups occurred in urban villages in Yogyakarta. The reason for this was that in the wake of the earthquake in 2006, these villages benefited from a number of rehabilitation assistance programs administered by both government and nongovernment agencies.

³ A kelurahan is a village-level administrative area located within an urban center.
the major methods used in collecting data. Use of such a diverse mix of data collection techniques was important to the study, since each made a unique contribution to enriching the data collection process. FGDs were useful in obtaining summary information relating to the issues addressed by the study, particularly with regard to the general quality of village governance, general perceptions of the NUSSP as implemented in the beneficiary community, and other issues relevant to subproject implementation at the village level. Similarly, in-depth interviews were effective in obtaining detailed information regarding NUSSP implementation, specific cases relating to village governance or program implementation, and general information pertaining to village development. The questionnaires were useful in obtaining generalized information regarding respondent perceptions of the NUSSP and its benefits. Additional details concerning the data collection methods used in completing the study fieldwork are as follows:

(i) At the national level: Two in-depth interviews with the NUSSP’s former national manager were conducted to gather information regarding project implementation and the NUSSP’s overall impact. The purpose of the first interview, which was conducted prior to the field visit, was to obtain general information regarding the project’s design and implementation. The purpose of the second interview that followed the field visit was to clarify or confirm aspects of the information obtained during field research.

(ii) At the district and city levels: In-depth interviews with local government officials and program implementers were conducted for the purpose of obtaining information regarding project implementation, as well as to get a general sense of the challenges and opportunities that resulted from the project as implemented in the district or city concerned. In other words, the purpose of these interviews was to assess the project’s institutional impacts. Two key respondents in each district and city were interviewed: (i) the program implementer, who was drawn from the relevant local government body (district- or provincial-level development planning board or district-level settlement board, and (ii) the program consultant (the city coordinator).4

(iii) At the kelurahan level: FGDs, in-depth interviews, and surveys using a questionnaire were conducted in each kelurahan to learn more about the perceptions of the elite as well as operational staff who possessed information regarding day-to-day project operations at the kelurahan level.5 More specifically, these discussions generated information regarding issues relating to day-to-day project implementation, the extent to which the NUSSP was perceived as being beneficial by kelurahan staff, and perceptions on NUSSP’s influence on kelurahan-level governance.

(a) The following focus group discussions were conducted at the kelurahan level:

- One FGD with the kelurahan elite was held for the purpose of collecting information regarding poverty and progress achieved in the overall development process within the kelurahan.
- Two FGDs were conducted, each with a separate group of men and women from poor households in two rukun warga (local administration units within a kelurahan) in which NUSSP subprojects were implemented.6 The purpose of these focus groups was to discern community perspectives regarding the effectiveness of the NUSSP in providing urban public services and infrastructure—particularly those benefiting the

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4 The program implementer was the regional development planning board or district-level settlement board. The program consultant was the city coordinator.

5 Kelurahan elite are residents of a kelurahan who are perceived by the community as being influential persons by reason of their knowledge and experience, socioeconomic-cultural-religious status, the positions they previously held (e.g., former village head), or demonstrated commitment to village development.

6 The rukun tetangga (neighborhood unit comprising several households) is the lowest level of governmental administration in Indonesia. Several rukun tetangga may be geographically located within a single dusun, or sub-village administrative unit located within a particular village. After the rukun tetangga, the next higher level of governmental administration is the rukun warga, an administrative unit comprising several rukun tetangga located within a kelurahan (urban neighborhood).
poor—and the overall level of responsiveness and accountability achieved by the project.

(b) In-depth interviews with key informants were conducted at the kelurahan level. These interviews were conducted to ascertain the assessment of key informants regarding the NUSSP's overall level of effectiveness and the factors directly influencing it. The interviewees included:

- one subdistrict facilitator,
- one subdistrict program coordinator,
- one head of kelurahan,
- one or two kelurahan program facilitators,
- one female member of the kelurahan elite
- one male member of the kelurahan elite, and
- three respondents who provided information relevant to mini-case studies.

(c) A survey was conducted of 30 respondent households from the kelurahan concerned. These households were selected by means of stratified random sampling from within the rukun warga in which the NUSSP was implemented. In cases in which there were too many rukun tetangga within the rukun warga to keep the survey within manageable proportions, random samplings were conducted in several rukun tetangga drawn from locales surrounding the areas in which NUSSP subprojects were implemented. These 30 respondent households included 15 male and 15 female respondents, the latter including female heads of household.

(d) Ongoing projects were observed and documented. As NUSSP implementation had begun in 2005, the fieldwork included observing implementation of several ongoing projects. One purpose of this aspect of the fieldwork was to directly observe the condition of the infrastructure and facilities constructed under NUSSP subprojects.

(e) In all, 18 FGDs were conducted (each of which was attended by 8–17 participants), 70 key informants were interviewed, and surveys were collected from 180 respondents.

Sample Areas

24. Before delving further into detailed information concerning the sample areas, it is important to differentiate between the two types of village-level governments that exist in Indonesia. In particular, kelurahan and desa kelurahan are located within cities or urban areas, whereas desa are located in rural areas. The specific modes of governance of these two types of local government administrative units are distinctly different. Compared with desa administration, kelurahan administration is not autonomous. Heads of kelurahan are appointed by, and thus report to, higher-level government officials. Kelurahan administration is thus merely an extension of the authority of the mayor of the city or urban area concerned, and as a result, simply implements the mayor's policies at the kelurahan level. In contrast, desa administration is autonomous in that this type of administrative unit has full authority to create its own development policy in the village concerned, so long as it does not contradict the general policy of the higher-level district government. Heads of villages are directly elected by villagers themselves, and are thus directly accountable to the community at large. Village heads thus hold political positions.

25. The fieldwork for the study was conducted in two separate locales: (i) Yogyakarta City, which is located in Yogyakarta Province, and (ii) Lamongan District in East Java Province. Kota Yogyakarta is a large city comprising heterogeneous communities. In contrast, Lamongan District comprises a smaller area inhabited by relatively more homogenous communities. In each of these two locales, three kelurahan (urban neighborhoods) were selected as study areas. This selection of study areas captured variations in project performance based on the judgment of NUSSP management at the local level, the period over which NUSSP implementation took place, and

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7 The maps presented in Appendix 1 show the locations in which the fieldwork for the study was carried out.
8 Appendix 2 presents a diagrammatic representation of Indonesia's governmental structure at the provincial level and below.
the economic status of the kelurahan concerned. Thus in all, six kelurahan were included in the sample: Kelurahan Bener, Kelurahan Brontokusuman, and Kelurahan Suryatmajan in Yogyakarta Province; and Kelurahan Blimbing, Kelurahan Deket Wetan, and Tugu Village in Lamongan District.

26. These research areas might also be categorized differently according to their degree of urbanization. Such a categorization would identify them as urban villages (kelurahan) and semi-urban and rural villages (desa). This latter typology would identify Brontokusuman and Suryatmajan as urbanized villages, Bener, Blimbing and Deket Wetan as semi-urban villages, and Tugu as a rural village.

27. For purposes of differentiating among the various research areas in the discussion that follows, it is useful to note some additional details concerning the kelurahan and villages in the urban, semi-urban, and rural categories. In this regard, readers unfamiliar with the geography of the areas of Java Island being described may wish to refer to the location maps presented in Appendix 1. The first sample area was Kelurahan Suryatmajan, which is located in the center of Kota Yogyakarta within an area named Malioboro that lies along the Code River. Kelurahan Suryatmajan thus boasts numerous shopping malls, department stores, kiosks, hotels, and other business facilities. Kelurahan Suryatmajan’s major slums are located on the banks of the Code River. Houses here are cramped into several clusters separated by alleys less than one meter wide. People who live in this area commonly work in the informal sector as peddlers, pedicab drivers, street hawkers, small traders, shopkeepers, and casual laborers. Conditions in this area worsened following the eruption of Mount Merapi in 2010, which created a cold lava flow that flooded areas near the banks of the river. Because all of the traditional wells were covered by the cold lava flow from this eruption, the greatest negative impact of the latter on the area was lack of availability of clean water.

28. A second sample area was Kelurahan Brontokusuman, which is located in Kecamatan Brontokusuman in the southern part of Kota Yogyakarta quite far from the city center. As with Kelurahan Suryatmajan, Kelurahan Brontokusuman is also located along the banks of the Code River. However, the part of this kelurahan located on the river banks is not as crowded as that of Kelurahan Suryatmajan, and the condition of the residential area is relatively better, with this kelurahan containing more residential than commercial areas. Because the dwellings here sit about 4–20 meters away from the riverbank, the impact of the cold lava flow was not as severe as that in Kelurahan Suryatmajan. Residents here come from various occupational backgrounds, most of them working as public sector employees, though some work in the private sector. The remainder work in the informal sector, as peddlers, pedicab drivers, street hawkers, small traders, shopkeepers, and casual laborers. The informal sector employees mainly work in the Kota Yogyakarta city center and in local traditional markets located within the kelurahan.

29. The third sample area was Kelurahan Blimbing, which is located in the northern portion of Lamongan District in Kecamatan Paciran, the latter sitting on the northern coast of East Java Province. Alongside the road, which separates the kelurahan from the sea, are numerous business enterprises that make this area the center of activity for kelurahan residents. However, not all portions of this kelurahan are urban in nature. Its southern portion is more like a rural village, in which residents work in the agricultural sector. The kelurahan’s slum areas are located in several rukun tetangga surrounding the traditional market, which is located in the northwest corner of the kelurahan. During the field visit, these areas were considered to be slums because they were dirty and crowded prior to NUSSP subproject completion. According to some local informants, these conditions resulted from poor drainage, which caused the surrounding areas to flood following rains. Other areas included several rukun tetangga surrounding a cemetery complex inhabited mainly by migrants who originally came from outside the village.

30. Even though the village is semi-urban few of the villagers work in typical urban activities such as trading and urban services. In fact, the most common type of employment in this area is fishing, though more than 90% of the villagers who work in the fishing sector work for someone else rather than being self-employed. They thus generally spend about 15–25 days per month at sea, which leaves them only limited amounts of time at home. While demographically and administratively classed as urban, this kelurahan’s unique characteristics limit the number of community meetings or social gatherings that take place, particularly those that can
be attended by male residents. The social gatherings and institutions in this kelurahan are thus commonly attended by female residents and include religious teaching groups, arisan (regular social gatherings for lottery drawings), and meetings of the local family welfare empowerment group. The only social institution dominated by male villagers still operating at the time the fieldwork was conducted was the Organization of Fishermen, which met only annually.

31. The fourth sample area was Desa Bener, which is located about five kilometers from the Kota Yogyakarta city center in Kecamatan Bener in Yogyakarta Province. This village includes several residential complexes, some of which are relatively affluent. Compared with the other sample villages, Desa Bener’s slum areas are better off. Even though located along the banks of the Winongo River, these areas are tidier than those of Kelurahan Suryatmajan and Kelurahan Brontokusuman. Bener, which is less densely populated than Kelurahan Suryatmajan and Kelurahan Brontokusuman, also escaped being affected by the eruption of Mount Merapi.

32. Villagers who live within the Bener complex are mainly immigrants from outside the village, as they seemed segregated from the rest of the residents. Bener residents work in a diverse set of occupations and are civil servants, entrepreneurs, traders, pedicab drivers, street hawkers, casual laborers, and farmers, although the latter are not numerous due to a lack of land suitable for agriculture.

33. Deket Wetan, located in Kecamatan Deket in Lamongan District, which is the fifth sample area, is also classified as a semi-urban village. Deket Wetan is located relatively near the downtown area of Lamongan City, which despite its small size, is in its appearance more like the suburban areas of large Indonesian cities such as Surabaya. Despite this, Deket Wetan’s land use pattern is decidedly typical of a rural village in that it includes rice fields, plots of farmed land, and fishponds. In fact, farming dominates villager employment.

34. Since Deket Wetan was more rural than urban at the time of the research team’s visit, it contained no true slum areas. While there was a sub-village within Deket Wetan designated as a slum, this latter settlement was very well organized, even though it suffered from drainage problems due to its low-lying topography. The major NUSSP subproject completed here addressed the flooding that resulted from water draining from a higher-elevation sub-village and collecting in Deket Wetan.

35. The sixth sample area was Tugu, a typically rural village located in Kecamatan Mantup in the southern portion of Lamongan District. Nearly all Tugu residents are farmers, agriculture being the major economic activity. That said, Tugu was historically an urban kelurahan, as it once was the capital of Kecamatan Mantup. Tugu had been a beneficiary of various urban development programs, including the Urban Poverty Project). While it technically remains the capital of Mantup subdistrict, its administrative status is that of a desa (rural village). As such, it had also been the recipient of a rural development program in addition to the urban development programs referred to above.

36. Tugu village comprises two dusuns (sub-villages), Dusun Tugu and Dusun Bulu. Compared to Dusun Tugu, Dusun Bulu appears less developed in all respects. As Dusun Bulu was designated as the slum area of Tugu, it was named an NUSSP beneficiary community. Despite this, Dusun Bulu was actually a well–administered neighborhood, being neither crowded nor densely populated. Thus the only reason Dusun Bulu was classed as a slum was because of its poor drainage facilities, which resulted in annual flooding. However, thanks to assistance from the NUSSP, this issue has been addressed.

Study Time Line

37. The study was scheduled to be completed in about 22 weeks, with intermittent work beginning in February 2011 and ending in September 2011.

38. During the 4 weeks of intermittent work undertaken from January to March 2011, the proposal including all of its components was finalized, recruitment of local researchers and enumerators was completed, and research permits at the national, provincial, and district levels were obtained.

39. In May 2011, training of local researchers and enumerators was completed, and fieldwork in both of the two sample-area districts was conducted. The training of local researchers and enumerators lasted
2 complete days in each district, for a total of 4 training days. The fieldwork in each district was completed in 12 days, for a total of 24 fieldwork days.

40. In June 2011, data collection and analysis were completed, and the major findings were presented at a regional CDD workshop in Jakarta on 21–22 June.

41. Four weeks spread over June and July of 2011 were required for drafting the final report, which was submitted on 15 July. The report was then revised, with the comments received being incorporated into the report, and the second draft submitted on 20 September 2011. The final report was then to be finalized by the end of September 2011, or at the very latest, mid-October of that year.

42. Table 3 presents details of the time line for formulation of the study proposal, conducting the fieldwork, and preparing and finalizing the report.

Table 3: Study Time Line

<table>
<thead>
<tr>
<th>Activity</th>
<th>Week</th>
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<tbody>
<tr>
<td>1. Finalizing proposal and its components</td>
<td>01</td>
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<tr>
<td>2. Recruiting local researchers and enumerators</td>
<td>02</td>
</tr>
<tr>
<td>3. Obtaining research permits at national and municipal level</td>
<td>03</td>
</tr>
<tr>
<td>4. Training local researchers and enumerators</td>
<td>04</td>
</tr>
<tr>
<td>5. Conducting fieldwork in six urban villages in two districts/ municipalities</td>
<td>05</td>
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<tr>
<td>6. Collating and analyzing field data</td>
<td>06</td>
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<tr>
<td>7. Preparing major findings</td>
<td>07</td>
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<tr>
<td>8. Preparing draft report</td>
<td>08</td>
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<tr>
<td>9. Submission of draft report</td>
<td>09</td>
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<tr>
<td>10. Finalizing report</td>
<td>10</td>
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</tbody>
</table>
The Neighborhood Upgrading and Shelter Sector Project (NUSSP) was funded under a loan from Asian Development Bank (ADB). This loan was approved on December 19, 2003, and project implementation was carried out from 2005 to 2010. Implemented in 32 cities in 17 provinces, the NUSSP’s target beneficiaries were regional governments with a demonstrated commitment to improving the slum areas within their jurisdictions. Recipient regional governments were thus selected on the basis of two major criteria: (i) willingness of the local government concerned to provide counterpart funding for subproject implementation and (ii) the proportion of the jurisdiction’s total population living in slum areas. Criterion (ii) above automatically selected for large or medium-sized cities with relatively large slum populations, since the proportion of the total population in such areas living in slum conditions is significant. The selection criteria thus favored provincial capitals and large and medium-sized cities. This second criterion was consistent with the NUSSP’s initial target as stated in the loan agreement signed both by the Government of Indonesia and ADB, which was to focus project resources on improving urban slums.

The above notwithstanding, the NUSSP was ultimately implemented in rural areas as well as in urban settings. This was in part because the General NUSSP Guidelines (Version 1.2, May 2006, page 3) stated that NUSSP activities were to begin in urban neighborhoods (kelurahan) with slum areas as their centers of activity, and were then to expand to other areas within the originally selected kelurahan that surrounded the city or district selected for inclusion under the NUSSP. Thus, from its inception, the NUSSP began targeting not just urban slum settlements within beneficiary administrative units, but the slum areas of the entire administrative unit, including its rural portions. That said, it is important to note that the content of this chapter relates primarily to NUSSP implementation within the research sample communities included under the study.

