## Indonesia Country Partnership Framework Second Consultation, Makassar, September 20, 2015 Civil Society Organizations and Local Government

Category	Comments from Stakeholders
Input on Engagements	Capacity development:
	<ul> <li>Local governments recognize their limitations with capacity, and seek partnerships that can help solve local-level issues.</li> <li>Can local governments work directly with the World Bank? The current project approval process is too long; sometimes conditions have changed once a proposal is approved. There should be a simpler mechanism and easier access for partnerships with the regions.</li> </ul>
	Regional development:
	<ul> <li>The World Bank should have a concept specifically for developing in eastern Indonesia.</li> <li>Tourism should be given more attention, but tourism infrastructure is the biggest handicap. Sustainability should also be considered, because tourism can also threaten the environment.</li> <li>We should build a food &amp; beverage industry in the provinces. If the World Bank can participate, it can help small industries.</li> </ul>
	Local Service Delivery:
	We should see the long-term effect of decentralization on service delivery. Usually long-term is not a priority of local governments.
	Human Development:
	We need good people. How can the World Bank strengthen human resources, its institution and system?
	Natural resources:
	<ul> <li>43% of land in Indonesia are affected by overlapping regulations. Investments have affected the land ownership of famers – many have become farm workers.</li> <li>Explain how the World Bank is supporting a sustainable landscape management. This should not marginalize farmers. Privatization of land has increased poverty.</li> <li>Marketing is a constraint for South Sulawesi farmers. In the future, the World Bank should work directly with farmers.</li> </ul>
	Health-care and social protection:

 The World Bank should play a role to optimize the national social insurance system. For example, high tax rates for health equipment has caused high cost of health care.

## Reducing inequality:

- Poverty has risen because the state is trying to "feed" poor people. We should provide jobs. The World Bank should think how the poor can have jobs.
- Poverty is a complex problem. The key is providing education and income.
- Poverty is caused by external shocks, such as fuel price hikes and increasing rice prices. WB will not be successful if it just focuses on the poor. What mechanisms do WB have to manage external shocks that can impact the poor?
- Land reform, progressive taxes, transfer policies those can help reduce inequality and there are no schemes to address these three issues that would increase inequality.
- We see poverty as an individual problem. But we should really look at household poverty. Those who don't have jobs and work in small scale economic activities. A strategy must be carried out to help them scale up their activities.

•

•

## Comments on approach and implementation

Data accuracy is a problem at the Ministry level as well as the district level. For poverty, the indicators are different for every sector. The data can also be overlapping, so that the project may not have the right beneficiaries.

The World Bank should look at program implementation at every Ministry because the cross-sectoral coordinationa does not exist.

There is a reluctance to collaborate with foreign institutions since there is an assumption that it will employ mostly foreign workers. Is the World bank like that? Usually local experts know their environment better.

There is no consistency about the role of the community from year to year. Please improve this consistency.

Projects talk about institutionalization, but government ownership can remain low. And the World Bank should give not just loans, but also grants.

Strong monitoring is needed so that targets are met and implementation is as planned. Political will is also needed to improve government buy-in. There should be more coordination between the central government and regional governments, and there should not be competing programs between them.

There is not yet a World Bank instrument to strengthen the country's fiscal capacity. And sometimes the lending instruments of the donors do not reach regional budgets.

We need the World Bank to provide us examples of effective projects. The World Bank should not be just a bank but also establish pilot projects.

Transparancy is an alien term brought to Indonesia, illustrating the problem tha local knowledge is often overlooked. Outside approaches are often in conflict with local approaches.

The World Bank lends only to countries. Can the World Bank lend also to financial institutions that lend to the general public?

The Exit strategy of a program is very important.

The World Bank still prioritizes revenue, when we should focus more on the quality of spending. We need to see if the current budget supports poverty reduction.