

Local participation in Indonesia's Urban Infrastructure Investment Programming: Sustainability Through Local Government Involvement?

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Abstract

A principal objective of Indonesia's Integrated Urban Infrastructure Development Programme (IUIDP) was to enhance local government capacity to manage urban infrastructure investment and construction. It is argued in the following that the IUIDP has achieved little towards this end because it has remained a programme of central government which is still alien to the local governments who should have adopted it. Local governments have not been motivated to find the funds for repaying the loans involved and they continue to treat the IUIDP process as separate from their traditional budgeting and infrastructure provision activities. Consequently, the programme has not become sustainable.

Key Words

Urban infrastructure; decentralisation; urban management; capital programming; participation.

Introduction

Over the past two decade or so, provision of adequate urban infrastructure has caught the attention of the international donor community and national governments. It was openly advocated in 1987 by the United Nations Centre for Human Settlements (UNCHS, 1987). The adequate provision of basic urban infrastructure (for water, sanitation, drainage, electricity, and vehicular access) is acknowledged as vital for urban development (e.g. Steinberg, 1991, Devas and Rakodi, 1993; McGill, 1998). Urban development offers efficiencies in the provision of services to people, and increasingly cities and towns are the homes of the world's population. In 1996, in developing countries the proportion was 36 percent (UN, 1997). In the case of Indonesia the urban population was 31 per cent in 1990 and it was predicted that by 2000, 41 percent of total population would be living in urban areas (BPS, 1994). Yet the provision of service infrastructure has been lagging well behind the need. In 1993, according to a national socio economy survey, only 6 percent of the urban population in Indonesia are lucky enough to get access to public water supply and proper sanitation (BPS, 1994).

Provision of urban infrastructure in developing countries has depended on central government financing, largely due to the inabilities of local governments to raise and manage the funds required. Therefore, major programmes of urban infrastructure development such as the Municipal Development Project in Argentina, Urban Management and Development Project in Gambia and Urban Development through Local Efforts (UDLE) programme in Nepal all feature efforts to strengthen the capabilities of local governments (Wegelin, 1995; GTZ, 1995). Enhancing the capacity of local government to adequately provide urban infrastructure is often seen as a chief aim of decentralisation policy in a number of countries. (UNCHS, 1997; Seselo, Taylor and Wegelin, 1995, Rukmana, Steinberg and van der Hoff, 1993). Decentralisation has offered the hope of shifting responsibility to local authorities. This is not just an attraction of decentralisation. It is also a strategy for improving infrastructure construction cost recovery by bringing decision making closer to those receiving the benefits. Better cost recovery means the continuation of a infrastructure provision programme.

Local participation is crucial in all programmes that aim at strengthening local capacity. The Integrated Urban Infrastructure Development Programme (IUIDP) in Indonesia has attempted to address this need, making one of its principal objectives the enhancement of local government capacity to manage urban infrastructure investment and construction (Steinberg, 1992; Suselo, Taylor, and Wegelin, 1995; Van der Hoff and Steinberg, 1992; Crane, 1995). However, the practice of the IUIDP has apparently achieved little towards this end. It is argued in the following that the IUIDP has remained a programme of central government which is still alien to the local governments who should have adopted it. Research into the practices of the IUIDP, which obtained evidence from site visits and from interviews with government officials at central and local levels and with consultants¹, reveals major reasons why this is so, and consequently why the programme has not become sustainable.