Regional and Project Site Selection

Making rural areas the target of activities funded under the NUSSP was clearly inconsistent with the project’s original focus. In fact, up to the point at which this report was finalized, the authors had not discovered a single document containing a clause or passage offering a rationale for this expansion in project focus to include rural areas. However, some respondents (women in Jakarta, and men in Lamongan,) suggest that there were at least two factors driving this shift.

First, the selection of urban administrative districts and cities lacking slum areas of significant size as beneficiary communities was to some extent driven by political forces, since strict application of the selection criteria described above would have limited the universe of potential beneficiary areas to the major Indonesian cities of Bandung, Jakarta, Makassar, Medan, and Surabaya. That said, even if all NUSSP resources were allocated to just one of the above cities, the project would most likely be incapable of resolving that city’s overall slum problem. In contrast, the slum areas of other smaller cities and rural areas were of a much more manageable size. For this reason alone, as well as for reasons of geographic equity, the government offered to make the NUSSP applicable not only to city governments, but also to rural-area districts if the local governments concerned were willing to provide counterpart funding for NUSSP activities. Similarly, since the infrastructure in many districts and cities at the time could benefit from improvement, the NUSSP was eventually allocated to districts and cities.
cases, the selection of NUSSP beneficiary areas was based not only on the presence of slum areas, but also on the potential beneficial impact of further development of the area’s infrastructure.

47. A second reason why the original focus of the NUSSP was expanded to include semi-urban and rural areas was that Indonesia lacked a national action plan for improving slum areas. In the absence of such an overall plan, there existed no criteria for classifying particular areas as slums, or even definitively locating such areas. As a consequence, development programs targeting slum improvement were not being carried out according to transparently defined national, regional, or local priorities. In sum, allocation of NUSSP project resources to regions lacking slum areas of significant size in large measure reflected the existing lack of a national strategy for improving slum areas.

48. Ultimately, the same outcome as that described above occurred at the regional level. Local governments generally lacked a comprehensive strategy for addressing slum improvement issues in the districts in which they had jurisdiction. As a result, one of the NUSSP’s components provided technical assistance to local governments for improving settlement planning and management systems relating to settlements. This component was to produce a regional development plan for housing and settlement that would be used as a reference document in strategically planning housing and settlement development that incorporated a participatory, community-based approach.

Site Selection

49. What occurred at the national and regional levels with respect to selection of NUSSP beneficiary sites was once again replicated at the district and city levels. As a result, the governments of these administrative units did not focus NUSSP resources on true slum areas. For example, in Lamongan District and Yogyakarta City, NUSSP resources were equally divided among all subdistricts. That said, the distribution of NUSSP resources at the subdistrict level in Lamongan District and Yogyakarta City differed considerably among rural and urban villages. In Yogyakarta City, all villages in each subdistrict were allocated NUSSP resources, an outcome that may have resulted from the fact that the impact of the 2006 earthquake in Yogyakarta included damage to infrastructure in all neighborhoods. In contrast, in Lamongan District, only one village per subdistrict benefited from the NUSSP, the village thus targeted usually being located either within or near the subdistrict capital. However, at the sub-village level, NUSSP resources were not completely allocated to the particular dusun (sub-village), rukun tetangga, or rukun warga with the largest slum population (footnote 6). Instead, NUSSP resources tended to be equally distributed across the entire village.

50. One of the principles of NUSSP implementation was that the project was only to serve poor households living within legally occupied slum areas. This meant that regardless of the condition of the slum areas located on land where settlements were forbidden, these areas would be ineligible to receive NUSSP funding. This notwithstanding, the slum settlements in most urban areas are generally concentrated on land where such settlements are forbidden, whereas in rural areas, all such settlements tend to be located on land where squatter settlements are legally allowed. This was one of the major reasons why rural slum areas received NUSSP funding, even though the conditions in rural slums were not as severe as those in urban areas.

51. Another reason for allocating NUSSP resources to rural as well as urban areas was politically driven. According to the NUSSP’s former district and city coordinators for Lamongan District and Yogyakarta City, the NUSSP was originally intended as an integrated development project, meaning that project funds could only be allocated in a manner that would make the beneficiary areas completely free of slum-related problems. However, according to these informants, either the local parliament or the heads of the district and city or both wanted NUSSP funding to be allocated equally among all subdistricts and villages. The stated rationale for such a distribution of project resources was that the NUSSP required counterpart funding from the local government budget to which all subdistricts and villages had contributed, and thus all subdistricts and villages. The maps presented in Appendix 1 show the locations in which the fieldwork for the study was carried out. Appendix 2 presents a diagrammatic representation of Indonesia’s governmental structure at the provincial level and below.
villages should share in the benefits of NUSSP funding. That said, the most important reason for such an allocation of NUSSP resources was probably that political expedience demanded that all subdistricts be eligible for such funding.

52. This was certainly true for members of the local parliament, as securing NUSSP funding was a politically expedient means of demonstrating their intention of securing development funding for all of their constituents. As for the bupati (district and city heads), distribution of NUSSP resources to all subdistricts or villages was likewise politically expedient, since beginning in 2005, Indonesia had implemented direct election of bupati and governors. Such a distribution of NUSSP resources allowed these officials to portray themselves as leaders who intended to secure development funding for their entire district or city, and to distribute these resources evenly across constituent areas. This politically motivated aspect of NUSSP resource distribution is understandable, given that these government officials faced restricted development budgets, and yet their political popularity was contingent on their being seen as being even-handed. In the end, local government officials distributed development resources across all districts in a way that prevented the majority of funds from coming from local budgets. This reassured their constituents of the purity of their intentions regarding development in the entire administrative area over which they had jurisdiction.

Public Involvement

53. The selection of beneficiary villages was under the full authority of the district and city governments (along with NUSSP management staff at the district and city levels). Beneficiary villages were selected without their having to submit a proposal to the district or city administration concerned. This selection mechanism differed considerably from that used under similar types of projects, such as the National Program for Community Empowerment and the Urban Poverty Program, which required villages to prepare and submit a proposal.

54. The villagers’ first involvement with the NUSSP occurred during preparation of the respective neighborhood upgrading plans, the centerpiece of which was a list of infrastructure improvements proposed for funding under the NUSSP. In this case, the involvement of the village administration was limited to the latter’s acting in the role of facilitator. All project management activities at the village level were under the control of the community self-help organization (BKM), which was the primary institution with which the NUSSP worked in each beneficiary community. Major activities in this regard included

(i) the signing of the Joint Operational Agreement between NUSSP officials and the beneficiaries,
(ii) preparation of the neighborhood upgrading plan,
(iii) construction works for facilities funded under the NUSSP, and
(iv) post-construction activities.

55. To carry out these functions, the BKM formed three implementing units: the Environmental Management Unit, the Financial Management Unit, and the Socio-Community Development Unit. It is important to note that with regard to the NUSSP, the BKM reported to the public works agency and NUSSP management staff at the district or city level rather than to the village administration.

56. The actual construction works for completing the facilities funded under the NUSSP could be completed by means of one of two mechanisms: self-implementation (referred to in field operations as the SP3 pattern of implementation) or by contracting a third-party subcontractor to complete the works (the SP2 pattern). The choice of implementation mechanism was ultimately that of the BKM concerned, this choice reflecting the BKM’s judgment regarding the implementation mechanism most appropriate to a particular community. Two of the most important considerations for the BKM in arriving at this decision were the

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10 A member of Parliament confirmed the existence of such interventions, although this informant also stated that as an institution, Parliament did not intervene. Instead, such interventions were undertaken by individual members of Parliament. Although not explicitly stated as such, a local government official also confirmed that the bupati also intervened in the allocation of NUSSP resources.

11 SP2 is the NUSSP mechanism for implementing subprojects in which infrastructure development activities are undertaken by a third party instead of the community. SP3 is the mechanism for implementing subprojects in which the community undertakes all activities.
willingness of local community members to work on a self-implemented project, and local availability of skilled labor appropriate to the infrastructure to be constructed. Both mechanisms were applied in the sample villages. In Tugu and Deket Wetan, all civil works were self-implemented under the supervision of the BKM, while in Blimbing, a third-party contractor performed most of the works but employed a few local community members as wage laborers. In Bener, Brontokusuman, and Suyatmajan, both the SP2 and SP3 patterns were employed based on the size and type of the sub-project. The degree of community participation achieved in the six sample areas with regard to NUSSP subproject implementation is explored further in the next chapter.

Physical Condition of Slum Settlements

57. The physical condition of the settlements included in the research sample were described in terms of four categories:

(i) luxurious;
(ii) decent, clean, good;
(iii) moderate, medium, healthy; and
(iv) less good, less habitable, unhealthy, dirty, riverside.

58. In general, 2–3 of these categories described rural villages while 2–4 categories described urban villages. In both the kelurahan (urban neighborhood) and rural village samples, the slum areas generally belonged to category IV. In the view of focus group discussion (FGD) participants, assignment of one of these categories to a particular settlement depended on the condition of its

(i) roads,
(ii) street lighting,
(iii) drainage facilities,
(iv) sanitation facilities,
(v) waste management facilities,
(vi) availability of clean water, and
(vii) condition of dwellings.

59. Residents of other villages included in the sample also included other characteristics in assigning their village to a particular category. In Bener, for example, location and population density were also included, since some of the slum areas were located alongside the Code River and were quite densely populated. In Deket Wetan, the slum areas were generally located on land for which the building of settlements was forbidden (Table 4).

60. According to the Directorate General of Housing and Settlements (Ministry of Public Works 2006), whether or not a settlement is designated as a slum depends on the

• degree to which the land parcel concerned fits the formal designation as specified under the General Urban Spatial Development Plan or the Detailed Plan for Urban Spatial Development;
• land tenure status of the parcel concerned;
• population density;
• number of low-income residents living within the land parcel concerned;
• importance of informal sector activities in the overall livelihood strategy of residents;
• density of dwellings or buildings;
• condition of dwellings or buildings;
• layout of dwellings or buildings;
• degree of health (life expectancy, prevalence of maladies such diarrhea or skin disease) of residents;
• degree of physical security (e.g., the crime rate) and degree of social equality in the community concerned; and
• condition of neighborhood infrastructure (e.g., facilities for provision of clean water, presence of toilets within residences, quality of waste management and drainage facilities, presence of pathways and neighborhood roads).

61. Based on the technical definition above as well as the impressions formed through direct observation by members of the research team, and in the view of FGD and in-depth interview participants, the only settlements that could actually be categorized as slums in the sample villages at the time of the field visit were Brontokusuman and Suryatmajan settlements in Yogyakarta City. In the other sample villages, no settlements met these technical criteria for being classified as slums. The following quotations illustrate the manner in which FGD participants in the sample settlements perceived the conditions that would have to be satisfied for a particular settlement to be categorized as a slum:
16  The Neighborhood Upgrading  and Shelter Sector Project  in Indonesia

• “A slum neighborhood is characterized by lots of residents washing in the river.” (Female 40, FGD elite group, Desa Bener, 25 May 2011)
• “Roads in slum areas are damaged.” (Male 52, FGD elite group, Desa Bener, 25 May 2011)
• “Trash is left to sit in front of houses.” (FGD, poor women group, Desa Tugu, 6 May 2011)
• “No [drainage] channel exists for rainwater runoff, so if it rains, stagnant water collects.” (FGD, poor men group, Desa Brontokusuman, 20 May 2011)
• “The drains are clogged, [owing to] a lot of garbage; toilets are … not available…” (FGD, poor women group, Desa Suryatmajan, 23 May 2011)
• “There are no public toilets. [They relieve themselves] directly into the rivers or the sea.” (FGD, elite group, female, Desa Blimbing, 10 May 2011)
• “Garbage piles up, gutters are clogged, thus causing problems … so flooding occurs.” (FGD, poor women group, Desa Brontokusuman, 10 May 2011)
• “[Houses are] without ventilation, dirt-floored, [with] lots of rats, lots of mosquitoes, and no toilets.” (FGD, poor women group, Desa Deket Wetan, 6 May 2011)

62. While these quotations describe conditions in some areas of the sample villages, the only villages in which all of the above conditions were met simultaneously were Brontokusuman and Suryatmajan. In Tugu and Deket Wetan, for example, while some rukun tetangga had poor drainage and neighborhood road facilities, the other types of neighborhood infrastructure were quite good. Thus, according to the Ministry of Public Work’s definition of slum areas, no areas in such villages could rightfully be categorized as slums. This was also true of Bener and Blimbing. In contrast, the definitions of a slum area used by FGD participants only required that one or two types of neighborhood infrastructure be inadequate for the entire settlement to be categorized as a slum.

63. In all of the sample villages, the FGD participants realized that since many factors determine the habitability of a settlement, improving the quality of their own settlements required an integrated effort, and that efforts to address the problems faced by slums could not just be focused on one factor or category of infrastructure. Further, most FGD participants stated that available resources, including those provided by the community itself

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Table 4: Factors Affecting the Habitability of Settlements as Perceived by Focus Group Participants in Sample Villages

<table>
<thead>
<tr>
<th>Deket Wetan</th>
<th>Tugu</th>
<th>Blimbing</th>
<th>Suryatmajan</th>
<th>Brontokusuman</th>
<th>Bener</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public toilet</td>
<td>Public toilet</td>
<td>Public toilet</td>
<td>Public toilet</td>
<td>–</td>
<td>Public toilet</td>
</tr>
<tr>
<td>Drainage</td>
<td>Drainage</td>
<td>Drainage</td>
<td>Drainage</td>
<td>Drainage</td>
<td>Drainage</td>
</tr>
<tr>
<td>Sanitation</td>
<td>Sanitation</td>
<td>Sanitation</td>
<td>Sanitation</td>
<td>Sanitation</td>
<td>Sanitation</td>
</tr>
<tr>
<td>Waste</td>
<td>Waste</td>
<td>Waste</td>
<td>Waste</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Clean water</td>
<td>–</td>
<td>Clean water</td>
<td>Clean water</td>
<td>Clean water</td>
<td>Clean water</td>
</tr>
<tr>
<td>Condition of dwellings</td>
<td>–</td>
<td>Condition of dwellings</td>
<td>Condition of dwellings</td>
<td>Condition of dwellings</td>
<td>Condition of dwellings</td>
</tr>
<tr>
<td>Street lighting</td>
<td>Street lighting</td>
<td>Street lighting</td>
<td>Street lighting</td>
<td>–</td>
<td>Street lighting</td>
</tr>
<tr>
<td>Condition of roads</td>
<td>Condition of roads</td>
<td>Condition of roads</td>
<td>Condition of roads</td>
<td>Condition of roads</td>
<td>Condition of roads</td>
</tr>
<tr>
<td>Fence</td>
<td>Clean water</td>
<td>–</td>
<td>Location</td>
<td>Waste</td>
<td>Location</td>
</tr>
<tr>
<td>Gate</td>
<td>Gate</td>
<td>–</td>
<td>–</td>
<td>Lighting</td>
<td>Pop density</td>
</tr>
<tr>
<td>Security post</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>Electricity</td>
<td>–</td>
</tr>
<tr>
<td>Neglected land</td>
<td>House condition</td>
<td>–</td>
<td>–</td>
<td>Public toilet</td>
<td>Waste</td>
</tr>
<tr>
<td>Illegal settlement</td>
<td>Dike</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>Small dike</td>
</tr>
</tbody>
</table>

Source: Focus group discussion participants.
and the government, were insufficient for providing immediate solutions to the problems that slum communities face, and that what was required for addressing the problems of such settlements was identification of priority needs in each village, among other factors.

64. That said, the field research showed that the identification of priority needs for improving neighborhood conditions varied among social groups (Table 5). Such a finding was to be expected, since the *rukun tetangga* and *rukun warga* from which FGD participants were drawn were not uniform with respect to infrastructural deficiencies; thus, FGD participants would tend to focus on the priorities for neighborhood improvement as these related to their own settlements. For example, in Deket Wetan, FGD elite assigned improvement of drainage facilities the highest priority, whereas low-income participants, both male and female alike, assigned the greatest priority to facilities for provision of clean water and a communal garbage dump. As one might imagine, the manner in which priority needs were expressed varied greatly across individual sample villages. In such cases, the needs most often identified by the group of FGD participants from a particular village were the best indicator of the priorities for improving living conditions in the community overall. Thus, for example, the three priorities for Deket Wetan were drainage facilities, facilities for providing clean water, and a communal garbage dump.

