Making Services Work for the Poor: A Synthesis of Nine Case Studies from Indonesia

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Abstract

The nine *Making Services Work for the Poor* (MSWP) case studies synthesized in this paper reviewed innovations in service delivery at the local level in Indonesia in the wake of decentralization. It is hoped that this synthesis will be useful to donors and government in Indonesia and other countries interested in practical ideas for improving local service delivery. About half the cases focus on externally driven innovations; half were led by locals. The innovations in nearly all cases have made a clear positive impact on service provision and reached a total of at least half a million people. Research was based on semi-structured interviews and focus group discussions with approximately 600 people over 80 days of fieldwork in 25 villages and cities between February and April 2005.

Decentralization and leadership were found to be the key factors for success of innovative service delivery arrangements. Most of the innovations studied would not have been possible without the support of national-level laws and policies that devolved authority to the local level. The districts' new power over finance and administration gave some local leaders the means to pay for locally conceived reforms without the need for external donors, giving a boost to the potential for financial sustainability from the start. Districts' greater power made local politicians and citizens, as well as donors, more interested in good governance. The positive impact of the innovations is, however, threatened where local supporting laws and regulations are weak or lacking.

Innovations in service delivery were found to be dependent on local rather than external leaders, whether externally conceived and funded or not. Local leaders' style, emphasizing personal involvement and flexibility, was key to their ability to ensure positive impact. Leaders built trust by raising awareness about the inadequacy of service delivery, by broadening their support among civil servants, and by working through local organizations and processes.

The financial sustainability of all six externally financed cases is in doubt, and locally conceived reforms that pass on substantial new costs to clients are also facing financial difficulties. Ongoing funding is assured in only two cases, where reforms were locally conceived, relatively cheap, *and* locally funded. None of the cases had effective data collection systems, making mid-course project adjustments to strengthen impact difficult. Inadequate information dissemination also likely reduced the impact of reforms. The cases show that impact can be stronger when service delivery innovations are implemented flexibly. In many cases, leaders developed new strategies to strengthen positive or reverse negative impact.

In the five case studies where the poor were not targeted, the poor were as likely to lose out as to benefit from service delivery innovations. In the four cases where the poor *were* a target group, impact on them was mainly positive.

Findings from the nine MSWP case studies underscore the importance of the following "best practices" for service providers and donors:
- Target the poor in service delivery projects to ensure they benefit.
- Invest in good information dissemination mechanisms to help build trust in service delivery projects.
- Support leaders within local government and local NGOs for service delivery reform.
- Ensure financial sustainability for service delivery projects.
- Ensure all service delivery projects include an effective monitoring component.
- Build flexibility into project rules to strengthen positive or reverse negative project impact.
- Assist in the implementation of local laws and regulations supporting reform.

Introduction

In January 2001, Indonesia decentralized the delivery of most government services to the district level. The center of gravity for innovation has thus shifted to the districts, where local governments now have much more autonomy to promote change (both positive and negative). In a country of 220 million people with about 440 districts and cities, this shift has created tremendous potential for innovative local approaches to government service delivery.

The World Bank's *Making Services Work for the Poor* (MSWP) project aims to provide analytical support for the government's efforts to improve access to and quality of basic services for the poor in the wake of decentralization. Its objectives are to summarize the state of basic service delivery for the poor in Indonesia, identify and analyze key factors that have an impact on current outcomes, and propose an analytical framework and practical steps for improving pro-poor service provision.[i]

MSWP analysis bears some relation to the "Drivers of Change" approach (used by DFID in recent years) to understanding the factors that drive systemic socio-political change. "Drivers of Change" analysis focuses on agents, institutions, and structures. It aims to identify the opportunities, blockages, and underlying incentives that have an impact on pro-poor change. Despite its potential usefulness, however, the approach has not yet been widely disseminated or put into practice.[ii]

Meanwhile, none of the fairly extensive literature on decentralization in Indonesia has yet included an analysis of how localities use the new "space" provided by decentralization to plan and implement changes in service delivery.

The nine MSWP cases synthesized in this paper were undertaken to fill some of these gaps. They describe concrete actions taken to improve service delivery at the local level in the early days of decentralization, and provide an assessment of initial impact, factors that contributed to or reduced impact, and possible ways forward in terms of replication. It is hoped that this synthesis, which pulls together commonalities among the nine cases, will be useful to donors and government in Indonesia and other countries interested in practical ideas for improving government service delivery.

Summary of the cases

The MSWP case studies were chosen from a number of candidates gathered by the World Bank from donors, non-governmental organizations (NGOs), and local government staff. Criteria for selection included a high possibility of improving basic service provision, ease of identifying and analyzing key factors in success, and reasonable chance of sustainability. The nine cases selected cover eight of Indonesia's 32 provinces and urban areas. Five of the provinces have a lower poverty rate than the national rate of 16.7 percent (2004),[iii] and the remaining three have poverty rates of between 20 and 29 percent, much higher than the national rate.[iv] Half the district-level innovations highlighted were driven by external agencies, including the World Bank, UNICEF, USAID, and central government ministries, and half were led by locals, including district heads and local NGOs. Most innovations were paid for by both external and local sources; three were paid for entirely from local sources and only one entirely from external sources.

Research was based on semi-structured interviews and focus group discussions with a total of approximately 600 people. The views of at least 100 more people were incorporated into

findings via research teams' attendance at local meetings. Teams spent a total of 80 days in the field visiting about 25 villages and cities between February and April 2005.

The innovations in nearly all cases made a clear positive impact on service provision and reached a total of at least 500,000 people.[v]

Tanah Datar (case 1) is a set of education reforms in West Sumatra, including smaller classes and stronger incentives for education staff. Under Tanah Datar, 4 percent of district teachers and 10 percent of district headmasters went on overseas exposure trips, and more than half the district's senior high schools reduced class size. The motivation of school staff who went abroad under the incentives program increased, and teaching methodology and education services at the better schools improved. On the other hand, access to senior high schools was reduced for some children, mainly below-average students, and inequity between the better and lower-performing senior high schools increased.

Pemalang (case 2) was a health project in Central Java providing vouchers to poor pregnant women for midwives' services. It greatly increased access of the poor to project midwives. During the project period, the number of district midwives doubled and midwives' coverage of villages reached 95 percent. The project was discontinued when supplanted by a government health project.

CLCC (case 3) is an education project in West Sulawesi supporting active teaching and learning methods and stronger school staff. CLCC (Creating Learning Communities for Children) produced more active teaching methods and more involved parents and students, but only increased school management accountability where headmasters were supportive. Exam scores at project schools did not increase relative to non-project schools. Formal and spontaneous replication has brought CLCC methods to 35 percent of district schools, of which about one-third pay for CLCC-style activities entirely from their own budgets.