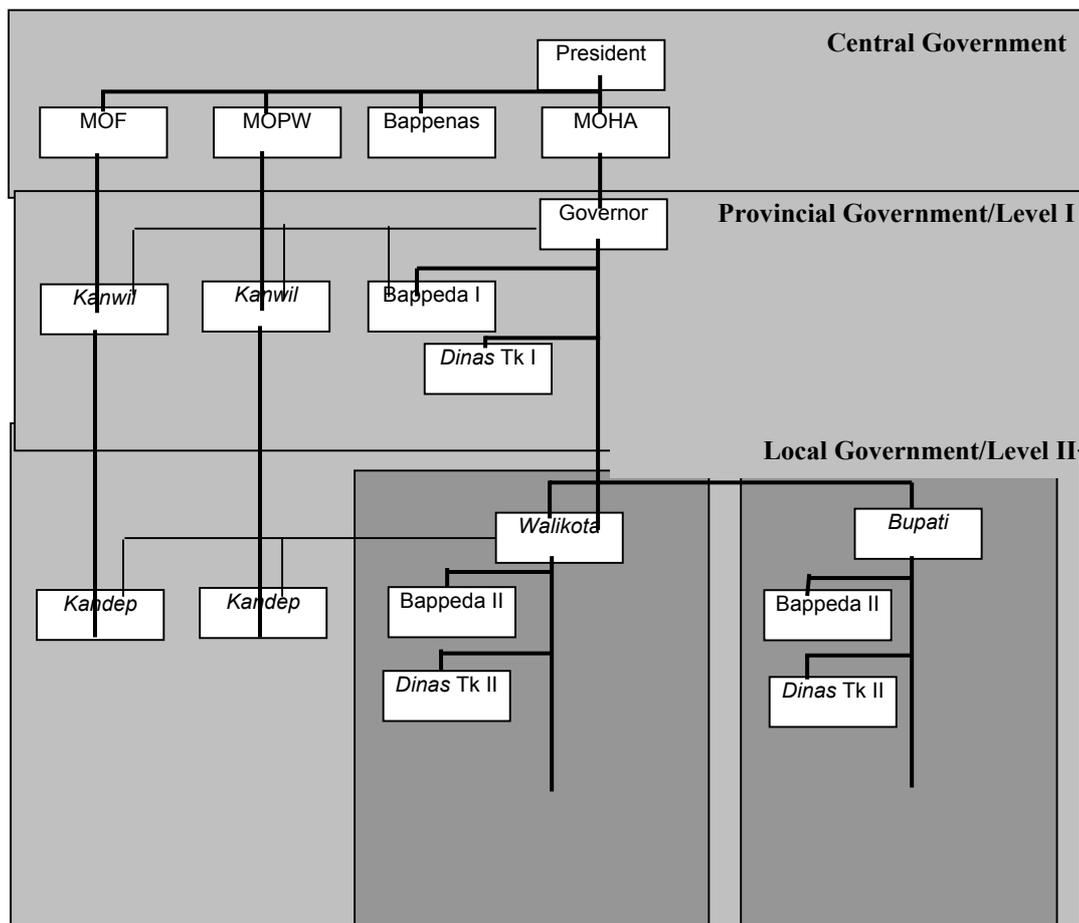
¹ Interviews and site visits in 7 *Kotamadya* and *Kabupaten* were carried out in Indonesia in January to March 1999 by the authors during an investigation commissioned by the Department for International Development of the British Government.

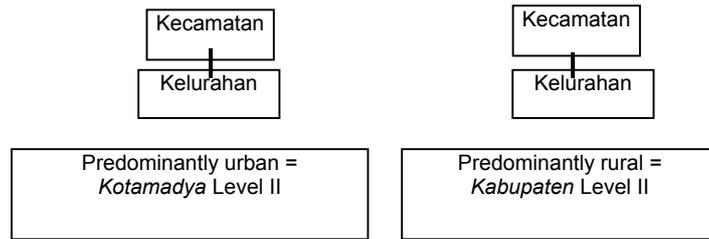
The Integrated Urban Infrastructure Development Programme