65. Overall, the general understanding of each community of the types of infrastructure required for improving quality of life in each of the sample villages was consistent with the types of infrastructure eligible for funding under the NUSSP. These types of infrastructure included construction and rehabilitation of footpaths and roads; micro-drainage facilities such as rainwater drainage channels and control tubs; communal garbage dumps; public sanitation facilities such as those for providing access to clean water for communal bathing and washing; public toilet facilities; septic tanks; and wastewater drainage channels. When the priorities for improving infrastructure as identified by the communities themselves were set alongside the types of infrastructure constructed or improved under the NUSSP, it is apparent that some NUSSP subprojects were consistent with the priorities identified by the communities, while others were not (Table 5). The latter, along with the types of facilities identified as priorities by community members but not constructed or upgraded under the NUSSP, include the following:

- Bener—neighborhood roads, neighborhood hall;
- Blimbing—neighborhood roads;
- Brontokusuman—pathways, bathing, washing, toilet facilities;
- Deket Wetan—neighborhood roads; and
- Suryatmajan—garbage transport, water reservoir.

66. That said, even for the NUSSP subprojects for which improvement of infrastructure was consistent with the priorities identified by community residents themselves, NUSSP resources were inadequate to allow all infrastructure issues facing each kelurahan or village concerned to be addressed.

### Project Benefits

67. Apart from the question of whether the types of infrastructure constructed or improved under NUSSP subprojects were consistent with the priorities identified by the community itself, the residential areas in most of the sample villages underwent significant improvement. Further, except in the case of Suryatmajan, over the subsequent 5 years the number of slum areas in the sample villages decreased (Table 6). This in part occurred because in addition to the NUSSP, a number of other development initiatives were implemented in the sample communities over this period. These include the Urban Poverty Project, the National Program for Community Empowerment, and distribution of development resources from the village allocation fund.

68. In the view of FGD participants, during the 5 years since NUSSP inception, all development initiatives taken together substantially decreased slum areas in the sample villages. For example, the number of slum areas in Deket Wetan decreased from about 50%–60% to about 25%–40% over the 5-year period. For Tugu, the corresponding decrease was

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12 Since there was no available statistical data on slum development at the village level, alternative information was collected through focus group discussions with three types of participants by asking their perception as to whether the number of slum areas in the village concerned had increased or decreased over the past 5 years.
### Table 5: Priorities for Community Improvement as Identified by Residents and Types of Facilities Implemented under NUSSP Subprojects in Sample Villages

<table>
<thead>
<tr>
<th>Priorities as Identified by Community Residents</th>
<th>Facilities Implemented under NUSSP Subproject</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elite</td>
<td>Poor Women</td>
</tr>
<tr>
<td>Drainage</td>
<td>Clean water</td>
</tr>
<tr>
<td>Clean water</td>
<td>Drainage</td>
</tr>
<tr>
<td>Communal garbage dump</td>
<td>Communal garbage dump</td>
</tr>
<tr>
<td>Deket Wetan</td>
<td>Village gate</td>
</tr>
<tr>
<td>Tugu</td>
<td></td>
</tr>
<tr>
<td>Drainage</td>
<td>Communal garbage dump</td>
</tr>
<tr>
<td>Road lighting</td>
<td>Neighborhood roads</td>
</tr>
<tr>
<td>Drainage</td>
<td></td>
</tr>
<tr>
<td>Clean water</td>
<td>Village gate</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Blimbing</td>
<td></td>
</tr>
<tr>
<td>Drainage</td>
<td>Communal garbage dump</td>
</tr>
<tr>
<td>Road lighting</td>
<td>Cemetery cleaning</td>
</tr>
<tr>
<td>Communal garbage dump</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Suryatmajan</td>
<td></td>
</tr>
<tr>
<td>Housing</td>
<td>Public toilet</td>
</tr>
<tr>
<td>Drainage</td>
<td>Wells</td>
</tr>
<tr>
<td>Wastewater drainage facilities</td>
<td>Road lighting</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Brontokusuman</td>
<td></td>
</tr>
<tr>
<td>Drainage</td>
<td>Communal garbage dump</td>
</tr>
<tr>
<td>Water reservoir</td>
<td>Neighborhood roads</td>
</tr>
<tr>
<td>Neighborhood roads</td>
<td>Water reservoir</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Bener</td>
<td></td>
</tr>
<tr>
<td><em>Talud</em> (small dike)</td>
<td>Public toilet</td>
</tr>
<tr>
<td>House renovation</td>
<td>Wells</td>
</tr>
<tr>
<td>Public toilet</td>
<td>Road lighting</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| NUSSP = Neighborhood Upgrading and Shelter Sector Project Source: Focus group discussion participants.

From 60% to 30%; for Brontokusuman, from 20%–50% to 10%–20%; and for Bener, from 30%–40% to 20%–30%. However, for Blimbing, the number of slum areas remained unchanged at about 10%, while for Suryatmajan, the number of slum areas increased from 25%–30% to 30%–45% as a result of clogging or total blockage of drainage facilities due to silting of the Code River on account of the cold lava flow from the eruption of Mount Merapi in 2010.

Due to the fact that NUSSP resources were allocated to a relatively large number of villages, these funds were spread relatively thinly across recipient communities. In Lamongan District, each village only received Rp137 million to Rp214 million ($15,515–$24,235, at the exchange rate of Rp8,880/$1 prevailing on 18 September 2011) for NUSSP sub-project implementation. Further, these amounts were not spent in implementing a single project,
but rather several subprojects (Table 5), which significantly reduced the funds available for each subproject. The beneficiary communities located in Yogyakarta Province fared somewhat better than those in Lamongan District, in that Bener received Rp219 million ($24,910); Brontokusuman, Rp391 million ($44,350); and Suryatmajan, Rp229 million ($25,992). However, the number of subprojects in these latter communities exceeded those implemented in the beneficiary villages of Lamongan District, thus decreasing the amount of funding available to each subproject implemented in the sample villages in Yogyakarta Province.

70. In light of the above, the NUSSP subprojects implemented in the beneficiary communities were small-scale, and were thus insufficient to completely address the priorities for infrastructure improvement identified by residents. This is apparent from the comment of one respondent who used the term “done half-heartedly” to refer to NUSSP subproject implementation, suggesting that while the total NUSSP budget was of significant size, its slum improvement impact was marginal. That said, implementation of subprojects in this manner would have been optimum if complemented by more macro-scale neighborhood improvements. In the absence of such integration of macro- and micro-scale initiatives, the impact of some NUSSP subprojects was in fact perverse. For example, one respondent pointed out that the improvement work on one drainage system in a beneficiary community actually caused flooding rather than abating it. This is because the deepening of the drainage system financed under the NUSSP was not complemented by improvement by the city government of the primary drainage channel. This resulted in the surface level of the primary drainage channel being of a greater elevation than the neighborhood drainage channel that was deepened under NUSSP financing. As a result, water from the neighborhood drainage system could not flow into the primary drainage channel, the result being flooding in the beneficiary community concerned.

71. At a more macro level, the rather modest impact of the NUSSP in addressing such a wide range of slum-related issues directly resulted from the lack of an integrated slum improvement strategy at the national, regional, and local levels. While one NUSSP component facilitated formulation of such a strategy (i.e., the Regional Development Plan for Housing and Settlement [RP4D]), this document was formulated concurrently with—or in some cases, following completion of—NUSSP implementation, which made the document of limited use in facilitating NUSSP implementation. Further, the RP4D lacked the force of law, since the local parliament concerned did not give it the status of an enforceable regulation at the local level. As a result, local governments had no obligation to comply with its provisions, a fact that effectively reduced the usefulness of the RP4D to that of meeting the formal requirements of NUSSP implementation.

72. While the NUSSP’s overall impact on improving slum conditions in the beneficiary communities

<table>
<thead>
<tr>
<th>Village</th>
<th>Elite FGD Participants</th>
<th>Poor Female FGD Participants</th>
<th>Poor Male FGD Participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deket Wetan</td>
<td>60</td>
<td>30</td>
<td>50</td>
</tr>
<tr>
<td>Tugu</td>
<td>60</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Blimbing</td>
<td>N/A</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Suryatmajan</td>
<td>25</td>
<td>45</td>
<td>30</td>
</tr>
<tr>
<td>Brontokusuman</td>
<td>20</td>
<td>10</td>
<td>20</td>
</tr>
<tr>
<td>Bener</td>
<td>30</td>
<td>20</td>
<td>40</td>
</tr>
</tbody>
</table>

FGD = focus group discussion
Source: FGD participants drawn from the communities indicated.
may have fallen short of that envisioned during its design stage, there is no doubt that NUSSP subprojects benefited their recipient communities. This is evident from the fact that 95% of household survey respondents judged the NUSSP to be “useful” or “very useful” (Table 7), these respondents being drawn from wealthy, middle-income, and poor households in the beneficiary communities.

73. Such results indicate that examples of improvements that led to beneficiary satisfaction abound in the beneficiary communities. Renovation of the road and adjacent drainage facilities in Deket Wetan that eliminated potholes and buildup of mud during rainfall (female, Deket Wetan, 5 May 2011) provides but one example of such beneficiary satisfaction. Similarly, in Suryatmajan, an NUSSP-funded subproject returned public toilets to their former clean and functional condition (female, Suryatmajan, 21 May 2011).

Implementation

74. In general, the institutional context of the NUSSP was similar to that of other participatory community improvement programs such as the National Program for Community Empowerment in that it spanned the entire administrative spectrum from the national level down to that of the village. However, a major difference between the NUSSP and other participatory community improvement programs occurred in the ministries and institutions that coordinated the program, and as well, the dominant role played by the Ministry of Public Works and its Directorate of Cipta Karya in particular. At the national level, in addition to the NUSSP coordinating institutions, there also existed a technical implementation team referred to as the Project Management Unit, which was in turn assisted by a team of consultants referred to as the National Management Consultant (NMC). Together, the two teams were responsible for day-to-day NUSSP operations at the national level. This same structure was replicated at the provincial, district, and city levels. Thus, at these lower administrative levels there likewise existed government institutions for coordinating and supervising the provincial-level consultants, in addition to the NUSSP coordinators at the district and city levels who were responsible for technical implementation of the NUSSP.

75. In addition, district and city facilitators were responsible for introducing the NUSSP program to district- and village-level governments, as well as to members of the beneficiary communities. These important members of the NUSSP implementation team were likewise responsible for facilitating NUSSP implementation operationally, this including socializing the beneficiaries in a manner that facilitated their understanding of the NUSSP process,

Table 7: Usefulness of NUSSP Subprojects in the View of Household Survey Respondents of Various Socioeconomic Levels in Beneficiary Communities

<table>
<thead>
<tr>
<th>Perceived Degree of Benefit from NUSSP Subprojects</th>
<th>Socioeconomic Status</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rich</td>
<td>Middle-Income</td>
<td>Poor</td>
<td>Total</td>
<td></td>
</tr>
<tr>
<td>Very useful (number)</td>
<td>5</td>
<td>41</td>
<td>32</td>
<td>78</td>
<td></td>
</tr>
<tr>
<td>%</td>
<td>55.56</td>
<td>50.62</td>
<td>40</td>
<td>45.88</td>
<td></td>
</tr>
<tr>
<td>Useful (number)</td>
<td>4</td>
<td>39</td>
<td>41</td>
<td>84</td>
<td></td>
</tr>
<tr>
<td>%</td>
<td>44.44</td>
<td>48.15</td>
<td>51.25</td>
<td>49.41</td>
<td></td>
</tr>
<tr>
<td>Less useful (number)</td>
<td>0</td>
<td>1</td>
<td>6</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>%</td>
<td>0.00</td>
<td>1.23</td>
<td>7.50</td>
<td>4.12</td>
<td></td>
</tr>
<tr>
<td>Not useful at all (number)</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>%</td>
<td>0.00</td>
<td>0.00</td>
<td>1.25</td>
<td>0.59</td>
<td></td>
</tr>
<tr>
<td>Total (number)</td>
<td>9</td>
<td>81</td>
<td>80</td>
<td>170</td>
<td></td>
</tr>
<tr>
<td>%</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

NUSSP = Neighborhood Upgrading and Shelter Sector Project
Source: Study household survey.
planning of subproject-related activities, execution of subprojects, and monitoring and evaluation of subproject outputs. These facilitator team members were also to help strengthen local institutions, empower the community at large, and provide technical training to village-level NUSSP administrators.

76. Because of the NUSSP’s community-driven nature, the key implementers for all subproject activities at the village level were the beneficiaries themselves. To facilitate village-level management of subproject activities, each beneficiary community was encouraged to form a community self-help organization (BKM) for facilitating and organizing participation by residents. That said, the NUSSP strongly encouraged making full use of existing institutions and agencies already ingrained into the folkways of the beneficiary communities. Only in cases in which there existed no agency or institution capable of performing the activities that the BKM would normally undertake was a new institution to be created. In virtually all of the sample communities included under the study, the BKMs pre-dated NUSSP implementation since they had been formed under the Urban Poverty Project in 1999. In such a context, the NUSSP was to strengthen the institutional capacity of existing BKMs by encouraging revitalization and training of their management team, as well as additional technical training of relevant BKM staff members.
Institutional Setting and Community Participation at the Village Level

77. Community-driven development (CDD) makes beneficiaries and beneficiary institutions the focal point of development initiatives. As a result, both setting development priorities and final decision making regarding allocation of development resources are ultimately in the hands of the beneficiaries themselves. In such a context, participation of the beneficiaries in these tasks is key to the entire CDD process, in that it is this participation that differentiates the CDD approach from top-down development approaches. The NUSSP assigned high priority to community participation, and thus devoted substantial resources to facilitating it. NUSSP implementation thus supported both community participation and community management of development resources allocated to beneficiaries.

78. For purposes of conducting the study, beneficiary communities were divided into three types: rural villages (Tugu), semi-urban villages (Bener, Blimbing, and Deket Wetan), and urban villages (Suryatmajan and Brontokusuman) (footnote 9). To some extent, both the style and type of community participation achieved during the various stages of NUSSP subproject implementation differed substantially across these three types of villages. That said, it is important to note that even within single villages, there were considerable differences in the manner in which NUSSP subprojects were implemented across rukun tetangga (neighborhood units comprising several households) and rukun warga (administrative units comprising several rukun tetangga), mainly due to contextual differences in these sub-village administrative units. As a result, subproject performance varied considerably, even within single villages. This was particularly true of the sample villages in Yogyakarta Province, due to the inherent heterogeneity of the rukun tetangga and rukun warga that compose each individual village.

Community Participation in the Decision-Making Process

79. The manner in which the NUSSP was implemented gave substantial opportunity for members of beneficiary communities to voice their individual aspirations and concerns regarding the improvement of slum areas in their neighborhoods. This followed from the fact that community participation was to be the mainstay of all NUSSP activities, including the initial socialization process that familiarized beneficiaries with NUSSP procedures, the formulation of neighborhood upgrading plans, all decision-making processes, construction of civil works, monitoring of subproject outcomes, and participation in maintaining NUSSP-funded facilities following cessation of project implementation.

Project Identification

80. In general, the NUSSP socialization process was relatively uniform across beneficiary communities. The administrative parties to the NUSSP (e.g., district and city coordinators, consultants, and village heads) began by convening a meeting at the village office to which representatives of each rukun tetangga and rukun warga and select community figures were invited. Once general information regarding NUSSP implementation was shared with these guests, socialization of the community regarding NUSSP implementation was handed over to the chief of each rukun tetangga. The fact that socialization of the beneficiary community regarding NUSSP implementation was conducted by the rukun tetangga itself was key in determining the success of subsequent steps in NUSSP implementation, since this ensured responsiveness of community members based on a full understanding of what was expected of them. While variations in
NUSSP subproject performance among *rukun tetangga* within the same village occurred, this to a great extent reflected differences in the efficiency of the beneficiary socialization process, since the latter in turn significantly impacted formulation of the neighborhood upgrading plans.

81. In the sample villages with rural characteristics (Tugu, and to a certain degree, Bener and Deket Wetan), the community retained a great degree of social cohesiveness. In these communities, addressing community-wide problems through mutual assistance remained commonplace. Similarly, local institutions that had traditionally functioned as community communication media remained well ingrained in the social fabric. At the level of the community as well as that of the *rukun tetangga* and *rukun warga*, community institutions remained lively in these settlements, as they were characterized by widely attended monthly meetings as well as other phenomena indicative of social cohesion. Intercommunity communication tended to be direct and generally face-to-face; participation in community life similarly tended to be direct in that it was carried out in the absence of representation. Tables 8 and 9 present information relating to the frequency of community meetings in Bener and Deket Wetan villages, as well as the broadness of participation by attendees. At such meetings, all residents were free to discuss any matter of importance to their daily lives.

