



INNOVATIONS FOR SUCCESSFUL SOCIETIES

TRANSLATING VISION INTO ACTION: INDONESIA'S DELIVERY UNIT, 2009–2012

SYNOPSIS

In 2009, Indonesian president Susilo Bambang Yudhoyono began his second term. During the election campaign, he had pledged to develop the country's infrastructure, strengthen education, and increase business investment. But delivering on his campaign promises would not be easy. Because he presided over a coalition government, he had to convince ministers from competing political parties to go along with his plans. In addition, his own policy office was understaffed. He had few advisers who could help him think strategically about policy decisions, monitor implementation, and keep projects on track. During his first term, Yudhoyono had set up a unit to help him cope with those challenges, but the legislature killed the initiative. At the beginning of his second term, Yudhoyono resurrected the idea by creating the President's Delivery Unit for Development Monitoring and Oversight, known by its Indonesian abbreviation, UKP4. To lead the unit, he chose Kuntoro Mangkusubroto, who had earned national respect and international stature for managing reconstruction work in Aceh and Nias provinces after the devastating tsunami of December 2004 and the earthquake in March 2005. The new operation helped set priorities, kept the president informed of ministry progress toward meeting those priorities, and stepped in to resolve bottlenecks. The challenges of managing a coalition government led the president to temper the unit's scope of responsibilities, and at the end of 2012 there was insufficient evidence to judge whether the system had helped improve interministerial coordination or follow-through.

Michael Scharff drafted this case study based on interviews conducted in Jakarta, Indonesia, in December 2012. Case published April 2013.

INTRODUCTION

"Do you know the Wallenda factor?" asked Heru Prasetyo, senior deputy at the President's Delivery Unit for Development Monitoring and Oversight, in a 2012 interview. "Wallenda is a very well-known tightrope walker. Many people ask him, 'How come you dare walk in very high places where the distance is long and the wind

is strong and yet you continuously succeed?'" Wallenda's response, Prasetyo said, is always the same: "Focus, man, focus. Don't think of anything else."

Focus was a significant issue in July 2009, when Indonesian president Susilo Bambang Yudhoyono won a second five-year term in office. The Constitution set a two-term limit.

When the president-elect met with his transition team, the discussion centered on how to ensure he could deliver on his chief campaign promises: accelerating bureaucratic reform, building the country's infrastructure, strengthening education, boosting business investment, and reducing poverty.

Yudhoyono came to the presidency with broad government experience. He had reached the rank of lieutenant general during a military career that spanned 29 years. After the country's political liberalization in 1998, when public protest helped force President Suharto (1967–98) out of power, Yudhoyono was among those who helped broker the transition from military rule. He served as minister of mining and energy and then as coordinating minister of public and security affairs under Presidents Abdurrahman Wahid (1999–2001) and Megawati Sukarnoputri (2001–04).

When he first ran for Indonesia's highest public office, in 2004, under the banner of the three-year-old Democratic Party, Yudhoyono joined with several other political parties in order to bolster his chances of victory. As his vice presidential running mate, he chose the leader of Golkar, the dominant party of the Suharto era and Indonesia's strongest in the fragmented party politics of 2004.

When his coalition won the election, Yudhoyono had to accommodate the political interests of his allies, who wanted says in the way Indonesia was run. All of the parties in the coalition received cabinet seats in exchange for their support. But the varying allegiances created management problems. Wijayanto, dean of the Public Policy Institute at Paramadina University in Jakarta, who, like many Indonesians, has only one name, observed that ministers often "prioritized their party more than their task as ministers."

Not surprisingly, trying to respond to public demand for improved government performance while also keeping his coalition

together strained Yudhoyono's time and energy. He and his small staff of core advisers struggled to get the ministers to cooperate and to focus on national priorities rather than on projects that mainly benefited their parties' constituents.

In a nation with a population of more than 230 million people representing 300 ethnolinguistic groups and spread across 17,000 islands, the need to accommodate diverse political interests was a fact of life. But under those conditions, navigating a clear course for the ship of state could prove difficult indeed. Under continued public and international pressure, two years into his first term, Yudhoyono took steps to improve the government's ability to set goals, monitor progress, and coordinate across ministries—and to make ministers accountable for what they accomplished.

Yudhoyono created an agency modeled after the Prime Minister's Delivery Unit in the United Kingdom, which helped ministries prioritize and fulfill commitments by crafting monitoring plans and tracking results. At around the same time, Malaysia and South Africa were also adopting variations on the UK idea, and Yudhoyono hoped he had a winning formula for getting things done.

But the delivery unit idea faced significant opposition within the cabinet, especially from the vice president, Jusuf Kalla, whose Golkar party had powerful support among civil servants, many of whom owed their jobs to earlier Golkar leaders. Kalla viewed the delivery unit as a threat—in particular because its head, Marsillam Simanjuntak, a former attorney general, had once publicly called for Golkar's dissolution. In less than a year, Kalla and his allies succeeded in pressuring the legislature to shut down the unit and create a weak presidential advisory council in its place.

Entering his second term in 2009, Yudhoyono sought to resurrect the delivery unit and make it work. "The president wanted the

delivery unit to be his eyes, hands, and ears,” said Nirarta Samadhi, who became a deputy at the new delivery unit.

The prospects were better the second time around. The new vice president, Boediono, supported the idea. Boediono was a scholar, a former minister of finance, and a former governor of Indonesia’s central bank. He held a doctorate in business economics from the Wharton School of the University of Pennsylvania in the United States. He was not affiliated with a political party. He was also one of the architects of the country’s administrative reforms, which were then in progress.