The government of Indonesia sought to ensure the adequate provision of urban service infrastructure by introducing the Integrated Urban Infrastructure Development Programme (IUIDP) in the 1980s. The IUIDP has drawn a great deal of attention, often being seen as a model of its kind. (Devas and Rakodi, 1993, UNCHS, 1997) The programme was designed, firstly, to help local government at level II (*Kotamadya* and *Kabupaten*) in planning and programming for the provision of basic urban infrastructure which has traditionally been the responsibility of the Ministry of Public Works. Secondly, it sought to improve efficiency and to avoid duplication in the construction of urban infrastructure. Thirdly, it hoped to enhance the capacity of local government to prepare investment programmes with projects and priorities which suit local needs (Rukmana, van der Hoff and Steinberg, 1993; Sidabutar, 1993). With regard to the first of these, the more specific aims were to create more self reliance and less dependence on the central government for planning and delivery of urban infrastructure, to increase local government revenue generation capabilities by improving their financial base and providing better access to funds from loans, to enhance local government's human resource and institutional capabilities so they could plan and manage the delivery and development of urban infrastructure more effectively, and, finally, to integrate the country's traditional town planning together with a new action planning approach that would improve the programming of capital investment projects, the mobilisation of funds for them, and implementation (Kosasih and Sutmuler, 1993). To make easier this task of integration, the initial IUIDP concentrated on those elements of infrastructure that traditionally were under the responsibility of Ministry of Public Works (Rukmana, van der Hoff and Steinberg, 1993, Suselo and Taylor, 1995).

To better understand the IUIDP process, one has to understand that the organisation of the Indonesian government possesses a centralists character which has been criticised by many writers as a hurdle to decentralisation. (Devas, 1989; MacAndrews, 1986, Hill, 1996; Crane, 1995). Indonesia is a unitary state; the administration is divided into three tiers with the central government being the first, the provincial (level I) government being the second tier, and the local government - *Kotamadya* (urban) and *Kabupaten* (rural) - (level II) being the third. There are 26 provinces at level I and 55 municipalities and 243 rural local governments at level II. The central government comprises ministries and other administrative units which are further fragmented horizontally and vertically (see Diagram 1).

Diagram I
Summary of Indonesia's Administrative Structure





Note: MOF : Ministry of Finance; MOPW: Ministry of Public Works; MOHA: Ministry of Home Affairs; Bappenas: National Development and Planning Board; *Kanwil*: Regional Office; Bappeda I: Provincial Development and Planning Board; *Dinas* Tk I; Local Authority at level I; *Kandep*: Local Office; *Dinas* Tk II : Local Authority at level II; ; Bappeda II: *Kabupaten/Kotamadya* Development and Planning Board ; *Walikota*: Mayor; *Bupati*: Head of *Kabupaten*; Kecamatan: District; Kelurahan: Sub District

There are three principles governing the relationship between central and local government in terms of the responsibilities for policy formulation, financing and implementation. These are deconcentration, decentralisation, and co-administration. The *Dinas* at level I and level II (Local Government) are to perform decentralisation, while *Kanwil* in level I and *Kandep* in level II (Local Government) are supposed to perform deconcentration. In reality, however, the latter pair perform co-administration more than deconcentration. Mayors of the *Kotamadya* and *Bupati* of the *Kabupaten* have been responsible to co-ordinate the different functions of the *Kandep* and *Dinas*. The Bappeda II is the only institution which is actually co-ordinating the planning and programming activities of the local government.

The Ministry of Public Works, for instance, is responsible for handling the technical aspect of urban development, such as water supply, sanitation, and the construction of roads. These responsibilities are deconcentrated to level I of government through regional offices of the Ministry (*Kanwil*) and the Ministry's offices at local authority level (*Kandep*).

Responsibility for infrastructure development at provincial level is largely controlled by central level, as is shown by the proportion of local government revenues which are funds transferred from the central government. On average, only 15% is raised by the local government and the rest is a central government grant (Kuncoro, 1995). Moreover, the use of only a very small portion of the central government grant can be freely determined by the local government. Most of the grants are allocated according to detailed guidelines. In practice, local governments have little or no influence over the use of these grants.