82. In general, the existence of such local institutions and the meetings they convened allowed dissemination of information regarding NUSSP implementation and the NUSSP socialization process to be easily accessed by all members of the sample beneficiary communities. This in turn facilitated incorporation of NUSSP implementation into the residents’ daily lives. As a result, the NUSSP received the overall support of the community at large. For example, in Tugu the initial meeting at which NUSSP implementation was discussed was attended by nearly all members of the community (community figures, Tugu, 4 May 2011). A similar outcome occurred in Deket Wetan. Overall, members of these communities were vocal and enthusiastic about their wishes. Some asked that roads and drainage ditches be developed, others asked for renovation of their dwellings, and some wanted school buildings be constructed (female figures, Deket Wetan, 5 May 2011). The following quotes illustrate the significant degree of community participation achieved in the NUSSP planning process in these communities.

> “Even from its early stages, community participation at NUSSP meetings was always appreciated by the community. The community seems very enthusiastic, because the project has to do with improving the condition of their neighborhood.” (Head of Deket Wetan sub-village, 5 May 2011)

### Table 8: Characteristics of Community Meetings at Bener

<table>
<thead>
<tr>
<th>Meeting</th>
<th>Frequency</th>
<th>Participants</th>
<th>Agenda</th>
<th>Decision-Making Process</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rukun tetangga</td>
<td>Regular, conducted monthly</td>
<td>All community members</td>
<td>Any issues at <em>rukun tetangga</em> level Development programs</td>
<td>Mutual agreement</td>
</tr>
<tr>
<td>Rukun warga</td>
<td>Regular, conducted monthly</td>
<td>All <em>rukun tetangga</em> heads and some community figures</td>
<td>Any issues at <em>rukun warga</em> level Development programs</td>
<td>Mutual agreement</td>
</tr>
<tr>
<td>Religious study group</td>
<td>Regular, conducted monthly</td>
<td>Religious study group members</td>
<td>Religion</td>
<td>–</td>
</tr>
<tr>
<td>Catholic rosary prayer meeting</td>
<td>Regular, conducted monthly</td>
<td>Rosary prayer group members</td>
<td>Religion</td>
<td>–</td>
</tr>
<tr>
<td>Protestant group prayer meeting</td>
<td>Regular, conducted monthly</td>
<td>Protestant prayer group members</td>
<td>Religion</td>
<td>–</td>
</tr>
</tbody>
</table>

Source: Bener focus group discussion attended by poor women.
“For the NUSSP project, the community looks very active regarding the entire project, including planning, implementation, supervision, and even including project maintenance. During planning meetings and the subproject selection process, all community members (both men and women) were invited to actively participate.” (Village official, Tugu, 4 May 2011)

“For the NUSSP, community participation has been quite good. It is the community who propose and plan project development and conduct project implementation in the field.” (Community figure, Bener, 25 May 2011)

“When we [met] at the house of Mrs. Tik, all community members [of the rukun tetangga and rukun warga] could come and actively voice their views regarding development needs and the works proposed under the NUSSP. This high attendance I think was due to the fact that everyone was aware that the NUSSP project was quite large, and everyone expected to get something out of it…..” (Community figure, Bener, 24 May 2011)

83. In contrast, community participation in NUSSP implementation was quite low in other beneficiary communities, Blimbing in particular. However, this was not only true of the NUSSP, but also of all other development initiatives undertaken in these communities. One of the reasons for this was the livelihood strategy of the members of these beneficiary communities. Most villagers were fishermen who spent large amounts of time out on the ocean, which made it quite difficult for them to participate in the development process. In such a context, only the women remained in the village, but even then, it was difficult to involve them in any development process because of the long-standing tradition that women should remain at home. In the words of one respondent (member of community self-help organization [BKM], Blimbing, 8 May 2011), “when we invite the villagers to attend a meeting for socialization, it is considered very good if the attendance reaches 10%.”

84. Thus, in such cases, relatively low participation in NUSSP implementation activities was partly due to local conditions that mitigated against community involvement in the entire NUSSP implementation process. Even then, the outcome of the NUSSP socialization process in Blimbing was rather disappointing. For example, the head of the rukun

Table 9: Characteristics of Community Meetings at Deket Wetan

<table>
<thead>
<tr>
<th>Meeting</th>
<th>Frequency</th>
<th>Participants</th>
<th>Agenda</th>
<th>Decision-Making Process</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rukun tetangga (RT)</td>
<td>Regular, conducted monthly</td>
<td>Male heads of household and</td>
<td>RT-level activities</td>
<td>Mutual agreement</td>
</tr>
<tr>
<td></td>
<td></td>
<td>widowed female heads of household</td>
<td>Dissemination of information regarding</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>any issues or village-level agenda</td>
<td></td>
</tr>
<tr>
<td>PKK at rukun tetangga level</td>
<td>Regular, conducted monthly</td>
<td>Females</td>
<td>Rotating saving</td>
<td>Mutual agreement</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Dissemination of information regarding</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>any issue or village-level agenda</td>
<td></td>
</tr>
<tr>
<td>Yasinan at rukun tetangga level</td>
<td>Regular, monthly for some RT, twice monthly for some RT</td>
<td>Females</td>
<td>Reading Yasin and tahhil</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Rotating saving for certain RT</td>
<td></td>
</tr>
</tbody>
</table>

PKK = Family Welfare Empowerment Office, RT = rukun tetangga, Yasinan = Quran reading group
Source: Deket Wetan focus group discussion attended by poor women.
tetangga knew nothing at all about the NUSSP, though his house was located directly next to an NUSSP-financed road. In fact, he said that he was not involved in any way during the process of planning and constructing the road. In his words, “I myself, the chief of rukun tetangga, know nothing about a road built by [the] NUSSP, let alone the community members” (rukun tetangga chief, Blimbing, 8 May 2011). Similarly, the Blimbing village head stated that planning for NUSSP implementation involved only the BKM, some rukun tetangga chiefs, and some community figures. This outcome resulted from the limited budget allocated to the NUSSP socialization process and selection of a meeting space that permitted attendance only by people deliberately chosen to be involved in the NUSSP planning process (village head, male, age 50, 8 May 2011).

85. On the other hand, in Suryatmajan and Brontokusuman, the level of participation in NUSSP implementation varied considerably. Some subprojects enjoyed a relatively high level of participation, while for others, participation was weak. This occurred because of a divergence in the subproject locations in each rukun tetangga. In Brontokusuman, elite capture accounted for the low level of participation in subproject implementation. In the words of one respondent “…the community has no idea what [the] NUSSP is, because there has never been any socialization. All of a sudden, building materials for a project appeared, and the community only found out about what was being built when the project was complete.” According to this respondent, because the project was subcontracted to a third party the “community will only receive a finished project.” It was the contractor who sent material to the location chosen by village decision makers, such as the BKM or the urban village community empowerment agency (LPMK).

86. Another respondent, a rukun warga chief whose jurisdiction was a beneficiary community of an NUSSP subproject, had never had the NUSSP explained to him. In his words, “Not only the common people; even rukun warga officials have never known of an NUSSP program. Next thing I know, they suddenly started civil construction. Just like that” (chief of rukun warga, Brontokusuman, May 2011). Elite capture similarly drove the low level of community participation achieved in Suryatmajan, as reflected in the following quote from one respondent:

“For sure, I did not know the information about NUSSP. Because it is only the rukun warga or village elites who know about it. People here, in particular for a new project like NUSSP, do not have information. They are often just paid [laborers] who work on those projects. Even more than that, sometimes the civil works did not involve the community because those projects were given to contractors selected by the BKM. All we know are only those things that are already very commonly known and routine like the [National Program for Community Empowerment] and the [Family Welfare Empowerment] program.” (Female community figure, 42, Suryatmajan, 20 May 2011)

87. On the other hand, some of the NUSSP subprojects in Suryatmajan enjoyed a high level of community participation, as indicated by the following quotes:

“The planning process was undertaken by the BKM along with the community; this included selecting the project location. At a meeting, they agreed to rehabilitate the [bathing, washing, and toilet facilities] in Rukun Tetangga 26 because the condition of [these facilities] was really bad, while the community was in desperate need of a decent public toilet.” (Project officer, Suryatmajan, 21 May 2011)

“At the initial meeting of the NUSSP which addressed socialization and planning issues, [only] the community representatives from the rukun warga were involved. However, once the project location was decided on, then communities in that rukun warga were intensively involved in the project.” (Community leader, Suryatmajan, 19 May 2011)

88. This relatively wide variation in the level of community participation in NUSSP subproject implementation achieved in the villages included in the sample is reflected in the summary data presented in Table 10, which shows that only 18% of villagers were aware of the NUSSP subprojects being implemented in their own neighborhoods. Further, this relatively low level
of awareness of the NUSSP in one’s own community was strikingly similar across the entire socioeconomic spectrum, in that for poor households, 16% of residents were aware of the NUSSP subproject being implemented in their neighborhood, whereas for middle-income households, only 20% were aware. The difference in the level of awareness across communities was also striking, in that the percentage of households aware of the NUSSP subproject being implemented in their immediate neighborhood in rural Lamongan District (23%) was nearly double that of the villages in urban Yogyakarta Province included in the sample (12%) (Table 11). One possible explanation for this difference was the vastly different social characteristics of rural and urban villages as described earlier.

89. Further, in some villages included in the sample, women were well represented in all phases of NUSSP implementation, whereas in others, participation by women was deliberately discouraged. The reasons given for deliberately not involving women in NUSSP implementation were as follows: (i) NUSSP subprojects involved civil construction, and therefore the BKM and village authorities did not involve women; and (ii) women should not be involved in public activities. The following quotes describe the status of women regarding NUSSP subproject implementation:

“...women do not have to be active in organizations. Gender equality is a western product, and it does not fit conditions

Table 10: Number and Percentage Share of Residents Aware of NUSSP-Financed Community Projects in Their Immediate Neighborhoods: Rich, Middle-Income, and Poor

<table>
<thead>
<tr>
<th>Socioeconomic Status</th>
<th>Rich (number)</th>
<th>Middle-Income (number)</th>
<th>Poor (number)</th>
<th>Total (number)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>2</td>
<td>17</td>
<td>13</td>
<td>32</td>
</tr>
<tr>
<td>%</td>
<td>18.18</td>
<td>19.77</td>
<td>15.66</td>
<td>17.78</td>
</tr>
<tr>
<td>No</td>
<td>9</td>
<td>69</td>
<td>70</td>
<td>148</td>
</tr>
<tr>
<td>%</td>
<td>81.82</td>
<td>80.23</td>
<td>84.34</td>
<td>82.22</td>
</tr>
<tr>
<td>Total</td>
<td>11</td>
<td>86</td>
<td>83</td>
<td>180</td>
</tr>
</tbody>
</table>

NUSSP = Neighborhood Upgrading and Shelter Sector Project
Source: Study household survey.

Table 11: Number and Percentage Share of Residents Aware of NUSSP-Financed Community Projects in Their Immediate Neighborhoods: Yogyakarta Province and Lamongan District, All Socioeconomic Levels

<table>
<thead>
<tr>
<th></th>
<th>Yogyakarta (number)</th>
<th>Lamongan (number)</th>
<th>Total (number)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>11</td>
<td>21</td>
<td>32</td>
</tr>
<tr>
<td>%</td>
<td>12.22</td>
<td>23.33</td>
<td>17.78</td>
</tr>
<tr>
<td>No</td>
<td>79</td>
<td>69</td>
<td>148</td>
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<tr>
<td>%</td>
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<tr>
<td>Total (number)</td>
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<td>90</td>
<td>180</td>
</tr>
<tr>
<td>%</td>
<td>100.00</td>
<td>100.00</td>
<td>100.00</td>
</tr>
</tbody>
</table>

NUSSP = Neighborhood Upgrading and Shelter Sector Project
Source: Study household survey.
In this village. Therefore it does not really matter if women do not attend the meetings.” (Community figure, Suryatmajan, 18 May 2011)

“PKK as a women’s representation group is not involved because NUSSP projects focus more on physical things and therefore they are not involved.” (Community figure, Suryatmajan, 18 May 2011)

“There is no woman at the village-level meetings. In the village-level meetings, the chief of the rukun tetangga invites 3–4 people from the rukun tetangga. And those he asks are men and not women.” (Villager, Deket Wetan, 5 May 2011)

“Female participation in the decision-making process is getting better. We ask them to attend meetings. If one cannot speak in front of the public, or if she is still shy, we teach her how to speak. [Women] should always attend meetings. I think the most effective way is that we assign her a task that has to do [with interacting] with people. In other words, we educate women by giving them a role to play.” (Villager, Bener, 24 May 2011)

90. In general, the quotations above suggest that female participation in NUSSP subproject implementation was limited to preparing food and drink for workers and community members involved in construction works.

Decision-Making Process at Project Sites and in Project Activities

91. At the rukun tetangga level, the NUSSP socialization process generally included identification of community priorities regarding improvement of community infrastructure. Thus, rukun tetangga officials typically submitted a project proposal to the rukun warga that was then brought to the BKM for feedback. BKM members would discuss all of the proposals received and then rank them according to village-level priorities. Ensuring transparency regarding discussion and decision making by the BKM concerning the priority of particular subprojects required that representatives of each rukun tetangga attend these meetings. Following decision making regarding the priority of particular subprojects, a field visit conducted by the NUSSP facilitator and the public works service of the district or city would assess the technical aspects of the subprojects proposed for NUSSP financing. NUSSP management at the relevant district or city level would then either approve or reject the proposal initiated by the rukun tetangga concerned. The BKM would then decide whether the works under the approved subproject were to be contracted to a third party (implemented under the SP2 pattern) or self-implemented by community members (completed under the SP3 pattern).

92. According to respondents in Brontokusuman, the BKM did not represent the interests of the entire community, and instead used its decision-making authority to prioritize particular subprojects as a means of “advancing the personal interests of BKM board members.” In this regard, some respondents indicated that “development of the talud [small-scale dike] at the Code River was undertaken to fulfill the request of the nephew of the BKM chairman ...” (male villager, 29, Brontokusuman, 21 May 2011). Under such conditions, the community participation encouraged during the early planning stages of NUSSP implementation became futile. It was therefore not surprising that when such projects were implemented, community participation was very low.

93. In another case, differences between the NUSSP planning mechanisms actually employed and their form as specified in the General NUSSP Guidelines arose in the earliest phase of NUSSP implementation. One set of respondents stated that when the socialization process occurred at the village level, the person who facilitated the meeting was a contractor appointed by the district-level settlement board of Yogyakarta. In this case, these respondents stated that the contractor came to the village and informed the village information media and BKM that Brontokusuman had obtained an NUSSP subproject. In the words of the respondent, “So the NUSSP subproject was brought by the consultant appointed by the [district-level settlement board]. The village administration and the BKM then just determined the slum location that needed to be improved” (community leaders, Brontokusuman, 18 May 2011). In such cases, the opportunity for community participation was limited indeed, because other than the physical location of the subproject,
the decision-making process had concluded in advance of the initial meeting with the BKM.

94. Such a lack of community engagement in the planning process meant that community aspirations regarding improvement of their neighborhoods were ignored. As a result, the NUSSP subprojects implemented under such conditions were not useful to the community. For example, in Bener, a communal garbage dump was constructed that has never been used by the community at all. In the words of one respondent, “...this [dump] did not give any benefit [whatsoever] to the community. You see yourself that this is futile, ... nobody uses it, so it’s useless ...” (community leader, Bener, 23 May 2011). The same was true of garbage transport in Suryatmajan, which was likewise useless. In fact, the equipment meant to be used for transporting garbage looked like new during the visit of the research team—because it had never been used.

Construction and Post-Construction Monitoring

95. As mentioned earlier, two mechanisms were used for implementation of NUSSP subprojects: (i) the SP2 pattern, under which construction works were subcontracted to a third party, and (ii) the SP3 pattern, under which community members undertook the construction works themselves. Obviously, the SP3 mechanism provided much greater scope for the entire community to participate in construction works and monitoring than did the SP2 mechanism. In the latter case, community participation in construction works was limited to the input of wage laborers, who had little conscious incentive to participate in community development at all.

96. In cases where NUSSP subprojects were implemented using the SP3 mechanism, respondents said that they participated to demonstrate their responsibility to their neighborhood in its overall development, even though they were not paid a cash wage as under the SP2 pattern. With regard to the wages paid to SP2 wage laborers, some BKMs paid them market wages, while others did not. The BKMs who paid market wages almost uniformly stated that they did so because those who worked on the subproject were poor. This suggests that in addition to constructing community infrastructure, the NUSPP also gave some unskilled members of the community at least a temporary wage income as most were unemployed at the onset of construction works. On the other hand, the BKMs that paid less than market wage rates claimed that the reason they did this was that the efforts of the wage laborers constituted a type of counterpart contribution. In Tugu, the wage laborers received “herbal drink money” amounting to Rp15,000 ($17) per day, as compared with the local average market wage of Rp35,000 ($40/day).