BIGS (case 4) is a local NGO working on governance in West Java, with a focus on budget transparency. BIGS (Bandung Institute of Governance Studies) has obtained and disseminated city budget information via books, posters and magazines, trained nearly 100 people including journalists, politicians and others in the use of the information, and raised citizens' awareness about the importance of budget transparency. BIGS has empowered city parliament to strengthen its role as a check on the executive branch, resulting in reduced allocations to questionable budget items, and has brought a case of corruption against a previous parliament, though to date it has not made the city budget more pro-poor. A number of cities and NGOs have begun to replicate BIGS' work.

WSLIC-2 (case 5) is a water supply and health project in East Java with an emphasis on community participation. WSLIC-2 (Second Water and Sanitation for Low-Income Communities Project) has so far increased villagers' access to water in half the targeted villages in the district visited. Between 85 and 100 percent of villagers in project hamlets visited by the team have access to project water supply. Villagers have greater quality of life, healthier behavior, and a sense of ownership of the water supply systems.

Jembrana (case 6) is a district health insurance scheme in Bali. It has increased the access of the poor to health services because it covers private as well as public providers. The percentage of sick poor people seeking treatment increased from 29 to 80 percent during the scheme's first year. There has been a large increase in the number of midwives in the district and an increase in both quality of and satisfaction with health services. Stricter referral standards have, however, meant that the poor may no longer receive primary healthcare from midwives and paramedics, who had been the first source of care for many rural poor.

Blitar (case 7) is a governance project in East Java providing community block grants for village proposals. Blitar communities are very involved in the process of project selection for annual allocations of between Rp. 3.6 and 6.1 billion (US$360,000-$610,000) worth of district funds;[vi] they make substantial financial and in-kind contributions to projects. It does not appear the poor benefit significantly from the project, other than from funding earmarked for slum housing.

Maros (case 8) was a governance project in South Sulawesi focused on community participation in planning and budgeting. Under Maros, participatory planning has been undertaken in 19 percent of villages in the district. Results have been mixed: more people have been involved in planning, but many others are unaware of the project or pessimistic about it. Women's participation is still limited, and the plans' impact on district planning is unknown. A large increase in 2004 district funding of village proposals is attributed to advocacy efforts of the local NGO champion, Forum Warga. The external funder, USAID, has ceased involvement in accord with its project schedule.

Boalemo (case 9) is a set of governance reforms in Gorontalo focused on improving civil servant performance and accountability. It increased salaries of most full-fledged civil servants by as much as 80 percent, but civil servant performance improvements were only detectable in better attendance. The use of fines to improve performance suffered as there were no fines levied for poor quality services. The removal of allowances for most work-related expenses created financial hardship for some staff. However, transparency in bidding for lower-budget projects has improved, and citizens near the capital city have more opportunities to lodge complaints about poor services.

Limitations to the case studies. Several factors limited the research teams' ability to analyze field data. No control case studies were carried out, and the sample size was small. Data were also often insufficient or lacking,[vii] and case study teams did not use standardized research questions. In particular, research on poverty and finances was uneven. The case studies were mostly done in parallel and thus team composition and skill sets varied. This was a primary factor in uneven results. Considerable effort was spent after the fieldwork to fill in missing data and standardize the presentation of results.
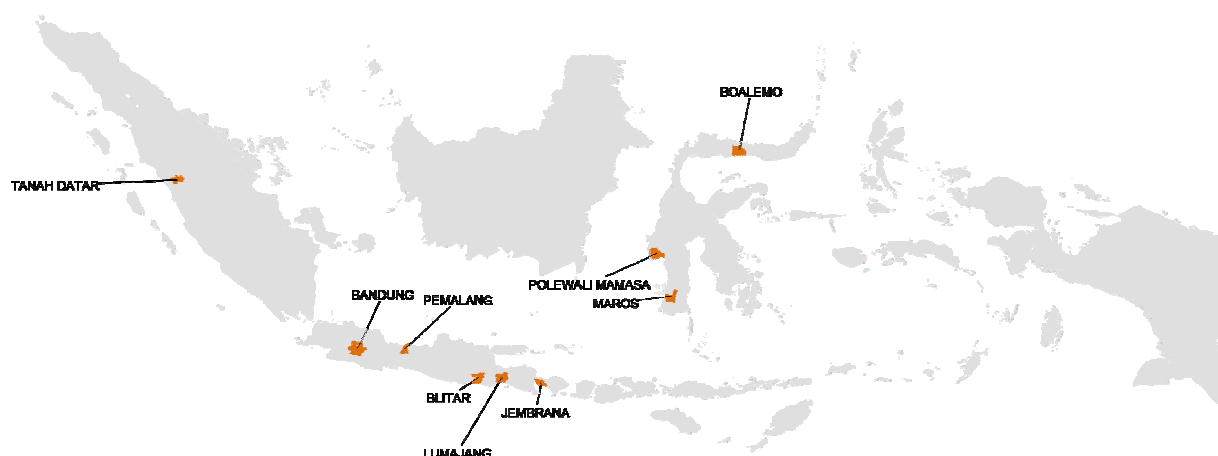
1. DECENTRALIZATION and LEADERSHIP were THE KEY FACTORS for success of innovative service delivery arrangements.

Most of the reforms studied would not have been possible without the support of national-level laws and policies that devolved authority to the local level. Indonesia's economic and social crises of 1997 and 1998, including the fall of President Soeharto, culminated in the 1999 Law No. 22/1999 on Decentralization and Regional Autonomy, laying the groundwork for a dramatic program of administrative, financial and political decentralization. Beginning in 2001, a wave of national-level policies and laws was introduced to make the decentralization law a reality.

Major achievements notwithstanding, central government's support for decentralization has been somewhat inconsistent, damaging both locally conceived and donor-driven reforms. The 2004 "recentralization" of health insurance for the poor has threatened Jembrana's experiments in insuring citizens directly, while the abrupt ending of the central government's experiment in allowing districts to recruit their own civil servants may have contributed to local apathy about civil service reform in Boalemo. Finally, despite the positive impact of the World Bank-funded midwives vouchers program in Pemalang (increased accountability of midwives and increased access to services for poor women), the program was cancelled when a national health care program supplanted it.