Local participation

The IUIDP was expected to involve the following actions. First, the local authority would review the suitability of its local spatial plan as a guide to an infrastructure investment programme and revise this plan as necessary. If no suitable plan existed, it was to quickly prepare one which was called a IUIDP Development Assessment Plan (IDAP). The spatial analysis involved was to identify urban growth trends including directions, existing infrastructure deficiencies and medium-term requirements, approximate costs, and suggested means of financing. Next, a programme of projects was to be drawn up, backed by technical and financial feasibility studies, as a draft multi-year investment plan called the draft PJM (Zaris, Carter, and Green, 1989; Rukmana, Van der Hoff, 1993, van der Hoff 1998).

Meanwhile, assessments were to be made of the capacity of the local government to finance investments, and a plan was formulated to bring this up to the level required of the investment programme (the Revenue Improvement Action Plan, or RIAP). Also, a plan was to be created for the institutional development which implementation of the investment programme would necessitate (the Local Institutional Development Action Plan, or LIDAP). The final multi-year investment plan (PJM) was to be created by integrating the financial and institutional aspects of the RIAP and the LIDAP into the draft (Steinberg, 1991:6,7; Rukmana, Steinberg, van der Hoff, 1993, Suttmuller, 1993).

It was expected that this final multi-year investment plan (PJM) - which is still a proposal - would then be forwarded up through the provincial government level for appraisal and approval of its technical,

financial, economic and institutional elements. (Ibid.)

The local government would then prepare its annual budget taking the first year of the PJM as a component of the investment expenditures for the year. The budget requests of the local governments are compiled each year by the provincial government, appraised by this level, and then sent on to the national government for approval and inclusion in the central government budget. In this way, funding for part (or all, as the case may be) of the PJM is committed by central government from its own revenues or from packages of loans from foreign donors. (Ibid.:7)

Basing the PJM on a spatial plan is supposed to be an important step in its preparation. These days most local governments already have an urban spatial plan, although the quality may not be adequate for the IUIDP. However during the first year of the IUIDP², few cities possessed such plans and most of those which did exist were unrealistic. Thus, in 1987 the IUIDP Development Assessment Plan (IDAP) was introduced especially to guide the formulation of an investment plan. It incorporates the existing development plans either approved, pending approval or in preparation (Zaris et al., 1989; Hoff and Steinberg, 1992). Its preparation was meant to be relatively uncomplicated compared to conventional urban planning, making it easier and faster (about three months) to carry out.

The intended overall process of preparing a PJM has been briefly described as the following (Sutmuller, 1993; Tim Koordinasi Pembangunan Perkotaan, 1989) (See Diagram 2):

1. An urban development strategy is constructed for the next 5 to 7 years based on spatial plan.
2. Using available data, the present capacities of existing infrastructure are estimated.
3. Infrastructures needs are assessed based on projections and knowledge of the available infrastructure.
4. The capacity of the local resources is assessed.
5. A Local Revenue Improvement Action Plan is formulated to identify alternative sources, to increase the local revenue, and to optimise the use of local revenue.
6. A long list of projects is drafted without a thorough consideration of the local institutional capacity.
7. The local institutional capacity is assessed, including that of the private sector and the community.
8. A Local Institution Development Action Plan to enhance the capacity of local institution is drawn up.
9. Technical designs are prepared for the prioritised projects, and the feasibility (technical, economic, and environmental impact) of each is assessed.
10. The final PJM is created, which consists of a statement of projects, an investment plan, and the implementation schedule.

Local Government Involvement in Practice

These intentions for local government participation had a number of aims. Decentralisation was much in mind, as a means to achieve greater sensitivity to local needs and to stimulate local revenue generation. It was hoped that cost recovery would be improved by increasing local government

² At the time the first IUIDP was implemented in 1984, there were four types of plans: first, General Urban Area Plan (RUTRP-*Rencana Umum Tata Ruang Perkotaan*) which defines the long term (20 years) strategic development framework for town and its immediate hinterland; second, City Structure Plan (RUTRK-*Rencana Umum Tata Ruang Kota*): a long-term plan restricted to the town administrative boundary: which serves as the basis for development control; third, Detailed Urban Plan (RDTRK- *Rencana Detil Tata Ruang Kota*) which shows the priority of development areas, showing detailed land use and infrastructure, and proposal for implementation; and fourth, Technical Plan (RTRK-*Rencana Teknik Ruang Kota*), which shows detailed development proposal for selected areas to the level of individual plots, with recommendation for plot layout, land use, access, infrastructure etc. (see Zaris et al, 1989).

