

Better Policies Better Lives

Final Report: Evaluating the Use of the 'Swakelola Tipe III' Procurement Mechanism

May 2020



SOLIDARITAS

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EXECUTIVE SUMMARY

This document presents the results of the evaluation study of the *Swakelola Tipe III* (“self-management type III”) procurement mechanism introduced in *Peraturan Presiden nomor 16 tahun 2018 tentang Pengadaan Barang/Jasa Pemerintah* (Presidential Decree number 16/2018 about government procurement of goods and services, hereafter “Perpres 16/2018”). This mechanism enables governments to directly contract *organisasi kemasyarakatan* (civil society organisations, hereafter “ormas”) to carry out activities. The inclusion of this mechanism in Perpres 16/2018 is at least in part due to advocacy by the Australian-funded Knowledge Sector Initiative (KSI) together with a number of its partner policy research institutes (PRIs).

To understand the extent to which *Swakelola Tipe III* is being used and to learn from existing examples to improve socialisation and advocacy efforts related to procurement, in December 2019 KSI commissioned SOLIDARITAS to conduct an evaluation of existing *Swakelola Tipe III* data and known cases.

KEY EVALUATION QUESTIONS AND METHODOLOGY

This study is guided by the following Key Evaluation Questions:

1. **To what extent is *Swakelola Tipe III* being used?**
2. **What are the general (perceived) benefits and challenges felt by stakeholders related to the use (or potential use) of *Swakelola Tipe III*?**
3. **What role, if any, has KSI (and LKPP) played in enabling or encouraging the use of *Swakelola Tipe III*?**
4. **Under what circumstances are *Swakelola Tipe III* likely to be (successfully) used, by which types of government agencies, and why?**
5. **How can LKPP and/or KSI more effectively support the successful use of *Swakelola Tipe III*, or other potential ways in which governments “procure” evidence for policy-making from research organisations (universities, think tanks, and NGOs)?**

In order to answer these questions, SOLIDARITAS took the following four stage approach:

1. Review and analysis of LKPP SiRUP data from 2019 and 2020
2. Brief interviews with parties involved in planned or actual *Swakelola Tipe III* contracts as identified from the results of the analysis of SiRUP Data or additional cases identified by KSI and/or LKPP
3. Preparation of four *Swakelola Tipe III* case studies
4. Analysis to identify similarities and differences across the four cases

FINDINGS AND CONCLUSIONS

KEQ1: To what extent is *Swakelola Tipe III* being used?

The ability to make generalisations about the overall planned usage of *Swakelola Tipe III* based on SiRUP data is limited, due to concerns about the accuracy of the categorisation of procurement “packets” as *Tipe III*.

Nonetheless, the evaluation was able to identify and confirm several cases of *Swakelola Tipe III* in 2018 and 2019. These included:

- At least eight *Swakelola Tipe III* contracts signed between Policy Research Institutes affiliated with KSI (SMERU, IRE, ARTICLE 33, and CIPG) and various government institutions;
- Four contracts between Yayasan Nusantara Sejati (YNS) and government institutions in Papua;
- 15 contracts between Universitas Gunadarma (a private university managed by a foundation) and various ministries and state agencies;

- Four contracts between the Association of Indonesian Architects (*Ikatan Arsitek Indonesia, AIA*) and government institutions;
- Multiple contracts between Kemendes PDD (the Ministry of Villages, Development of Disadvantaged Regions, and Transmigration) and two different ormas (Fatayat NU and Yayasan Alfa Omega) for the delivery of skills training in approximately 20 disadvantaged regions; and
- Contracts between Lembaga Pendidikan dan Pelatihan Gurindam (an ormas based in Kepulauan Riau province) and four different government institutions for the provision of procurement training.

A limited number of Swakelola Tipe III activities planned for 2020 were also identified; however, these seem to have been significantly affected by the COVID-19 situation and are unlikely to proceed as planned.

In light of the information collected, it seems reasonable to conclude that the use of Swakelola Tipe III expanded in 2019 from a small number of cases in 2018. The use of Swakelola Tipe III also does not seem to be limited to a particular type of government institution or ormas, or to a particular type of activity. Additionally, considering that several ormas entered into multiple Swakelola Tipe III contracts with different government institutions, there is potential for ormas who are experienced in using Swakelola Tipe III to contribute to increasing the use of the mechanism across various government institutions.

KEQ2: What are the general (perceived) benefits and challenges felt by stakeholders related to the use (or potential use) of Swakelola Tipe III?

The evaluation team found that, based on the case studies, **the main benefit of the Swakelola Tipe III mechanism has been to formalise and legitimise collaborative relationships between governments and ormas.** This means that: (1) the results of ormas' work with the government can now be attributed to the organisation, rather than the individuals hired through Swakelola Tipe I, (2) ormas are paid directly for the work that their staff undertake, enabling fair payment and proper financial reporting, as well as opening up a potential new funding stream for ormas and (3) there is potential for formally involving junior staff from ormas in the delivery of government contracts, thereby creating opportunities for capacity building. For governments, Swakelola Tipe III provides a fit-for-purpose mechanism which can create time and cost efficiencies in comparison to the other methods available for contracting third parties prior to PerPres 16/2018.

The key challenges are ensuring that governments are sufficiently comfortable with Swakelola Tipe III to face the 'risks' associated with BPK audit findings related to the use of Swakelola Tipe III, that ormas are able to cover labour and core costs associated with Swakelola Tipe III contracts and that both parties are aware of potential issues and the ways to address them. Specifically related to the issue of cost, (1) the common practice of using standardized government unit costs and (2) the minimal (or non-existent) institutional fee means that in some cases, ormas may not fully recover costs related to implementation of Swakelola Tipe III contracts. This in turn makes Swakelola Tipe III contracts less appealing for ormas and limits the potential for Swakelola Tipe III contracts to provide a viable funding stream for ormas over the longer term.

KEQ3: What role, if any, has KSI (and LKPP) played in enabling or encouraging the use of Swakelola Tipe III?

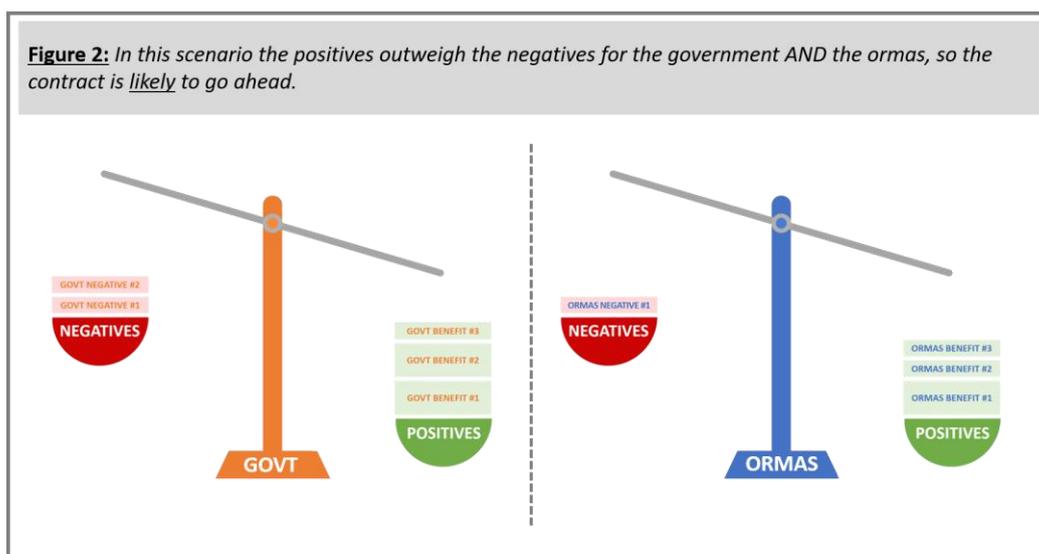
The evaluation team found that there were clear contributions by LKPP and KSI to all four of the cases investigated, and that LKPP and KSI provided support in three main ways: (1) by conducting socialisation events, (2) by providing general reference materials, and (3) by providing specific guidance/templates.

The various socialisation events have increased awareness and knowledge of the mechanism, especially amongst PRIs, further complemented by the AKATIGA general reference materials. However, amongst a wider audience, awareness of the mechanism still seems relatively low. There seems to be opportunities

for providing additional support to address questions or concerns related to Swakelola Tipe III, for example in the form of frequently asked questions.

KEQ4: Under what circumstances are Swakelola Tipe III likely to be (successfully) used, by which types of government agencies, and why?

The evaluation team found that understanding the decision-making process the parties undertake when agreeing to Swakelola Tipe III contracts was key. Both the government institution and the ormas (informally) identify positives and negatives, consider their significance, and weigh them against each other. **The Swakelola Tipe III contract will only go ahead if both parties conclude that the potential positives are likely to outweigh the potential negatives** (see Figure 2).



This is most likely in situations where:

1. Both parties are able to make a clear connection between the work under contract and (a) the ormas’s mission and (b) the contribution to more effective government decision making/service delivery.
 - a. The above is of importance to both parties.
2. The government does not have the internal capacity to deliver the work to the desired standard, within the desired time frame.
3. The parties have knowledge of the Swakelola Tipe III process, or a willingness to learn.
4. The government is aware of the ormas’ capability due to their reputation or previous experience of working together.

