Increasing local government responsibility for community-scale sanitation in Indonesia

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INDONESIA and AUSTRALIA

UTS Institute for Sustainable Futures
CRPG Center for Regulation Policy and Governance
Australian Aid

Collaboration for Universal WASH

#WASHFutures18
Key messages

• Community scale sanitation systems in low-income areas face **sustainability challenges**

• While these systems operate at community scale, **local governments** have the legal mandate for service provision

• **National guidelines** can be amended to better articulate a clear local government role

• A **co-management approach** can work: Two case studies demonstrated it was appropriate, acceptable and feasible for local governments to take up four key minimum responsibilities
Background and research process

• This research built on Australian-funded Community Sanitation Governance research (www.communitysanitationgovernance.info)
• Funded by DFAT Australian Aid program through Indonesia Infrastructure Facility (IndII)
• August 2016 – February 2017
• Three parts:
  • **Review of national guidelines** for community-scale systems (Sanimas guidelines)
  • **Case studies** of Kota Bogor in Java and Kabupaten Bantaeng in Sulawesi
  • **Development of national expenditure guidelines** to support use of local budgets for better management and sustainability
Many community scale systems are being built!

By 2015 some 25,462 systems had been built...

But many systems are not providing optimal services and are falling to disrepair...

Systems built per year

<table>
<thead>
<tr>
<th>Year</th>
<th>Budget SANIMAS (All programs)</th>
</tr>
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<tbody>
<tr>
<td>2015</td>
<td>1,85 trillion IDR A$175m</td>
</tr>
<tr>
<td>2016</td>
<td>1,93 trillion IDR A$183m</td>
</tr>
<tr>
<td>2017</td>
<td>1,97 trillion IDR (estimate) A$188m</td>
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We proposed an increase in local government responsibility

In two city case studies (Kota Bogor and Kabupaten Bantaeng) government willingness was demonstrated.

Community empowerment is only possible if communities are sufficiently supported.

<table>
<thead>
<tr>
<th>Co-management</th>
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<tbody>
<tr>
<td><strong>Community CBO operate</strong></td>
</tr>
<tr>
<td>Activities within their capacity:</td>
</tr>
<tr>
<td>- Regular cleaning, remove rubbish, unblocking pipes,</td>
</tr>
<tr>
<td>- Minor repairs</td>
</tr>
<tr>
<td>- Collect user fees and fund regular costs</td>
</tr>
<tr>
<td>- Request support</td>
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</tbody>
</table>

- In two city case studies (Kota Bogor and Kabupaten Bantaeng) government willingness was demonstrated.
- Community empowerment is only possible if communities are sufficiently supported.
Local government minimum responsibilities

1. Monitor and maintain records
   **Why?** Less than 2% systems had effluent data, little information on community CBO status and data not consolidated
   **How?**
   - Already government responsibility
   - Needs clear lead responsibility for monitoring and maintaining data and responding to findings

2. Technical and social support
   **Why?** Many systems without active community CBO, systems have technical problems
   **How?** Local authority provide *on-going* technical support, institutional support, empowerment

![Bar chart showing CBO Status Bantaeng](image-url)
Local government minimum responsibilities (cont’d)

3. Fund Major Costs

**Why?** Low utilisation of current treatment capacity, poor quality construction requires repair, funds needed since typically built in low-income communities

**How?**
- Local government budget (already in Bantaeng and Bogor)
- Local budgets could also fund additional household connections

4. Formalise fee setting and collection

**Why?** Many community CBOs have not set tariffs and find fee collection difficult

**How?** Local neighbourhood leadership support fee formalisation and socialisation

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**Kota Bogor Paid Operators**

- Operator exists but is not paid: 62%
- Paid operator: 25%
- No operator: 13%

Only 13/52 operators are paid in Bogor city
Enabling local government responsibility in national program guidelines and in local government regulations

• Review of national guidelines found local government roles were not clearly articulated:
  • Community described as having sole responsibility (yet this was inconsistent with mention of local government roles)
  • It is unclear whether local government ‘support’ mentioned was for technical or financial support

• Review of local government regulations (Decree/Perda) insufficiently addressed community scale systems:
  • Community scale systems were not explicitly included under “domestic wastewater” provisions
  • Full responsibility was allocated to ‘community’ (“masyarakat”) which is not a legal entity
  • While local government responsibility were defined for centralised systems, they were absent for community scale
Budget expenditure review – why & how?

Why look at budget expenditure?

- Local government staff experience a lack of clarity about use of public funds for ongoing costs for community scale systems
- Fear of severe sanctions (for misuse of funds) discouraged expenditure
- The four proposed minimum local government responsibilities requires funds for major costs

How:

- Legal analysis of law on sanitation and local budgets and analysis of relevant legal cases
- Interview with government budget oversight agency, Ministry of Home Affairs and local governments
- Workshop with national planning agency and national stakeholders
- Expert review of draft guidelines

“What is being handed to community? The operations? Or the asset? How come no one thought of it? No body owns the asset”

“If I can make a regulation to maintain the system regardless of the ownership I will. Basically we don’t want to see if government or community own, we want to provide a service” Local government research participant
The finding was that without clarifying asset ownership, funding is difficult…

At present, allocation of funding is constrained by:
- Community CBOs have **no legal status** (required if they are to be given grants)
- **Unclear asset ownership** status (since national guidelines describe a non-legally binding handover process to community, and land ownership is an important factor)
- No current requirement for asset to be placed on **government asset register**

The result is lack of funding for capital maintenance, system optimisation or expansion
<table>
<thead>
<tr>
<th>Benefits</th>
<th>Community own: community manage</th>
</tr>
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<tbody>
<tr>
<td>• Community able to retain full control</td>
<td></td>
</tr>
<tr>
<td>(in the case that they want to)</td>
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<table>
<thead>
<tr>
<th>Risks</th>
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<tbody>
<tr>
<td>• Major costs cannot be funded through</td>
<td></td>
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<tr>
<td>capital expenditure budget</td>
<td></td>
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<tr>
<td>• Limited community access to government</td>
<td></td>
</tr>
<tr>
<td>funds (must be legal entity)</td>
<td></td>
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<tr>
<td>• Major maintenance and expansion is</td>
<td></td>
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<tr>
<td>complex and costly</td>
<td></td>
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<tr>
<td>• Most systems not legally owned</td>
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THANK YOU

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References:
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