Moreover, the president found someone who could make the delivery unit effective: Kuntoro Mangkusubroto, who had managed the Agency for the Rehabilitation and Reconstruction of Aceh and Nias (known by its Indonesian abbreviation, BRR). The BRR had coordinated reconstruction in the politically volatile Aceh and Nias provinces after the devastating tsunami of December 2004 and the earthquake in March 2005. Under Kuntoro’s management, the agency had earned international respect and strong local popularity. Indeed, Yudhoyono had won about 95% of the vote from Aceh province in the 2009 election, a feat that would have been unthinkable five years earlier given the province’s history of armed insurgency against central government rule.

Together, Yudhoyono and Kuntoro took on the job of improving cabinet performance in order to make Indonesia’s government work better.

THE CHALLENGE

The president’s Democratic Party had gained vote share in the 2009 legislative elections. Six parties, including the Democratic Party, held 19 seats in the 34-person cabinet. Nonparty members—including former ministers, scholars, and retired military officers—held the remainder. (The total number

of seats allocated between party and nonparty members, as well as the breakdown of parties in the cabinet, remained fairly consistent throughout Yudhoyono’s two terms.) Golkar politicians received three posts, although Golkar had contested the election under the umbrella of a different coalition. Politicians with the strongest electoral showings won some of the most coveted positions. For example, Yudhoyono conferred the energy portfolio on Jero Wacik, a Democratic Party colleague who had won strongly in Bali province, east of Jakarta.¹ When it came to selecting nonparty members, Yudhoyono’s appointments continued a historical trend of selecting ministers on the basis of either technical competence or past military service.

Some observers had encouraged the president to give even greater weight to technical expertise. Natalia Soebagio, executive director of the Center for the Study of Governance at the University of Indonesia, hoped Yudhoyono’s search for technical competence would translate more clearly into selection of politicians who served in the cabinet. “With such a big win, we thought the president would be able to rise above party politics and choose individuals who merited positions,” she said. “He didn’t. Instead, in the second term he chose his cabinet based on political bargaining.”

Yudhoyono and Kuntoro recognized that delivering on the president’s second-term campaign promises would be no easy task and that the delivery unit would play an important role in determining success or failure. They faced three broad challenges. First, the president did not have enough people on his staff to help when bottlenecks interfered with policy implementation. Second, it was hard to know the status of priority projects and initiatives. There was no government-wide monitoring system in place. And third, even though Indonesia had three ministries that were

supposed to help other line ministries coordinate, cooperation fell short.

Yudhoyono's core staff had few people who could divert their energy from broad policy matters to work with ministries on implementation. And when the president's appointed advisers tried to fix problems and nudge ministries toward specific action, they often faced stiff resistance in the highly charged political atmosphere.

Further, because there was no comprehensive monitoring system to track the status of priority projects, it was easy for Yudhoyono to lose touch with what his ministers were doing. At least in theory, the government had clear goals. In his first term, Yudhoyono's government had helped create a long-term development plan (2005–25), which set intermediate five-year goals and embodied the president's platform promises and other priorities. Each of the 34 ministries and agencies also had an annual plan that referenced the five-year framework. Taken together, the plans formed the government's overall work program for the year.

In the past, the National Planning Agency—in charge of setting the country's overall development policy and representing part of the State Ministry of National Development Planning—met with line ministries every January to frame a program for the following year. After determining which projects were necessary and feasible, the agency forwarded its formal proposal to the Ministry of Finance. In April or May, the Ministry of Finance circulated its draft budget based on the planning agency's proposal. From June until October, parliamentary committees reviewed the two documents, agreed on final versions, and sent the documents to the full legislature for debate.

With help from the National Planning Agency and the president's office, the ministries decided on their own ways to track progress on

specific projects. But sometimes the tracking programs were problematic in design or operation. Each ministry had its own internal monitoring division, which checked progress on an annual basis only. Such infrequent measurement meant decision makers were often unable to spot impending trouble, anticipate bottlenecks, or keep big projects on track. Further, the ministries often assessed progress based on the percentage of budgeted funds they had received and disbursed rather than on the action steps taken or services delivered.

Hanief Arie Setianto, who worked with Kuntoro at the BRR and was involved in the transition team's discussions, said the methodology used for the monitoring of action plans was inherently flawed: "I don't believe the information was strategic enough for the president to make a decision, to amend the project, or to formulate a new initiative or new directives." In addition, citizen involvement was nearly nonexistent because there was no nationwide system for soliciting or receiving public complaints regarding government services.

Partly as a result of ineffective monitoring systems, many government projects crawled at a snail's pace. No one in government took responsibility for pushing ministries to achieve outcomes quickly, and the public had no real voice.

Finally, project implementation often fell short because ministries failed to cooperate with each other. Notwithstanding their preelection promises to work together as a coalition, the parties represented in the cabinet were often stiff competitors at the regional and local levels, where they catered to their constituents. Some ministers were the heads of their political parties, and they would put their parties' interests ahead of the administration's goals. Some ministers were hesitant to fight for the administration's initiatives, fearing that support for the president's plans and those of his party

could undermine their own candidates at other levels of government.

Years earlier, in an effort to consolidate control, the Suharto government had created three coordinating-minister posts: one for politics, law, and security, which covered such ministries as home affairs, foreign affairs, and defense; one for economics, with oversight of the ministries of finance, energy, and trade, among others; and one for people's welfare, whose portfolio included the ministries of health, education, and religion.

