



Canadian International  
Development Agency

Agence canadienne de  
développement international

# **EXECUTIVE REPORT ON THE INDONESIA ENVIRONMENT PROGRAM REVIEW**

**EVALUATION DIVISION**

**2002**

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**Canada** 

# INDONESIA ENVIRONMENT PROGRAM REVIEW

## EXECUTIVE REPORT

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## **MANAGEMENT RESPONSE TO THE INDONESIA ENVIRONMENT PROGRAM REVIEW**

The Indonesia Program is satisfied that the Review has met its objectives. The Report is informative in identifying many of the results achieved by 7 projects over the past 16 years and in identifying possible directions for future programming.

Findings from the Review clearly show the Agency's contribution to creating a foundation for strengthened environmental management in Indonesia. This foundation has attracted the attention of other donors. CIDA's programming has resulted in the introduction of a broad range of policy instruments; increased technical and management capacity of government, universities and the private sector; and increased participation of environmental advocacy groups in civil society.

The Report also identifies useful lessons learned from our environmental programming in Indonesia. While these lessons are instructive, they should not be viewed as failings of the program design. Improving environmental management in Indonesia, or any developing country for that matter, is a massive undertaking which requires time, effort, commitment and collaboration among all levels of government and civil society. Environmental management is duly influenced by the political, economic and fiscal conditions in a country.

The Review supports an ongoing role for CIDA in environmental programming to build on the progress achieved to date but with a change in orientation. We agree with the rationale underlying these considerations. Policy instruments alone will not be effective. They need to be applied and managed through democratic governance structures. A strong policy environment and governance structures also need to be countered by an active civil society to ensure that environmental considerations are integrated with economic and fiscal decisions of government.

The new Environmental Strategy focuses programming efforts on considerations for the enforcement of policy instruments, reform of governance structures, and on increasing public awareness and advocacy for environmental management. It also shifts from an emphasis on environmental protection to natural resource management. We will ensure that our programming is supported by the Indonesian government and local advocacy groups, and is co-ordinated with other donors strategies.

Overall, the Evaluation Report has been timely in helping us chart our future programming direction. Collaboration between the Program and Performance Review Branch has been a positive feature of this Review.

## EXECUTIVE REPORT ON THE INDONESIA ENVIRONMENT PROGRAM REVIEW

### 1. INTRODUCTION AND CONTEXT

The Canadian International Development Agency (CIDA) has been one of the primary donors of environmental programming in Indonesia. CIDA's involvement in environmental programming began in 1983 when the Agency decided to shift its efforts from infrastructural support to strengthening institutional capacity in environmental management.

Indonesia's large and growing population coupled with high poverty levels, were placing intense pressures on its natural resource base. However, in this era prior to the United Nation's Conference on Environment and Development, environmental management and the long term sustainable use of natural resources was only just becoming recognized as a priority. Consequently, CIDA's new environmental programming was constrained by what the Indonesia government was willing and able to do. CIDA's investments thus evolved in a gradual manner with, and building on, a modest first phase of the Environmental Management Development project (EMDI), rather than in a strategic "program" fashion.

Between 1983 and 1999, CIDA invested more than \$70 million in the environment in Indonesia through a series of environmental and non-environmental (multi-sectoral) projects with environment linkages. Projects addressed the environment in three ways: 1) as a priority/focus; 2) as a cross-cutting theme; and, 3) as a particular biophysical component (e.g. water projects). The name of the projects and the total funding amounts are presented in Table 1.

**Table 1 Funding by Project 1983 - 1999**

<b>Environmental Projects</b>	<b>\$M</b>
Environmental Management Development in Indonesia (EMDI) I	2.5
EMDI II	7.9
EMDI III	37.7
Collaborative Environmental Project (CEPI)	17.5
Environmental Programming Support Services (EPSS)	4.0
<b>Projects with Environmental Linkages<sup>1</sup></b>	
Sulawesi Regional Development Project (SRDP) I and II	54.8
North Sulawesi Water Resources Institutional Strengthening Project (P3SU)	18.0

CIDA's decision to launch multi sector projects and to integrate environmental issues directly into projects was an experiment and represented a step in untested territory. Since CIDA's involvement, other donors have become active in environmental programming in Indonesia.