The districts' new power over finance and administration gave some local leaders the means to pay for locally conceived reforms without the need for external donors, giving a boost to the potential for financial sustainability from the start. After decentralization, districts became the recipients of significant central government transfers (comprising about 80-90 percent of district resources) which they were then able to allocate as they saw fit. The Tanah Datar district leader (*Bupati),* for example, took advantage of his new power by cutting the number of district institutions from 22 to 8, netting a Rp. 10 billion (US$1 million) annual savings that he then used to pay for smaller classes and stronger incentives for teachers and headmasters. To pay for his new health insurance scheme, Jembrana's district leader used payments from the central government's insurance firm as well as annual savings of Rp. 2-3 billion (US$200,000-300,000) from converting clinics, reorganizing the district government structure, and laying off civil servants. In Blitar, district leaders realized a 20 percent increase in local revenues between 2002 and 2004 from bureaucratic reforms, which then went in part toward paying for their innovative Community Block Grant (CBG) Program. None of the locally conceived reforms highlighted in the three case studies mentioned above would have been possible without the financial and administrative latitude that decentralization gave to districts.

Decentralization's extension down to the sub-district and village levels allowed reforms to be tailored to local conditions via new ideas, new groups, and greater citizen participation. In the CLCC case study, the national School-Based Management and Competency-Based Curriculum policies granted education staff the right to adjust their curricula to meet local needs better, and to plan, develop and manage their services themselves. Teachers began to generate new ideas tailored to local conditions, and a local school inspector designed a plan for headmasters and teachers to assess one another's schools during regular Headmaster Working Group meetings. The national policy on community management of water supply created space for village management of water supply systems under WSLIC-2. Villagers themselves decide how many tanks to construct and where to put them to ensure coverage and accessibility, while locally elected Village Implementation Teams and Maintenance Organizations keep villagers closely involved in project implementation.

In many of the cases, new groups were created that proved to be important for or even critical to positive impact. Most notably, BIGS was founded by an energetic and idealistic person at a time when political space had opened enough to enable him to "do something" about low-quality governance in Bandung city. Local NGOs such as BIGS would have faced great political difficulty prior to decentralization.

> **New groups find local solutions to local problems.** The Maintenance Organizations of WSLIC-2 "manage to repair the water systems in ways that we had not considered. They use materials such as bamboo, plastic paint boxes, and wood to repair the infrastructure…Over a short period, the Maintenance Organizations have become more specialized than we [the project consultants]!"

Citizen participation was a critical element of WSLIC-2, helping to ensure the water systems' sustainability, and by empowering some communities, has enabled them to improve other aspects of village life as well. Maros' project hinged on local participation in planning—including more people in planning meetings and having them speak up were specifically required. In Boalemo, citizens living near the capital have more opportunities

> **Participation makes the difference in Blitar.**
> - "In the previous social safety net program, we only received, but with [Blitar], we feel ownership."
> - "Before, all physical projects were managed by the Public Works Department, so communities did not care. Now they [communities] do the projects by themselves, hence they want to participate."[viii]

to lodge complaints now, and apparently do so more often. At least once, such a complaint has resulted in the firing of a corrupt official.

Districts' greater power made local politicians and citizens, as well as donors, more interested in good governance. The new openness emboldened BIGS to bring a case of corruption against the city parliament. Blitar's district head views the CBG program as an opportunity for local government to exercise its new authority and enable staff to develop their organizational and administrative capacities. In Maros, there was openness from the beginning to changing the traditional top-down relationship between government and citizens.

The impact of reforms is threatened where local supporting laws and regulations are weak or lacking. Because education reforms in Tanah Datar were not backed up by formal signed documents, school staff were freer to disregard them, and dissemination of information about them was inadequate. In Maros, where an expansive law on participatory planning was passed in 2003,[ix] lack of passage of implementation arrangements to date has perpetuated confusion over roles and responsibilities for implementing, monitoring, and paying for the

> **But legalization is not the only way.** Despite some problems caused by the lack of a local legal basis for change, Tanah Datar's leader *chose* not to pass supporting legislation, hoping that the "organic" nature of non-legislated change would increase buy-in and relevance of the reforms in the long run. Further study could show whether this has helped or hurt Tanah Datar's chances for sustainable impact.

mandated changes. In Boalemo, Regional Regulation No. 6/2004 on Transparency of Public Service in Governance, with progressive and clear implementing arrangements and sanctions, was passed in 2004, yet as of March 2006, no implementation decree had been passed.[x] In Jembrana and Blitar, clients fear that minimal legal standing for the reforms (in both cases, merely a district leader's decree rather than a district parliament-approved law) would allow a new district leader to dismantle the reforms when the current leaders' terms of office expire.

On the other hand, where local regulations were established to support changes in service delivery, impact was strengthened. In WSLIC-2, water-use regulations have reduced the potential for conflict, increased ownership, and strengthened chances for technical and financial sustainability. In Blitar, a local regulation empowered the locally elected Village Community Empowerment Institutions to take authority over, and be accountable for, the use of local block grants. In Pemalang, the rule that only vouchers (not cash) could be used to pay midwives created stronger incentives for midwives to seek out poor clients.

> **Jembrana's clear, enforced regulatory framework.** The Jembrana healthcare scheme incorporates strict standards for medication, fees, services, and other variables to deter cheating. Between October 2003 and October 2004, managers handed down 40 rebukes among the 197 health-care providers, including thirteen contract suspensions of between one and six months. Enforcement of standards and cost control have led to improved service quality, and should contribute to financial sustainability and better health for the district population.

Innovations in service delivery were dependent on local rather than external leaders, whether externally conceived and funded or not. The district leader and other district government reformers were responsible for developing and implementing Tanah Datar's education reforms, Jembrana's health insurance scheme, Blitar's Community Block Grant program, and Boalemo's civil service reforms. BIGS was founded by a citizen who has been personally responsible for all BIGS' work on budget transparency. CLCC and WSLIC-2 were reliant on other types of local leaders, including village heads and school headmasters.

Of the two cases in which external leadership did play a strong role, one (Pemalang) has ended and the other (Maros) has had only limited success. Maros does have a local champion in local NGO *Forum Warga*, but *Warga's* leadership is limited by its social distance from clients.

> **Local leaders make the difference in water supply.** In successful WSLIC-2 project villages, village leaders had already been highly involved in hamlet activities prior to project implementation and quickly became project supporters. Leaders helped convince villagers of the need for clean water supply and the potential of the project to provide it. Moreover, local leaders were instrumental in assuring villagers that they are capable of making required, and significant, contributions.
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> **An even wider range of leaders could further increase impact.** The indigenous leaders or *nagari* of West Sumatra traditionally command great authority. Decentralization has further increased their leadership powers. By not including the *nagari* in the Tanah Datar education reforms, an opportunity to increase understanding, ownership and impact was lost.

Direct elections enabled a new group of self-motivated champions to climb to positions of authority. In the four cases where district heads were the drivers of reform—Tanah Datar, Jembrana, Blitar and Boalemo—they were also the first elected district staff. These leaders had reputations for focussing on the public interest: the programs that they promoted did not benefit them personally, and in most cases required that they spend political capital to reduce the number of government departments to help pay for reform. Also, none were traditional politicians—Jembrana's leader is a medical doctor, Blitar's mayor a former professor of public policy, and Tanah Datar's a retired businessman who returned to his homeland in hopes of making a difference.