KEQ5: How can LKPP and/or KSI more effectively support the successful use of Swakelola Tipe III?

The evaluation team identified ways KSI and LKPP can further support the successful use of Swakelola Tipe III by focusing on:

- (1) Improving and better targeting socialisation efforts
- (2) Updating and expanding existing guidance for Swakelola Tipe III contracts and
- (3) Developing a support system for organisations undertaking Swakelola Tipe III.

Recommendations

Of the eleven recommendations in total, the following three are considered key to promoting further use of the mechanism and therefore should be considered as priorities:

Key Recommendation #1

The case studies highlight the large degree of uncertainty around various aspects of Swakelola Tipe III, and the need for further resources to improve/update the existing guidance and support organisations to troubleshoot issues during the contracting process. The involvement of other agencies, such as the BPK and the Ministry of Finance is also key as many of the challenges and risks of undertaking Swakelola Tipe III are related to uncertainties around payment and acquittal of Swakelola Tipe III contracts.

We therefore recommend that LKPP (with support from KSI and KSI's PRI network as relevant) should (a) develop a revised set of guidance documents (including examples of good practice and answers to frequently asked questions), (b) involve other relevant stakeholders, e.g. the Ministry of Finance and/or BPK in the development of the guidance to obtain their endorsement, and (c) consider how best to provide consultation services to parties with questions regarding the use of Swakelola Tipe III.

Key Recommendation #2

All four case studies highlighted the inability to recoup direct and/or indirect costs as a key challenge, thereby making Swakelola Tipe III contracts less appealing due to the potential negative impact on ormas' financial sustainability.

We therefore recommend that LKPP (with input from other government entities as relevant) should specify acceptable references for (1) labour costs for ormas and (2) institutional fees to cover overhead costs within the Swakelola Tipe III guidance documents related to budget development. These references should reflect the actual or reasonable labour and overhead costs Indonesian ormas would incur when undertaking contracts for the government.

KSI can support this process by providing relevant and appropriate supporting evidence, both from international practice as well as the KSI PRI network.

Key Recommendation #3:

One benefit noted by governments and ormas is that payment based on deliverables is a more efficient and effective way of paying and acquitting Swakelola Tipe III contracts, but the vague wording of PerPres 16/2018 related to the basis of payment creates uncertainty about whether Swakelola contracts can be paid based on milestones.

We therefore recommend that LKPP should update the Swakelola Tipe III guidance to clarify whether deliverables may be used as the basis for payments and what financial and administrative documents are necessary to support payment; to mitigate audit-related risks, such guidance should be developed in consultation with key stakeholders such as the Ministry of Finance (Directorate General of the Treasury) and BPK. KSI can support this process with evidence-based input as relevant.

Additional recommendations are as follows:

Recommendation #1: KSI and LKPP can use the organisational characteristics and the understanding of the potential positive and negative aspects of Swakelola Tipe III to better target and tailor socialisation efforts to focus on those organisations that are most likely to be interested in and have the ability to successfully carry out a Swakelola Tipe III contract.

Recommendation #2: KSI should support LKPP to map out the relevant business processes under two potential Swakelola Tipe III pathways (where the activity is collaboratively planned in the year prior to implementation, and where the government plans the activity without formal input from the ormas and

only identifies a suitable ormas after plans for the activity have been approved) and provide appropriate guidance for both.

Recommendation #3: LKPP (with support from KSI) should develop additional guidance on (1) the level of justification required for direct appointments and (2) how to conduct a sayembara process (including timeline), with a focus on selecting proposals that represent the best value for money. This could include further consideration of whether a sayembara process should be mandatory above a certain proposed contract value.

Recommendation #4: LKPP (in coordination with other government entities and with support from KSI as relevant) should provide practical guidance to contracting parties on how to proceed in the event that implementation cannot be completed by the end of the financial year, including implications for payments and acquittal.

Recommendation #5: LKPP should clarify the role of the UKPBJ to include responsibility for providing technical advice and coordination of Swakelola Tipe III contracts, noting that this may involve additional assistance related to Swakelola Tipe III to ensure UKPBJ are able to play such a support role. KSI can support this process by identifying, documenting, and sharing examples of UKPBJ which play a role as a “center of excellence” in support of Swakelola Tipe III contracts.

Recommendation #6: in order to identify planned or actual cases of Swakelola Tipe III, LKPP and KSI should conduct follow up data collection with participants of socialisation events (using contact information collected from participants), noting that this has the added benefit of keeping open lines of communication for consultation / further support. Additionally, KSI and/or LKPP should maintain a list of cases of Swakelola Tipe III (or a list of organisations that are using Swakelola Tipe III) similar to the example provided in Annex 4.

Recommendation #7: Where there is desire to improve SiRUP related to Swakelola Tipe III, LKPP could:

- clarify expectations related to the input of procurement packages planned to be implemented through Swakelola Tipe III
- modify the SiRUP data format specifically for Swakelola Tipe III to require the input of the name of the ormas (in the case where ormas are involved in the procurement planning stage) OR to specify that a particular ormas has not yet been identified (in the case where the government plans without input from the ormas, but intends to identify a suitable ormas as part of the preparation stage)
- add or modify SiRUP business processes to include a step to verify or spot-check data entry for Swakelola Tipe III.

Recommendation #8: KSI (together with its network of PRIs) should consider longer term advocacy related to the opening up of public procurement to ormas, including by sharing both international practice and the experience and perspectives of Indonesian CSOs.

1. INTRODUCTION

This document presents the results of the evaluation study of the *Swakelola Tipe III* (“self-management type III”) procurement mechanism introduced in *Peraturan Presiden nomor 16 tahun 2018 tentang Pengadaan Barang/Jasa Pemerintah* (Presidential Decree number 16/2018 about government procurement of goods and services, hereafter “Perpres 16/2018”). This mechanism enables governments to directly contract *organisasi kemasyarakatan* (civil society organisations, hereafter “ormas”) to carry out activities. The inclusion of this mechanism in Perpres 16/2018 is at least in part due to advocacy by the Australian-funded Knowledge Sector Initiative (KSI) together with a number of its partner policy research institutes (PRIs).¹

To understand the extent to which *Swakelola Tipe III* is being used and to learn from existing examples to improve socialisation and advocacy efforts related to procurement, in December 2019 KSI commissioned SOLIDARITAS to conduct an evaluation of existing *Swakelola Tipe III* data and known cases. A two-person evaluation team, consisting of Mark Fiorello as the Technical Lead and Emma Piper as Senior Researcher, was responsible for conducting this evaluation and preparing this report. This team was also supported by a procurement specialist, Heni Yulianto, who provided technical input on procurement processes and regulations.

The remainder of this report is structured as follows: background information about the *Swakelola Tipe III* mechanism, KSI and the government institutions in charge of managing procurement are detailed in Section 2. Section 3 outlines the purpose of the evaluation, the primary and intended audiences for this evaluation, and the evaluation questions that were used to guide this research process. Section 4 describes the overall approach, the methods and limitations of this evaluation and Section 5 describes the main findings and conclusions related to the extent to which *Swakelola Tipe III* is being used. Sections 6 to 8 highlight the findings and conclusions related to the Key Evaluation Questions and Section 9 provides additional observations on key issues not covered within the Key Evaluation Questions. Finally, Section 10 concludes the report with considerations for how KSI and the Indonesian government might continue to support the use of *Swakelola Tipe III* in the future. Various annexes provide information about case study informants, the full case studies themselves, the analysis of government SiRUP data and a list of known cases of *Swakelola Tipe III* and are referenced throughout this report.

¹ A second mechanism of interest is the specific process for the procurement of research described in Pasal (clause) 62 of Perpres 16/2018. KSI also contributed significantly to the inclusion of Pasal 62 in Perpres 16/2018; however, Pasal 62 has been covered in a separate exercise by KSI.

2. BACKGROUND TO THE SWAKELOLA TIPE III MECHANISM

On 15 March 2018, President Joko Widodo signed Perpres 16/2018, which took effect on 1 July 2018. This new regulation reflected a revision to government procurement processes previously governed by Perpres 54/2010.² Specifically related to this evaluation, Perpres 16/2018 includes a new mechanism potentially relevant to the procurement of policy research, namely: the addition of a new type of self-implemented (*swakelola*) activities which allows government bodies to directly contract non-commercial entities to provide a variety of services (not only research).

Under previous procurement regulations, the government was unable to contract non-profit, non-government organisations. Public tendering was reserved for for-profit entities (*badan usaha*), and public universities (*perguruan tinggi negeri*) and individual experts (*tenaga ahli*) could be contracted as part of *swakelola* arrangements. This was considered a barrier to the procurement of research, since many potential providers of research services are either (1) not-for-profit entities or (2) private educational institutions which did not have affiliated for-profit entities.

The main intent behind the new *Swakelola Tipe III* is to allow government entities (through *Pejabat Pembuat Komitmen, PPK*) to enter into contracts with *Organisasi Kemasyarakatan* (represented by *Ketua Ormas*) to deliver activities.³ This mechanism allows policymakers to commission services from a wider range of organisations, including non-profit and mission-driven (rather than profit-driven) organisations, with the assumption that ormas are in a better position to deliver such services, especially in areas where they have a competitive advantage: community empowerment programs, assistance to small and medium enterprises, conducting research, and raising community awareness related to health, education, economic development, etc.⁴ It also allows civil society organisations to “fill gaps” in areas where for-profit entities are not well-positioned.⁵ Specifically in the context of research, the existence of *Swakelola Tipe III* potentially increases the sources of information and the range of viewpoints on which policymakers can draw to inform policy.