In post-1998 Indonesia, the coordinating ministers were supposed to help their ministries collaborate to solve problems. They often fell short in that ambition, however. Because the coordinating and line ministers were equals in the cabinet, cooperation was voluntary. Ministers who represented different parties with differing priorities had no reason to share ideas and collaborate. Moreover, coordinating ministers were typically political veterans in a system rife with patronage. "Coordinating ministers tend to be people who operate on the basis of personal loyalties and rents," said Kevin O'Rourke, a political analyst and author of *Reformasi Weekly*. "Those types of people rarely cooperate well with professionals or anyone with whom they lack an established personal relationship."

FRAMING A RESPONSE

In mid-2009, Kuntoro had his work cut out for him. He recalled Yudhoyono's words when the president phoned him to offer him the job of leading a new delivery unit that would address the challenges of managing the presidential cabinet: "He told me, 'Why don't you help me implement what you implemented in Aceh here in the central government?'"

If everything worked out as planned, the delivery unit, like the UK's original, would strengthen the president's policy team, help Yudhoyono and his ministers set targets,

monitor and report the progress of ministries and agencies, and provide technical assistance to help ministers achieve their objectives.

The 62-year-old Kuntoro had ample credentials. He held a PhD in decision science from Bandung Institute of Technology in Indonesia. He had earned master's degrees in engineering from Stanford and Northwestern Universities in the United States. Widely respected by the public and by politicians for his integrity, Kuntoro had spent most of his time in business enterprises, including as head of state-owned tin-mining company PT Tambang Timah, which he shepherded out of bankruptcy. He also served as a director general and later as minister of the Ministry of Mines and Energy.

Contemplating the president's job offer, Kuntoro recalled the challenges he had faced in running the BRR's reconstruction work in Aceh and Nias, where billions of US dollars in donor funding created the risk of corruption at all levels. Accusations that BRR staff were stealing or engaging in corrupt acts could have eroded public support for the agency—and the president. At the same time, Kuntoro had to work with ministers who had competing political agendas.

To succeed at the BRR, Kuntoro had needed both a core staff that was beyond reproach as well as strong backing from the president when ministers' help was required.

Aware that he would encounter similar challenges as head of the delivery unit, Kuntoro set specific terms for his employment—conditions that echoed those he had set before accepting the job at the BRR years earlier. First, Kuntoro wanted full discretion over hiring for the new unit. He maintained it was essential that all the employees work well together as a team, and he wanted to build a cohesive group.

Second, Kuntoro sought to pay his staff salaries that, in most cases, would be higher than those that other civil servants at equivalent pay grades earned; but he also ruled that

employees could not receive income from other sources. In many ministries, workers received combinations of base pay, performance benefits, and other allowances. Kuntoro said a single base salary—set high enough that no one could credibly claim that extra pay was essential for survival—would mean people would spend less time thinking about how they would earn their pay and more time focused on their work. Third, Kuntoro wanted to require all employees to sign an integrity agreement that would help promote honorable and principled behavior. Fourth, he wanted the authority to dismiss employees at any time for any reason. Finally, he wanted to be a full member of the president’s cabinet.

Kuntoro’s strong reputation worked in his favor, and the president agreed to the stipulations. “If he had not seen what I did with the BRR in Aceh, surely he would not have given me the freedom in this agency to operate how I wanted,” Kuntoro said.

Kuntoro was not as successful when he also urged the president to do away with the coordinating ministers. During his tenure at the BRR, he had witnessed firsthand how coordinating ministries sometimes slowed or impeded the work of government—sometimes deliberately but sometimes just because of the extra level of approval required. But on that point, Yudhoyono stood firm. Both the president and his vice president had served as coordinating ministers. And abolishing the posts would have meant eliminating or reassigning hundreds of support staff in the three coordinating ministries. Kuntoro did not make this proposal a condition for taking the job.

Yudhoyono assigned Vice President Boediono to work with Kuntoro on defining the unit’s mission. At the center of government, the transition team made initial decisions to set strategy and priorities, integrating campaign promises with the second medium-term development plan (2010–14). The delivery unit’s role would be to focus ministries on

meeting the objectives in their annual plans and to help formulate action plans for specific projects and initiatives. Above all, the unit would keep the president apprised of ministry performance. Unlike the UK’s delivery unit, which did not make presentation of results in cabinet part of its *modus operandi*, Kuntoro would present the results to the president at cabinet meetings.

By contrast with the ministries’ past practice of monitoring annually, the delivery unit would check on progress quarterly. At the time Kuntoro was designing the delivery unit, most parts of the government lacked such nimbleness. “Here in government, for the big things, it’s annual,” he said. But “if you want to have a sound system, the iterative process of implementation, error detection, and improvement should be very fast.”

Kuntoro knew the value of fast and decisive action. During his work at the BRR, success often hinged on how speedily the agency detected and solved small problems, catching them before they became major ones. “Because this was a reconstruction, the cycle of planning, strategy, evaluation, and error detection was very fast. Mistakes were detected on a day-to-day basis,” said Kuntoro, referring to his time at the BRR.

More-frequent monitoring would enable the unit to spot and clear emerging bottlenecks. At the same time, monitoring on a quarterly basis—rather than monthly, for instance—created enough of a window between reporting periods to avoid overwhelming ministry staff with reporting requirements.

At the time of these initial discussions in the late summer of 2009, many of the ministries were coming up short on their year-end targets. “2009 was not a typical year for this cabinet,” said deputy Prasetyo at the new delivery unit. “This was an election cabinet, lame duck cabinet. . . . All the ministers were doing things

a little bit slow” because of uncertainty about who would win the presidential election.