Local leaders' style, emphasizing personal involvement and flexibility, was key to their ability to ensure positive impact. The Tanah Datar district head introduced change in a deliberately roundabout way, rather than through legislation which he feared would not be as effective. BIGS' leader used a trial and error approach to finding what worked. The Jembrana district leader provided the leadership that made the difference by championing the reform, speaking publicly, mustering support in parliament, and being personally involved in decision-making. Blitar's mayor taught that "[t]he essence of the Community Block Grant

program is social learning, not perfection; there is room for mistakes and to move forward." Implementation of the Boalemo reforms was greatly aided by the district leader's enthusiasm in opening his home to citizens and his willingness to listen. Of note, he was the first civil servant to have his travel allowances reduced following the incentives reforms he had pushed. The extent of impact on CLCC schools depended heavily on the leadership style of school headmasters. A more open and participatory headmaster was more successful at introducing reforms than an autocratic one.

Many leaders had a reputation for trustworthiness. Boalemo's district head removed the fence around his home and invited citizens to come for morning coffee each day. He has published his own and his secretaries' mobile phone numbers so citizens can call him to report on civil servant performance, and requires all high officials to post their salaries on their office doors! BIGS' leader is well-known for his refusal to take or pay bribes expected by local government. WSLIC-2's Maintenance Organizations gained trust as they were staffed by villagers and rapidly could prove their technical expertise.

Ironically, the very importance of local leaders makes their causes vulnerable. Tanah Datar's district head lost his bid for re-election, and BIGS' leader pledged to step down by the end of 2005 (though as of March 2006, he had not). In neither case is it clear that the leaders' successors will be as committed to or as effective at promoting reforms. Boalemo's district head is in effect a centerpiece of his own reforms: the main new channel for lodging citizen complaints is his house. Citizens who live too far away or are not aware of his comings and goings lose out. Other Boalemo reforms are also highly dependent on the district head's presence: staff attendance at a clinic near his office improved, but at a clinic one hour away, it did not.

Do fully local reforms have a better chance of success than those with external drivers or funders? Both locally designed and locally funded cases—Tanah Datar and Blitar—have been fairly successful, the former in increasing motivation and performance of education staff and improving services at some schools, and the latter at increasing community involvement in project planning and selection for funding. Externally conceived and funded projects such as WSLIC-2, Pemalang, CLCC, and Maros are often designed in Jakarta and delivered to the district level as fully-formed projects with no local institutional base of support, which may sometimes lower their chances of high positive impact.

2. ONGOING FUNDING for most reforms is in doubt.

Financial sustainability of all externally financed cases is in doubt.[xi] The financial sustainability of Maros, for example, is in doubt following the departure of USAID, the primary funder, though project costs are low (it would take about 5 percent of the district's development budget to cover the rest of the district). Funding to continue CLCC after UNICEF support ends is also not assured. The CLCC district has paid to replicate CLCC in 70 new schools, and an additional 30 schools have adopted, and are paying for, a version of CLCC on their own, but in poorer schools and schools with less motivated headmasters, depending on "spontaneous replication" is unlikely to work.

Locally conceived reforms that pass on substantial new costs to clients also face financial difficulties. Spending on Jembrana increased 2.5 times from 2003 to 2004, due mainly to inclusion of the non-poor in the health insurance scheme, while the district's own-source revenues declined by 12 percent in the same period. Given the heavy dependence of the scheme on district funding, the district head has been forced to pass on some costs to clients via health cards that must be renewed annually. Not only is this method unlikely to close the funding gap, but it has begun to exclude a major target group of the scheme: the poor. The cost of education reforms in Tanah Datar was fairly low (about 1.5 percent of savings achieved through restructuring of local government), but the district paid most costs of sending school staff abroad for the first two years. Schools that wish to continue sending teachers and headmasters abroad (to Malaysia, Singapore and Australia) must now pay half the cost, likely passing some of this on to headmasters, teachers and School Committees.

> **Villagers pay, but financial sustainability and replicability are still in jeopardy.** WSLIC-2 project villages must pay 20 percent of the cost of constructing water supply systems, plus monthly fees for maintenance. One village was so eager to get clean water that villagers raised 3.5 times the normal contribution to bring WSLIC-2 to their locality. Villagers there also voluntarily tripled the monthly maintenance fee when it became clear that the previously set amount would not cover costs. However, some unmotivated Maintenance Organizations are not bothering to collect fees; meanwhile, World Bank support for water supply systems in other villages is slated to end in 2006.

Ongoing funding is assured in only two cases, where reforms were locally conceived, relatively cheap, *and* locally funded. Blitar's block grant program has cost less than 2 percent of the city budget each year, while continued bureaucratic reforms have led to a 20 percent increase in the city budget between 2002 and 2004. Communities have contributed between 13 and 22 percent of the annual budget in cash, while local in-kind contributions represent another 5 to 10 percent of project values. In short, the program is relatively cheap, the funding source is increasing, and local contributions are significant. Boalemo reforms, though they have not been greatly successful, are not expensive, mainly involving reallocation of funds within a single department. However, the reallocating of work allowances has placed a financial burden on staff as some legitimate work costs are now no longer covered by district government.

3. Efforts to build TRUST are hampered by INADEQUATE INFORMATION DISSEMINATION.

Leaders built trust by raising awareness about the inadequacy of service delivery. In Tanah Datar, Blitar, and Jembrana, reformist leaders made public cases for the urgency and importance of reforms, and by repeating the messages over and over, managed to put their reforms at the top of the political agenda. At the same time, they raised citizens' awareness about the inadequacy of existing services.

Leaders built trust by broadening their support among civil servants. Jembrana's leader appointed supporters to head local health clinics and engaged effectively with the local parliament. Blitar's mayor promoted the most capable young bureaucrats to positions of greater authority and involves leaders at all levels in the project process. In Boalemo, where the reform environment is difficult, the district head has tried to build support among newer civil servants to counterweight the mindset of entrenched bureaucrats.

Leaders built trust by working through local organizations and processes. Blitar's Mayor uses the existing local planning process (*Musrenbang*) as the basis for his Community Block Grant program, with substantial villager involvement. Pemalang, after initially overlooking them, made the locally trusted sub-district health centers an integral part

of the midwife vouchers project. CLCC worked through revitalized Teacher and Headmaster Working Groups and School Committees to improve education services.