97. Although community members participating in SP3-pattern construction works were also paid, their wages appeared to have a different value as compared with the SP2-pattern wage laborers. Those actively participating in construction under SP3 subprojects who were paid felt a sense of ownership regarding the particular project on which they were working. According to one respondent, the money they received was “... not a wage, and therefore it should not be compared to [the] market [wage] rate. What is important is that everybody helps everybody” (villager, Tugu, 6 May 2011). The same was true in Bener, according to one respondent who said, “They are willing to take [a] wage below [the] market rate because they are Bener residents. Even if they are not paid, as long as the project belongs to them, they still want to work” (project implementer, Bener, 23 May 2011).

98. Perhaps it was a sense of belonging or ownership of the project that made residents in Tugu willing to work from 7 am until midnight (in three shifts) in the absence of any feeling of obligation. For these residents, what was important was that the NUSPP subproject should be completed as quickly as possible so that the community would begin benefiting from it at the earliest possible date. This high level of community participation was perhaps also driven by the fact that prior to the NUSSP, their proposal for addressing flooding in their neighborhood had never been successful in receiving funding from the government. Under the NUSSP, they were able to get what they wanted.

99. This relatively high community participation rate was not limited to people who lived in the vicinity of the subproject itself. In Tugu, those who lived even 2–3 kilometers from the project site also participated, although they were not direct subproject beneficiaries. The reason was that “people here like to help each other. If one community member needs a hand, we should help him or her. Otherwise [those
who do not help] will be mocked by their neighbors” (villager, Tugu, 6 May 2011). Similarly, Deket Wetan residents participating in the development of their NUSSP subproject were willing not to be paid at all. One respondent explained that he was to do community service in constructing roads and drainage facilities in accordance with the schedule formulated by the head of the rukun tetangga. During 3 calendar months of working on these two subprojects, he was to contribute six blocks of time to community service. When it was his turn to work on the subprojects, the respondent (who ordinarily worked as a pedicab driver) had to take a holiday from his ordinary employment, and thus earned no money during such periods. In his words, “This community service is not paid, but it is good for us... therefore it is just fine, if I do not earn any[thing] from driving my pedicab.” In addition to contributing his time to community service, this respondent and his wife also prepared meals for construction workers in accordance with the schedule prepared by the rukun tetangga chief. During 3 calendar months, this respondent contributed three blocks of time in which he and his wife prepared food and drink for construction workers (villager, Deket Wetan, 7 May 2011).

Maintenance

100. Just as there was wide variation in the manner in which NUSSP subprojects were planned and implemented, so it was with post-construction maintenance. Some of the facilities constructed under NUSSP subprojects had remained in good condition and were functioning well at the time of the research team’s field visit, whereas other facilities were already damaged and permanently inoperative. In one rukun tetangga in Bener, the community was not involved at all in project maintenance, since they felt that was the responsibility of the BKM. On the other hand, in other sample villages or project sites, the community continued to self-implement maintenance of facilities constructed under NUSSP subprojects long after subproject implementation ended. The contribution of these residents took the form of both community service and payment of monthly contributions. In one subproject which involved the construction of public toilets, the facilities still looked comfortable to one respondent, even though they were constructed 5 years ago (community figure, Suryatmajan, 21 May 2011). The following quotes from respondents demonstrate the wide variation achieved in post-construction maintenance on public facilities financed under NUSSP subprojects:

“The community has a sense of belonging because they fix [even] minor damage. In the case of serious damage, they talk it over at the rukun tetangga or rukun warga level, and then write a proposal to get [the necessary] maintenance fund[ed].” (Project implementer, Bener, 23 May 2011)

“The community here is willing to do community service, to clean the project building...but nobody wants to clean the public bathing, washing, and toilet facilities in Rukun Tetangga Number 13. I do not know why. Some people just do not care.” (Villager, Bener, 24 May 2011)

“When there is a problem or damage after the project is used by the community, they voice their complaint to me, … the head of the rukun warga. When I pass on the people’s complaint to the [community empowerment agency] or BKM, they accuse me of instigating requests for funding on behalf of the community.” (Head of rukun warga, Brontokusuman, May 2011)

“The physical condition of the project is still all right—it still functions well, but it is just not used ... The BKM’s job is finished with the completion of the project, and the ones who have to take full responsibility are [the] community members.” (BKM secretary, Bener, 23 May 2011)

“The people tend not to care, and do not have the sense of belonging over the road built by the project. There is no community service to clean the road; the ditch is also left full of garbage and no one wants to clean it.” (Head of Rukun Warga 11, Blimbing, 8 May 2011)

101. This variation in the degree to which the beneficiary community felt a sense of obligation to maintain NUSSP subproject facilities was closely related to the context in which construction works were implemented. In villages that opted for the less participatory SP2 pattern of constructing subproject facilities, commitment to maintaining
facilities tended to be low (such as in Blimbing and Brontokusuman) as compared with the higher level of commitment to maintenance in villages that constructed facilities under the SP3 pattern. The degree of social cohesiveness present in the beneficiary community also impacted the commitment to maintaining facilities constructed under NUSSP subprojects. Cohesive villages such as Bener, Deket Wetan, and Tugu, and some enclaves in urban villages such as those in Suryatmajan, demonstrated a significant commitment to maintenance as compared with communities where social cohesiveness was weak.

**Representation**

102. For aspects of NUSSP implementation particularly critical to project success, such as deciding on the type and location of subproject facilities and the composition of the subproject’s technical management team, there was no mechanism by which community members could voice their aspirations directly. This is because decision making at the village level generally involved only BKM management, the village administration, the rukun warga and rukun tetangga chiefs, and prominent community figures.

103. Opinions regarding these decision-making arrangements varied among key informants and common residents. Some respondents were of the opinion that this decision-making process reflected the wishes of the community at large, since rukun tetangga delegates attending the meetings were representatives of the entire community (villager, Bener, 24 May 2011). This group believed that anything decided by village authorities was best for the community overall, as the following quotes demonstrate:

> “Never, because village government has taken the village’s complaint into account. For example, [when villagers need] road and drainage [facilities], the government had already fulfilled it, so that the road gets better and is no longer flooded. In addition, the village head is a good and honest man.” (Female interviewee, Tugu, 6 May 2011)

Regarding the government of Deket Wetan, it seems the administration has considered what the villager needs. [This]

104. On the other hand, some respondents felt that the decision-making process failed to fully reflect community aspirations. This group felt that several decisions accommodated the interests of the elite, or of a certain group, to a greater extent than the interests of the community, and that the decision making that had to date relied on representation was in fact not regarded as representing the aspirations of villagers. To correct these deficiencies, this group wanted the decision-making process to involve the community directly. For them, it was not enough to be represented by village leaders or elites. In fact, several respondents openly stated their wish to be directly involved in the decision-making process at the village level for the reasons indicated in the quotes below:

> “I think it is better to invite everybody to the meeting in order that everybody is informed. I believe that it will be clearer for us if everyone is invited to the village [meetings]. We would like to attend village meetings, so that we can also find out what is discussed over there.” (Villager, Deket Wetan, 7 May 2011)

> “The attendance of community members in meetings [is] very important so that they can find out what is happening in the neighborhood. [Attendance] of the people is very important. Even if I am not involved [in speaking], at least I know [something], and it is better than I know nothing at all...” (Male interviewee, common villager, Tugu, 06 May 2011)

> “To me, the village authorities do not fully [100%] fight for the interest of the community, because the officials are not from
the village, and therefore they just need to be formal. Therefore I believe that the struggle of the village authorities is not optimized as compared to the previous periods.” (Male interviewee, community figure, Bener, 24 May 2011)

“At that time, all proposals of the rukun tetangga and rukun warga were heard. They propose for public toilets, infiltration of rainwater and deepening of the rainwater channel. But I do not know why, because only [a] public toilet was built, and other proposals were substituted [with] road paving and road lighting. I do not know why, but all of a sudden there were already points for electric poles for road lighting; perhaps it was changed by the rukun warga ….” (Female interviewee, villager, Bener, May 2011)

Impact of the Project on Community Participation

105. The NUSSP was not alone in implementing development initiatives based on the participatory approach. Long before the NUSSP was implemented in the sample villages, development initiatives such as the National Program for Community Empowerment and the Urban Poverty Program had adopted the participatory approach to project implementation. Further, NUSSP subproject implementation in all of the sample villages lasted only 1 year, a period of time too short to make substantial impact on community participation. As indicated in the foregoing section, the NUSSP subprojects in the sample villages did not apply the participatory approach to implementation in a consistent manner. As a result, it is difficult to isolate the impact of NUSSP implementation on the public life of the beneficiary communities in general, and in particular, on the overall development process at the village level.

106. In the sample villages, the level of community participation in the overall decision-making process tended to remain the same following NUSSP implementation as it did prior to its introduction to the beneficiary communities. The systems of participation and representation in these communities remained normative and formal; thus, no common trend toward a greater or lesser tendency to reflect the aspirations, needs, and interests of the community at large was discernible following NUSSP implementation. Similarly, no pattern of community members becoming more active in decision making was discernible as a result of NUSSP implementation. In part, this reflected a certain resistance to changes in established cultural values and practices, a phenomenon that was likewise used as a tool for legitimizing the position of village elites. One obvious example of this hesitancy to change traditional collective behaviors was the frequent use of the Javanese-language phrase “abot sawangane” in interviews, an expression that implies that people should defer to those considered older or wiser than themselves. This expression was often used by interviewees to imply that one’s need for participation or representation had been met. For example,

“Javanese custom has had a big contribution to the fact that there is no reformation in [the urban village community empowerment agency]. The Javanese tradition that prioritizes politeness, feeling[s] of inhibition towards [those] of higher status, and [the premium placed on] manners has made it difficult for them to criticize any ruler. We, the youth can really feel it.... Because the risk of being regarded as impolite and [having] no manner[s] is [the risk of being] socially excluded.” (Male interviewee, Brontokusuman, 21 May 2011)

107. Nevertheless, there are at least several lessons that can be drawn from NUSSP implementation in this regard. These are summarized below.

(i) Urbanization tends to make communities more heterogeneous, and this has significantly diminished social cohesiveness. Further, since urban life tends to be individualistic, development processes that emphasize community participation face significant obstacles in achieving their goals in urbanized communities. At the minimum, the NUSSP exists as a reminder of the principles, practices, and benefits of participatory processes.

(ii) For both rural and urban communities that retain a sense of the need for mutual assistance, NUSSP implementation further nurtures these socially beneficial practices.
(iii) In the current age of decentralization and democratization in Indonesia, devolving authority away from the central government and toward the regional government is an initial step in the process of further devolving decision making to the community level. Viewed within this context, both CDD and participatory development in general are consistent with current trends.

108. Within the context of the general statements above, the quotes of several respondents accurately reflect the position of those directly involved in NUSSP implementation as regards community participation in the sample villages.

“When compared to the situation 5 years ago, now community participation is a lot more active, both from the perspective of gender and age groups. [The] NUSSP ... is one of the initial steps in changing people’s participation. After the NUSSP was introduced, things changed. We would participate in anything, like we do in [the] NUSSP. The community did not participate enough in projects, especially in supervising projects, but now they are very proactive. Informants specifically mention that the whole NUSSP project has now become a standard to carry out project management in Bulu [sub-village]. Now everyone uses [the] NUSSP model as an exemplar.” (Village administrator, Tugu, 4 May 2011)

“Compared to 5 years ago, the participation of [the] Bener village community remains the same. Since I have been an inhabitant here, I come from Semarang, the community here has had a good spirit of mutual assistance. The community here is very helpful to each other, especially helping the disadvantaged.” (Community figure, Bener, 23 May 2011)

109. Generally speaking, the above quotes indicate that the impact of the NUSSP on institutionalizing community participation reflected the degree of participation that existed prior to its implementation. In the villages in which participation was significant, the NUSSP’s impact on institutionalizing participation is perceived as being insignificant since participation was already good prior to implementation of the NUSSP. On the other hand, in villages that demonstrated a relatively low level of participation prior to NUSSP implementation, the impact of the NUSSP was likewise perceived as not being significant.

Impact of the Project on Strengthening Local Institutions

110. Although various participatory development initiatives such as the Urban Poverty Program, the National Program for Community Empowerment (PNPM), and the NUSSP encouraged strengthening of local institutions, no community self-help organization (BKM) genuinely rooted in daily community life existed in the sample villages prior to the NUSSP. Virtually all of these self-help organizations were created solely for the purpose of meeting NUSSP requirements relating to community participation. As a result, nearly all of these institutions functioned solely in the presence of development initiatives for which the participation of local government agencies was a requirement. Thus, once implementation of the initiative concerned was completed, the institution became dormant or vanished altogether.

111. The tendency of development initiatives to form new institutions is a common phenomenon. This is even true of locales in which there exist local agencies or institutions designed for managing development projects. Organizations formed by the residents themselves often take the form of religious study groups, social gatherings, or professional groups such as merchants’ or farmers’ associations. The agency that typically manages development initiatives at the village level is thus part of the formal village administrative structure, which exists to satisfy such requirements as formalized in the regulations of the Ministry of Home Affairs. In rural villages, this agency is usually called the village community empowerment agency, whereas in urban villages, it is usually called the urban village community empowerment agency.

112. The establishment of new institutions by participatory development initiatives such as the Urban Poverty Project, the PNPM, and the NUSSP to some extent created competition among institutions. This is especially true of competition between the village or urban village community empowerment
agencies and project-based institutions such as the BKM. While each has a clearly defined role, the purpose of the community empowerment agencies is to manage routine development programs funded from the regional government budget. In contrast, BKMs are established for the purpose of managing an array of development initiatives funded from sources other than the regional government budget, such as participatory development programs of the same type as the PNPM and NUSSP. The competition between these bodies is evident from the comments of the boards of both types of institutions directed toward those of the other type, as the following quotes indicate:

“Yes, there are some cases of conflict between [the urban village community empowerment agency] and BKM, but not in all villages. It is because each thinks that one is more important than [the] other, a kind of institutional ego.” (Interview, male kimpraswil official, Yogyakarta, 18 May 2011)

“So far we always have [a] harmonious relationship with [the] BKM. However, sometimes I have to give BKM a pressure so that [it will] accommodate what I want.” (Interview, male village head, Lamongan, 8 May 2011)

“We have to keep good relationship with [the] BKM. It now has strong influence in the community. My friend, head of [another] village, had been replaced because of the pressure of [the] BKM.” (Interview, male village head, Yogyakarta, 18 May 2011)

113. Another fact that external development agencies should be aware of is that the institutions that manage development initiatives at the village level appear as powerful agencies, their power exceeding even the authority of the village head. This is because in practice, they do have more power. The rural BKM is a powerful institution because its head is directly elected by village residents, while the heads of urban villages are civil servants appointed by the mayor. In the current era of decentralization in Indonesia in which direct election of government officials is common, officials appointed by their superiors are not as popular as elected officials, and also lack the legitimacy of those who are directly elected.

114. Some heads of the urban villages included in the research sample admitted that beginning with the inception of the reform era in Indonesia, and especially since the BKM came into existence, the position of the village head is a vulnerable one, since village heads can easily be removed by a mayor in response to pressure from the BKM. Another village head claimed that this was likewise the case in Bener, Brontokusuman, and Suryatmajan locales in which there was a tendency toward rapid turnover of village heads. This view was to some degree corroborated by the research team during field visits, in that the heads of these three sample villages had held their positions for less than 3 months when the team arrived.

115. In fact, according to some village heads, because the BKM is in a more powerful position than village heads, it is important for the latter to always be mindful of their behavior and to maintain good relations with the BKM. The following quotes corroborate this:

“Village government always involves the villagers; the village head just does not dare to act alone. Infrastructure development is always in accordance [with the] proposal of the villagers; the distribution of the [Rice for the Poor Program] is also based on data from the rukun tetangga [and] rukun warga.” (Interview, male villager, Bener, 23 May 2011)

“The position of the village head in Brontokusuman is just like [a] puppet that is under constant control of the master. The puppeteer is the LPMK [urban village community empowerment agency] and the BKM and senior community leaders. That is why in the last 5 years, the change of the village head has occurred five times. Although the village head is appointed by the Provincial Government of Yogyakarta, the voice of the community is crucial, and the community is always represented by the LPMK and the BKM. Both institutions have access to the city government to determine whether the village head in Brontokusuman should be maintained or replaced.” (Interview, male chair of Brontokusuman Youth Organization, Brontokusuman, 21 May 2011)
“Currently, everything is very transparent. [The] current village official does not dare to deal with the public if [he does] not [do so in a] transparent [manner]. This change is felt lately and [is] totally different from 5 years ago.” (Interview, male resident, Brontokusuman, 19 May 2011)

“[The] village administration without any input from the villagers is nothing, and cannot play any role. Since currently almost all programs are initiated by villagers, [the] village administration merely plays the role of facilitator.” (Interview, female villager, Bener, 23 May 2011)

116. In light of the above, village-level development agencies should be viewed as being less sustainable than other agencies, and in constant competition—or even in conflict—with one another.
Transparency and Accountability in Beneficiary Communities

117. The aim of this chapter is to explore lessons drawn from NUSSP implementation in the sample villages relating to transparency and accountability. In order to assess the degree of transparency in sample village implementation processes, the study focused on the extent to which the village government provided villagers with information concerning the NUSSP. It likewise assessed the degree to which villagers were satisfied with the availability of information regarding the NUSSP, and whether they were able to request information they needed. Similarly, accountability at the village level was assessed by discerning (i) the degree to which villagers trusted their village governmental administrations, (ii) whether villagers perceived that any funds had been misused, and (iii) the extent to which village government was perceived as being responsive to the needs of the villagers.