Boediono and Kuntoro decided the delivery unit would use the first 100 days of the president’s new term, which began in October 2009, to focus exclusively on helping the ministries reach targets already in their plans but not yet completed. Such a move would provide an opportunity to build working relationships with ministries and help introduce civil servants to the unit’s mission and methods. After the initial 100-day period, the unit would take on a broader role: setting and monitoring progress toward quarterly activities at each ministry, thereby keeping the president informed of how his ministers performed and intervening when projects stalled.

In December 2009, following his second inauguration, Yudhoyono issued a decree formally establishing the President’s Delivery Unit for Development Monitoring and Oversight, known by its Indonesian abbreviation, UKP4.

GETTING DOWN TO WORK

Kuntoro’s first objective was to hire staff members who could help ministries fulfill the objectives in their previous year’s plans—during the 100 days set aside for that exercise. Thereafter, the delivery unit would help ministries set quarterly targets, assist ministries in overcoming bottlenecks or other problems, and report progress to the president.

Kuntoro was meticulous in choosing candidates for the initial 16-person delivery unit team. He considered it imperative that the employees be nonpartisan. Because the president had to manage a coalition in a sometimes tense political atmosphere, any sign of favoritism would undermine the unit’s ability to get things done. Kuntoro said prospective candidates had to be “of high integrity”—meaning, they had to be “uncorrupted and have no political biases or affiliations.”

Kuntoro also wanted creative problem solvers who could work independently and were free of bureaucratic thinking. “I didn’t want to take anyone with bureaucratic experience, because bureaucratic experience is damaging,” he said. “They become so structured and start talking about ‘this procedure, this law, this regulation.’ I didn’t want to hear it. You have a problem, solve that problem.” All new hires were graduates of top universities in Indonesia or overseas.

Kuntoro first appointed four deputies, two of whom had worked with him at the BRR. Each deputy oversaw a specific interest area such as planning and international relations; or monitoring and institutional relations; or technology and information analysis; or strategic initiatives.

The deputies helped select the directors, associate directors, and support staff who would assist them. In building this team, Kuntoro preferred to recruit people he knew or people suggested by trusted referees. That way he had more information about character and talent than an application form and an interview could yield. Therefore, all four deputies interviewed prospective candidates, sometimes in one-on-one sessions but more often in small-group interviews. Aware of the value of personal relationships in a group environment, Kuntoro tried to make sure each new employee fit well with other team members.

The delivery unit broke with conventional government procedures in several ways. For example, Kuntoro was the only person who had a private office. To promote collaboration, everyone else worked at long tables in a large, open-air space called the *War Room* or in one of two conference rooms.

Kuntoro followed through with the plans he had proposed in his first discussion with the president and set salary levels above the levels most civil servants at equivalent pay grades received. Although the higher salaries caused

some resentment among rank-and-file civil servants elsewhere in the government, criticism was muted because the office was comparatively small—it grew from 16 in 2009 to 35 in 2012—and because each of its members had to forgo allowances and other sources of income from which many of the county’s 4.5 million civil servants benefited.

Each member of the team had to sign an integrity pledge to be nonpartisan at all times and to reject financial offers or gifts. The integrity pact banned the common practice of civil servants’ receiving remuneration for activities outside the office, like attending conferences. Workers in some parts of Indonesia’s government received more money through such arrangements than they earned in their regular paychecks.

Building trust in a new concept

Kuntoro saw the 100-day period set aside for completing 2009 objectives as a way to advance the interests of the delivery unit in two ways: First, by helping ministers and their staff members complete projects, the unit could build goodwill, foster working relationships, develop personal contacts, and—perhaps most important—learn about the inner functions of individual ministries. Second, the 100-day period would serve as a trial run for the performance improvement strategy Kuntoro sought to put in place.

The delivery unit first worked with the ministries to create a feasible set of objectives. The National Planning Agency’s annual goal-setting exercise usually produced far too many priorities. “Each of the line ministries is in a race to sell very good proposals to the National Planning Agency, hoping they will get more money,” said Setianto, one of Kuntoro’s deputies at the delivery unit. The delivery unit met with the National Planning Agency and secretaries-general and directors of the line ministries to decide which projects to focus on.

In setting priorities, the decision makers applied three basic criteria: First, they sought out high-visibility projects that could be completed rapidly and would provide the administration with quick political wins. Second, they looked to initiatives they considered the most strategic in the medium-term development plan, with the rationale that it was best to get started early. Third, they identified projects that had stalled and would benefit from the president’s or vice president’s intervention. Because such projects already had funding and ministry commitments, concentrating on the work was unlikely to conflict with other ministry priorities. To demonstrate a collegial approach, the delivery unit gave ministries flexibility in meeting their goals by allowing them to adjust their original targets to fit into the 100-day period.

A key element of UKP4’s effort was to clarify who was doing what and when. Using the agreed targets, the delivery unit created 129 so-called action trackers, one for each target project. The action trackers were relatively simple Excel spreadsheets that listed each goal, the line ministry in charge of the initiative, the supporting ministries and agencies, and targets for the 25th, 50th, and 75th days. They delineated exactly which ministry or ministries had responsibility for a project, what had to get done, and intermediate deadlines. The trackers helped the delivery unit keep tabs on progress, quickly identify logjams, and know who had responsibility. “The philosophy is that each action plan must have one ministry in charge,” said Setianto. Having one ministry in charge could eliminate confusion over which ministry was ultimately responsible for the outcome.