Long lead-in times allowed trust to grow. CLCC required potential project schools to send their staff to formal training sessions and workshops, which helped inculcate the need for reform. BIGS tried out, and discarded, several approaches to improving service delivery over a period of about four years, before settling on one that exploits its strengths effectively, all the while building a reputation for honesty and excellence. Blitar's Community Block Grant program was developed over a period of several years beginning with an "aspirations gathering" process to help local officials understand citizens' wants and needs.

> **Time is money, but it's worth the investment.** Once prospective WSLIC-2 villages were chosen, project facilitators led villagers in needs assessments and explained the financial and time implications of project involvement. Villages still interested in the project thereafter were required to make community action plans. Facilitators led focus group discussions and village meetings to carry out social mapping exercises to fix construction and maintenance fees. Finally, action plans were evaluated by the Central Project Management Unit. Once accepted, villages were allowed to begin collecting contributions for construction.

Anecdotal evidence suggests service provider buy-in. Tanah Datar teachers and headmasters returning from overseas were convinced that the district head's goals for education reform were correct, and promoted many school-funded follow-on innovations such as travel rewards for math teachers. Blitar's success has reduced initial resistance against it within government, while increasing the capacity of officials to respond to locally voiced needs. Pemalang midwives' motivation to reach the poor increased as a result of involvement with the project, though salaries that lagged behind those of non-project midwives reduced their motivation to provide services somewhat.

> **Service provider buy-in depends on partnering with the provider.** Despite its education focus, CLCC bypassed the Department of Education, choosing the District Planning Agency as primary partner instead; as a result, there is very little buy-in from the Department of Education. Maros also seems to have bypassed the key provider for planning services—the district government—in favor of external consultants and a committed but elite, relatively unknown local NGO. Low provider buy-in is reflected in the district's unwillingness to ensure funding for this fairly cheap program.

Anecdotal evidence suggests client buy-in. Clear benefits to clients generally resulted in a high degree of client buy-in. Pemalang mothers' trust in project midwives grew as friends and neighbors who used their services reported "reduced pain and time in labor"; as their trust grew, so did their use of project midwives' services. Blitar village meetings have "people flowing out through the door, and many sitting outside," reflecting their belief that their attendance can make a difference. Tanah Datar parents took it upon themselves to continue raising money for teachers to take study tours overseas even after district funding for the initiative ceased.

> **Parents flex their muscles.** Since CLCC was introduced, parents have become more engaged in school activities, for example assisting in constructing washbasins for students and in painting the school—a task that in the past was only done when the District Bureau of Education decided to do it. Parents also made their voices heard during scholarship allocation, vetoing the headmaster's choice because they knew the child in question was not very poor. The scholarship was subsequently reallocated.

Though CLCC test results have not improved, better teaching methods have been popular with students and parents, for which the spontaneous adoption of CLCC methods by many schools is evidence. Lumajang water supply systems have had a clear positive impact on project villages—a likely explanation of villagers' willingness to pay regular maintenance fees. Jembrana clients' satisfaction with health services has improved—when asked how they would feel if the insurance scheme were discontinued, a women's focus group exclaimed in unison, "No, no—don't take it away!"

Maros clients, in contrast, perceived virtually no benefit from the project, seeing participatory meetings as "the same old thing" and feeling "hopeless and pessimistic" about the prospects for change. Not surprisingly, there was low enthusiasm for attending meetings and low awareness of the project among clients.

Inadequate information dissemination likely reduced the impact of reforms. In Jembrana, few if any written materials were distributed to citizens that explained the program, leaving many to rely upon word of mouth or on *ad hoc* contacts with village leaders or health workers. Some poor people are unaware that they are eligible for free secondary and tertiary care, so do not take advantage of this service. In Blitar, there have been problems with transparency of block grant spending; while most citizens are satisfied with the overall program, few have access to budgets for the grant money spent in their areas. It is unclear in Boalemo if most citizens are even aware of the civil service reforms being undertaken there. In Maros, the participatory planning program in villages was poorly implemented in at least some of the six initial sites—in two out of three sites visited, most villagers did not even have a recollection of the planning process that had been undertaken in their village. Maros' groundbreaking law on participatory planning has had limited impact in part because of citizens' lack of awareness of the law and its provisions for participation in local planning. The Tanah Datar "Stronger Incentives" policy to send teachers and headmasters overseas was not widely disseminated, thus reducing transparency and impact. Schools which missed out tended to be lower-performing and remote schools. In Pemalang, overworked midwives were sometimes unable to fill their information dissemination roles, so poor women who should have accessed their services did not hear about the voucher scheme.

On the other hand, CLCC reached even poor parents because it used many routes to disseminate information, including formal methods such as School Committee meetings and informal methods such as radio programs and students' chats with their parents. BIGS, whose mission is itself information dissemination, uses many routes: training sessions, workshops, books, posters, journals, the press, and the radio.

4. Impact can be stronger when reforms are implemented FLEXIBLY.

In many cases, new strategies were developed to strengthen positive or reverse negative impact. Tanah Datar's Smaller Classes policy had the perverse impact of reducing access to education for some, as it was not initially accompanied by funding for an increase in the number of actual classrooms. In an initial effort to address this problem, the district government built three new schools between 2003 and 2005. BIGS' initial use of a "report card" exercise to get feedback on service delivery fell on the deaf ears of service providers. Its willingness to be flexible about *how* to achieve its mission of improving governance enabled it go through several more iterations before finally identifying a practical aim in working toward budget transparency. BIGS gained a lot of positive publicity when it shifted gears from merely publicizing information about irregularities in the 2002 district budget, to actually bringing a case against district parliament for corruption. Pemalang district staff were intent on maintaining the access of low-income pregnant women to project midwives' services following the technical end of the project, and decided to continue the voucher scheme for one year. In Lumajang, language was initially a problem for project facilitators in communicating with villagers, but a facilitator skilled in the local Madura language was hired who was able to address this issue. Annual revisions of Blitar's Program Guidelines allowed many changes in implementation, including the establishment of

> **Built-in flexibility means the rules don't *have* to change.** WSLIC-2 requires that villagers themselves choose water tank numbers and locations and set maintenance fees, avoiding a cookie-cutter implementation approach and its pitfalls from the start.

Independent Monitoring Teams and limiting the amount of funding that could be spent on "non-productive" infrastructure projects. Jembrana introduced coverage for child delivery services and reduced service reimbursement rates. Boalemo's district head, realizing the negative financial impact on staff of his removal of most allowances for work expenses, reintroduced "specialized allowances" which partially resolved the problem.