involvement (Tambunan and Pereira, 1995). However, the practice of the IUIDP has not achieved the degree of local government involvement that was intended. After more than ten years of implementation in Yogyakarta, the IUIDP process is still alien to the officials of Bappeda and *Dinas*. They said that IUIDP has its own method for planning and programming whereas the Bappeda and *Dinas* have other methods.

Programme Preparation

Local officials have not fully understand the IUIDP process because they have received limited information from the central government. It has been common for local governments to think that IUIDP is a project of Central Government and thus be passive and uninvolved. They have relied consultants to do the work, with the consequence that consultants, not local authorities, tended to drive the development of the whole of the draft PJM.

The fact that most of the costs of the IUIDP are funded by foreign loans also contributed to the use of consultants. Two major donor agencies for the IUIDP are the IBRD and the Asian Development Bank, each demanding adherence to different standards during loan disbursement. The IBRD requires the preparation of a PJM in accordance with its standards to make a bankable project, while the ADB sees the PJM as a document for internal use by the Government of Indonesia. Instead it emphasises the correct preparation of the project documents or sub-project digest for a bankable project. (Kosasih, K., and Sutmuler, P., 1995). Central Government have chosen consultants and project co-ordinators in order to satisfy the requirements of these donors, and consultants took all the responsibility, so that local government staff participation has been very limited.

Planning to guide project identification has most often been undertaken by consultants in the cases of practice which were surveyed, not by the local authority. For example, Bappeda officials said this was so for the plan preparation for Padang, a city of about 850,000 and the capital of West Sumatra Province. In fact they reported that consultants prepared spatial plans for 20 cities in West Sumatra. Similarly, in almost all the cases examined in East Java and Central Java the involvement of the local governments was limited only to the approval and prioritising the long list of possible projects. In other words, a consultant prepared the draft and presented it to the local government technical team to be discussed in detail. Bukit Tinggi, a city of around 90,000 in 1999, provides another example. Although it already had a spatial plan, this was not the plan used for the IUIDP. Instead a new plan was created by a consultant within a very limited time. According to one Ministry of Public Works staff involved, this consultant who was chosen by central government prepared all the programming in co-ordination with the sectoral agencies at the local level. He claimed that the programme consequently did not reflect the people's needs.

Despite the relative simplicity of the spatial planning process for the IUIDP, there were often circumstances which required the expertise and experience of a consultant. For example, in the first phase of IUIDP in East Java there was a lack of reliable data. Base maps often were not available. The consultant and the technical team of staff from the provincial and local governments had to create these by compiling maps acquired from several sources. Particularly population data and land use data were questionable. In some cases the consultant had to cross check by estimating population from aerial photographs.

Choosing Investment Projects

Identifying Projects

The review and revision of an existing spatial plan or the creation of a new one was expected to help in the identification of projects by identifying areas for expansion requiring new services and existing areas where conditions are not acceptable because service infrastructure is not adequate, yet this was primarily an activity carried out by consultants. Consultants also dominated the assessments of the needs and demands for infrastructure. Where local government technical officers took part in these calculations, a consultant tended to be in the lead. Weaknesses in staff capabilities usually brought this about. For example, in some cities in East Java, the real demand survey performed by local government staff which estimates the abilities of the beneficiaries to pay the charges for the services they received was not conducted properly. In some instances the surveys conducted in the central area were used for other areas, making project identification and financing unrealistic.