Listing the supporting ministries was important to create pressures for follow-through. “The disincentive [to nonperformance] is that it’s peer pressure, where one minister would be let down by another minister because he didn’t

fulfill his [side of the bargain],” said delivery unit deputy Samadhi.

The delivery unit monitored work during each of the four 25-day time periods and assigned one of four colors to indicate progress: red for 50% or less completed, yellow for 51 to 75% completed, green for 76 to 100% completed, and blue for surpassing targets.

Kuntoro recalled that ministers were “shocked” when he introduced the action trackers at Yudhoyono’s first cabinet meeting. Yudhoyono requested that each minister sign a contract agreeing to achieve the goals listed in the trackers. And even though ministers bristled at the idea of having their performance monitored and graded, refusal was not an option.

Examples of 100-day projects included reducing to four days from seven the time it took to issue a passport, establishing 1,379 clean drinking-water facilities, giving 25,000 villages telephone access, and connecting 18,000 schools to the Internet. Members of the delivery unit remained in close contact with colleagues in the ministries, requesting e-mail documentation during quarterly check-ins, and conducting occasional site visits.

On 1 February 2010, the 100th day of Yudhoyono’s second term, the delivery unit reported that 127 of the 129 action plans had been completed. The two goals behind schedule were big initiatives that required additional time, although both had started earlier and had lagged. The agriculture ministry had not completed a large commercial fishing project. And the education ministry had fallen short of its goal to improve the skills of 30,000 school principals and supervisors.

Overall, the ministries had performed well. But questions remained over whether the pilot phase had indeed created an atmosphere of trust and cooperation and whether the same approach to target setting, monitoring, and follow-up could be sustained in the months ahead.

Formulating action plans

In November and December 2009, while the 100-day pilot program was under way, representatives of UKP4 met with people from the president’s office, planning agency, and line ministries to set specific quarterly targets for the projects spelled out in the annual plan for 2010, which had just passed the legislature.

The unit believed the best way to help ministries make progress was to work with them to create action plans in the form of a list of the steps necessary to complete a project arranged in a sequence that minimized the amount of time spent waiting at any intermediate stage.

Although the National Planning Agency’s full-year plans set year-end targets for each program or project, it was left to the ministries to determine the details and timing of implementation. Kuntoro and his team viewed their roles as helping fill in the blanks in two ways: first, to get the ministries going right away by setting specific, aggressive objectives in the first and second quarters or, failing that, to press the ministries to avoid leaving most of the work until the third and final quarters.

“We try to put as many numbers as possible into the [quarterly] targets,” said Samadhi. “We try to be specific.” Some targets, like infrastructure projects, including the construction of 19 new prisons by the Ministry of Justice and Human Rights, were typically easier to measure than outcomes that required inputs from many different sources, such as the completion of a legislative bill on goods and services procurement at government departments, which was also a goal in the 2010 plan.

Credibility was an important trait for members of the delivery unit team. The more familiar a staffer was with the particular topic under discussion, the more persuasive that staffer could be in making the case for the reason a target had to be reached by a certain quarter. For example, Kuntoro was an expert in energy

issues. “So we are very persistent in saying, ‘No, this is the target that you should achieve,’ even though all the participants in the discussion may say differently,” said Setianto, referring to conversations related to energy projects.

Because the delivery unit staff had the implicit backing of the president and vice president, they had a great deal of clout in pushing their point of view, and most discussions went in their favor. Once the quarterly targets were in place, the unit crafted an Excel tracker sheet, similar to the one used during the first 100 days. By early 2010, the delivery unit was overseeing 369 action plans. (In 2011, the number was 355; and in 2012, 413). The unit also wrote performance contracts between each minister and the president, again following the same format from Yudhoyono’s first months in office. Such contracts served as moral incentives to compel performance toward agreed-upon targets.

Monitoring action plans

Because the delivery unit had few staff, effective monitoring of all of the action plans was impossible. So the unit had to decide which to track quarterly. “It is very difficult to sit with ministries and out of 50 action plans determine the most important 5 or 10,” said Kuntoro. At first, the unit based its decisions on what it considered relative importance. Later, as the unit became more familiar with the individual ministries, monitoring concentrated on ministries that were more prone to exaggerating progress and that needed to be watched more closely. The delivery unit monitored about 20% of all action plans quarterly and shared the results with the president at cabinet meetings, which were held three or four times a year.

During the delivery unit’s first year of operation, ministry staffers listed quarterly progress on their trackers and e-mailed them—along with documents showing proof of progress—to the delivery unit. (The delivery

unit also conducted periodic field visits to verify the accuracy of the information provided.) The documents varied widely in quality and relevance. For instance, if an initial quarterly target was to have a project tendered and contracted, the delivery unit asked for signed documents to substantiate the progress. But ministry staffers, unsure of which documents to send, sometimes sent incomplete or misleading information. Such confusion created two problems: First, delivery unit staff often had to spend valuable time following up with ministry staff. And second, the delivery unit might misinterpret the information and mark the ministry as having missed a target, which would undermine the fragile cooperative atmosphere on which the unit relied.

In 2011, the delivery unit created an online portal to which ministries could post supporting documents and update their trackers. The submission system enabled the unit to keep tabs on documents more effectively than via e-mail. In keeping with the unit’s policy of confidentiality, postings by one ministry could not be viewed by other ministries or by the public.