From the perspective of civil society organisations, the existence of the new *Swakelola Tipe III* is potentially important since it allows the benefits of the work (financial, reputational, or otherwise) to accrue to the organisation rather than individuals. *Swakelola Tipe III* also potentially enables greater CSO sustainability, since it provides an additional source of domestic funding for non-commercial organisations (including research organisations and private universities).⁶

Under the prescribed process for *Swakelola Tipe III*, which is governed by Perpres 16/2018 as well as *Peraturan Lembaga Kebijakan Pengadaan Barang/Jasa Pemerintah nomor 8 tahun 2018 tentang Pedoman Swakelola* (LKPP Decree number 8/2018 about the guidelines for *swakelola*, hereafter *PerLKPP 8/2018*), projects are planned and overseen by the government entity, and implemented by the contracted ormas with oversight from a specific team (“*tim pengawas*”) appointed by the government entity. The planning process for *Swakelola Tipe III* includes (1) the identification of a suitable ormas by the government entity, (2) the development and submission of a proposal and indicative budget by the ormas

² The revisions to government procurement as reflected in Perpres 16/2018 were described as “fundamental changes” by Indonesian Finance Minister Sri Mulyani Indrawati; key changes included increasing the threshold for direct appointment of vendors for consulting services, increasing the authority of state enterprises to manage their own procurement processes, allowing for the appointment of procurement agents to implement procurement processes on behalf of government entities, and emphasising e-procurement processes. See for example: <https://ekonomi.kompas.com/read/2018/06/29/095114526/tender-barang-dan-jasa-akan-ditinggalkan-pemerintah>.

³ There are three other types of *Swakelola*, namely:

Tipe I, which allows for implementation through employees of other government institutions and/or *tenaga ahli*;

Tipe II, which allows for implementation through contracts with other government entities, including public universities); and

Tipe IV, which allows for implementation through contracts with *kelompok masyarakat (pokmas / community groups)*.

⁴ AKATIGA socialisation video, 2:22-2:40.

⁵ AKATIGA socialisation video, 6:00-6:10.

⁶ This benefit is of course determined by the extent to which CSOs are able to charge additional fees, e.g. management fee or overhead, above and beyond the direct costs of implementing activities.

(also as the basis for subsequent inclusion in the government planning and budgeting process), and (3) the agreement of a “Note of Understanding” (Nota Kesepahaman) between the government entity and the ormas in question. Under Swakelola Tipe III, when identifying an ormas, the government entity can either directly approach a particular ormas to deliver the activity, or, if more than one ormas is considered potentially suitable to perform the work, can hold a contest (*sayembara*) to select the *ormas*.⁷ During implementation of the activity, the implementing team is required to report regular progress to the PPK, and results are formally handed over to the government through a *Berita Acara Serah Terima* (BAST) process.

2.1 ABOUT KSI

KSI is a partnership between the governments of Indonesia and Australia which is funded by the Department of Foreign Affairs and Trade (DFAT) and implemented in cooperation with the *Kementerian Perencanaan Pembangunan Nasional/Badan Perencanaan Pembangunan Nasional* (Ministry of National Development Planning/National Development Planning Agency, hereafter Bappenas). KSI works with research providers and key government agencies to strengthen the quality and policy-relevance of research and how it is used for policymaking and to improve the broader environment to enable evidence-based policy-making.

One of KSI’s five End-of-Program Outcomes (EOPOs) for 2022 is EOPO 1: ‘Better funding mechanisms underpinned by clear and coordinated agendas for quality policy research’. A key initiative expected to contribute to the achievement of EOPO 1 is KSI’s support to the implementation of Perpres 16/2018 and its ancillary regulations.

2.2 THE ROLE OF LKPP

Lembaga Kebijakan Pengadaan Barang Jasa Pemerintah (National Public Procurement Agency, hereafter “LKPP”) is the government agency directly responsible for developing regulations and providing support and oversight to government procurement. LKPP developed PerLKPP 8/2018, which further details the application of Swakelola Tipe III (and other swakelola types) as laid out in Perpres 16/2018. LKPP have also been the key government counterpart for KSI’s support to the development and implementation of PerPres 16/2018, as well as providing data, input and support to the evaluation team.

2.3 THE HISTORY OF PERPRES 16/2018 AND KSI’S ROLE

KSI has a long history of supporting revisions to government procurement processes related to the provision of policy-relevant research, which is summarised briefly below.⁸

Diagnostic studies commissioned in 2010 (as part of the KSI design) and again in 2015 (approx. one year into KSI implementation) highlighted the many difficulties related to research organisations providing research to the Indonesian government. The various limitations imposed by procurement regulations were summarised in the 2015 diagnostic update as follows:

“The restriction of bidding on tendered contracts to commercial entities excluded universities and most non-government institutions from the bulk of government-funded opportunities. The requirement for contracts of more than 50 million rupiah to be put out to tender narrowed the openings still further. The sheer complexity and ambiguity of the regulations, combined with the fact that they were interpreted and applied in vastly different ways by different government agencies made the route of competitive tendering very unattractive for most [research] organisations.

The regulations, however, were only part of the story... Regulations were allowed to obstruct rather than facilitate government procurement because of a bureaucratic

⁷ The specific process for *sayembara* is not specified in PerLKPP 8/2018, meaning this is presumably left to the government entity to determine.

⁸ For more detail on the process leading up to the passage of Perpres 16/2018 including the role of KSI, see Elisabeth Jackson et al, “Reforms in the procurement of research in Indonesia”, Nov 2016.

culture of compliance with the letter of the law, poor staff training, pressure on civil servants to conform to existing practice within their particular ministry, and to obey their superiors. Fears about accusations of corruption slowed decision-making even further. The obstructive ‘gatekeeping’ role was also a means by which corrupt officials could abuse their office for private gain. The regulations did not by themselves cause corrupt behaviour, but their arcane complexity allowed those with inside knowledge to manipulate the system, particularly with weak service-wide systems for transparency and enforcement of accountability.”

In 2013 and 2014, KSI presented the findings of these diagnostics to a broad range of stakeholders, including Bappenas, LKPP and Kemenristekdikti. In 2015, following a stakeholder mapping exercise, KSI convened a working group of PRIs, Kemenristekdikti and Bappenas which agreed to address the procurement regulations as one of several constraints in the operational environment for policy research. To support the working group’s efforts, KSI also engaged experts in procurement and legal drafting.

In late 2016, discussions from the working group resulted in an agreement on the proposed wording governing the procurement of research, which would subsequently become part of Perpres 16/2018.

From late 2016 to early 2017, while the compilation and deliberation of various other proposed revisions to Perpres 54/2010 was ongoing, AKATIGA (one of KSI’s PRI partners) conducted public advocacy as well as targeted advocacy to LKPP on the importance of revisions to government procurement policy. Additionally, members of the KSI-funded *Aliansi Riset Kebijakan (ARK, Policy Research Alliance)* conducted ongoing advocacy to LKPP and Kemenristekdikti; in anticipation of the passage of the new regulation, KSI also supported the drafting of key implementing regulations (PerLKPP 8/2018 and Permenristekdikti 20/2018) related to the new procurement mechanisms.

2.4 THE CURRENT STATUS OF SUPPORT TO PERPRES 16/2018

Following the passage of Perpres 16/2018, KSI has continued to work with LKPP and AKATIGA to support the socialisation of the new regulations, and especially the new Swakelola Tipe III mechanism. This has included the development of a handbook (*buku saku*) and a seven-minute video about Swakelola Tipe III, at least eight socialisation sessions focusing on civil society organisations, and a series of discussions with the governments of Provinsi DKI Jakarta and Kabupaten Kulon Progo.⁹ In addition, KSI has also supported the socialisation of the new procurement mechanisms to its PRI partners, other DFAT programs (KOMPAK, UNICEF Papua, PEDULI, KIAT and MAMPU), and Gol partners (Bappenas, LIPI, Kemensos, and Pemprov Sulawesi Selatan). During 2019, LKPP conducted or supported a total of 63 socialisations about the Swakelola mechanism (focusing on PerLKPP 8/2018 and covering all four types of Swakelola).¹⁰

AKATIGA’s observations from its socialisation activities demonstrate that there is significant interest among CSOs in Swakelola Tipe III, and that such interest is primarily motivated by the prospects of improved (financial) sustainability which have been created through the possibility to receive funding from government entities. However, several CSOs have expressed concerns about the potential for government requesting kick-backs. AKATIGA also highlighted skepticism among many government actors towards CSOs as a potential barrier to the use of Swakelola Tipe III, although AKATIGA also acknowledged that the socialisation events were more targeted toward civil society actors and thus unable to capture the degree of interest among government to use Swakelola Tipe III.¹¹

⁹ The discussions with DKI Jakarta led to the issuance of *Instruksi Gubernur DKI Jakarta nomor 11 tahun 2019 tentang Pelaksanaan Kegiatan Swakelola Tipe III dan Tipe IV pada APBD* (The Instruction of the Governor of DKI Jakarta No. 11/2019 regarding the Implementation of Swakelola Tipe III and Tipe IV Activities using Local Government Funds, hereafter “InGub DKI 11/2019”).