Information Flows and Transparency in the Sample Villages

118. Generally speaking, information dissemination in the sample villages (footnote 7) was quite smooth. Various sources of information were available to villagers, although the village administration was the main source of information concerning village development and public services. Information disseminated through the village administration was generally provided in a cascading manner, with information flowing from the village level down to that of the sub-village, and thence down to the level of the rukun warga (administrative unit comprising several rukun tetangga), and ultimately to the rukun tetangga (neighborhood unit comprising several households) (footnote 8). Information was then disseminated to residents at rukun tetangga-level meetings, which were considered to be important enough that they should be attended by the entire community. In contrast, meetings held at the rukun warga level were only attended by village representatives and the heads of the rukun tetangga and rukun warga. Only in two villages in Lamongan District did residents also attend meetings at the sub-village level.

119. Some of the meetings at the rukun tetangga level were conducted in a formal manner, with meetings being scheduled once a month, or in some villages, twice a month. The purpose of these meetings was to discuss various issues pertaining to the rukun tetangga itself and to formulate proposals based on its needs, these proposals subsequently being brought to the rukun warga. Other meetings were held for a variety of purposes, such as conducting lotteries or for disseminating information that the entire community should be aware of. Informal meetings were also convened in addition to formal meetings, the most common of the latter being for the purpose of reading the Quran, which were gatherings at which women generally sat apart from men. According to key informants, information relevant to them was dispensed through the rukun tetangga, even at informal gatherings.

120. Some information was disseminated to the community by the village administration directly through written notices placed on public notice boards. However, those who failed to frequently visit the locations where these notice boards were placed were likely to be unaware of the information thus disseminated. While some villages had several notice boards, others such as Blimbing had only one, which was located within the kelurahan (urban neighborhood) office. Other villages such as Tugu had no notice board at all. In addition to written notices, information was often disseminated by means of the loudspeakers used in mosques. This type of information dissemination typically took place during Friday prayers. Finally, some information was disseminated person-to-person, and in emergencies, kentongan (bamboo or wooden drums) or walkie-talkies were also used. Electronic messaging, which is in particularly common use in Yogyakarta, was generally reserved for information not intended to be accessed by everyone. Of the many means of information dissemination, rukun
tetangga-level meetings were the most common method used in the sample villages.

121. Overall, access to information by women generally fell short of the level of access to information by men. This is because those invited to community meetings were generally the “heads of family,” and men are nearly always the heads of family in Indonesia. Women were considered heads of family only when their husbands were not present for reasons of death or divorce, or because their husbands worked outside the village. One method of information dissemination that systematically excluded women was that of announcing information during Friday prayers, since under Islamic law only men are obliged to attend these gatherings. As a result, women not attending Friday prayers only gained access to such information when their husbands shared it with them. Some information dissemination methods required initiative on the part of villagers, such as written notices posted on public notice boards located in public places such as kiosks, Family Welfare Empowerment offices, or mosques. This means of information dissemination systematically excluded women because in comparison with men, women living in the sample villages seldom left the home or visited public places. The data collected during the household survey corroborated these findings (Table 12).

122. Information regarding development initiatives was in general disseminated by the village administration through various media. This was particularly true of information relating to nonrecurring events such as provision of health services on a mass basis, census-related activities, programs that provide aid to poor families, training, activities at the village level initiated by the community, meetings relating to the planning of community activities, or meetings at which mutual aid initiatives are discussed. Because Yogyakarta has historically been prone to natural disasters, information relating to impending disasters and post-disaster reconstruction activities is often thus disseminated to the community.

123. For some community members, the most important information was that relating to assistance provided to families, such as the Rice for the Poor program, the Direct Cash Transfer program, or the Family of Hope program. One of the observations of the research team when it visited each of the sample villages was that all of the means of information dissemination referred to above taken together resulted in a tendency toward community members seeing the government as the “giver,” and the community as the “beneficiary.”

124. In contrast to the availability of information produced by the dissemination methods referred

| Table 12: Common Means of Accessing Information by Men and Women in the Sample Villages |
|-----------------------------------------------|----------------|----------------|----------------|
|                                               | Male | Female | Total |
| Village meetings (number)                     | 23   | 15     | 38    |
| %                                              | 66   | 43     | 45    |
| Village hall notice board (number)            | 0    | 2      | 2     |
| %                                              | 0    | 6      | 3     |
| Leaflets (number)                             | 3    | 1      | 4     |
| %                                              | 9    | 3      | 6     |
| Other (number)                                | 9    | 15     | 24    |
| %                                              | 26   | 43     | 34    |
| Don’t know (number)                           | 0    | 2      | 2     |
| %                                              | 0    | 6      | 3     |
| Total (number)                                | 35   | 35     | 70    |
| %                                              | 100  | 100    | 100   |

Source: Study household survey.
to above, the village administration rarely (if at all) disseminated information to the public regarding village finances. In cases in which such information was shared, it was only provided to a limited circle of persons, such as the village elite. This was especially true of the budget of the village representative body. In this regard, the following quotes from informants are particularly relevant:

“In the past, it seemed that the village government never revealed the amount of [the] development budget, but I do not know, perhaps they only revealed it to their [own] administration.” (Female interviewee, Deket Wetan, 5 May 2011)

“About that matter, I know nothing, I hardly follow it for I am always busy working in the rice field.” (Female interviewee, Tugu, 5 May 2011)

“Information about [the] NUSSP has never been disseminated in this village and this is indicated by the fact that not many people know about it. I myself, the chief of the neighborhood [rukun tetangga] know nothing about it, let alone other people who are not the chief. They know nothing about [the] budget and [the] progress [achieved], and this is the same as it was 5 years ago.” (Interview, chief of rukun tetangga, Brontokusuman, 19 May 2011)

125. The reason offered for not disseminating financial information to the community but rather only to the elite was that since those in the village representative body were the community’s representatives, disseminating financial information to those representatives was the same as disseminating it to the public. Further, some felt that only information relevant to the entire community should be made public.

126. In general, the public was passive about receiving financial information in that little initiative was demonstrated in attempting to receive information other than that which villagers felt they needed. Thus, requests for information usually related to the schedule for distributing public aid of one type or another, such as that made available under the Direct Cash Transfer, Family of Hope, or Rice for the Poor programs. This tendency toward passivity regarding information gathering on the part of the public was not limited to financial information, but extended to nearly all information regarding village development. In fact, most villagers had no idea at all of the manner in which village development plans were formulated, such as those formulated during the village-level annual development planning meeting or under the auspices of the annual and mid-term village development plans. Villagers also tended to be passive in reporting problems relating to operation and maintenance of public facilities such as roads, clean water facilities, or sanitation services. In fact, in the sample villages, fewer than 20% of all villagers surveyed admitted to reporting problems relating to the operation or maintenance of public facilities in their own neighborhoods. While the proportion of those who reported such problems varied slightly across sample villages and socioeconomic strata, a general trend toward passivity is evident in the data presented in Table 13.

127. When villagers did ask questions, respondents said that they generally addressed these to the rukun tetangga head or occasionally to the head of the rukun warga. Rarely did respondents admit to asking the village head a question. Instead, they approached the rukun tetangga head more often than any other person in seeking information, simply because he or she was the person nearest to them in the village administrative hierarchy. In this regard, it is worth noting that the heads of rukun tetangga do not actually belong to the formal village administration. According to Ministry of Home Affairs Regulation No. 5, 2007, the rukun tetangga, rukun warga, and dusun (sub-village) are community-based institutions formed, organized, and financed by and for community members themselves. The heads of these institutions are elected directly by the community, even though in some villages, such as Blimbing, the heads of the rukun tetangga and rukun warga are appointed by the village head. The major responsibilities of the rukun tetangga and rukun warga are assisting the village administration with the following:

(i) population census and general neighborhood administrative services,
(ii) village security and maintaining peace and order,
(iii) formulating suggestions regarding development that are based on community aspirations and resources, and
(iv) spearheading self-help and gotong royong (mutual cooperation) activities among residents and encouraging community participation in affairs that affect the community at large.

128. In light of the responsibilities of the rukun tetangga and rukun warga heads, villagers would tend to feel closer to them than to other members of the formal village administration. This is because they handle nearly all matters that villagers would be concerned with (e.g., administrative matters, obtaining publicly provided aid, administration of contracts, conflict resolution) and disseminate instructions to villagers from the village head. That said, the heads of the rukun tetangga and rukun warga can only communicate to villagers the information passed to them by the village administration. Thus, the information available to villagers is limited to that which the head of the rukun tetangga or rukun warga is aware of. This short description of information flows within the sample village suggests that community-based institutions are both important and useful to development initiatives. However, to properly discern the exact role that the heads of rukun tetangga or rukun warga might play in managing a particular development initiative, additional information relating to the specific case concerned would be required.

129. Ultimately, the reluctance of villagers to ask questions or raise issues resulted from many factors, including an overall sense of trust that the village administration would disseminate to them only that information necessary for their well-being. In the words of two informants,

“I do not know much about financial matters. I trust the chief of village, because he is a good and honest man.” (Female interviewee, Tugu, 6 May 2011)

“Can or cannot prevent the misuse [of development funds]? Well, I have no idea. The most important thing is to think positively, and [there is] no need to be suspicious.” (Male interviewee, Deket Wetan, 7 May 2011).

130. Another factor hindering access to information by villagers in some cases was an unresponsive village administration. Once a question or complaint from a villager received no response from the village administration, there was significant hesitation to raise it a second time. In some villages, such as Brontokusuman and Suryatmajan, villagers who voiced their concerns were seen by the village administration as being provocative or instigating trouble, as the following quotes from informants demonstrate:

“When I expressed my complaint to [the] LPMK (village development planning board), I was accused of instigating [the] community to ask [for] fund[s].” (Male interviewee, Brontokusuman, 20 May 2011)

“Once [the development plan meeting] was completed, we wanted to give inputs, but we were indicted as enemies, so I never join the meeting anymore.” (Male interviewee, Suryatmajan, 20 May 2011)
“If the village administration said that they have no idea [regarding an informant’s question], [then] that is unreasonable, or that was only an apology. [The] government must know who … [the] poor [are], so … I think they [are] supposed to be [the] one[s] who [are to] propose the names [of those who are to receive publicly provided aid].” (Male interviewee, Deket Wetan, 7 May 2011)

131. Another reason why villagers tended to be reluctant to seek information from the village administration—particularly information relating to village development issues—was that the villagers themselves were indifferent. One possible reason for this was because some villagers saw themselves simply as common people, and thus of relatively low status within the village hierarchy. For most villagers, attending to village business was seen as a task limited to the village elite who held positions in the village administrative structure. Regarding this, two informants said,

“I am poor and stolid. There are poor people, but [those who] dare to speak. He was previously [the] head of [the] rukun tetangga.” (Male interviewee, Deket Wetan, 7 May 2011)

“Maybe I am not at that level [consistent with raising concerns in a public meeting] because I am just a common villager.” (Male interviewee, Suryatmajan, 21 May 2011)

132. The overall cultural context in which villagers perceived themselves might also be taken into account in understanding their reluctance to ask questions or raise issues regarding village business. In this regard, it should be noted that all of the sample villages were culturally Javanese. As described by Cliford Geertz in his book *The Religion of Java* (1960) and in Benedict O. Anderson’s *Language and Power: Exploring Political Culture in Indonesia* (1990), Javanese people place quite a premium on unggah-ungguh (behaving politely). Thus, raising a question regarding someone else’s responsibility, particularly for purposes of ascertaining transparency or accountability, is often regarded as questioning the purity of that person’s power, which is one of the greatest taboos that exists in Javanese social interaction. Further, in the view of social scientists who embrace the concept of the “silent majority” or the “floating masses theory,” common people always tend to be passive in the political context. For whatever reason, most residents living in the sample villages tended to focus almost exclusively on matters relating to their own daily lives such as feeding their families, leaving political matters to the village elite.

### Information Flows, Transparency, and the Neighborhood Upgrading and Shelter Sector Project

133. In general, most informants and respondents felt that information regarding the NUSSP had been properly disseminated to the community through the socialization process and meetings conducted during the initial planning of NUSSP implementation. According to NUSSP implementers, most villagers attended the socialization (public awareness) meetings. That said, some informants said that they were not involved much in the NUSSP socialization process. This corroborates the survey results in a limited number of sample villages that indicated that not many people knew about the NUSSP. In fact, of 180 respondents drawn from this sub-sample, only 18% said that they knew about a subproject in their vicinity that was financed under the NUSSP (Table 14).

134. The results presented in Table 14 notwithstanding, when shown NUSSP-financed subprojects, respondents who initially said that they didn’t know about an NUSSP-financed subproject later said that they knew. This seemingly anomalous result indicated that respondents tended to refer to the NUSSP by various names, or were focused on other matters. In this regard, one informant said,

“I have never heard about [the] NUSSP, [as] I have been busy with matters in the kitchen. My husband does tell me about funds being distributed, they want to build something here or there, but he does not mention anything about the project. I have never asked about what [the] project is; I only ask my husband to be careful about spending the money and [to] not use it irresponsibly.” (Female interviewee, 18, Bener, 24 May 2011)

135. Those villagers aware of NUSSP implementation said that information relating to the project’s progress was also shared with the community...
at large. This in part may have been due to the relatively common practice of placing written notices on public information boards or presenting public information at community meetings in the sample villages.

136. Regarding transparency, the community in general felt that NUSSP implementation was transparent, since financial reports relating to the NUSSP were placed on public notice boards. They also thought that NUSSP implementation was open, and that the project implementer was willing to share information with the community at large. However, in villages in which subprojects were implemented by third-party contractors under the SP2 implementation mechanism, the perceived level of transparency tended to be lower than when subprojects were self-implemented by residents under the SP3 mechanism. On the other hand, numerous informants claimed to know nothing at all about a project called the NUSSP, and said that work on roads or other facilities just suddenly began in their neighborhoods. In such cases, community participation in subproject implementation was quite limited. This was true in Blimbing, Brontokusuman, and Deket Wetan in cases where a limited number of villagers were involved in subproject planning, and construction works were completely taken over by the infrastructure consultant. Some informants stated this outcome as follows:

“I don’t know. Maybe those who [were] involve[d] in planning this program are representative[s] of [the] rukun tetangga, [or] are the heads of several rukun tetangga who came to the meeting held by [the] village head.” (Male interviewee, Deket Wetan, 7 May 2011)

“Suddenly there was material for building [an] infiltration well and conblock (concrete block), as well as handymen. The villagers were only ... spectators and did nothing. The villagers could not participate in the process of planning and executing the project. What they used to do is providing the workers with cake....” (Male interviewee, Brontokusuman, 20 May 2011)

“They have their own groups. Common people like me can hardly enter the forum they organize, even ... to [be] involve[d] in the process of decision making.” (Female interviewee, Suryatmajan, 20 May 2011)

### Accountability and Responsiveness of the Village Administration

#### General Context of Accountability and Responsiveness of the Village Administration

137. Regarding the level of villager trust relating to accountability, informants and respondents in general said that they trusted that the village administration ran governmental affairs well, and in an honest and accountable manner. However, of all levels of village administration, they trusted the rukun tetangga the most and regarded it as the most honest and transparent level of government. In cases

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**Table 14: Number and Percentage Share of Villagers in the Sub-Sample Who Were Aware of the NUSSP**

<table>
<thead>
<tr>
<th>Socioeconomic Status</th>
<th>Rich</th>
<th>Middle-Income</th>
<th>Poor</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes (number)</td>
<td>2</td>
<td>17</td>
<td>13</td>
<td>32</td>
</tr>
<tr>
<td>%</td>
<td>18</td>
<td>20</td>
<td>16</td>
<td>18</td>
</tr>
<tr>
<td>No (number)</td>
<td>9</td>
<td>69</td>
<td>70</td>
<td>148</td>
</tr>
<tr>
<td>%</td>
<td>82</td>
<td>80</td>
<td>84</td>
<td>82</td>
</tr>
<tr>
<td>Total</td>
<td>11</td>
<td>86</td>
<td>83</td>
<td>180</td>
</tr>
<tr>
<td>%</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

NUSSP = Neighborhood Upgrading and Shelter Sector Project

Source: Study household survey.
in which a village administration or someone else managing a development initiative within a village was alleged to be corrupt, extravagant, or guilty of misusing other people’s money, it was rarely the rukun tetangga that was the target of such allegations. However, this does not necessarily prove that rukun tetangga administrations were indeed more transparent or honest than other levels of village government. The most important factor in this regard is that the rukun tetangga rarely manages development funds, and when it does, only small amounts of money are generally involved. Similarly, because the level of community participation in rukun tetangga activities is relatively high, villagers generally have a high degree of awareness concerning the activities carried out within their own rukun tetangga. It is thus unlikely that any rukun tetangga administration would misuse development or other public funds.