To win further support for its role, the unit allowed ministries to take full credit for reaching targets, even when UKP4 had assisted heavily, yet Tedy Sitepu, a researcher at Paramadina, said there were flaws in the way the unit assessed progress. “The delivery unit evaluates performance of the ministries based on their spending rate,” he said, explaining that if a first-quarter target were to build 100 kilometers of railroad track, just the fact that the Ministry of Finance released the money to the ministry for the construction was enough to earn the tracker a green mark.

Unclogging bottlenecks

As originally conceived, the delivery unit’s primary responsibility was to monitor progress toward meeting priorities and to report its

findings to the president. But during the 100-day trial period, the delivery unit found it had to intervene frequently to get results, which often entailed getting people to talk with one another. The experience forced the unit to rethink its support role.

In late 2009, the vice president began to host coordination meetings once every two weeks. Those meetings were effective in helping resolve implementation challenges, especially when projects began to veer off track. “He called the ministers involved in the particular decision and would sort of chart out an agreement on how to address that change,” Prasetyo, a deputy at the delivery unit, said of the meetings. Political analyst O’Rourke said the meetings often brought together different ministers, senior civil servants, regional heads, and representatives of state-owned enterprises. Staff from the delivery unit also attended. “They would hash things out and post the results of the meeting to the vice president’s Web site,” O’Rourke said. The vice president’s Web site was visible to the public.

Because the delivery unit tracked implementation, it was able to spot bottlenecks and bring problems to the attention of the vice president. Unit staffers often had to analyze the situation in advance of meetings and figure out what was going wrong.

Sometimes the solution to the untangling of implementation problems was a fairly simple matter of getting the right people together. One example involved the central government’s plan to build a natural gas pipeline to connect ships hauling liquid natural gas to a power plant onshore. The Ministry of Energy, which was handling the project, needed a permit from the Ministry of Transport allowing the vessels to be in specific positions as they unloaded. The project nearly came to a standstill when the transport ministry declined to issue the permit in the absence of support from the local government, which had jurisdiction over the

land on which the power plant stood. The local government claimed the project would interfere with an existing flood mitigation initiative. The delivery unit invited the key participants at both levels of government to one of the vice president’s meetings. Collectively, they decided on a way to proceed with both the pipeline and flood mitigation projects. With support from the local government, the transport ministry issued the necessary permit. Although the solution seemed simple, the delivery unit performed a valuable service in identifying the bottleneck, determining its cause, and elevating it to a forum that brought together key participants to solve the problem.

Engaging citizens

Early in UKP4’s existence, the team’s small staff recognized that they could never do an adequate job of monitoring hundreds of ministry projects by visiting them in person. “We have a limited number of people, and unless you rely on technology and innovation, you can’t reach the corners,” said Samadhi, a delivery unit deputy.

Samadhi’s colleague Agung Hardjono, the delivery unit deputy in charge of technology, said that soon after joining the unit in 2009, he “started discussing how we could connect people around the country to contribute something if they had a complaint.” Although it would be difficult to ask citizens to offer feedback only on specific projects the unit was tracking, it was logical to expect a complaint/comment system to provide public feedback regarding progress on specific public works or other projects.

The question of how to communicate such feedback was answered easily in Indonesia, where cell phone coverage was widespread despite the country’s challenging geography. Although the number of cell phone subscriptions in Indonesia was only about 3 per 100 people in 2002, (compared with 24 in Mexico and 45 in the United States), cell phone ownership soon skyrocketed; and by 2011, there

were 98 subscriptions per 100 users.² Many areas had Internet access through mobile broadband. (In 2012, Paris-based research company SemioCast named Jakarta the most active Twitter city in the world, reflecting the extent of connectivity.)

In November 2011, the delivery unit launched the new Public Participation and Information System, known by its Indonesian name, *Lapor*, meaning, “to report.” This complaint-handling system enabled cell phone users anywhere in Indonesia to send text messages and post their comments on topics ranging from neglected infrastructure projects to teacher delinquency and accusations of extortion against local police.

Amri Priyadi, who oversaw *Lapor* at the delivery unit, said the system was designed to be accessible on many different devices. “We have the BlackBerry and Android apps for the urban areas and SMS [short-messaging system, for text messaging], used by everyone else, especially rural populations,” he said.

Although the system was a potentially powerful source of information, it was imperfect, containing valid complaints mixed with hearsay, rumors, and innuendo. The job of sorting them out fell to Priyadi, who said he checked each complaint for the “five w’s and one h” (who, what, when, where, why, and how). “Most complaints are rants,” Priyadi said. “They are not complete information. Once you see something on television, you complain.” Priyadi said he validated complaints that contained specific and verifiable details; he archived the others. He posted each validated complaint to the *Lapor* Web site for the public to see and simultaneously forwarded the complaint to the ministry or agency best positioned to address the issue.

The system tracked ministry responses and automatically sent the complainant status updates: responded, not responded, or case closed. *Responded* meant a ministry

acknowledged receipt of the complaint and/or had taken action to address the complaint. The complainant had 10 days from receipt of the update to respond via SMS or through the *Lapor* Web site either to confirm that the complaint had been addressed or to signal more needed to be done.

If the delivery unit did not hear from the complainant within 10 days, the system automatically closed the case. In some instances, when a complaint was serious enough and when the countdown approached the 10-day mark without response from the complainant, Priyadi could pause the clock to allow extra time for the unit to sort out the complaint with the ministry or agency in question.