¹⁰ Of the 63 socialisation sessions: 16 were “implemented” directly by LKPP during the period February-April using LKPP’s own budget; 13 were funded by national government institutions (K/L); 24 were funded by provincial or district governments; and 10 were funded by KSI or other donor / CSO organisations and supported by LKPP.

¹¹ AKATIGA, “Laporan Kegiatan dan Pembelajaran: Sosialisasi Dan Persiapan Ujicoba (Try Out) Implementasi Peraturan Presiden Nomor 16 Tahun 2018 Tentang Pengadaan Barang Dan Jasa: Fokus Swakelola III”, p. 16-18.

In addition to AKATIGA's efforts, several of the PRIs KSI works with have successfully entered into contracts with government governments using the Swakelola Tipe III mechanism in 2019. KSI has also documented several instances of attempts to apply the Swakelola Tipe III mechanism which did not ultimately result in government contracts.

3. EVALUATION PURPOSE, USERS, AND QUESTIONS

3.1 EVALUATION PURPOSE

Given the *potential* of Swakelola Tipe III to transform how government works with *ormas*, including to procure policy-relevant research, as well as the limited information about the extent to which these mechanisms are currently being applied, the primary purposes of this evaluation are to:

- 1) Identify, document, and understand the application of the Swakelola Tipe III procurement mechanism to date, including whether it is fit for purpose.
- 2) Identify the circumstances under which the Swakelola Tipe III mechanisms are likely to be (successfully) applied.

These purposes are expected to contribute to several broader goals, namely:

- (1) To improve the effectiveness and/or efficiency of socialisation efforts (conducted by LKPP and/or supported by KSI or other DFAT-funded programs) related to the Swakelola Tipe III (and, potentially, other alternative procurement mechanisms)
- (2) To provide input for KSI to (decide whether to) develop a Significant Policy Change “Case Study” to be submitted to DFAT
- (3) To provide an example of useful ways LKPP can monitor and evaluate policy changes and efforts to disseminate policy
- (4) To provide considerations to KSI and DFAT regarding options and potential priorities for future support related to procurement regulation reform and implementation, including to ensure that the Swakelola Tipe III mechanism is sufficiently fit for purpose.

3.2 PRIMARY INTENDED USERS AND AUDIENCE

The potential users of the results of this evaluation can be divided into three categories:

- **primary users**, for whom this information is important, and who can be actively expected use to the results as the basis for future decisions and efforts;
- **secondary users**, for whom this information may be useful, and who may use certain relevant pieces of information; and
- **other audiences**, for whom this information is potentially relevant and interesting, but who are not necessarily expected to actively use information generated.

The **primary users** of the results of this evaluation are:

- (1) **The KSI MEL team**, for whom the results will be relevant as the basis for potentially developing a Significant Policy Change case study and to inform future MEL efforts related to KSI support for procurement regulations
- (2) **The KSI Policy and Innovation Development (PID) team who has been supporting work related to procurement regulations**, for whom the results will be relevant to inform future support to LKPP and PRI partners related to procurement regulations
- (3) **LKPP**, especially the *Direktorat Bidang Pengembangan Strategi dan Kebijakan Pengadaan Umum*, for whom the results will be relevant to inform future efforts to develop, socialise, and monitor and evaluate procurement policy, especially related to Swakelola Tipe III and research.

The **secondary users** for information generated through the proposed MEL processes are:

- (1) **DFAT**, who may refer to the evaluation results as the basis for considering future Australian-funded support related to procurement regulations and the supply of knowledge for policy
- (2) **AKATIGA and other KSI PRI partners**, who may refer to the evaluation results as the basis for refining their strategy for engaging with government and/or promoting the use of Swakelola Tipe III.

Other audiences for the results of this evaluation include:

- (1) Other and other relevant civil society organisations** – to inform efforts to engage with and be contracted by the government
- (2) Other DFAT programs and other development partners** – to inform efforts to socialise relevant procurement mechanisms to their partners and to consider strategies for CSO sustainability.

3.3 EVALUATION QUESTIONS

The evaluation questions outlined below served as a general guide for data collection and to focus efforts on obtaining the most relevant data. These questions were developed in consultation with KSI and LKPP at the beginning of this research process, but the order and numbering has been slightly modified to reflect the structure of this report¹².

The first question is focused on obtaining information on the breadth of use of Swakelola Tipe III, while questions 2 - 5 are aimed at obtaining a depth of understanding about how and why the mechanism is being used and are answered by focusing on a limited number of use cases of Swakelola Tipe III to provide an in-depth understanding of how the mechanism works in practice.

1. To what extent is Swakelola Tipe III being used?

1a. Which government agencies are using the mechanisms to contract which types of organisations, and for what purposes?

This question, along with its sub-questions, describes the general “state of play” related to the use of Swakelola Tipe III, and reflects the need to map which government agencies are using the mechanism and to what ends.

2. What are the general (perceived) benefits and challenges felt by stakeholders related to the use (or potential use) of Swakelola Tipe III?

This question focuses on documenting the key benefits and challenges, whether actual or anticipated, as identified by stakeholders. As with question 1, “relevant stakeholders” are defined as the users or potential users of Swakelola Tipe III: ministries/state agencies, local governments, and civil society organisations that are interested in collaborating actively with government agencies.

3. What role, if any, has KSI (and LKPP) played in enabling or encouraging the use of Swakelola Tipe III? Given that one purpose of this evaluation is to provide input to KSI (and DFAT) related to future support, this question covers KSI’s contributions to date. As much of KSI’s contributions to socialisations and accompanying materials have been in collaboration with LKPP, the contributions of both organisations have been considered.

4. Under what circumstances are Swakelola Tipe III likely to be (successfully) used, by which types of government agencies, and why?

¹² The original KEQs and ordering were as follows:

1. To what extent is Swakelola Tipe III being used?
 - 1a. Which government agencies are using the mechanisms to contract which types of organisations, and for what purposes?
 - 1b. What role, if any, has KSI played in enabling or encouraging the use of Swakelola Tipe III?
2. What are the general (perceived) benefits and challenges felt by stakeholders related to the use (or potential use) of Swakelola Tipe III?
3. Under what circumstances are Swakelola Tipe III likely to be (successfully) used, by which types of government agencies, and why?
4. What did the parties involved perceive as the main benefits and/or difficulties of the Swakelola Tipe III mechanism?
5. How can LKPP and/or KSI more effectively support the successful use of Swakelola Tipe III, or other potential ways in which governments “procure” evidence for policy-making from research organisations (universities, think tanks, and NGOs)?

This question frames the similarities and differences identified in each of the investigated cases as the basis for identifying or refining basic “theories” about “what works and what does not under what circumstances”.

5. How can LKPP and/or KSI more effectively support the successful use of Swakelola Tipe III, or other potential ways in which governments “procure” evidence for policy-making from research organisations (universities, think tanks, and NGOs)?

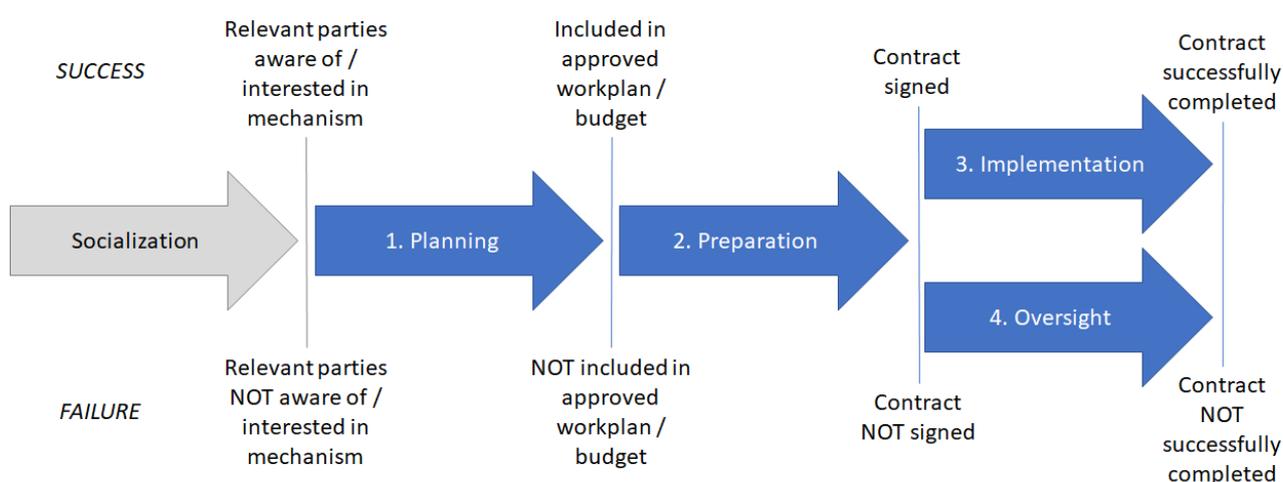
This question serves to highlight potential areas of focus for future support for Perpres 16/2018, both by LKPP and by KSI. This includes approaches to socialisation, improvements to policy or technical guidance and additional support to either government agencies or prospective CSOs or research organisations.