### 2. REVIEW

#### 2.1 PURPOSE

The main purpose of the Review is to provide strategic information needed to develop CIDA's new environment strategy for Indonesia. The Review analyses what difference CIDA programming has made to environmental management in Indonesia, why (or why not) results were achieved, and as a result, what lessons could be learned to improve the effectiveness of future programming.

<sup>1</sup> These figures represent the total cost of multi-sector projects. Only a portion of this amount was allocated to environmental programming.

## 2.2 SCOPE

The Review addresses the environmental projects or environmental components of the seven projects identified in Table 1 over the 1983 to 1999 period. With the exception of the Collaborative Environmental Project, all projects were completed at the time of the review.

## 2.3 APPROACH

The Review was a collaborative effort of the Indonesian Program in Asia Branch, Performance Review Branch and Canadian and Indonesian consultants. Effort was made to combine applied social science research techniques with performance based management methodologies to ensure relevance and usefulness of the findings for future programming.

The first challenge of the Review Team was to develop a conceptual approach to the Review. Historically the programming focus was on the project level. Each project was designed, approved and implemented separately. While the projects shared a common purpose or objective, they were not constructed as part of a larger, program level strategy. In order to aggregate and assess the results achieved and lessons learned over the past 16 years, the Team conducted a retrospective review of programming. The methodology used to identify the logic of CIDA's environmental program in Indonesia is described in section 2.4.1.<sup>2</sup>

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<sup>2</sup> For the purpose of this review, a program is defined as a group of projects having a common purpose. In this case, the purpose of CIDA's programming was to assist the Government of Indonesia with improving environment management.

## 2.4 METHODOLOGY

The review was conducted in two phases: a desk study and field visits.

### 2.4.1 Desk Study

The desk study consisted of a review of essential documents and files of each of the 7 projects. The individual logic of each of the seven projects was examined to infer the linkages at each level of the results chain (output, outcome and impact). This logical framework analysis identified types of interventions and activities used in support of the strategic program thrusts and correlated them with a scientific approach to environmental management (a pressure-state-response model). The desk study also involved the development of data collection instruments for use during the field visit phase.

### 2.4.2 Field Visits

Field visits were conducted in Indonesia to assess and validate the outputs and outcomes identified in the logic tree and to identify lessons learned and future considerations for programming. The Team divided its work into several areas:

- a) Discussions and interviews with a range of stakeholders, from the:
  - o Indonesian government (national, provincial and regional levels). The core of the review was designed to test knowledge of results of individuals having strategic links to Indonesian environmental management, and find corroborated evidence of such results;
  - o Indonesian industry;
  - o City administrations; and
  - o Non-governmental organizations (NGOs).

The Team also interviewed major donors. A total of 182 respondents were met or interviewed in 124 sessions ranging from one to 8 persons per session.

b) Site visits to key Indonesian regions:

Approximately half of the interviews were conducted in and around Jakarta, with the remainder being conducted in Sulawesi and Bali. The Team visited specific locations to observe environmental management in practice.

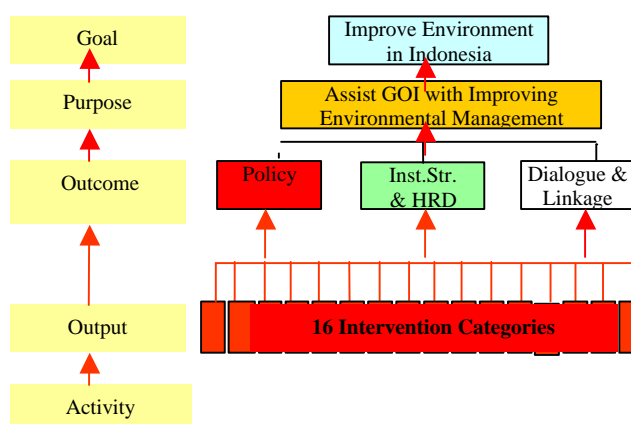
c) Focus group workshop of Indonesian Graduates:

This workshop group allowed 24 Indonesian graduates of Canadian Universities to present their views on directions for a future Indonesia Environment Program.