Even though the delivery unit estimated that about 80% of the complaints were not related to the ministries’ action plans, the system still served as a useful tool for alerting the government about service delivery challenges in various parts of the country. For example, in 2011, *Lapor* registered a complaint about a damaged bridge in Aceh province. The delivery unit forwarded the complaint to the local government office in Aceh. A team from the unit visited the bridge to verify the damage. The on-site team informed the office in Jakarta that the complaint was accurate. The unit then sent an official letter asking the local government—which under Indonesia’s decentralized government structure had the authority to make repairs—to prioritize the rebuilding of the structure. The local government in turn consulted with the local government council and secured funding for the repair in the 2012 budget. Agung Wicaksono, a member of the delivery unit team, said the construction was completed by December 2012.

Further, not all ministries agreed to field complaints that had been passed along by the delivery unit. As a result, the unit was reluctant to put too much time and effort into publicizing the initiative. “We don’t want to push this too

much yet because we don't want people to get disappointed by the current service quality given by the ministries," said Priyadi.

Accepting new responsibilities

As time went on, the unit's scope of responsibilities broadened, and Kuntoro hired two more deputies to handle the additional workload.

In September 2010, Yudhoyono signed a decree creating a task force that would oversee the country's effort to reduce greenhouse gases by curbing deforestation, forest degradation, and emissions. The president appointed Kuntoro to head the task force. Other members included senior delivery unit staff like Prasetyo and Samadhi. The Norwegian government pledged US\$1 billion to help.

The task force established and then oversaw 10 working groups, each of which had a specific responsibility, such as helping provinces formulate regional strategies based on a to-be-developed national carbon reduction strategy. In June 2012, the task force released a national strategy to guide the initiative, and it set a start date of 2014 to begin implementation. Before work could begin, the task force and its working groups had to oversee the creation of three different bodies: a climate change agency, a funding instrument, and an institution for measurement, reporting, and verification. Numerous hurdles continued to stand in the way, including stiff resistance from the Ministry of Forestry, which earned billions of dollars a year collecting land permit fees from land developers and which had strong reason to stymie efforts to preserve forested land.³

The UKP4 also supported the president's role as cochair of a United Nations (UN) panel that advised the UN on creation of a framework that would guide the global development agenda beyond 2015, the end date for reaching a series of measurable development targets known as the Millennium Development Goals. The additional

projects were indications of the president's trust in Kuntoro's team.

OVERCOMING OBSTACLES

In the competitive coalition politics that prevailed at the time, Kuntoro's tracking and grading system fueled rivalries within the cabinet. At a press conference following a July 2010 cabinet meeting, Kuntoro reported that a quarter of ministries received red marks for not implementing priority programs. Of the total of 369 action plans held across the ministries, 15% received blue marks, 63% received green marks, 4% received yellow marks, and 13% received red marks, though the percentages Kuntoro reported added to 95%, not 100%.⁴ In reaction, some ministers called on the president to dismiss colleagues whose ministries received poor scores—especially if those colleagues hailed from contending political parties.

Newspapers pounced on the political gossip. The *Jakarta Post* reported that Golkar party officials had prodded the president to shuffle underperforming ministers. Other parties told Golkar to leave the issue alone.⁵

House Speaker Marzuki Alie, a member of the president's own party, complained that the unit had begun measuring progress too soon. Referring to Kuntoro's press conference, he said that half a year was hardly enough time for ministers to prove themselves.⁶ The secretary-general of PAN (the National Mandate Party), who was a deputy speaker in the House of Representatives, asked the delivery unit to verify the marks.⁷ He suggested the evaluations should have been "strictly confidential" rather than discussed in cabinet meetings.

Golkar deputy chairman Priyo Budi Santoso, who had called for the cabinet shuffle, later retracted his statement, but the incident made clear that the delivery unit's reports could disrupt collegial relationships within the cabinet and potentially imperil the president's coalition.

In response to the episode, Yudhoyono instructed Kuntoro to present his unit's tracker results to him privately rather than at cabinet meetings or to the public. Yudhoyono would then decide how to work with each minister to ensure results, on an individual basis. Kuntoro would not be in the room; however, he would continue to attend cabinet meetings as a cabinet official.

ASSESSING RESULTS

Whether in a presidential system or in a parliamentary system, coalition government often makes it harder to focus on strategic priorities, because ministers attend to the interests of their parties instead of a single set of goals. In early 2013, the question was whether the new Indonesia delivery unit provided any help in focusing attention on the president's promises and on the broader, national aims set forth in the country's development agendas. Kuntoro said the president used all of the delivery unit's reports on ministry performance, but because the reports were confidential, it was hard for the public to assess whether ministries were beginning to fulfill a higher proportion of their action plans.

Although the unit had a limited mandate, it did provide assistance that both the ministers and the president found useful. It fostered discussion about priority setting, even if it did not completely succeed in reducing the number of goals ministries placed on the agenda each year. It coached directors about how to prepare effective action plans. And it provided the president with regular information on how the ministries were performing. The new unit's effectiveness in those areas was in part a function of its own management practices, especially the practice of letting ministers and their staffs take credit for getting things done, which smoothed interpersonal and interagency relations.

Although the people behind the unit received high praise from all corners ("the delivery unit has the best civil servants in the country," said Wijayanto of the Public Policy Institute at Paramadina University), the design of the monitoring program also attracted some criticism. When it came to designing the action plans, the vice minister at the National Planning Agency, Lukita Syah, argued that too often the UPK4 set unrealistic quarterly targets: the targets were either too high too early in the year or more detailed than the final goal called for. He said the method risked setting up the ministries to miss goals repeatedly, which in turn lowered morale and fostered mistrust. "The delivery unit's intentions are good," said Lukita. "But considering the circumstances, I know it's hard to set big targets. If we know we are working hard and can make it, that's OK. But if we're working hard and won't make it, then we need to make adjustments to the targets while trying to stay true to the end goal."