4. EVALUATION APPROACH, METHODS AND LIMITATIONS

4.1 OVERALL APPROACH

As described in section 3.1 above, the main purposes of this evaluation was to “Identify, document, and understand the application of the Swakelola Tipe III procurement mechanism to date” and to “identify the circumstances under which the Swakelola Tipe III mechanisms are likely to be (successfully) applied.” In understanding the application of Swakelola Tipe III, this evaluation has referenced the main “phases” of the procurement process as per Perpres 16/2018; *Perencanaan* (planning), *Persiapan* (preparation), *Pelaksanaan* (implementation) and *Pengawasan* (oversight).

Figure 1: Phases of Procurement



The extent to which this process was (a) followed and (b) led to the successful completion of a Swakelola Tipe III contract is framed as the result of an interplay between (1) various potential positive and negative factors which may cause a government institution and ormas to decide to collaborate using the Swakelola Tipe III mechanism, (2) various organisational factors which influence perception of these positive and negative factors and (3) the factors which influence the degree of certainty or uncertainty related to the collaboration.

This evaluation identifies and investigates each of the three elements identified above and elaborates a theory about how the elements interact to increase the likelihood of the successful completion of a Swakelola Tipe III contract.

4.2 EVALUATION PROCESS AND METHODS

This section describes the main technical activities undertaken as part of this evaluation.

1. Analysis of LKPP SiRUP Data

SOLIDARITAS conducted an analysis of procurement data shared by LKPP from the online *Sistem Informasi Rencana Umum Pengadaan* (SiRUP) in order to understand the extent to which Swakelola Tipe III has been included in government procurement plans. This analysis focuses on SiRUP data from 2019 and 2020, where the Swakelola type was listed as “Type 3”.

The main focus of this analysis was:

- Understanding the extent that Swakelola Tipe III is being used, based on SiRUP data
- Determining the accuracy of SiRUP data and the extent to which it can be used to monitoring and evaluate the use of Swakelola Tipe III

2. Brief Informational Interviews with Parties Involved in Planned Cases of Swakelola Tipe III

Based on (1) the results of the analysis of SiRUP Data, and (2) additional cases identified by KSI and/or LKPP, SOLIDARITAS conducted brief interviews with parties involved in planned cases of Swakelola Tipe III. The interviews were conducted with either: a representative of Unit Kerja Pengadaan Barang/Jasa (UKPBJ) from the government institution; a representative of the responsible entity within the government institution (*satuan kerja*); or a representative from the ormas. These interviews sought to verify that the case was in fact Swakelola Tipe III, as well as to obtain a description of the activity, the procurement process and perceived benefits and challenges. A full list of interviewees can be found in Annex 1.

3. Swakelola Tipe III Case Studies

Based on the information collected and analysed in the previous stages, SOLIDARITAS proposed four cases to be investigated further.

The main purpose of each case study was to understand the process and key factors that led to the use of Swakelola Tipe III, the signing of a contract and its successful completion, as well as the challenges the contracting parties faced.

To develop these case studies, SOLIDARITAS conducted the following process:

- a review of key documents (where available)
- in-depth interviews with a representative from the ormas involved
- secondary interviews with Government representative (part of *Tim Persiapan*, or *Tim Pengawasan*) and / or other representatives from the ormas (where possible).

These interviews were developed into individual case studies, drafts of which were shared with informants for further input. Each case study is summarised in section 6 below; the full case studies can be found in Annex 2.

4. Cross-Case Analysis for Swakelola Tipe III

Based on the information collected for each of the cases of Swakelola Tipe III, SOLIDARITAS conducted a cross-case analysis focusing on several main aspects:

1. identifying relevant similarities or differences across the cases in terms of the procurement process undertaken
2. identifying relevant similarities or differences across the cases in terms of the negative and positive factors that influenced the decision to proceed with a Swakelola Tipe III contract
3. identifying relevant similarities or differences across the cases in terms of how the perceived challenges and benefits of using the Swakelola Tipe III mechanism
4. identifying the characteristics of ormas and government institutions that seemed likely or unlikely to (successfully) use Swakelola Tipe III, especially based on:
 - a. key attitudes of leaders
 - b. organisational culture
 - c. prior experience in collaborating with civil society.

4.3 LIMITATIONS

This evaluation was conducted approximately 18 months after PerPres 16/2018 was formally enacted. This means that both government and ormas are still experimenting with the new mechanism and known cases of Swakelola Tipe III are limited. Three main limitations of this evaluation are detailed below:

Reliance on existing LKPP data

Currently, the only ways to identify cases of Swakelola Tipe III are either through SiRUP, or through examples that have been identified by KSI and LKPP through the socialisation process. As SiRUP contains

data on planned procurement, and entry of swakelola-related information into the SiRUP database is optional,¹³ it is unlikely that SiRUP reflects the true extent of implementation of Swakelola Tipe III. In addition, based on an initial review of the data, a large portion of contracts identified in SiRUP as Swakelola Tipe III seem to actually have been Swakelola Tipe I, II, or IV. This was confirmed in follow-up with a limited number of government institutions who had listed planned Swakelola Tipe III procurement in SiRUP; however, this follow-up verification faced its own challenges due to difficulties contacting the relevant government institutions.

These limitations, which are discussed further in Section 5 and Annex 3, restricted SOLIDARITAS' ability to accurately report on the extent to which Swakelola Tipe III is being used.

Case study approach

As a way of validating existing data and providing deeper insights relevant for the development of "theories" regarding the use of Swakelola Tipe III, this evaluation study focused on exploring a small number of purposively selected cases. While these case studies provide in-depth insight into how the procurement mechanism works in a particular context, such an approach has potentially limited ability to generate findings that are generalisable across the wide variety of government institutions and ormas that might potentially use the mechanism at some point. The small number of cases makes it likely that observations are not entirely representative, and also means that important but infrequently occurring aspects of Swakelola Tipe III may not have been picked up through these efforts. It is therefore important to regard the findings and conclusions of this study as initial and subject to ongoing exploration and verification.

Interpretation

During interviews, the evaluation team employed rapid qualitative methods of inquiry to identify key issues. Such evaluation methods are known to significantly rely on professional judgment, whereby members of the evaluation team have drawn upon their individual knowledge, experiences, and assumptions.

To mitigate potential biases in interpretation, the evaluation team has attempted to (1) substantiate potentially subjective findings using secondary interviews or other data and (2) adopt a consensus approach within the evaluation team to key findings and conclusions, as well as (3) confirm key findings or interpretations with informants, KSI or LKPP as relevant.

¹³ Although LKPP maintains that all government activities should be entered into SiRUP, government entities face no negative consequences if they do not enter swakelola information into SiRUP; this is different from public procurement, which cannot proceed if information has not first been entered into SiRUP.

5. FINDINGS AND CONCLUSIONS: TO WHAT EXTENT IS SWAKELOLA TIPE III BEING USED? (KEQ1)

This section presents the main findings and conclusions of the evaluation that are focused on answering KEQ1; ‘To what extent is Swakelola Tipe III being used?’. This is based on (1) an analysis of SiRUP data, (2) follow up with a limited number of government institutions to confirm the validity and status of procurement ‘packets’ listed in SiRUP, and (3) cases known to KSI and LKPP (four of which were further developed into the case studies presented below in Section 6). The full SiRUP analysis can be found in Annex 3

5.1 FINDINGS FROM AN INITIAL ANALYSIS OF SIRUP DATA

The first attempt to discover the breadth of use of the Swakelola Tipe III mechanism was to explore SiRUP data from 2019 and 2020.¹⁴ Although the number of planned procurements categorised as Swakelola Tipe III in the data received from LKPP was much larger than anticipated (2,394 planned “packets” for 2019 and 2,162 planned “packets” for 2020 based on data exported in January 2020), it was considered possible that the use of the mechanism was not actually so widespread, and that for some (potentially significant) proportion of “packets” categorised as Tipe III the procuring entity actually had no intention to use the Tipe III mechanism, meaning that the procurement type was miscategorised within the data. A review of a random sample of planned procurements for 2019 and 2020 revealed that many planned procurement packets (potentially at least 85%) seem to have been miscategorised by various governments as Swakelola Tipe III and were instead more suitable for other Swakelola types.

The general conclusion from the initial analysis of SiRUP data was therefore that **the ability to make generalisations about the overall planned usage of Swakelola Tipe III based on SiRUP data was limited at best, due to concerns about the accuracy of the categorisation of procurement “packets” as Tipe III.**

5.2 FOLLOW UP CONFIRMATION WITH GOVERNMENT INSTITUTIONS ON PLANNED PROCUREMENT RELATED TO CAPACITY BUILDING AND RESEARCH AND ANALYSIS LISTED AS SWAKELOLA TIPE III

Given the lack of certainty around the use of Swakelola Tipe III from the SiRUP data analysis, this was supplemented by a confirmation survey and follow up communication with 26 different government entities that had planned to use Swakelola Tipe III to procure services either related to capacity building or research and analysis. Focusing on government entities where the planned Swakelola Tipe III procurements as listed in SiRUP were either (a) large in number, (b) large in total value, or (c) large in average value, the evaluation team attempted to reconfirm with UKPBJ and/or the contracting entity whether the planned procurement was in fact an example of Swakelola Tipe III (and if so, what was the most recent status of the procurement and which ormas was contracted).