### 3. KEY OBSERVATIONS AND FINDINGS

The logic inherent in programming is shown in Figure 1. The purpose or objective of the program was to assist the Indonesian Government in improving environmental management and ultimately to protect the condition of the environment. The logical framework analysis showed 3 strategic thrusts and percentage of programming efforts invested: 1) policy development and promotion (50%); 2) institutional strengthening and human resource development (35%); and, 3) environmental dialogue and linkages (15%). These thrusts continued throughout the duration of the projects.

**Figure 1 Logical Framework Analysis for the Indonesian Environment Program (IEP)**



The thrusts or outcomes were achieved through 16 interventions and 175 activities. The interventions are listed in the following Table.

**Table 2 IEP Intervention Categories**

1. Environmental Impact Assessment
2. Environmental Education
3. Environmental Law
4. Environmental Economics
5. Regional Spatial Planning
6. Environmental Information Systems
7. Environmental Management Systems and Clean Production
8. Clean Cities
9. Environmental Quality Standards
10. Air Pollution
11. Hazardous Waste
12. Mining Pollution
13. Water Pollution
14. Coastal and Marine Environments
15. Biodiversity
16. Women in Development and Environment

The activities undertaken in support of the interventions are described under each of the program thrusts. Initially programming was focused on national government officials but over time, programming moved to a regional government and community-based focus.

### **3.1 POLICY DEVELOPMENT AND PROMOTION**

The majority of CIDA's environmental programming efforts supported the development of policies. This emphasis reflected the importance of policy instruments in establishing the framework for environmental management. Policy instruments were developed through the provision of advice, environmental research, planning and management studies.

From an early situation of little policy and legislation, CIDA programming contributed to the adoption of ten separate pieces of environmental legislation (relating to environmental assessment, and the quality of air, water, land and disposal of effluents and waste) and 3 major multilateral conventions (on desertification, climate change and biodiversity).

Strategies including sustainable development, marine conservation and environmental impact assessment were developed. Programs (e.g. clean beaches, ports and cities) and plans (e.g. water resource and river basin management) were introduced. An accreditation and certification system and management information system for Environmental Impact Assessment were put in place. Policy development led directly to the establishment of new institutions (such as the BAPEDAL - Environmental Impact Management Agency).

### **3.2 INSTITUTIONAL STRENGTHENING AND HUMAN RESOURCE DEVELOPMENT**

CIDA's programming efforts were also dedicated to the development of technical and management capacities of institutions and young professionals. The program trained numerous personnel from government departments, universities, NGOs and the private sector obtaining

graduate degrees in environmental disciplines as well as technical training through practical attachments and exchanges with Canadian institutions.

This increase in human capacity has resulted in a cadre of Indonesian environmental professionals, almost all of whom returned to Indonesia and are working today in the public and private sectors. The cadre of trained environmental professionals, is a result unique to the Indonesia environment program - in no other program did CIDA undertake such dedicated human resource development. Graduate studies and training in Canada is perceived to have resulted in:

- increased awareness of environmental issues in Indonesia;
- Increased technical capacity; and
- the creation of networks and linkages.

### **3.3 ENVIRONMENTAL DIALOGUE AND LINKAGES**

The development of policies, and capacities was complemented by the promotion of the role and involvement of environmental advocacy groups in civil society who are promoting openness within decision-making. Among other activities, CIDA provided support to the umbrella organization that fosters the emergence of new environmental NGOs. As a result, from a situation of very little advocacy for the environment, CIDA programming strengthened the capacity for dialogue amongst and within civil society and increased the participation of civil society in government decision-making.

## **4. OVERALL ASSESSMENT**

CIDA's programming resulted in the development of many of the necessary conditions required to protect the quality of the environment. A broad range of policy instruments were introduced or signed, the

technical and management capacity of government universities and the private sector was strengthened and the participation of Non—governmental organizations in civil society was increased. These results demonstrate that the basic purpose of CIDA's program has been met.

Further, since CIDA's involvement other environmental projects have followed, as have other donors. CIDA is given credit for creating the conditions necessary for other donors to become involved.

