The Political Economy of Sanitation
Indonesia Case Study

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Political Economy of Sanitation Study

Two Underlying Questions:

• Why is it that sanitation, despite its evident importance for health and dignity, receives so little investment?

• Why is it that when there is investment, so much of it goes to sewerage and waste water treatment plants rather than meeting basic needs of the poor?

Methodology:

• Social scientists to study how decision are made in our sector

• Develop draft framework of analysis

• Test and revise in four countries

• Summarize and synthesize
A Framework of Analysis

**Diagnostic Framework**

**COUNTRY CONTEXT**
Country's socioeconomic, historical and cultural characteristics
Political processes within the sanitation sector

**SECTOR ARENA**
Stakeholders & institutions:
- Economic interests (rents, asset, capture, etc.)
- Political interest (authority, clientelism, etc.)

**SECTOR PROCESS**
- Dialogue & decision making
- Coalition building
- Participation
- Public debate & information

**Action Framework**

- Timing, tailoring and location of investment and operations
- Understanding the sector through rigorous analysis
- Realigning accountability
- Partnership strategy
- Public debate and communication
• Conditions ripe for increased investment in rural sanitation in India
PE Tools: Formal and Informal Process Mapping

**KEY POINTS OF DECISION-MAKING AND PE ENTRY POINTS**

- Department capacity to prepare sound budget proposal according to sector policy
- ‘NEGOTIATION’ at intra-Ministry-level
- MoF influence to reduce line ministries’ budget proposals
- ‘NEGOTIATION’ at inter-Ministry-level

**FORMAL PROCESS**

1. MoF publishes budget envelopes
2. Budget proposal & preparation in Ministry’s Sanitation Department
3. Submission of department budgets
5. Submission of ministry budgets to MoF
6. MoF validates proposal according to sector policy and makes adjustments (usually cuts)
7. Prime Minister & Council of Ministers
8. Parliamentary approval process

**INFORMAL PROCESS**

- Budget envelopes are not published by MoF and line ministries make proposal ‘into the blue’
- President influences all stages of the budget process
- De facto no changes at Parliament-level
Key Sanitation Parameters - Indonesia

Population in 2008: **229 million**

Access to improved sanitation (JMP)
Urban: 67%
Rural: 36%

Open defecation (JMP): **58 million**
Urban: 18%
Rural: 40%

Urban sanitation:
2-3% sewerage coverage in 9 cities
63% septic tanks / soak pits
88% of these no septage treatment

SANITATION MDG: NOT ON TRACK
Country Context – The Lost Decades

• Sanitation is a private responsibility
• Many rivers/drainage channels wash all waste away
• Low cultural, historical and political focus
• Low levels of infrastructure investment post 1997 Asian crisis (government and donor financed)
• Only exception: rural water and sanitation investment through community-based approaches (80-90% water supply)
• Little accountability towards citizens, even after ‘big bang’ decentralization
Sector Arena – Many Sailors, No Captain

Array of Stakeholders:

- 5 national ministries, no lead agency
- Up to 15 agencies involved at municipal level
- Preference for ‘high visibility’ investments at local level
- Patron-client relationships determine investment priorities (rent seeking)
- Institutional confusion and complexity reduces accountability

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<th>Local government departments</th>
<th>Infrastructure development and service delivery</th>
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<td>Local policy and strategy</td>
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<td>Communal toilets</td>
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<td>SANIMAS (urban sanitation systems)</td>
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<td>Municipal Cleaning and Landscaping Agency (DKP)</td>
<td>Household toilets and septic tanks</td>
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<td>Drainage**</td>
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<td>Neighborhood administrative units (RT/RW)</td>
<td>Environmental Services Agency (DLH)</td>
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<td>Environment Watch Body (BPLHD) at provincial level</td>
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<td>NGOs / CBOs / community groups</td>
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<td>Individuals / households</td>
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WSP water and sanitation program
Sector Process – There is NOW a Plan!

Significant shift since 2008/09 - high-level commitment to sanitation:

• National 5-Year Development Plan Targets 2010-2014
• National Sanitation Acceleration Program launched by Vice President and Ministers in 2009
• Sanitation budget quadrupled in 2010
• Expectations of local government ownership, process and budgets clarified by National Government
• Local governments started to develop own sanitation strategies and plans
Budget Increase

Sanitation Budget Allocation

Sanitation APBN

Sanitation DAK

Year

Budget (in Million Rupiah)
Key Levers for Change - Urban

Piloting of city-wide strategic sanitation development approach in 2006

• Based on local demand, stakeholder-inclusive
• Program facilitator at national level to ensure central ownership
• Modular approach: advocacy, city sanitation situation assessment, strategy development, incremental investment plans
• Approach fitted into government planning and budget cycle
• Sanitation definition = sewerage, drainage and solid waste management
• Peer learning and pressure at yearly city summits since 2007
• Advocacy based on the analysis and local government pilot experiences with quality PR and communications

Piloted approach developed into National Sanitation Acceleration Program in 2009

TARGET: 330 CITIES BY 2014
Key Levers for Change - Rural

Province-wide piloting of total sanitation and sanitation marketing approach in 2007

• Based on creating demand for improved sanitation, behavioral change approaches to stop open defecation, and support to market-driven sanitation provision

• Focus on enabling local governments to achieve results

TARGET: 20,000 villages by 2014

Community-Led Total Sanitation Strategy approved by Ministry of Health in 2008
Key Levers for Change (contd.)

- National coordination, clarification of institutional responsibilities
- Evidence-based advocacy gaining ground
  - Analysis of economic impact of poor sanitation
- MDG pressure: Low coverage and MDG attainment levels vis-à-vis neighbors
- Increasingly sophisticated (and frequent) media coverage of sanitation issues
- Increasing macroeconomic fiscal space, even through recent world financial crisis
Action Framework - Operational Implications

• Big bang investment won’t fix decades of low progress:
  • sequencing interventions over different time scales
  • incremental improvements within government parameters
  • sanitation ‘patchwork’ is fine
  • Poor-inclusive more appropriate for Indonesia at this stage

• Targeted/audience-tailored evidence-based research:
  • comparative analysis (regional, in-country) to support investment decisions
  • understanding local government and household priorities before ‘packaging’ sanitation messages
• Realigning accountability won’t happen overnight:
  • Vertical accountability model of increasing citizens’ voice not priority
  • Demand-driven approach accepted for community investment but not yet for urban investment
  • Support ‘handshake’ of supply and demand
• Donors as ‘junior’ partners:
  • Perception of ‘donor driven’ works against success
  • Champions as facilitators and negotiators
• Active media collaboration to ensure high-quality coverage of sanitation issues
Challenges for 2011 Onwards

• **Stick to ambitious scale up of national programs:**
  - Urban: from development phase in 12 cities to investments in 330 cities
  - Rural: from one province to 33 provinces

• **Actual results** on the ground in terms of investment and sanitation indicators

• **Monitoring system** to review results and adapt programs
Conclusions

• Process approach to engagement off to a good start

• Study highlights effectiveness of development partners ensuring their approaches fit into country context

• Breakthrough was not one pivotal event; many contributing factors

• Persistence is key, but also flexibility to adapt to changing circumstances

• PE approach and methodology very useful to analyze what happened and how – would have been good to have it earlier!
Thank you – Terima kasih banyak
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