It has to be said that there have been cases where local governments have played a stronger role. One of these is Malang is a town in East Java with population of around 250.000. The IUIDP in Malang was started in 1989 as part of the East Java and Bali programme funded by the IBRD. A consultant prepared a spatial plan and used it as the basis for an assessment of infrastructure needs. The calculations focused on the backlog, and the results were plotted on the plan map to see the spatial relationships of possible projects to answer to them. The consultant prepared a long list of projects together with a draft Revenue Improvement Action Plan and Local Institutional Development Action Plan for discussion with the local government. However, according to the consultant, the transformation of the long list into a short list of priority projects was done by the local government, with the consultant present only for the presentation of the final result. Sometimes there has been a very long term relationship between consultant and local government, as in Yogyakarta. which ought to bring the local government closer to the consultant's activities. However, there is no escaping the inference in that case of the consultant being a national of the foreign country which was financing his services and providing the loans for the infrastructure investments.

Most often it seems that infrastructure projects are identified by various government institutions at various levels, not just by local government, each according to their own interests. These are then brought into the series of annual meetings (*Rakorbang*) for planning and development which start at the community level and are subsequently held at sub-district, the district, local authority, provincial and finally central government level. The offices of central government ministries deconcentrated to provincial and local government levels are prepared for these meetings with lists of projects in their respective sectors which respond to their distinctive and narrow perceptions of what is needed. A local government, if it has any capacity at all to make similar preparations, seems to enter these meetings as just one among many equals. Little attention is paid in these meetings to the spatial plans which might contain the intentions of the local government.

Prioritising Projects

It was intended that in the *Rakorbang* meetings projects would be selected for the draft PJM from the many possibilities which were tabled, and that the spatial plan, with its local government perspective, would help in establishing priorities by showing the timing and coordination needed. But what often seems to have happened in the programming is that the local government would give all its attention to the funds available and then propose projects to fit within these limits. It would not consider projects which could be financed if it improved its revenues.

Because the spatial plan was so often prepared or revised by a consultant, it was not necessarily an expression of a local government's preferences. Even so, once projects for the PJM are identified, the spatial plan was rarely consulted again in order to help in their prioritisation. As the long list of possibilities was cut down into a short list through interaction with higher levels of government, prioritising was more and more based on a project's economic appraisal and financial feasibility rather than its social, economic and environmental benefit and impact. Another factor seems to have been the interests of central or local elite, which often dictated the location and the amount of money to be spent for some projects.

Throughout this part of the process, projects originating from the central government line agencies tended to displace local priorities. Prioritisation of projects involves the provincial and central government level to ensure that the policies of these levels are considered. Reducing the long list of initial possibilities to a short list of priorities and then shaping this to the approval of provincial and central level gatekeepers of funds is a process requiring alterations and submissions of new proposals. It has meant that the list of projects in the approved final PJM often differs considerably from that in the draft PJM. In the process often the location has moved and the size has been altered from whatever the local government had first proposed.

The IUIDP constructs improvements to specific categories. The number has varied but the coverage has remained very much the same. Steinberg (1991:7) identifies 8 major service components: drinking water; sewerage/human waste; solid waste; drainage/flood control; urban road; kampung and market improvement; urban renewal/public housing/etc; and spatial urban planning. Local officials complained that all IUIDP component are not needed, yet the local government has been put under pressure to 'create' projects to fill all the component categories. At the same time, there may have been others in

which they wish to invest. Consequently, the local government may see itself as burdened with debts for unwanted facilities and unable to build others which it does want. This contributes to the feeling that the IUIDP is a central government programme.

Implementation

Once the multi-year investment strategy is agreed, there are events which follow during which projects have been substantially changed. Sometimes these changes have occurred in ways which further distance the local governments from the IUIDP.

As it is a plan, the PJM is created through the rational prioritisation of investments in urban infrastructure during the plan period. Theoretically, a rolling programme of expenditures is formulated to maintain a mid-term view while undertaking regular revisions and adaptations to suit changes which occur as time passes. The programming also has to be flexible enough to fit with the normal local government annual budgeting procedures. The coordination required is not easy to provide for a programme of expenditures which is approved at central government level and managed by a deconcentrated office of a ministry. This encourages local governments to view the PJM as 'another' programme, one which they must work at fitting to their regular budget operations.