The Review concludes that the program design was appropriate to the conditions of the time and showed considerable flexibility and responsiveness to changes in political leadership and economic conditions over the 16 year period. As the institutional structure evolved in Indonesia, the program moved over time from a central government to a regional government focus, and from government to community - based targeting. The three thrusts (policy, institutional strengthening and human resource development, and dialogue and linkages) were maintained throughout the 16 year programming period.

The Review also concludes that the Government of Indonesia has yet to translate these results into improved environmental management practices. Problems with environmental management practices continue. In the aftermath of the economic crisis of 1997 and the political transition, which encourage rapid exploitation of natural resources under the banner of economic development and poverty reduction, more time and effort are required to improve environmental management practices, and to address basic systemic issues and challenges described below.

## **5. LESSONS LEARNED**

The Review identifies five principal lessons learned from the achievements of CIDA's environmental program in Indonesia to be taken into consideration in future programming. The lessons address the need for: 1) enforcement of policy instruments; 2) reform of governance structures; 3) increased public awareness about environment issues; 4) changes to the design of the program; and, 5) leadership and continuity of programming. These lessons cut across all outcomes from all intervention categories.

### **5.1 ENFORCEMENT**

The program has put in place many elements of policy in different categories. The Review concludes that the presence of policies and guidelines has not yet resulted in improved environmental management because there has been insufficient implementation and follow-through. In other words, policy by itself does not bring enforcement.

Enforcement of environmental legislation is seen as the overarching constraint to improved environmental management in Indonesia. CIDA's programming contributed to the introduction of Environmental Impact Assessment guidelines. Qualitative findings of the Review suggest, however, that Indonesian government officials need to pay more attention to implementing the guidelines.

Enforcement and sanctions require strong institutions. Assessment and monitoring for compliance are now devolving to lower-level institutions. Problems at successively lower levels, however, limit the effectiveness of the institutions and individuals within them.

## **5.2 GOOD GOVERNANCE**

Over 50% of the key observations recorded during interviews implied that practices of public institutions inhibited an efficient and effective achievement of the mandate.

Governance issues and practices need to be addressed in a long-term systemic manner. Indonesia has recently begun to address the tenets of good governance, e.g., democratically elected government bodies; the transparency and accountability of institutions; the ability of the public to organize; consultation with the public; etc.. In time and with greater effort, the effects of these tenets will filter through society, increasing the probability of improved environmental management.

## **5.3 AWARENESS**

A substantial result of CIDA programming in the environment is increased awareness in certain sectors of environmental issues. The broad range of activities in the various intervention categories served to inform government bodies, universities, environmental study centers and NGOs about environmental issues and tools for environmental management.

Despite gains at the institutional level, awareness of environmental issues amongst the general public is low. Increased institutional awareness, resulting from program efforts, has not reached the population at large. Indonesians, in general, have a limited understanding of environmental issues, including the linkages between environment and other sectors. Without improved awareness, enforcement is likely to be seen by the population as an economic penalty. Increased awareness is a crucial step towards wide spread appreciation and advocacy for the environment.

## **5.4 PROGRAM DESIGN**

A retrospective view of program design finds a principal emphasis on government, mainly national. Lower government levels (regional, provincial, district) and non-governmental bodies were secondary to the main thrust. While this trend was important at the time, it is less relevant to the current needs and the rapid change occurring in Indonesia.

The principal outcome of the program's institutional strengthening and human resource development thrust is well-trained people in institutions which are only beginning to address governance practices. Environmental training, delivered to numerous civil servants, has yet to result in improved environmental management practices.

The project outcomes achieved with CIDA's funding suggest that the program framework was effective in creating the conditions for the promotion of improved environmental management. The absence of downstream institutionalized outcomes, however, are evidence of the systemic issues and challenges mentioned earlier.

## **5.5 LEADERSHIP AND INSTITUTIONAL SUPPORT AND CONTINUITY**

The same Canadian University executed EMDI I, II, III. CIDA and Dalhousie University brought exceptional vision to collaboration with a key, senior Government of Indonesia (GOI) official, the Minister of Environment. The Minister of Environment's championing of the environment ensured institutional strengthening and the development of a legal framework within a government structure. Both of these elements were critical to building technical assistance.