When flexibility doesn't work. Pemalang midwife services were provided to a widely varying number of poor women throughout the project life, due to unclear and constantly changing program rules and inconsistent implementation reflecting district uncertainty about who the target group was and how best to reach it. WSLIC-2 villagers, allowed to set payment schemes for their Maintenance Committees, have sometimes inadvertently reduced the Committees' motivation by choosing to pay members only when there are problems to be fixed. Financial shortfalls in Jembrana were the genesis of a new registration scheme—useful to address the budget gap but with a negative impact on access of the poor to healthcare. Maros significantly altered its initial plans for participatory planning soon after implementation in the first 6 (of 20) villages, shortening the process from 5 to 2 days per village and giving up on the use of villagers as planning facilitators.

> **Jembrana's very flexibility threatens financial sustainability.** The willingness of providers to serve even poor non-members for free is reinforced by the district's willingness to reimburse those providers. This does help ensure access of the poor to healthcare in the short run. However, it reduces the incentives for the poor to register. The short-term benefits to the poor are thus a threat to both financial sustainability of the scheme and long-term benefits to the poor.

5. INADEQUATE DATA COLLECTION limits impact.

None of the cases had effective data collection systems, making mid-course project adjustments to strengthen impact difficult. For example, difficulties in identification and quantification of the Pemalang target group (poor women) probably reduced access to project midwives for some of the poor, but inadequate collection and analysis of data makes it impossible to know to what extent the target group was actually reached. Blitar project data collection is also inadequate to quantify project impact, such as which grants have been most effective. Very limited data on Maros funding and impact makes it impossible to gauge success to date, in particular any linkage between efforts at local planning, the quality of these efforts, and resulting fund allocations from the district. CLCC indicators appear to be lacking, yet without appropriate and appropriately-measured indicators, adjusting the project to strengthen impact is difficult. Inadequate baseline information and monitoring makes assessment of WSLIC-2's impact on health difficult (project managers only began to collect health information in a structured way five years after implementation began). Jembrana includes no regular data collection and analysis on such key topics as how many of the poor are actually registered in the health insurance scheme.

6. The POOR ARE MORE LIKELY TO BENEFIT from improvements in service delivery IF THEY ARE TARGETED.

In case studies where the poor were not targeted by reforms, they were as likely to lose out as to benefit. Tanah Datar's Smaller Classes and Stronger Incentives policies had the unforeseen impact of reducing the number of places at the better senior high schools, effectively reducing poor students' access and increasing inequity among schools. CLCC, though not poverty-targeted, still had a positive impact on poor students, but it was weaker

than impact on better-off students. Local NGO BIGS has not tailored any of its budget transparency work to the poor, despite its overall goal of making the district budget more pro-poor. In Maros, some poor people, like other villagers, are now involved in local-level planning for the first time, but coverage is patchy. In Boalemo, increased opportunities for citizens to register complaints about civil servants do not extend to remote and poor areas.

In the four cases where the poor *were* **a target group, impact on them was mainly positive.** Pemalang's healthcare vouchers clearly increased access of the poor to midwives' services. WSLIC-2 water supply systems in the poor district of Lumajang clearly increased villagers' access to water and improved their livelihoods. Jembrana health insurance clearly increased access of the poor to health services. Blitar's CBG program requires sub-districts to support slum housing which benefits the poor.

Even in these cases, however, the positive impact was limited. In Pemalang, difficulties in identifying the poor, disseminating information to them, and monitoring their access probably reduced impact. In WSLIC-2, some poor villages were not considered for project inclusion because of low density populations, distance from project villages, or other factors that would have increased project cost. In Jembrana, cost overruns—caused in part by inclusion of non-poor clients in the scheme—led district officials to introduce re-registration requirements for the health insurance scheme that some poor find too costly; as a result, membership of the poor in the scheme has dropped by more than 50 percent. In Blitar, while there is a pro-poor funding bias in some sub-districts, there is no data to show whether this is accompanied by positive impact on the poor.

Case	Targeted the poor?	Impact on the poor
Pemalang	Yes	+ Increased, though varying, access of the poor to midwife services
WSLIC-2	Yes	+ Improved quality of life and increased access to water supply - Some poor villages excluded because of distance or other considerations - High tank-to-household ratios may reduce access of poorer households
Jembrana	Yes[xii]	+ Greater access to health services for the poor, especially members of the insurance scheme - New registration system and scheme's flexibility may have reduced access of the poor
Blitar	Yes	+ Increased funding for slum housing ? Pro-poor funding bias in some villages, but implications of this for the poor are unknown
CLCC	No	+ More active teaching methods, greater student and parent involvement among poor and non-poor
Maros	No	+ Inclusion of the poor in some village planning - Exclusion of some poorest hamlets in village planning
Tanah Datar	No	- Decreased access to senior high school for some poor students; especially in remote areas, increased costs for some poorer schools
Boalemo	No	- Exclusion of the poor from opportunities to lodge complaints about civil servants
BIGS	No	* None

7. Most cases' SUSTAINABILITY IS THREATENED by problems with partners, leadership, and funding.

CLCC sustainability is threatened by partnership with the District Planning Agency rather than the District Education Department, and by unsure funding for schools with poorer parents and unsupportive headmasters. BIGS' sustainability is threatened by the founder's plan to step down. The new leader will have to be equally talented and inspirational. Maros, too, does not appear to be sustainable, though very limited availability of some key data leaves this open to question. The district's reluctance to commit and disburse necessary funds, despite the low cost of the program, means financial sustainability is not assured. Dependence on a single champion—local NGO *Forum Warga*—which is relatively unknown at the village level and has institutional limitations of its own, reduces prospects for institutional sustainability. Finally, limited villager involvement (in what is ostensibly a villager-focused participatory planning project) weakens chances of social sustainability. WSLIC-2's sustainability is unknown. While locals' sense of ownership of water supply systems increases possibilities for sustainability, the systems in the visited areas have been operational for a maximum of two years, and two systems have been operational for less than one year—not long enough to prove sustainability. Moreover, evidence from one village indicates that only major changes, such as ensuring maintenance fee collections and finding substitutes for external facilitators, will ensure sustainability.

Jembrana is unlikely to be sustainable. District spending on the health insurance scheme is increasing rapidly, in part because of the inclusion of non-poor clients. As a result, officials are exploring self-financing mechanisms which threaten to exclude some poor. Inadequate investment in the administrative framework and the scheme's uncertain legal basis also reduce sustainability. The fact that the Jembrana district head was reelected in 2005 may, however, increase chances of political sustainability of the scheme.

In contrast, Blitar appears to be sustainable from all points of view. Community members feel that technically, Block Grant-funded projects have been more efficient and higher quality than previous government-led projects. Because of its integration with the pre-existing planning process and with local organizations, as well as government staff's growing acceptance and support, the program is institutionally sustainable. The 2005 reelection of Blitar's mayor indicates political sustainability. Social sustainability is assured with communities' high level of involvement financially, during planning and during implementation, as well as through the flexible way the district head has allowed implementation to proceed. Finally, financial sustainability seems assured by the program's low cost, fully local funding, and increases in that funding source (the district budget). Insecure legal footing is the only threat to overall sustainability.