Whether the president's closed-door conversations about the UKP4 reports helped win greater attention for the priorities in Indonesia's development plans was difficult to assess. Kuntoro observed that simply knowing that the president had information on one's performance, regardless of the fact that it was kept private, could motivate a person to change behavior. Still, Kuntoro said, it was hard to help ministries implement projects when he was not present at discussions between ministers and the president. "I want to know what his instructions to his ministers are so that I can then monitor."

Outside the government, some observers said that because the president had not taken steps to demonstrate publicly how he used the unit's reporting, ministers took the delivery unit less seriously than they would have if all reports were available for citizens to see. For example, Natalia Soebagjo of the University of Indonesia said: "Underperformers are not being

sanctioned. I think at this very moment, UKP4 and Kuntoro are no longer as intimidating to the ministers as they had originally been when the unit was first set up.”

The lack of public sanctioning of ministers by the president provoked discussion among outside observers as to whether the president put enough might behind the unit. It was possible that Yudhoyono viewed Kuntoro and the vice president as very valuable allies but had created those positions without a strong sense of the political capital it would take to make their work effective. Greater presidential support for the unit would have likely increased UKP4’s ability to improve rates of implementation.

Notwithstanding its shortcomings, by late 2012 the delivery unit’s actions had attracted the interest of local governments and private industry in Indonesia. Officials from East Java, South Sumatra, and Jambi provinces visited the office to learn how a delivery unit could be helpful to their local governments, and PLN (a state-owned electricity company) and Angkasa Pura II (an airport management company) created delivery-like units modeled after UKP4.

REFLECTIONS

Seated in his office in Jakarta in late 2012, Kuntoro Mangkusubroto, head of the President’s Delivery Unit for Development Monitoring and Oversight, assessed the gap between what he had hoped to achieve, what he realistically knew he would be able to achieve, and what he actually achieved. “When I was in Aceh, I was the number one,” he said, referring to his time as director of the Agency for the Rehabilitation and Reconstruction of Aceh and Nias. “I was the implementer, the coordinator, and the evaluator . . . Everything was very systematic. If there was a deficiency at the end of the chain, I immediately corrected it. That’s what I had in mind here.” At the center of government, it was harder to win that kind of responsiveness.

Fewer priorities might have facilitated a narrower focus on what the unit measured. Kuntoro said that limiting the number of priorities and the action plans they spawned would have made the unit’s job easier. “But there is no way you can get [fewer action plans], because when I asked the president in 2009 to reduce the national priorities from 13 to 5, he encountered difficulties, so he stuck with 11. And even after 11, we added 3 more.” He said the heterogeneity of the country—with its multitude of islands, ethnicities, and religions—made it difficult to prioritize all but the most important tasks. “You have to make everybody happy when it comes to priorities. When you have a priority that excludes another part of society, you will have problems.”

Despite the challenges and some disappointments, Kuntoro was pleased with the team he had assembled. In fact, the quality of the people on the team, including Yudhoyono’s choice of Kuntoro as head, may have been the delivery unit’s strongest asset. “You have to fill the unit with people of respect and integrity,” said Jourdan Hussein, an associate director at the unit. “That’s what builds the trust and the efficacy of the unit in exercising its roles. If you didn’t have Dr. Kuntoro, this unit would have been ineffectual.”

Heru Prasetyo, a deputy at the delivery unit, echoed Hussein’s comments. “At one time you need to be bold and humble. You may find a situation whereby you don’t get any kudos—not even the president saying ‘Good work.’ You have to be ready for that . . . On the other hand, you have to be bold. You have to push the thinking of the president. Not necessarily by telling him something he doesn’t know, but tempting him to think of a higher call than what he will be seeing as what he normally can do.” Balancing both roles required focusing on the mission without distraction, much like Wallenda on the tightrope.

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- ¹ Ian Bremmer, “Yudhoyono plays politics, takes eyes off reform,” *Foreign Policy*, 2 November 2011, http://eurasia.foreignpolicy.com/posts/2011/11/02/yudhoyono_plays_politics_takes_eyes_off_reform
- ² World Bank World Development Indicators, “Mobile Cellular Subscriptions (per 100 people),” <http://data.worldbank.org/indicator/IT.CEL.SETS.P2>, accessed 20 March 2013.
- ³ David Fogarty, “Special Report: How Indonesia Hurts Its Climate Change Project,” Reuters. 16 August 2011, <http://www.reuters.com/article/2011/08/16/us-indonesia-carbon-idUSTRE77F0IK20110816>.
- ⁴ Erwida Maulia, “Ministers get red marks for missing targets,” *Jakarta Post*, 9 July 2010, <http://www.thejakartapost.com/news/2010/07/09/ministers-get-red-marks-missing-targets.html>.
- ⁵ “PAN wants ministers’ red marks verified.” *Jakarta Post*, 14 July 2010, <http://www.thejakartapost.com/news/2010/07/14/pan-wants-ministers'-red-marks-verified.html>.
- ⁶ Erwida Maulia, “Coalition tense as parties upset with report card,” *Jakarta Post*, 17 July 2010.
- ⁷ Ibid.



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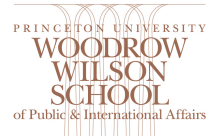
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