Two significant decentralized projects, SRDP and P3SU, executed by different Canadian agencies, successfully demonstrated the

capacity improvements required of lower-level state and line agencies if the latter are to become effective in promoting development broadly, including attention to environmental management. Canadian executing agencies brought a vision which included significant levels of community participation in sub-project design.

These examples demonstrate the importance of leadership of key GOI officials and their role in ensuring that institutions bring about change.

## 6. CONSIDERATIONS FOR FUTURE PROGRAMMING

CIDA's environmental programming in Indonesia has built the foundation needed for environmental management. Considerations for future programming are only possible because of the gains made from CIDA's programming.

Continuing support to an environment program in Indonesia falls squarely within CIDA's evolving strategy for development assistance. The organic link between poverty reduction and environmental sustainability has been recognized for many years. Environmental degradation is one of the most serious threats to health, food security, habitat, income and quality of life for the developing world. As long as poverty remains, there will be a ongoing and growing pressure on the use of natural resources to meet basic human needs.

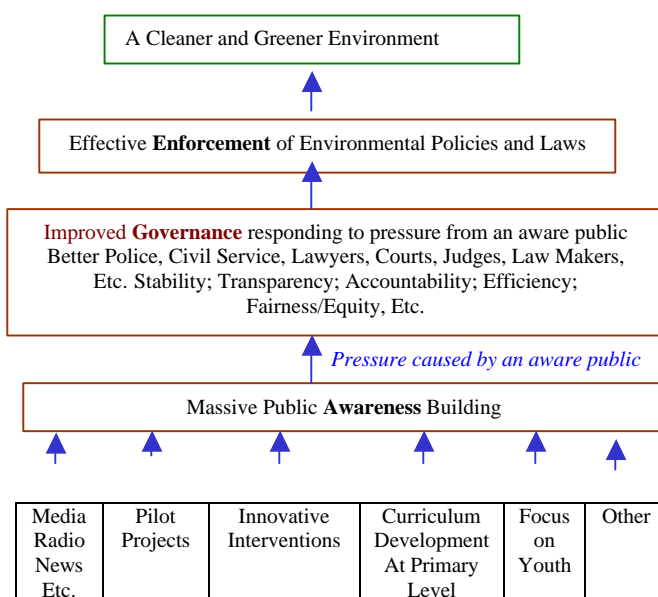
Within the context of CIDA's ongoing involvement with programming in Indonesia, the Review identifies four principal considerations for future programming 1) focus programming on building awareness, good governance and enforcement; 2) shift program thrusts or outcomes by increasing emphasis on awareness, dialogue and linkages; 3) decentralize programming approaches to the district or local level; and 4) coordinate programming with other donors. These considerations are based on

the results achieved over the past 16 years and on the political and economic realities facing environmental management in Indonesia in the new millennium.

### 6.1 FOCUS PROGRAMMING

Future environmental programming should be based on the steps of: awareness; good governance and enforcement, for which the Team has coined the acronym AGE (Fig. 2).

**Figure 2 Alternative Implementation Mechanisms for an Indonesian Environmental Program**



All groups of natural resources are under serious stress, and the rapidly burgeoning population, combined with increasing rates of decentralization of authority, will increase these stresses further. Without improving the enforcement of environmental policy, little can be done. Enforcement, however, speaks to fundamental issues in Indonesian society such as governance, social responsibility, and functional institutions among others. Future progress in environmental management may not come exclusively from an "environmental" program per se.

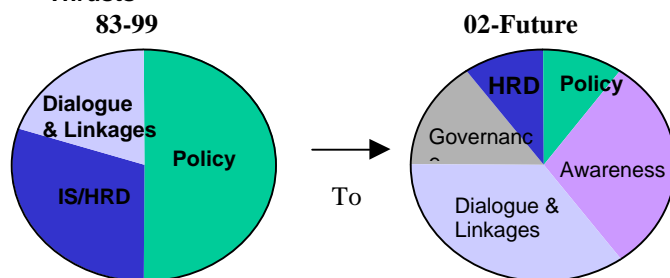
Awareness is a difficult concept to address in a society moving rapidly towards a middle-class. Improved management of Indonesia's environment depends heavily on an ethos of stewardship. A more environmentally aware and responsible use of the natural resources could help to address poverty and food security issues. Building environmental awareness requires developing a foundation, probably through education beginning at the primary level, and may take one generation to complete.