As a result of this confirmation process:

- Two completed examples of Swakelola Tipe III from 2019 were confirmed:
 - Between Kemendes PDTT (the Ministry of Villages, Development of Disadvantaged Regions, and Transmigration) and two different ormas (Fatayat NU and Yayasan Alfa Omega) for the delivery of skills training in approximately 20 disadvantaged regions¹⁵

¹⁴ As described in section 4, this approach had a number of key limitations which are important to bear in mind: (1) SiRUP reflects only planned procurement, with actual procurement processes (including the procurement mechanism applied) potentially deviating from plans; (2) SiRUP’s primary purpose is to ensure transparency about government tenders (i.e. the *penyedia* mechanism) for potential suppliers; as such, government entities may not upload planned swakelola procurement packages into the SiRUP system, also because they face no sanctions for not doing so; and (3) procurement plans for 2020 may have not yet been uploaded to SiRUP when data was exported to be shared with KSI.

¹⁵ This case is interesting in that Fatayat NU has a MoU with Kemendes dating back to 2015, and seems to have been contracted each year from 2015 to 2018 (i.e. prior to PerPres 16/2018), potentially as a *kelompok masyarakat*. Based on the interview

- Between Lembaga Pendidikan dan Pelatihan Gurindam (an ormas based in Kepulauan Riau province and accredited by LKPP as a training provider) and four different government institutions for the provision of procurement training¹⁶
- Four examples of Swakelola Tipe III were confirmed as being planned for 2020, of which at least two are now on hold due to the COVID-19 situation¹⁷.
- Several government institutions confirmed that data had been incorrectly entered into SiRUP, and that procurement was not actually planned to use the Swakelola Tipe III mechanism.

5.3 CASES OF SWAKELOLA TIPE III KNOWN TO KSI AND/OR LKPP

In addition to the analysis of SiRUP data and attempts to reconfirm whether a number of planned procurements were actually Swakelola Tipe III, this evaluation was able to identify and confirm several additional cases of the use of Swakelola Tipe III in 2018 and 2019 by organisations which were known to KSI and/or LKPP. These included:

- At least eight Swakelola Tipe III contracts signed between PRIs affiliated with KSI (SMERU, IRE, ARTICLE 33, and CIPG) and various government institutions;
- Four contracts between Yayasan Nusantara Sejati (YNS) and government institutions in Papua, which were identified through the broader KSI network;
- 15 contracts between Universitas Gunadarma (a private university managed by a foundation) and various ministries and state agencies; Universitas Gunadarma was identified as a party using the Swakelola Tipe III mechanism by LKPP;
- Four contracts between the Association of Indonesian Architects (*Ikatan Arsitek Indonesia, AIA*) and government institutions; IA was also identified as a user of the Swakelola Tipe III mechanisms by LKPP

The full list of cases identified through the evaluation is provided in Annex 4. Four of these cases were developed further into the case studies presented below in Section 6.

5.4 OVERALL CONCLUSIONS

Despite the challenges in using SiRUP data to understand the overall extent to which Swakelola Tipe III is being used (in part due to lingering confusion among government as to what constitutes Swakelola Tipe III, or at least how data should be entered into SiRUP), several basic conclusions can be drawn from the various information summarised above.

First, Swakelola Tipe III was used in at least a small number of cases in 2018, and there are reasonable indications that the use of Swakelola Tipe III expanded in 2019.¹⁸ Second, the use of Swakelola Tipe III does not seem to be limited to a particular type of organisation: from the government side, Swakelola Tipe III use was identified among ministries, state agencies, provincial governments, and district governments, and a broad range of ormas were also found to use the mechanism, including research organisations, private universities, professional associations, faith-based organisations, and training and

conducted, from the perspective of the ormas, the existence of Swakelola Tipe III has therefore had no effect on their collaborative relationship with Kemendes.

¹⁶ Interestingly, the legal status of Gurindam (which is neither a *PT* nor a *yayasan*) is such that it does not appear to meet the criteria in PerLKPP 8/2018 that an ormas contracted through Swakelola Tipe III be either a legally registered *yayasan* or *perkumpulan* (“Ormas yang berbadan hukum yayasan atau ormas berbadan hukum perkumpulan”).

¹⁷ The four examples are: Prov. Bali (Biro Pengadaan Barang Jasa) and Universitas Warmadewa for research on the development of standard costs for 2021, planned for 2020 (current status unknown); Prov. Bali (Badan Riset dan Inovasi Daerah) and various parties for research grants, planned for 2020 but currently on hold due to Covid 19; Prov. DKI Jakarta (Puskesmas Setiabudi) and Ikatan Ahli Kesehatan Masyarakat Indonesia for mental health capacity building, planned for 2020 (current status unknown); Kab. Bekasi (Dinas Kearsipan dan Perpustakaan) and unknown contractee for short courses/trainings, planned for 2020 but on hold due to Covid 19.

¹⁸ It is likely too early to reasonably identify the use of Swakelola Tipe III in 2020, especially considering the large scale changes to government plans and budgets due to the emerging response to COVID-19.

capacity building organisations. Similarly, Swakelola Tipe III seems to have been used for a variety of different types of activities, including research studies and other policy input, the development of IT solutions, the delivery or management of capacity building activities, and holding design contests (*sayembara*) and events to display the results of those contests. Finally, several ormas entered into multiple Swakelola Tipe III contracts with different government institutions, indicating the potential for ormas who are experienced in using Swakelola Tipe III to contribute to increasing the use of the mechanism across various government institutions.

6. FINDINGS AND CONCLUSIONS: WHAT ARE THE PERCEIVED BENEFITS AND CHALLENGES FROM THE SWAKELOLA TIPE III CASE STUDIES (KEQ 2)

Four cases of Swakelola Tipe III were selected for further study to understand the new procurement mechanism in practice, as well as the benefits and challenges from the perspectives of the government and the ormas involved. Each of these cases were already known to KSI and LKPP (two of the ormas are KSI PRIs) and were selected because each case highlighted a different aspect of the mechanism. The four cases are described briefly below, followed by an examination of the main benefits and challenges from across the cases and then a section on ways to conceptualise the mechanism to better understand the organisations the mechanism is most suited to.

6.1 CASE STUDY SUMMARIES

Case study #1: SMERU and Disdik DKI Jakarta

This case study focuses on the example of a three-month direct appointment (see box below for definition) contract between SMERU Research Institute (ormas) and DKI Jakarta Education Authority (*Dinas Pendidikan Provinsi DKI Jakarta*, hereafter Disdik DKI Jakarta). This example was selected because this is a successfully implemented contract between one of KSI's partner Policy Research Institute (PRIs) and a regional government. The contract was for a study on the *Sekolah Menengah Pertama Terbuka* (SMPT, open junior secondary school) system conducted in 2019, the results of which were used by Disdik DKI Jakarta to assess and further develop the SMPT programme, as part of Disdik DKI Jakarta's wider strategy to increase school retention and education quality.

'Direct appointment' versus 'Sayembara'

The Swakelola Tipe III mechanism is a way for the government to 'self-implement', with the assistance of ormas. In cases where the government has identified an ormas that is suitable to carry out the work and has collected sufficient evidence to demonstrate the ormas' suitability, the government may proceed to the contracting process. There is no specific term for this in Perpres 16/2018, so for the purposes of this report the term 'direct appointment' (borrowed from a similar process in public procurement) will be used to describe contracts where there is no competitive process. In the event that there are a number of suitable ormas, then the government may conduct a competitive process to review proposals, known as 'sayembara'. Unlike public procurement (where there is a threshold contract value above which a tender process is mandatory), the decision to hold a sayembara process for a Swakelola Tipe III contract is at the discretion of the government.

SMERU learned about the mechanism at a KSI socialisation event in June 2018 and used AKATIGA's 'buku saku' as a key resource. SMERU was interested in undertaking this contract because (1) it was considered well within their area of expertise, and (2) it was an opportunity to trial the Swakelola Tipe III mechanism, which SMERU hoped could support future sustainability of the organisation by adding a new income stream. The evaluation team was unable to speak with Disdik DKI Jakarta, so their views are not reflected in this case study.

In May 2019 a SMERU researcher who had previously conducted research at Disdik DKI Jakarta notified the SMERU senior management team of a research opportunity to be procured using the Swakelola Tipe III mechanism. That same month the two parties met to discuss a contract and at that time Disdik DKI asked SMERU to provide their organisational documents.

The two parties developed and agreed a final terms of reference (*KAK final*), based on the initial terms of reference and budget that had been developed by Disdik DKI Jakarta. The budget was not sufficient to cover SMERU's costs, therefore SMERU negotiated with Disdik DKI Jakarta so that the costs associated with focus group discussions and workshops were covered directly from Disdik DKI Jakarta's own budget,

meaning the full value of the contract could therefore be used to cover SMERU's labour costs. Disdik DKI Jakarta then prepared a draft MOU (*Nota Kesepahaman*) and contract for SMERU to review.

There was no formal oversight procedure for the work under this contract, but as the study was short and SMERU had to coordinate regularly with Disdik DKI Jakarta regarding endorsement letters and for travel, the government was regularly kept up to date with developments while the research was carried out. The final deliverable was acknowledged with a BAST document and SMERU were paid in a lump sum upon receipt of this final deliverable.