Moreover, funds for PJM implementation are pooled from the different central government institutions responsible for infrastructure development. Commitments have to be obtained from these institutions to contribute to the pool. The agreed PJM is used not only to negotiate funds from these institutions but also to negotiate major loans from the like of the ADB or IBRD. In cases where the funds expected from these institutions were withdrawn due to some circumstances (such as when a 'committed' institution has to adjust its own annual budget to realities), a PJM has had to be changed because of decisions in which the local government has not part.

Important opportunities for revisions after agreement on the PJM (multi-year investment strategy) arise when the detailed engineering design of projects is performed and during project implementation.

Problems of the technical feasibility of a project arise when it is looked at closely, and the solution to these often is taken out of the hands of the local government. Frequently this has been a matter of land acquisition. In the first place, because there were usually considerable time gaps between project proposal and the physical implementation, the conditions at the location where the project was to be implemented have changed. Then, there is the fact that scheduling in the PJM was not always reflected in the central government budgeting of IUIDP funds, so that there were cases where financing for detailed engineering design came before that for land acquisition. In a place like Padang, traditional ownership rights are still very important, so land acquisition becomes very complicated and unpredictable. In Denpasar, funds for the detailed engineering design were disbursed before land acquisition had been started, mostly because the land acquisition involved needed to be processed by the national land agency, BPN, which apparently does not co-ordinate well with governments at the local level. If detailed design is performed well before land acquisition, it is likely that the location and therefore the design will have to be changed.

In most cases, local governments have not had enough staff skills to perform the detailed engineering design and deal with the complications which arise such as those of land acquisition and its timing. Therefore, technical staff of the deconcentrated central government offices took on this responsibility, or consultants were hired to do the job.

Implementation is actually supervised by a project management unit which is also part of central government's deconcentrated organisation. (See Diagram 3.) It is a central government employee who is consequently assigned the task of managing implementation, meaning that day-to-day decisions during implementation are out of the hands of the local government. This has led to management actions during implementation which are seen by local governments as direct central government interventions.

In addition to these situations, there is reason to suspect that significant changes in projects have been made on occasion by foreign lenders as a result of project assessments which they undertake before approving loan disbursements. These changes would be imposed down through the IUIDP structure, overriding local government decisions and choices. The research, however, did not enquire into this

aspect.

Consequences

The low level of involvement by local government has significant consequences for the objectives of the IUIDP and for the sustainability of the effects of the programme itself.

Many actors involved hold in mind that that IUIDP idea comes from the central government, namely Ministry of Public Works, and is pushed down to the local level through the vertical line of the organisation. On the one hand, there is no supporting legislation which requires the local authorities to integrate the IUIDP processes into their own systems. On the other, local governments see IUIDP as owned by the Ministry of Public Works and not by themselves. Consequently, local governments treat the programme of infrastructure investments (the PJM) as a document which must be prepared because central government has a certain amount of funds from foreign donors that has to be disbursed. This does not provide them with strong motives to find the means to pay for the IUIDP projects, much less to integrate the IUIDP multi-year investment strategy with their own investment planning process or to incorporate IUIDP methods into their own investment planning.

A major reason the local governments do not feel they own their PJMs is that they have had too little to do with the making of them. Consultants, rather than their own staff have prepared the spatial plan revisions, the financial improvement plans and the institutional improvements plans that have gone into them, even in a large city like Yogyakarta, and the local authorities often had little to say in the choice of these consultants. The range of possible projects is limited to the components fixed by the Central Government in the IUIDP. Projects were prioritised by meetings in which local authorities had a minor role. Even if they managed to influence these priorities with their preferences, the lists of projects in the final PJMs appear to have been decided at provincial and national levels of government and have often been different. When a programme of projects was implemented, it was a central government employee who managed this activity. In the end, local governments felt under pressure to commit themselves to projects which they did not want and whose execution they would not supervise, and, what is more, to find the means of repaying the funds for them which central government had borrowed from foreign donors. Practised this way, the IUIDP process does not offer much room for local aspirations.