138. Further, the rukun tetangga level of administration is that closest to villagers, and that with which villagers usually have the greatest amount of contact. In contrast, because villagers rarely interact with the rukun warga or other levels of village administration, residents have little information regarding the performance of government at those levels. Further, the heads of the rukun warga, the village, the urban village community empowerment agency (LPMK), and the community self-help organization (BKM) tend to manage larger amounts of development funds. This is particularly true of the BKM and LPMK, since these institutions were established for the explicit purpose of managing development initiatives at the village level, and they thus manage relatively large amounts of development funds, in some cases reaching hundreds of millions of rupiah (more than $10,000). Further, the officials of such institutions rarely interact directly with residents, in most cases making decisions solely with the involvement of representatives of the rukun tetangga and rukun warga. Since this context translates into few villagers (if any) having access to information relating to management of funds on a scale required for implementing development activities, it is understandable that villagers might make them targets of suspicion as this relates to corruption.

139. In this regard, there seemed to be a difference between desa (rural villages) and kelurahan (urban villages). Residents of the sample rural communities tended to trust their own village administrations to a greater degree than did residents of other villages. This tendency seemed to relate to cultural values regarding leadership that are still tightly embraced in rural communities. In particular, in the sample rural villages there appeared to still exist a feeling of inhibition toward, or being afraid of, persons of higher status than oneself, a trait that made villagers behave politely toward their leaders. Included in this particular trait is a tendency toward trust of, and complete submission to, persons of greater social status. In this regard, one informant said, “…to whom do we have to be submissive if not to the government?” (female interviewee, Tugu, 6 May 2011). To a certain degree, such behavioral patterns still exist in urban areas that function as focal points of Javanese culture. This is particularly true of cities such as Yogyakarta, which has traditionally functioned as Javanese culture’s epicenter, as well as Solo, to a somewhat lesser degree. One respondent from a circle of youth said,

“Javanese custom has had a big contribution to the fact that there is no reformation in [the] LPMK. The Javanese tradition that prioritizes politeness, feelings of inhibition towards those of higher status, and manners has made it difficult for them to criticize any ruler. We, the youth can really feel it.” (Male interviewee, Brontokusuman, 21 May 2011)

“From the perspective of bottom-up mechanism, it is good, except that supervision seems to be weak. When I wanted to voice out something that did not seem to be right, there was no place for me to speak it out; then, during [the] deliberation for the musrenbang (development planning meeting), I gave a feedback, but then I was regarded an enemy; then I decided not to participate anymore. My expectation is that the bottom-up mechanism should really start from the community and not from the BKM and LPMK, which is gradual and exclusive because only certain people are invited to attend meetings and community members are not invited. We, the common people cannot give a response let alone monitor [the] development process, if we are never invited to meetings. We are regarded as only as mam (‘deaf goats’). Perhaps ‘affairs of the higher class’...
can never be ours.” (Male interviewee, Suryatmajan, 20 May 2011)

140. However, because the residents of urban or more cosmopolitan centers are better educated than are rural residents, this tendency toward submission to others of higher social status is less strong in Javanese-oriented urban areas than it is in rural areas, where traditional Javanese culture remains dominant.

141. Responsiveness of the village administration was perceived in a variety of ways by informants and respondents. Some said that the village administration had been responsive to the needs of the people and that the development programs implemented in their villages had thus far been consistent with community priorities. In this view, if there was any need that had not been fulfilled, it was not because the development program in question was not designed to meet that need, but because the development budget was not adequate to meet all community needs simultaneously. For example, at the time of the research team’s field visit, village administrations in Lamongan District only received a regular budget of 50–60 million rupiah per year through the village funds allocation/village block grant. In contrast, village administrations in Yogyakarta received 8–10 million rupiah per project per rukun warga. Because village administrations function autonomously, a budget of 50–60 million rupiah is a relatively small amount, since this must finance all line items in the village budget, including operational costs and the salaries of nongovernment workers. Although the general provisions regarding utilization of the village allocation fund allow 30% for routine expenses and 70% for development initiatives, in many cases the development budget only accounts for a maximum of 30% of the total budget. According to some communities, funding on this scale is inadequate to meet the many recurrent needs of villagers, as the following quote indicates:

“Frankly speaking, I am not satisfied with the project as a whole. Both the NUSSP and other projects are only temporary and so small in scale that they cannot reach … everything needed by the community. It takes a while for them to distribute things, while people continue to have needs. But it makes sense because the municipal administration has only limited funds; they have to help as many as 45 villages and therefore (each) village gets only a little.” (Male head of village, Yogyakarta, 20 May 2011)

142. In other cases, villagers believed that the government’s policies did not respond to the needs of the community. This view particularly related to decisions regarding which villagers qualified for receiving assistance from family-based programs based on financial need. Many people complained that they did not receive aid from programs such as the Direct Cash Transfer program, the Family of Hope program, or Rice for the Poor, and also thought that those receiving such aid were better off financially than themselves. This became a common occurrence in Indonesia following introduction by the government of direct financial assistance to poor families. In such cases, the village administration has always been the major target of dissatisfaction. However, it is not the village administration that has full authority to make such decisions. Instead, the central government decides the allocation of aid funds on the basis of data supplied by the village administration.

NUSSP Accountability and Responsiveness

143. In general, NUSSP accountability was considered to be good. Informants and respondents at various levels said that they were satisfied with the performance of program implementers and considered them to be moral, honest, and responsible. This assessment was based largely on a view of tangible subproject outputs that were perceived as being of good quality. In this regard, two criteria were important to informants in making assessments of the quality of the facilities constructed. The first of these was the length of useful life of the facilities constructed under NUSSP funding. In general, even after 2–5 years of public use, only minor difficulties had occurred with the facilities constructed. This view was corroborated by direct observation of research team members.

144. Second, the NUSSP program implementers were not once the target of allegations of corruption. Despite the fact that some community members questioned the physical specifications of the infrastructure constructed under NUSSP auspices, (e.g., the thickness or width of a road), there was no general tendency toward such criticism within
villages that benefited from facilities constructed under the NUSSP. In fact, only one or two villagers raised such issues, and even these cases may have had their origins in misunderstandings. The following quotes illustrate the perception of community members in this regard:

“[I am] very much satisfied, one hundred percent satisfied [that] we have a good road, and I am very satisfied and besides, whom do we have to obey if not the government?” (Female interviewee, Tugu, 6 May 2011)

“It is suitable. We feel the quality and that it is in line with people's expectation[s], although we do not pay for it, our children and grandchildren can make use of it.” (Interview, male community figure, Tugu, 5 May 2011)

“Writing a weekly report at [the] project location and formulating an accountability report to the community members is a challenge because [I am] afraid that it will not be accepted. It is a burden…but there were [the] question[s] raised by the community: why I have not made it like the good model used in NUSSP.” (Interview, male NUSSP facilitator, Lamongan District. 7 May 2011)

“[I] have never heard of any misuse of the fund[s] of the project, especially that of NUSSP in Bener village, but I have heard of other complaint[s] regarding corruption case[s] in another village, namely in Semaki and Klitren.” (Interview, male village head, Yogyakarta City, 25 May 2011)

145. However, at a more detailed level, definite differences existed between subprojects that were fully implemented by the community (under the SP3 pattern) and those implemented by third-party contractors (under the SP2 pattern). Of the six sample villages, two rural villages and one urban sub-village self-implemented their subprojects, whereas the others relied on third-party contractors. In general, self-implemented subprojects were viewed as being more transparent and accountable than those implemented by third-party contractors. This may in part be due to the fact that

for SP2-type subprojects, the community was only involved during subproject planning meetings, the outputs of which were the development proposals submitted for NUSSP funding. In such cases, decision making was then passed on to the BKM, which selected a contractor to implement the subproject. Following this, the BKM announced details concerning the subproject to a limited circle, which generally included the rukun tetangga chiefs, the latter not always passing this information down to residents. Given such a scenario, it is unsurprising that some beneficiaries were startled when a contractor suddenly began work on an NUSSP subproject in their village. In such cases, some respondents felt that there existed a lack of transparency, as the following quotes suggest:

“The mechanism of a project implemented by a contractor is not transparent, and this is proven by the fact that the community has no idea about the amount and the allocation of its use; the condition stays unchanged compared to the situation 5 years ago.” (Interview, male head of rukun tetangga, Brontokusuman, 19 May 2011)

“Despite the complaints regarding development heard and responded to by village administration or the LPMK/BKM, the realization is still tendered. The reason behind the tender is perhaps they get a bigger profit that can go to their pocket.” (Male interviewee, Brontokusuman, 21 May 2011)

“The community does not know what NUSSP is because it has never been socialized. ‘All of a sudden, there is building material for a project. And the community only finds out about what is being built after it is completed’. This happens because the project is contracted. It is the contractor who sends building materials based on its cost estimates of subprojects in locations that have been chosen or proposed not by the community, but by the village administration, the BKM, or LPMK.” (Interview, male community figure, Brontokusuman, 20 May 2011)

“There must be some ‘polishing’ in all physical work and financial reports. I cannot prove what has actually happened in
this village, but to the best of my knowledge, in the villages receiving NUSSP whose BKM I assist, the NUSSP facilitator can have a ‘monkey business.’” (Male interview, Brontokusuman, 21 May 2011)

146. Ultimately, implementation of SP2-type subprojects provided only limited information to residents concerning particular subprojects. This was in part because contractors only reported to the BKM, and the BKM then was to forward this report to the community. Unfortunately, in several cases, not all BKMs forwarded the information from the contractor to community members. Because such limited information concerning subprojects was passed to the community, there understandably was a tendency to suspect that “monkey business” was occurring between BKM management and the contractors selected to implement NUSSP subprojects.

147. The above notwithstanding, informants and respondents viewed the degree of NUSSP responsiveness to community priorities in a generally positive light. Overall, they believed that the presence of NUSSP subprojects addressed issues of great importance to their communities. In nearly all sample villages, respondents and informants felt that NUSSP subprojects addressed the major infrastructure issues faced by their communities. For example, in a village in Lamongan District, an NUSSP subproject improved a road that served the sub-village and constructed a flood diversion canal. Prior to subproject implementation, several rukun tetangga in this village suffered from severe floods each year, but following completion of the flood diversion canal subproject in 2007, not one flood had impacted the village concerned.

Impact of the Project on Transparency and Accountability in the Sample Villages

148. The study results suggested no particular impact of the NUSSP on the degree of transparency and accountability that prevailed in the sample village administrations. In general, informants and respondents thought that the degree of transparency and accountability in their village administrations had remained unchanged as compared with 3–5 years prior to the NUSSP’s inception. Implementation of NUSSP did not improve a village’s transparency or accountability, regardless of their levels (good or poor) before NUSSP.

149. The above notwithstanding, the respondents’ perceptions of transparency and accountability in village administrations during any time period must be interpreted within the context of Javanese culture, which makes people predisposed to view others’ behavior as being ethical, particularly when evaluating the behavior of a single individual, or when the individual in question is deceased. Thus, in all likelihood, the view stated by respondents that “past conditions were as good as they are now” did not accurately portray either past or then-present conditions. This became evident in performing the research underlying the study when attempts to corroborate respondents’ statements by discussing the same events with others revealed differing perceptions of the same historical events. Thus, it appears that differences between current conditions and those 5 years prior did in fact exist.

150. Further, some informants felt that there had been a perceptible change in their village administrations, but they were not convinced that this was due to the NUSSP. Ultimately, only a few informants and respondents thought that the NUSSP had changed the behavior of their village administrations. One possible explanation for this is that their village was the beneficiary of several programs including the NUSSP that encouraged community participation, such as the Urban Poverty Program, the PNPM-Perdesaan (the rural version of the National Program for Community Empowerment), and the Community-Based Clean Water Supply and Sanitation Project. This was especially true of Yogyakarta Province, where numerous rehabilitation projects were implemented in the wake of the 2006 earthquake.

151. Ultimately, little evidence was found to suggest that the NUSSP significantly influenced village administration transparency and accountability. There are a number of possible explanations for this. First, the transparency and accountability of the village administration concerned may have been good prior to NUSSP implementation, since many development initiatives stressed the importance of transparency, accountability, and community participation. All sample villages were beneficiaries of urban or rural versions of the National Program for Community Empowerment (PNPM), a large-scale
initiative that improved the quality of governance at the village level. The following quotes should thus be viewed in this context:

“These transparency models started to be effective since the presence of PNPM around 5 years ago, so that when NUSSP was introduced, it only followed up such a system.” (Interview, male head of rukun tetangga, Blimbing, 8 May 2011)

“This orientation change is influenced more since the establishment of BKM, and year after year the role of the BKM becomes important as a balance of policies issued by the village administration.” (Interview, male BKM official, Blimbing, 8 May 2011)

152. Second, it would be unreasonable to expect that the NUSSP’s 1-year implementation period was of sufficient length to impact the style of governance in the sample villages, especially as this relates to transparency and accountability. In fact, NUSSP facilitators themselves have said that based on their experience, 1 year is not enough time to empower local communities in a way that would impact governance styles. In their view, 4 years would be the minimum period for such a result to surface, as indicated in the following quotes:

“One year is not enough to develop people’s awareness about the importance of participation, transparency, and accountability in an administration. A minimum cycle of a 4-year program should be implemented in a village. In 1 year, only the foundation is completed and the result cannot yet be seen.” (Interview, male, former city coordinator, Lamongan District, 10 May 2011)

“It takes time to motivate the awareness of both the community and the administration. A [1-year] program cycle of only once in a village is of course not enough. Nevertheless [the] NUSSP still has some results, although they are not maximum.” (Interview, male, former city coordinator, Yogyakarta City, 18 May 2011)

153. Third, if NUSSP subprojects are evenly distributed across all subdistricts in a recipient district, and to all rukun warga in a beneficiary village, then a development intervention of considerable size is created, since this multiples the number of activities and therefore the degree of involvement of community members in the development process. However, in the case of the NUSSP, subproject locations were diverse, which diluted this desirable effect. For example, in rukun warga in Bener, some subprojects were self-implemented and others used a third-party contractor. Further, there remains the issue of varying degrees of efficiency with which the subprojects concerned were implemented. In Brontokusuman, where NUSSP subprojects were implemented by contractors, some villagers viewed subproject implementation as lacking transparency because information regarding the subproject concerned was not disseminated to the community at large. The same was true in the case of Blimbing.
Conclusions and Lessons Learned

Conclusions

154. Conceptually, the NUSSP is a good urban CDD program for improving the availability and quality of infrastructure in slum areas. It used an integrated approach that allowed the project to address a wide range of infrastructure-related issues in its beneficiary communities. The key to this integrated approach was the neighborhood upgrading plan, which was a vehicle for detailed infrastructure development planning at the community level. Ultimately, each beneficiary community used its neighborhood upgrading plan as a tool for analyzing its particular set of infrastructure-related problems, and following this analysis, proposed individual subprojects for NUSSP funding that would address primary infrastructure-related issues at the community level.

155. Further, each upgrading plan was required to conform to the community’s broader development plan, which was in turn incorporated into municipal- and district-level plans and then translated into the Regional Development Plan for Housing and Settlements (RP4D). Ultimately, the degree to which the community subprojects proposed for funding under the NUSSP conformed to the RP4D was then used by the district-level NUSSP implementing unit to either approve or reject funding for the proposals submitted. This was in essence the approach to integrating community-level proposals into broader plans for resolving infrastructure-related problems in particular villages, subdistricts, districts, and even provinces. It was thus the integration of NUSSP goals into those of broader government development plans that made the NUSSP unique among externally funded development initiatives.

156. In the end, some NUSSP subprojects were implemented well, while others were not. It is in this context that the next section reviews some of the issues relating to the overall objectives of the present study that sought to assess certain aspects of NUSSP implementation.