## 6.2 SHIFT PROGRAM THRUSTS OR OUTCOMES

The Review suggests that this change in focus automatically brings changes in emphasis on the major program thrusts and outcomes.

Historic thrusts between 1983-1999 showed principal emphasis on policy, and subordinate emphasis on infrastructural strengthening (IS) and human resource development (HRD) and dialogue and linkages. This emphasis was required to build the necessary foundation for environmental management in Indonesia. For the future, the policy thrust should be significantly decreased, as should the traditional HRD approaches. The thrust of dialogue and linkages, should be expanded, including major attention to both awareness and good governance (Fig. 3).

**Figure 3 Suggested Changes in Emphasis of Major Thrusts**



CIDA's contribution to Indonesia's policy and institutional framework and technical and

management capacity needs to be furthered complemented by a strengthened civil society. A strengthening of civil society ensures that there are institutions that await full and productive utilization.

The Review suggests that the strengthening of civil service and overseas training sub-components should be significantly reduced, and the in-country training changed into a major broad-based environmental education program at many levels. CIDA's past programming, by addressing a wide range of interventions, has created the basis for any future increased effectiveness in management, as many of the necessary guidelines, standards and laws are now in place.

The focus group of Indonesian graduates suggested environmental rights and justice, environmental management capacity, rehabilitation of ecosystems, and the urban environment, as key areas where Canadian support might focus in the future. Their recognition of the need for institutional reform and focused programming at the community level is consistent with other respondents' perception of emerging environmental themes. The notions of better governance, focused target areas and groups, locally based projects and a coordinated approach amongst donors was highlighted by all categories of respondents. NGOs and civil society could be the principal recipients of such efforts.

Major shifts in programming would require that donors change their approach to environmental programming. The Review draws a parallel with gender programming in trying to make its argument. It is understood now that gender programming had to be fully integrated into all other programming to achieve its goal. The same may be said here; it is time that the environment is factored into all programming.

### **6.3 DECENTRALIZE PROGRAMMING**

Continued emphasis on the strategic thrusts of the past will not be sufficient. CIDA would find it difficult to build on the potential of well-trained individuals without strong governance practices at the institutional level. An alternative would be a decentralized approach, working at the district level, in agencies or city governments where the local environment is identifiable and manageable.

With decentralization, and as local governments look at ways to bolster local revenues, the environment will come under much greater stress. Canada has worked at these levels in the past, and has shown that effective programming must include community participation. Environmental management must also involve the NGO community and the private sector on a more pro-active basis.

Partnerships are considered important and have a different meaning in Indonesia today than five years ago. There is a need for targeting and support to district level (and below) agencies. However, the linkages necessary to achieve effective community participation, with a sustainable outcome, need to be further clarified.

With crisis there is also opportunity. Now is the time to integrate environment into political and economic decision making. Although decentralization poses a threat to environmental management, it also offers a tremendous opportunity to move resource and environmental decisions closer to the people affected.

### **6.4 COORDINATE PROGRAMMING WITH DONORS**

In an historical context, many donors have built on CIDA'S initial investment in the environment sector. While much of CIDA's program focused on strengthening and

capacity development within national level

institutions, other donors have expanded this thrust to the regions and lower levels, thereby ensuring access to regional authorities and to civil society.

A coordinated donor approach could be a powerful vehicle by which to affect the overall goal of improving environmental management in Indonesia. Suggestions identified in the Review for future programming are consistent with the general strategic thrusts identified by donors. Discussions revealed the potential for synergy in collaboration with donors. CIDA's future environment strategy for Indonesia, integrated with those of other donors, will be critical in helping Indonesia shape its environmental future, and to ensuring the resilience necessary to deal with the problems of the 21st century.