8. Looking forward: Using MSWP findings to strengthen service delivery elsewhere.

Target the poor in service delivery projects to ensure they benefit.

The cases demonstrate that the best way to ensure the poor benefit from reforms is to target them.

Even in ongoing service delivery projects which do not target the poor, however, mid-course project adjustments can be made to mitigate negative impact and strengthen positive impact on the poor. In Tanah Datar, for example, more funds could be provided for extra teachers and classrooms to accommodate student spillover from limited-numbers classes in poorer areas, reducing competition for places that may be squeezing out poorer students. In CLCC, outreach methods tailored to the needs of poorer parents could be deliberately (rather than unintentionally) incorporated into school-by-school implementation. BIGS could implement targeted activities such as a budget information poster tested on poor citizens, or workshops designed to accommodate poor citizens, perhaps leading more rapidly to pro-poor results.

Invest in good information dissemination mechanisms to help build trust in service delivery projects.

The cases show that inadequate information dissemination likely reduced the impact of reforms by reducing the target audience's awareness of, and ability to make use of, reforms. This was the case in Maros, Boalemo, Tanah Datar, and Pemalang. For instance, lack of written materials forced Jembrana citizens to rely upon word of mouth or personal contacts with local leaders to get information about potential project benefits. In a self-perpetuating cycle, low buy-in reduces the potential for effective information dissemination (as happened in Boalemo), and less effective information dissemination can further lower local buy-in. A relationship of trust and good information dissemination go together.

There are many options for improving dissemination of information, including putting more of the information in writing via legal documents or newsletters, sending information via local leaders, and broadcasting information on radio or television or reporting it in newspapers.

Notably, information about CLCC reached even poor parents because it used many routes to disseminate information; BIGS, whose mission is itself information dissemination, also uses many routes. The lesson: use many approaches to spread the word.

Lack of transparency about budgets, even in projects which highlight citizen participation (Blitar), is common. Financial transparency should be one focus of information dissemination efforts.

Support leaders within local government and local NGOs for service delivery reform.

The cases show that innovations in service delivery were dependent on local rather than external leaders, whether externally conceived and funded or not. Systematically search for and identify potential leaders in service delivery reform, including "alternative" leaders such as school inspectors, older teachers, School Committee heads, traditional birth attendants, and informal village leaders. Search tools could include direct calls, questionnaires sent to national line ministries or the Association of *Bupatis* (district heads), and surveys of NGOs and donors. Provide leadership training.

Support existing leaders interested in doing service delivery better. Most case study innovators could benefit from assistance with implementation, publicizing reforms, getting feedback, and measuring impact. For example, Maros leaders could benefit from assistance in linking village and district plans and budgets. Perhaps reward successful innovations with awards and publicity to demonstrate the development community's support for new or unusual work, thus mitigating resistance from the established order. Make legal space for innovation, such as via a "pilot program exception" rule that would enable district-level experimentation, even if it conflicted with national law.

Ensure projects that use external leaders have a plan to minimize dependence on them, and to hand over to prepared local leaders when external support ceases.

Ensure financial sustainability for service delivery projects.

The cases show that ongoing funding for most projects, including all externally financed projects, is in doubt. Financial sustainability is intimately linked to social sustainability: participation requires that people believe their involvement today will be rewarded with better outcomes tomorrow. Ensure financial sustainability for donor-supported work following donor withdrawal by incorporating it into a project's planning and decision-making structures.

Support reformers to ensure financial sustainability of service delivery reforms. Assist them in exploring self-financing options (and their potential negative impact), improving their

financial planning skills, increasing local government revenue, and planning for rationalization of local government to reduce costs.

Provide long-term untied core funding for local government and local NGOs that is results-based rather than project-specific or time-bound. By its nature, governance reform does not generally produce immediate results. Worse, in the short term it tends to alienate the political elite by insisting that they change their behavior and make themselves more accountable to the public. Funding governance reform must reflect reality: results take time.

Promote low-cost reforms: relatively inexpensive reforms (such as CLCC or Blitar) will have a better chance of garnering local political support, as well as interest from other localities in replicating them.

Consider lower-cost alternatives: in Tanah Datar, staff could have been sent on study trips to centers of training and educational excellence within Indonesia to cut costs. In CLCC, low-cost substitutes for materials that currently must be purchased may be available.

Consider project activities that reach more clients with little or no extra costs (the "ripple effect"). Tanah Datar's "ripple effect", for example, could be strengthened by ensuring that lessons learned on overseas study trips are passed on to those who stayed at home.

Don't skimp on the basics: investment in administration and management can go a long way. Jembrana's management staff are terribly overworked; an increase in staff numbers alone could help to resolve the three-month delay in reimbursements to providers—a delay that could be affecting provider performance.

Ensure all service delivery projects include an effective monitoring component.

One thing that has not benefited from decentralization is data collection. Past systems that had been managed at the provincial level have been abandoned, and have not yet been replaced by systems at the new functional local level of government—the district. Indeed, none of the cases had effective data collection systems, making mid-course project adjustments to strengthen impact difficult.

Getting the indicators right is crucial. What *is* high-quality education, for example? Major stakeholder groups should be canvassed for their own definitions of key variables. Process variables (such as a participatory School Committee) may turn out to be as important to impact as outcome variables (such as higher exam scores).

Collection and use of the indicators is equally crucial. As with many projects, data collection on Blitar appears to be inadequate to demonstrate project impact, and thus inadequate to serve as a basis for program improvements. If, for example, one goal of the program is to increase community participation in development activities, then regular program monitoring should include data collection about what types of groups (women, the poor, the elderly, children, small business owners, local elite, *et cetera*) are participating, at what stages (proposal, planning, selection, implementation, funding, monitoring, managing), where (from more urban areas, from more rural areas), how (speaking in meetings, speaking to local officials, attending meetings), and how often (once, regularly, at night, *et cetera*). Only accurate and well-analyzed data on topics relevant to program goals can help to revise program design for greater effectiveness.

Monitoring systems should also ideally collect information on control locations, where socio-economic variables are similar but the reforms in question are not being undertaken.

> **Build flexibility into project rules to strengthen positive or reverse negative project impact.**

The cases show that strategies can be developed to strengthen positive or reverse negative impact if program rules are flexible. For example, projects consisting of modules that can be added or subtracted depending on local conditions could be more effective than a rigorously planned model, as long as all modules are geared to the ultimate project aim. In CLCC, though the School-Based Management component was not effective in one school with an unsupportive headmaster, the Active, Joyful, Effective Learning component still made an impact on students, teachers and parents—clear progress toward the CLCC goal of improving education quality.