So the local governments have tended to depend upon the central government to finance the IUIDP. They do not take seriously the implementation of Revenue Improvement Action Plans, which if executed could, among other things, cut into the sources of funds for their own programmes of investments. They have even pushed for grants, apparently with some success. It was reported in Klaten, a city with population of around 200,000, that the costs of the first PJM were very high, and so it was rejected by the local government as more than could be afforded. After several negotiations, Klaten was able to obtain a Rp 9 billion grant from the foreign lending institution and its loan was reduced to only Rp 640 million. With a PJM based primarily on a grant, Klaten was said to have implemented its programme well. The evaluation report for the fiscal year 1998/1999 showed a good level of achievement (Pemda Klaten, 1999). Yet when the aim is to provide services that meet needs, what kind of achievement is it to have simply spent the money that was provided? The atmosphere of corruption which prevailed in Indonesia during that time further devalues this criterion.

There was virtually no evidence of a local government making the IUIDP process one of its normal functions, or even repeating on its own the process, either in the information collected during visits to cities or in the accounts of practice given by those interviewed. Instead the IUIDP process is carried out alongside the usual local government activity of budgeting and implementing projects, without influencing the latter. Local governments have not improved their financial capacities in the aftermath of preparing PJMs and there is no sign that they have improved in general their management of infrastructure investment.

This means, of course, that the IUIDP cannot have much of a lasting effect in urban management terms. The facilities it has brought into being will remain, although there are questions about the ability or willingness of local governments to maintain them, and sometimes even to operate them. However, if local authorities are not motivated to find funds for investment, there can be no sustained operation of the IUIDP which must be able to pay back the loans it borrows. Moreover, there can be no sustained practice of the principles of infrastructure investment planning which the IUIDP tries to introduce at

the local levels.

Of course, neglect of stakeholder participation can also be expected as a consequence of too little responsibility lodging at the local government level, with its attendant effects on the quality of the projects and their programming. Indeed, an NGO in Denpasar observed that most of the time the proposals for projects were not taken to the people for consultation; in other words, there was no community participation in the UIDP process. According to this view, the so-called bottom up procedure is in fact top-down project oriented planning which overlooks community participation, doing little to even inform a community about spatial and investment plan preparation. This questions the relevance of some projects as well as creating problems at the time of project construction.

There was no evidence in the accounts of UIDP practice to challenge this assertion, only the opposite. In both Padang and Bukit Tinggi, local communities rejected projects to build solid waste disposal plants in their areas even though the budget for detailed engineering design had been disbursed and the funds for construction had been obtained. A decision was then hastily made to move these projects to other locations without reference to spatial plans, in order that planned spending levels would be maintained and central government would have no reason to cut its funding in subsequent years.

Conclusion

For more than a decade, Indonesia's Integrated Urban Infrastructure Development Programme has sought to establish a new process of managing the creation of badly needed service networks and facilities in its cities and towns. Among other objectives, this programme was to foster decentralisation of government, with consequent benefits for urban infrastructure that would arise from greater sensitivity to local needs and, most importantly, increased local government financing and administration of infrastructure provision.

Research into the actual practice of the UIDP provides evidence that the degree of decentralisation that was envisioned is far from being achieved. The programme has not adequately involved local governments, who continue to see the UIDP as a central government process which they do not own. Consequently, those local governments engaged in the programme are not motivated to find the funds to repay the loans for the infrastructure constructed. Moreover, so little institutionalisation of the UIDP has taken place at local government level that its practice remains parallel to traditional infrastructure provision activities there.

So the UIDP does not achieve lasting effects where there has not been substantial involvement by a local government leading to a strong feeling of ownership of the UIDP process. This means that local governments do not seem to be making enduring improvements in their management of service infrastructure planning, financing and implementation as a consequence of their experience with the UIDP. In particular, they have not acquired a sustainable capacity to finance such improvements, which threatens to mark the UIDP as an event of little long term importance in the history of Indonesia's urban development.

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