Case study #2: YNS and Disdik Papua

This case study focuses on a seven-month direct appointment contract between Yayasan Nusantara Sejati (YNS) and the Provincial Education Department of Papua (Dinas Pendidikan Provinsi Papua), hereafter Disdik Papua. The contract was to develop 'roadmaps' for three different education pathways; senior high school (SMA), vocational school (SMK) and schools serving students with special educational needs (PKLK). This contract was selected as a case study because it: (1) is an example of a successful, high value contract (in excess of IDR 1billion) between a non-KSI ormas, and a provincial government, (2) is an example of early implementation of Swakelola Tipe III (from 2018) and (3) allows for some comparison of the process and perceptions around public procurement versus Swakelola Tipe III (since YNS is affiliated with a PT called Wacana Tata Akademia, WTA). The three roadmaps were to be used by the respective departments within Disdik Papua to guide the implementation of education services for the next five years (2018-2023).

PT, Yayasan and Perkumpulan - what's the difference?

These are three different legal entities under Indonesian law. A *Perseroan Terbatas* (PT) is a limited company with shareholders. A *yayasan* is a not for profit organisation and a *perkumpulan* is a non-profit members association. Both *yayasan* and *perkumpulan* are considered *organisasi kemasyarakatan* (ormas), or civil society organisations, and can therefore be contracted using Swakelola Tipe III. To hire a PT the government must go through a public procurement process (*penyediaan*). It is possible for *yayasan* to have a business unit, or for an ormas to be affiliated with a PT, as is the case with YNS and their affiliated PT, WTA.

Disdik Papua originally intended to hire WTA to develop the roadmaps using a public procurement process. PerPres 16/2018 was issued before the contracting process was completed, so the Director of YNS (who is also the CEO of WTA) offered Disdik Papua the option of hiring the PT or the *yayasan*. Disdik Papua were interested in hiring the *yayasan* using the Swakelola Tipe III mechanism because (1) this meant a simplified process rather than a public tender (the value of the contract would have required a tender process under public procurement law) and (2) it would avoid the negative perception held by many government officials and the wider community toward delivery of public services by for-profit companies.

YNS provided initial input into discussions about the activities under this contract in 2017; however, at that time the description for the budget allocation in the formal government documents did not correspond closely enough to the content of the work. YNS asked Disdik Papua to revise the nomenclature of the budget, which was developed using *Standar Biaya Masukan* (SBM, a list of average unit costs developed by the Ministry of Finance as a government budgeting tool) and agreed to deliver the work in 2018. The MOU was signed by the CEO of WTA prior to the passing of Perpres 16/2018. Subsequently, YNS/WTA senior management teams found out about the new regulation and the Swakelola Tipe III mechanism from KSI, via one of YNS' funders, UNICEF, and suggested contracting YNS through the new Swakelola Tipe III mechanism to Disdik Papua.¹⁹ The government agreed and YNS developed the contract

¹⁹ Although it is unclear where UNICEF obtained information about Swakelola Tipe III, it seems reasonable to assume this was directly or indirectly from KSI, especially considering UNICEF's links to DFAT and (presumed) attendance at meetings with DFAT programs where information about Swakelola Tipe III may have been shared.

which was discussed between the two parties and signed on 5th of June 2018. It appears that this process was also supported by a member of staff from UKPBJ.

A BAST was signed after each deliverable and Disdik Papua requested quarterly reports, including the terms of reference for each activity, event attendance records and meeting minutes/notes. Payment for this contract was made in three tranches: the first tranche upon receipt of the inception report, the second tranche upon delivery of the draft roadmaps, and the third and final tranche was paid on after the presentation of the final roadmaps.

Case study #3: IRE and Bappeda Sumbawa

This example is a three-month direct appointment contract between Institute for Research and Empowerment (IRE) and the Sumbawa Regional Planning and Development Agency (Bappeda Litbang Sumbawa), hereafter Bappeda Sumbawa. The contract was to conduct a pilot assessment of local economic development in two villages for potential replication by the district government. This example was selected because the contract was signed but not successfully implemented (the contract expired before the work could be completed) and there are interesting lessons to be drawn both from the successful completion of the first two steps of procurement (planning and preparation) as well as the failure of the third step (implementation).

Bappeda Sumbawa learned about the Swakelola Tipe III mechanism from the UKPBJ, but is unclear why they decided to use the mechanism for this case. The then Director of IRE found out about the mechanism from KSI at an event IRE hosted and KSI attended in March 2018 and subsequently read PerPres 16/2018 and later watched the videos prepared by AKATIGA. IRE was aware of the mechanism when Bappeda Sumbawa suggested using the mechanism for this contract, which was of interest to IRE because it was a follow-up to the recommendations IRE and Universitas Samawa had made to Bappeda Sumbawa in a previous piece of collaborative research on local economic development, which was funded by KSI.

IRE and Bappeda Sumbawa had a pre-existing MOU, so after agreeing to continue their collaboration, Bappeda Sumbawa developed a draft contract for input from IRE. There were no budget negotiations as the government's budget was limited to Rp 40 million. The payment schedule was a lump sum at the end of the contract upon receipt of the agreed deliverables. The contract was signed by the Director of IRE on 11 September 2019 and a representative from Bappeda Sumbawa shortly thereafter.

Implementation was expected to start at the beginning of October 2019, but at that point IRE had not yet received a countersigned version of the contract. This was due to technical difficulties with the administration of the contract on the government side. Bappeda Sumbawa had been informed by the procurement team that this contract should be entered into Sumbawa's procurement management system (SIRMS), but the team responsible for SIRMS was not aware of the changes under Perpres 16/2018; they therefore requested information from Bappeda Sumbawa that was relevant to contracting community groups (*kelompok masyarakat*) rather than civil society organisations (*organisasi kemasyarakatan*). By the time the misunderstanding was resolved in November 2019, there was not enough time to implement the contract. On December 9, 2019, IRE informed Bappeda Sumbawa that they would not be able to fulfil the contract. There was no formal documentation of this decision, and the contract expired in December 2019.

Case study #4: CIPG and Pusdatin Kemenristek/BRIN

The fourth case study is a six-month contract between the Centre for Innovation Policy and Governance (CIPG) and the Centre for Data and Information (Pusdatin) of the Ministry of Research and Technology/ National Agency for Research and Innovation (Kemenristek/BRIN). This contract was selected because it is an example of a successful Swakelola Tipe III contract between an ormas and a national government department. The purpose of this contract was to update the draft regulation on national science and

technology information systems (*Rancangan Perpres Sistem Informasi Iptek Nasional*) and its supporting documents.

The work under this contract was originally planned using Swakelola Tipe I, however after CIPG suggested using Swakelola Tipe III in early 2019 (and shared the AKATIGA socialisation materials), the team from Pusdatin consulted with other departments, conducted their own research on the mechanism and then decided to proceed with the Swakelola Tipe III mechanism. Pusdatin was clear that they wanted to work with CIPG and did not know of any other ormas capable of doing this work, so this contract was a direct appointment.

Pusdatin were interested in using Swakelola Tipe III because of the advantages of the mechanism in comparison to the two other procurement methods that they had previously used to hire third parties, namely public procurement and Swakelola Tipe I. According to Pusdatin, the main advantage in comparison to public procurement is that Swakelola Tipe III provides the government institution the freedom to select the ormas based on the quality of their work²⁰. The advantage in comparison to Swakelola Tipe I is that Swakelola Tipe III is less burdensome from an administrative process²¹. CIPG was interested in undertaking this contract because it was a continuation of their work developing the initial draft of the regulation in 2018.

Using the initial terms of reference and CIPG's concept note the two parties established the final terms of reference. CIPG provided a budget proposal developed in reference to the rates developed by the National Association of Indonesian Consultants, INKINDO. Pusdatin then used this budget as the basis for revising the budget scheme in the *Petunjuk Operasional Keuangan* (POK, finance operational instructions), which was required as part of the process of transitioning from the Swakelola Tipe I mechanism to Swakelola Tipe III. The Pusdatin team drafted the MOU and the contract using the examples provided by LKPP in PerLKPP 8/2018, for further review by CIPG. The MOU and the contract were signed within seven days of each other in July 2019.

There was no formal monitoring process for this piece of work, but both parties scheduled regular meetings and communicated via email to discuss progress. There were two milestones used as a basis for payment: a "preliminary report" and a "final report".

Additional information related to contract management

During the interviews conducted as part of this evaluation, the evaluation team obtained information about two 'workarounds' undertaken by government and ormas to overcome potential administrative barriers to Swakelola Tipe III implementation. Although done with positive intentions, these 'workarounds' may not be considered good practice; for this reason, this information is presented in general terms and without reference to specific organisations. The evaluation team feels it is important to document these issues as a way of identifying potential areas of improvement for the Swakelola Tipe III mechanism.

The first workaround is the commencement of implementation before MoUs and/or contracts were fully signed, which were subsequently backdated (including up to several months) to the start of implementation. This represents a risk on the side of the implementing party (the ormas), who may not have a basis for payment for work undertaken in the event the contract is never signed, and therefore

²⁰ In the tender process for public procurement, the government institution must select the cheapest offer that fulfils the criteria in the terms of reference, regardless of whether there are other proposals that are higher quality and higher cost, but still within budget.