> **Assist in the implementation of local laws and regulations supporting reform.**

The cases show that the impact of reforms is threatened where local supporting laws and regulations are weak or lacking. Passage of progressive local laws may have only minimal impact without the accompanying implementation regulations. Maros' law on citizen participation, for example, has not yet had a major impact on the population. Boalemo's transparency law is very progressive on paper, but only its implementation will determine whether it actually increases government accountability. Designing and passing implementation regulations is key to creating a local legal environment that is supportive of service delivery reform.

> **Replicate successful service delivery innovations.**

Service delivery innovations that have already been replicated locally are a good bet. At least four other civil society organizations have already taken advantage of BIGS' training and information services to explore and work on budget transparency, while citizens from other cities have also begun to pressure their governments to publish their budgets. CLCC has spread both formally, to 70 new schools in 2004 alone, and spontaneously, to another roughly 30 schools. Counting spontaneous adoption, CLCC now reaches nearly 35 percent of primary schools in the district visited. Even after the technical end of the Tanah Datar education reforms, 150 Tanah Datar teachers in 2004 alone applied for and received partial funding from the District Education Bureau for learning trips to Malaysia, and even more applied for support in 2005.

> **Pemalang's discontinued vouchers for midwives program deserves another chance.** Three aspects of the voucher program made it particularly effective in increasing poor women's access to quality healthcare. First, the requirement that midwives actually submit vouchers in order to get paid for their services to poor women gave them strong motivation to seek out poor clients. Second, because vouchers had to be presented for payment, there was little room for fraud. Third, the vouchers were for specific services; simply having the voucher booklet may have raised the awareness of poor pregnant women of the services to which they are entitled and which they should seek. The new national health insurance program presents an opportunity to build on the success of the voucher program which it supplanted.

Service delivery innovations with high follow-on impact (increasing the number of beneficiaries without increasing costs) are another good bet. Tanah Datar reforms spawned unplanned follow-on changes at some schools such as sending supportive School Committee members to Jakarta for peer exchanges, and School Committee awards for high-performing teachers. A creative follow-on change spawned by CLCC was the inauguration of a school radio program featuring information on homework assignments and showcasing students' good work. One WSLIC-2 village copied the water supply maintenance fee system to collect payments for the construction of 2 km of local roads. In another village, the Maintenance Organization has planned to construct toilets for every household.

Service delivery innovations with a high probability of being sustainable also merit support. Blitar's positive impact on community involvement in planning, in addition to its favorable

prospects for technical, institutional, social, and financial sustainability, make it a project well worth further study and replication.

> **Use MSWP results to advocate for a policy environment at the national level that is supportive of local-level service delivery reforms.**

A predictable regulatory framework is important for local leaders. Though the national policy environment is, overall, very supportive in Indonesia, inconsistencies in implementation of decentralization policy still reduce the impact of local service delivery innovations. Both the Jembrana and Pemalang cases illustrate ways in which national health programs may kill promising local-level efforts to expand access to and quality of health care for the poor. Boalemo's leader, full of enthusiasm for the central government's 2003 decision to allow districts to begin recruiting civil servants themselves, made great efforts to ensure the recruitment process would be as transparent as possible. A year later, the central government stopped the experiment. Many districts perceived this move as a reflection of the central government's half-heartedness in embracing decentralization.

Annex: Case study innovators and funders

	Innovator(s)	Funder(s)
1. **Tanah Datar**	**Local**: District head	**Local**: District, schools, School Committees and headmasters
2. **Pemalang**	**External**: World Bank and Ministry of Health	**External/local**: World Bank, central government, district Health Bureau
3. **CLCC**	**External**: UNICEF and Ministry of Education	**External/local**: UNICEF, district, schools
4. **BIGS**	**Local**: BIGS founder	**External**: Ford Foundation
5. **WSLIC-2**	**External**: World Bank, Ministries of Health, Planning, and Public Works	**External/local**: World Bank, AUSAID, central government, villagers
6. **Jembrana**	**Local**: District head	**External/local**: District, central and provincial subsidies, P.T. Askes (state-owned insurance company), clients
7. **Blitar**	**Local**: City leaders	**Local**: District, communities
8. **Maros**	**External**: USAID	**External/local**: USAID, district
9. **Boalemo**	**External/local**: District head, World Bank	**Local**: District[xiii]

Acronyms and abbreviations

AUSAID	Australian Agency for International Development
BIGS	Bandung Institute of Governance Studies
CBG	Community Block Grant
CLCC	Creating Learning Communities for Children
DFID	Department for International Development (UK)
MSWP	Making Services Work for the Poor
NGO	non-governmental organization
UNICEF	United Nations Children's Fund
USAID	United States Agency for International Development
WSLIC-2	Second Water and Sanitation for Low-Income Communities Project

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All the MSWP cases are available in both English (online at
http://www.innovations.harvard.edu/indonesian_innovations) and Indonesian (forthcoming).

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[i] More information can be found at www.worldbank.or.id.

[ii] Dahl-Ostergaard, Tom *et al.*, <u>Lessons Learned on the Use of Power and Drivers of Change Analyses in Development Cooperation</u>, DFID: Sussex (September 2005).

[iii] BPS-Susenas Panel Modul.

[iv] "Welfare Indicators 2004," *Badan Pusat Statistik* (June 2005).

[v] This figure excludes beneficiaries of follow-on reforms, audiences of BIGS' radio shows (about 250,000 people) and Boalemo civil servants' clients (about 106,000 people). Some people counted as "beneficiaries" may not have taken advantage of reform benefits to which they were entitled.

[vi] Using an exchange rate of US$1 = Rp. 10,000.

[vii] Impact of reforms in cases 3, 5, 6, 7, and 8 was inconclusive regarding: accountability of school management; villagers' health; health workers' interest in working in Jembrana; impact on poor communities; and type or amount of support for village proposals over time, and integration of village and district plans, respectively.

[viii] Focus group discussion with Kepanjen Kidul sub-district head and 7 urban village heads.

[ix] Maros was one of just 6 districts in which a participatory planning law was passed, out of similar efforts supported by USAID's "Perform" project in 79 districts.

[x] After a law has been passed in Indonesia, it usually takes about a year for implementation decrees to be issued.

[xi] Financial sustainability issues are moot for Pemalang, which was superseded by a government health insurance scheme and is no longer operational.

[xii] Jembrana health insurance was set up to provide all citizens with healthcare; the poor were targeted inasmuch as they are Jembrana citizens, but *ensuring benefits to the poor was not the most important aspect of the program*.

[xiii] Promised World Bank support has yet to be disbursed.