Quality and Sustainability of Infrastructure Delivered

157. The overall goal of the NUSSP was to improve the quality and availability of infrastructure at the neighborhood level. Ultimately, the project achieved this by providing the sample villages with quality neighborhood infrastructure. The outputs of NUSSP subprojects in the sample villages were considered as being of good quality by the beneficiaries themselves. Direct observation by the research team of the infrastructure constructed under NUSSP subprojects in the sample villages corroborated this finding, in that some infrastructure constructed 5 years earlier appeared to be in like-new condition, or at least lacking any serious damage. Further, the beneficiaries viewed the infrastructure constructed under NUSSP subprojects as being beneficial overall. Even though some infrastructure constructed under NUSSP financing was perceived by some community members as not being consistent with the beneficiary community’s priorities, even these observers felt that the infrastructure constructed was beneficial in terms of the services it provided.

158. In this regard, the factors that contributed to the high quality of infrastructure constructed under NUSSP subprojects were that planning was carefully conducted, construction activities were closely supervised by technical facilitators (who were themselves infrastructure experts), and above all, the community members who undertook the construction activities perceived the output as being not only for them, but also for their offspring. There thus existed a significant sense of ownership of NUSSP subprojects, which in turn caused construction activities to be performed carefully and wholeheartedly. This was particularly true of the NUSSP subprojects that were self-implemented by community members.

159. That said, when the process of constructing the facilities ended, the intensity of this sense of ownership of projects and mutual cooperation began to...
diminish. This is evident from the absence of systematic scheduling of maintenance by the community self-help organizations (BKMs) and community self-help groups, with the exception of Suryatmajan and Tugu villages. In Suryatmajan, maintenance was conducted by the community itself using voluntary contributions from community members. In Tugu, in addition to such individually funded initiatives, maintenance was conducted by the community using funding from the village budget. In the other sample villages, maintenance mainly depended on small-scale initiatives using the resources of individuals. The general form that these small-scale initiatives took included cleaning of facilities constructed under NUSSP subprojects, and in the case of village roads, creating portals that prevented overweight cars from passing through.

160. These differing maintenance practices in the sample villages mainly resulted from the fact that the local institutions through which the NUSSP was channeled were not sustainable. For example, the BKMs only function and have a role to play when development initiatives require them. Once the works to be carried out under a particular development initiative have been completed, the BKM ceases to function. Thus, despite the fact that the BKMs have their origins in the beneficiary communities themselves, their very existence is driven by the development initiatives that require them to function as a vehicle for mobilizing participation of the beneficiary communities. Thus, the BKMs are not in reality institutions that are endogenous to government administration, but rather agencies that exist at the insistence of external forces. As a result, they are in and of themselves unsustainable entities. In this regard, it could be said that beneficiary communities are pragmatic entities in that they behave rationally by not expending resources to fund BKM operations unless such expenditure produces a return of one type or another.

162. The degree of participation by beneficiary communities in NUSSP subproject implementation in large measure depended on the social fabric that existed prior to the project’s inception. In villages with a long-standing tradition of community participation, this level of community involvement extended to NUSSP subprojects, thus resulting in relatively high levels of participation in subproject implementation. The reverse was true for sample villages in which social cohesion had begun to diminish. This relationship between traditions of social cohesiveness (or lack thereof) and institutionalization of community participation following completion of construction works on facilities funded under NUSSP subprojects likewise holds true. Thus, beneficiary villages with a long-standing tradition of high levels of community participation tended to sustain these levels of participation following cessation of construction works funded under the NUSSP, and those lacking such traditions tended to sustain only low levels of community participation.

163. This tradition of either a high or low level of community participation tended to be driven either by cultural values such as *gotong royong* (mutual cooperation), which encourages communities to work together to achieve common goals, or by NUSSP predecessor projects that reinforced or intensified community participation. Examples of such initiatives include the Subdistrict Development Project, the Urban Poverty Program, the Community-Based Clean Water Supply and Sanitation Project, and the Regional Socioeconomic Infrastructure Development Project.

164. These factors notwithstanding, community participation in rural sample villages tended to be on a greater scale than in urban sample villages. This may in part have occurred because villagers in rural areas had more time available for public activities than did residents of urban communities. Other factors driving this difference in the level of community participation in rural vs. urban villages included...
(i) the relatively greater degree of homogeneity of cultural identity, particularly the dominance of Javanese culture in the rural sample villages; (ii) the type of occupation or livelihood strategy pursued by most villagers in the community, such as farming or fishing; and (iii) the existence or prevalence of institutions that facilitated meetings of community members. While these three factors to some extent operate in urban villages, this occurs mainly at the extreme micro level, such as in cultural enclaves that dominate a particular rukun tetangga. The enclaves in one rukun tetangga in Suryatmajan that exclusively comprise street food vendors or peddlers of second-hand items provide examples of this phenomenon within the sample villages included under the study.

165. Further, it is important to note that the elite still dominate village decision-making processes. Even though the entire community participates in formulating a proposal, as in the case of an NUSSP subproject, the decision as to which proposals will be funded is ultimately in the hands of the village elite, which mainly comprises members of the community affiliated with the BKM or the LPMK. Such elites are in part sustained by social values and arrangements that cause others to defer to persons viewed as being older or more senior than themselves. In some communities, the elite maintains its dominance because few people care about public matters, in part because nonpublic matters dominate their attention. Thus, it may be likely that attending to public matters is viewed as being the province of those who have retired from formal employment, or for other reasons have sufficient time to devote to public concerns.

166. Community participation in the sample village was particularly weak among women, in part because those that did participate were mainly drawn from the middle and upper classes, which to a great degree limited their number. The obvious exceptions to the above included (i) female participation in construction of physical facilities, in which cases women participated significantly by providing food to those (men) who worked; and (ii) Tugu, where the direct involvement of women in the construction of physical facilities was extensive. The low levels of female participation in NUSSP subproject implementation generally observed in the sample villages may be partially explained by the persistence of traditional values and practices that discriminate against female participation in public activities. In locales where these behavior patterns remain prevalent, women are encouraged to remain at home, and only men attend to public activities such as meetings or gotong royong (mutual cooperation activities). In addition, the gender roles that dominate households in these communities typically assign the role of head of household to men, the only exceptions being situations in which men are absent from the home by reason of death, divorce, or livelihood. Such practices clearly mitigate against participation by the entire community, because when households are invited to participate in community activities, it is generally only the presence of the head of household that is requested.

167. The special case of community participation in Tugu is as interesting as it is unique. It is interesting because community participation in construction works occurred on a massive scale, with men and women, adults and young people alike actively participating. Several interrelated factors contributed to this high level of community participation in construction works, including (i) a committed and highly respected leader who was directly elected by community members to be the head of the village, (ii) a cohesive rural community with a long-standing tradition of mutual cooperation, and (iii) a limited amount of time for completing construction works.

168. The last of these factors is perhaps the most important in explaining Tugu’s high level of community participation. Since the NUSSP was introduced to Tugu near the end of the budget year, the community had less than a month (23 days) to complete subproject implementation; otherwise, this opportunity for constructing externally financed infrastructure facilities would be lost forever. This factor, which was a powerful motivator in encouraging all members of the community to participate in construction works, was completely absent in the other sample villages.

169. Further, since the other five sample villages were either urban or semi-urban villages under the jurisdiction of a kelurahan (urban neighborhood), their village heads were appointed by the mayor rather than being directly elected by residents themselves. With the exception of Blimbing, all of these village heads appointed by the mayor came from outside the village concerned. In addition, because these were urban villages, their heterogeneous demographic composition caused these
Communities to lack Tugu’s long-standing tradition of social cohesion. Finally, the other five sample villages did not operate under Tugu’s tight time constraint for receiving funding. The multiple factors that drove Tugu’s extreme levels of community participation in NUSSP subproject implementation were thus absent in the other five sample villages.

**Transparency and Accountability**

170. Regarding transparency and accountability, the study found that the NUSSP was implemented transparently and accountably. That said, the level of transparency and accountability achieved under projects self-implemented by the community itself (those implemented under the SP3 pattern) was greater than that of subprojects under which a third-party contractor performed the construction works (the less participatory SP2 pattern). This is because under the former implementation pattern, the community was directly exposed to all aspects of subproject implementation, whereas community involvement under the SP2 third-party contractor pattern was limited to the planning process, the meetings regarding which were only attended by a limited number of community representatives, which usually comprised only the relevant *rukun tetangga* heads.

171. Further, the degree of transparency and accountability achieved in NUSSP implementation appeared to have had no significant impact on the level of transparency and accountability of village governance in general. This was in large measure due to several factors. First, given that the level of transparency and accountability achieved within a particular village prior to implementation of the NUSSP was perceived by the community as being already good, then it would stand to reason that NUSSP implementation would have no significant perceived impact on improving it.

172. Second, the perception of villagers regarding the degree to which transparency and accountability had been achieved was for the most part not based on objective criteria, such as whether or not the village government made village financial reports public, the extent to which the village government involved more people in the decision-making process, or the extent to which the village government was responsive to community priorities. Instead, the perception of villagers regarding the level of transparency and accountability achieved was for the most part limited to issues relating to corruption and the extent to which village government shared information, particularly about various social assistance programs. Third, the NUSSP was implemented over a 1-year period, a span of time insufficient to influence village government behaviors and community perceptions of transparency and accountability.

173. A final factor that may have contributed to the perceived insignificant impact of the NUSSP on the level of transparency and accountability practiced within village-level administrative structures was the fact that the NUSSP was implemented differently across villages, *rukun tetangga*, and *rukun warga*, in that some subprojects were implemented under the SP3 self-implementation pattern and others under the less participatory SP2 pattern. The greater degree of community participation achieved under the SP3 most likely gave community members substantially more information than the amount available to villagers under the SP2 pattern. With limited dissemination of information relating to facilities constructed under the SP2 pattern, the village administration could understandably be perceived by villagers as being less than transparent and accountable.

**Neighborhood Upgrading and Shelter Sector Project Implementation**

174. Ultimately, the integrated approach introduced by the NUSSP was not able to be fully implemented. The subprojects were intended to be selected on the basis of the priorities of the neighborhood and to address all infrastructure problems present within the beneficiary communities concerned. Further, subproject selection was intended to be in accordance with the neighborhood upgrading plan at the village level, and consistent with the Regional Development Plan for Housing and Settlements (RP4D) at the district level. However, implementation did not proceed in this manner. Several factors impeded implementation of the NUSSP as per its original design in this regard.

175. First, there existed competing interests at the district level regarding the manner in which NUSSP subproject benefits were to be distributed at the subdistrict level. In particular, the local parliament and local government both exercised their right to determine the subdistricts to which NUSSP funding would be distributed, and (understandably) did so in a manner that they felt would maximize the
future benefits of holding political office. This is a natural trait of all politicians and political bodies with the ability to distribute public funds in a manner that curries favor with constituents. The era of decentralization in Indonesia that brought about direct election of even the lowest levels of political administrations no doubt further incentivized those in political power to assign as many development-initiative benefits to their constituents as possible. As a result, in the end, NUSSP subprojects were distributed evenly across all subdistricts, some of the latter containing no slum areas whatsoever.

176. Second, there existed no overall plan for resolving the problems of slum areas at any level of government administration (national, provincial, district, or otherwise). In fact, one NUSSP component supported drafting of the RP4D. However, according to the NUSSP national Project Management Unit, not all districts had completed their own versions of this document in a timely manner. This is important, since these plans were to support formulation of higher-level planning documents relevant to NUSSP implementation. Further, in many of the cases in which these plans were completed in a more or less timely manner, the documents were only completed during NUSSP implementation. As a result, the NUSSP subprojects funded at the level of the beneficiary communities were not necessarily consistent with the RP4D.

177. Third, the 1-year period over which the NUSSP was implemented was an insufficient period of time for achieving the NUSSP’s overall objectives of institutionalizing community participation and improving the overall level of transparency and accountability within the beneficiary communities. According to the General NUSSP Guidelines 2006, p. 35, the project was actually to consist of 4 years of preparation at the local level. In view of the fact that the implementation period turned out to total only 1 year, it would have been difficult to achieve all of the overall objectives of the NUSSP.

178. A final factor impeding achievement of the NUSSP’s overall objectives resulted from the fact that the BKM by its very nature is an unsustainable institution, since its existence is driven by externally funded development initiatives rather than recurrent allocations from the public budget. This aspect of the BKM also meant that it carried with it no long-standing traditions or values, which made it inherently difficult for these institutions to impact traditions and behavioral patterns deeply embedded in the beneficiary communities.

Lessons Learned and Implications for Urban Community-Driven Development Initiatives

179. Several lessons relevant to other urban CDD initiatives can be derived from the assessment of NUSSP implementation conducted under the present study.

180. First, urbanization diminishes the level of homogeneity inherent in rural communities by making them more individualistic, which in turn reduces social cohesion and makes achieving high levels of community participation through implementation of development initiatives more difficult. However, within this context, appropriately implemented CDD initiatives might mitigate against this tendency. Further, in rural communities in which social cohesion remains strong, the CDD approach may act to strengthen this desirable trait further.

181. Second, the emphasis of the CDD approach on ascertaining the specific priorities of the beneficiary community is in some ways a weakness, in that it ignores the need for development that is integrated with an overall plan. However, this emphasis is likewise in some ways a strength, in that there is a considerable amount of evidence that developing small-scale neighborhood infrastructure through the CDD approach is more effective and efficient than larger-scale approaches to infrastructure development. Moreover, there is considerable empirical evidence that the CDD small-scale approach to infrastructure development results in a higher quality of subproject output than that achieved under larger-scale approaches.

182. Third, institutionalization of community participation, transparency, and accountability within the village administration requires more than merely being involved in a participatory, transparent, and accountable development initiative. Institutionalizing such community traits is a long-term task in that it requires assimilation of new values and traditions by beneficiary communities.

183. Fourth, communities in urban areas tend to be heterogeneous in terms of culture, occupation or...
livelihood strategy, socioeconomic status, and time constraints regarding construction works. Thus, encouraging large-scale involvement by members of such heterogeneous communities can in some cases complicate implementation of the development initiative concerned. Further, the dominance of village elites in local-level decision-making processes, and the relatively low rates of female community participation, tend to be ingrained traits regarding which it is necessary to be realistic in attempting to increase existing levels of community participation through implementation of development initiatives. That said, opportunities for reinforcing or enhancing community participation that are driven by constraints specific to a particular community, such those described for Tugu, should be fully taken advantage of.

184. Finally, it will most likely be necessary to make adjustments to participatory programs implemented in urban areas, since the level of community participation tends to be lower than that achieved in rural areas. Ultimately, maximizing the degree of community participation in any development initiative will likely require doing whatever is necessary in the context of the development initiative to ensure that planning of the initiative remains in the hands of the beneficiaries.

185. It is the sincere hope of the research team that undertook this study that the lessons learned from NUSSP implementation in Indonesia will be relevant and applicable to community-driven development initiatives that are being—or will be—implemented in other countries.
References


Appendix 1

Location Maps of Research Areas Included under the Study

Figure A1.1: Lamongan District, Province of East Java

This map was produced by the cartography unit of the Asian Development Bank. The boundaries, colors, denominations, and any other information shown on this map do not imply, on the part of the Asian Development Bank, any judgment on the legal status of any territory, or any endorsement or acceptance of such boundaries, colors, denominations, or information.
Figure A1.2: City of Yogyakarta, Province of Yogyakarta

This map was produced by the cartography unit of the Asian Development Bank. The boundaries, colors, denominations, and any other information shown on this map do not imply, on the part of the Asian Development Bank, any judgment on the legal status of any territory, or any endorsement or acceptance of such boundaries, colors, denominations, or information.
Appendix 2

Organizational Structure of the Indonesian Government at the Provincial, District, Subdistrict, Village, and Sub-Village Levels

- Province’s House of People’s Representatives
- Governor of Province
  - Regent/Mayor of District/Municipality
  - Head of Subdistrict
    - Community Self-Help Organization
    - Village Development Board
    - Village’s House of People’s Representatives
    - Head of Big Neighborhood
    - Head of Small Neighborhood
    - Head of Sub-Village
    - Head of Village/Kelurahan
The Neighborhood Upgrading and Shelter Sector Project in Indonesia
Sharing Knowledge on Community-Driven Development

This report identifies lessons learned from implementation of a community-driven urban development initiative in Indonesia, the Neighborhood Upgrading and Shelter Sector Project (NUSSP), and the extent to which it contributed to improvements in service delivery and governance in six beneficiary communities.

The NUSSP subprojects examined were found to be well implemented, with high levels of community participation in project planning, implementation, and monitoring. However, participation by women and poor villagers was relatively low. The subprojects did not significantly affect the quality of institutional arrangements for local service delivery lying outside the scope of the project.

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