²¹ The basis for Swakelola Tipe I payments is attendance at events, so the government has to arrange these meetings and collect paperwork from each individual in order to make payments. The Swakelola Tipe III mechanism allows for payment in line with the contract between the government institution and the ormas, which lays out the cost required to deliver the contractual outputs, meaning there is no need for unnecessary events and the accompanying paperwork.

underscores the importance of mutual trust between parties. Without such a workaround, the start (and therefore also completion) of contracts would likely have been significantly delayed.

The second workaround was related to work that was incomplete at the end of the calendar year. In this case, the results of work to date were submitted as a deliverable and payment was made prior to year end, with work continuing into the following year. It also represented a risk on the side of the contracting party (the government), who may not have a way to ensure that the implementing party (the ormas) successfully completed the work. This therefore also underscores the importance of mutual trust between the parties. Without such a workaround, it is unlikely the collaboration would have been successful.

6.2 PERCEIVED BENEFITS AND CHALLENGES OF SWAKELOLA TIPE III

To answer the Key Evaluation Question the evaluation team reviewed the four cases presented above as well as additional supplemental interviews to identify common themes related to benefits and challenges.

The first common benefit reflects one of the key purposes of the mechanism; that it allows governments to directly contract ormas. **The Swakelola Tipe III mechanism legitimises and confirms the mutually beneficial collaborative relationships between government and civil society, many of which existed prior to Perpres 16/2018.** Each of the four ormas involved in the case studies have a long history of providing services to the government. Prior to Perpres 16/2018, they had to co-opt mechanisms like Swakelola Tipe I (intended to enable the government to hire individuals as resource persons) in order to be able to collaborate. The result was that governments had to develop budgets that were made up of a series of events (as the basis for paying individual resource persons) rather than the actual approach required to deliver the work, and contact a group of individuals (often from the same organisation) to attend these events, regardless of whether these events were necessary. After Perpres 16/2018, governments can avoid this inconvenience and directly collaborate with ormas, which has the added effect (as mentioned by both SMERU and Pusdatin) of enabling the design of activities which is more fit for purpose, which then contributes to more effective and/or efficient implementation.

The formalisation of the relationship between governments and ormas also means that the results of ormas' work with the government can now be attributed to the organisation, rather than the individuals hired through Swakelola Tipe I. In practical terms, as noted by SMERU, IRE and CIPG, this also means that **ormas are paid directly for the work that their staff undertake, enabling fair payment and proper financial reporting, as well as opening up a potential new funding stream** for ormas. This last benefit is especially relevant in the longer term, as Indonesia transitions to a middle-income country and more traditional sources of ormas funding, such as donor organisations and international NGOs, are reduced. In addition, Swakelola Tipe III enables ormas to involve multiple team members on government projects (rather than individuals as is the case under Swakelola Tipe I), which provides capacity building opportunities for junior staff.

For the three governments (and it is assumed Disdik DKI Jakarta) **a key benefit of Swakelola Tipe III is that it increases the set of options available to obtain research or services that the government did not have the time or the capacity to undertake themselves.** Before Perpres 16/2018, the government could only collaborate with the private sector or individuals. While these mechanisms are useful under certain circumstances, they do not always represent the best value for money, or the most efficient process. Without Swakelola Tipe III, the only way the government could have collaborated with CIPG, IRE or SMERU would have been through hiring individuals from these organisations (Swakelola Tipe I), or negotiating to have the work paid for by a third party.

A challenge mentioned frequently in the case studies is that government institutions are concerned about the potential risk of Swakelola Tipe III becoming findings during audits conducted by BPK. The lack of direct experience with Swakelola Tipe III and (perceived) lack of clarity around what is permitted under Swakelola Tipe III leads both ormas and governments to invest time into learning about and advocating for the use of the mechanism. It also causes governments to question what 'benefits' are allowed to be paid to ormas (as raised in an interview with a PPK of Swakelola Tipe III from the Ministry

of Villages), to use conservative costing methods (referring to SBM or, as in the case of YNS and CIPG, not allowing institutional fees), or even in extreme cases to not be comfortable enough to take the 'risk' of using Swakelola Tipe III (as demonstrated by SMERU and CIPG's failed attempts to use Swakelola Tipe III with other ministries).

Across case studies, **challenges related to budgeting and costs for services delivered under Swakelola Tipe III contracts stand out as being the most critical to the future use of the mechanism by ormas.** Standard practice for developing all types of Swakelola budgets is for governments to use SBM as a reference. While this is relevant for Tipe I and Tipe II (which are used to hire individual resource persons or contract another government department), the rates contained in the SBM do not reflect the range of rates or the staffing positions used by ormas (see Section 7 below for further details). CIPG successfully advocated using INKINDO as an alternative reference for their labour costs and YNS used the SBM rates for hiring lecturers as resource persons to calculate the daily rates of their researchers. Although this was sufficient to cover YNS' labour costs in this case, they have experienced difficulties covering labour costs in other non-research contracts where there is no equivalent SBM unit cost. SMERU and IRE accepted lower rates in these case studies because the contracts represented opportunities to further the mission of their organisations and trial the Swakelola Tipe III mechanism, but **YNS, SMERU and IRE each expressed concerns that the SBM rates were not sufficient to cover their labour costs and made future Swakelola Tipe III contracts less appealing as a result.**

The ormas in these case studies also experienced challenges in covering indirect costs associated with these contracts, such as rent, utilities and equipment. Indirect costs are not profit, which would contravene the non-for-profit principle of ormas, but instead ensure that a portion of each contract can be used by the ormas to cover core costs. **YNS, IRE and CIPG were unable to charge any kind of institutional fee in these cases.** SMERU charged 5%, following the 'good practice' guidance outlined by AKATIGA in the 'buku saku', but the reference for this figure is from a 1998 UNHCR committee decision on the payment of institutional fees to *international NGO partners*, so may not reflect the most appropriate or up-to-date reference for the context of Swakelola Tipe III.²² While this lack of institutional fee did not prevent the contracts from proceeding in these cases, it may have a negative impact on the overall sustainability of the ormas and willingness to enter into similar contracts in the future.

A final challenge experienced in the IRE and Bappeda Sumbawa contract and referenced in the "additional information related to contract management" was that implementation was incomplete as of the end of the calendar year. As Swakelola Tipe III contracts follow the government financial year, all contracts, regardless of when they start, should be completed by December. Administrative misunderstandings had caused delays to the IRE and Bappeda Sumbawa contract, leaving little time for implementation (which never began) and ultimately led to 'cancellation' of the contract. For another Swakelola Tipe III contract, the parties involved agreed to make a deliverable-based payment at the end of the year, but to continue work until its full completion. Interestingly PerLKPP 8/2018 provides a potential solution for such situations, noting that the PPK may extend the contract (even into the next financial year) with an addendum²³, but neither IRE nor Bappeda Sumbawa nor the parties to the other extended contract made reference to this as an option. However, the guidance does not address the issue of payment and financial acquittals in such a situation, which would be a key issue. The different ways that this challenge was handled highlights the role of mutual trust between contracting parties and the importance of a willingness to both accept risk and identify workarounds. Where enough work had been completed to be able to justify payment and there was a history of collaboration, the government entity has the confidence

²² The decision explicitly acknowledges that "more flexibility [in covering support costs] may be appropriate for local NGOs than for those based outside the country" and that the degree to which support costs are accommodated should depend "largely on the level of a partner's contribution to a project and the nature of the partner."

²³ As PerLKPP 8/2018 Chapter 14: "*Dalam hal Tim Pelaksana gagal menyelesaikan pekerjaan sampai masa pelaksanaan kontrak berakhir, namun PPK menilai bahwa Tim Pelaksana mampu menyelesaikan pekerjaan, PPK memberikan kesempatan Tim Pelaksana untuk menyelesaikan pekerjaan*"; "*Pemberian kesempatan kepada Tim Pelaksana untuk menyelesaikan pekerjaan ... dimuat dalam addendum kontrak yang didalamnya mengatur waktu penyelesaian pekerjaan*"; and "*Pemberian kesempatan kepada Tim Pelaksana, untuk menyelesaikan pekerjaan ... dapat melampaui Tahun Anggaran.*"

that the ormas would continue until completion of the work. In comparison, IRE had not started the contract by December and this, coupled with the administrative delays they experienced related to contract signing, may have reduced motivation and confidence in finding and implementing a workaround.

6.3 OVERALL CONCLUSIONS

Based on these cases the main benefits of the Swakelola Tipe III mechanism has been to formalise and legitimise pre-existing relationships between governments and ormas. Swakelola Tipe III provides a fit-for-purpose mechanism which can create time and cost efficiencies in comparison to the other methods available for contracting ormas prior to PerPres 16/2018. The key challenges are ensuring that governments are sufficiently comfortable with Swakelola Tipe III to face the 'risks' associated with BPK audit findings related to the use of Swakelola Tipe III, that ormas are able to cover labour and core costs associated with Swakelola Tipe III contracts and that both parties are aware of potential issues and the ways to address them. The common practice of using SBM which does not reflect standard ormas costs and the minimal (or non-existent) institutional fee means that in some cases ormas may lose money on Swakelola Tipe III contracts. This in turn makes Swakelola Tipe III contracts less appealing for ormas and limits the potential for Swakelola Tipe III contracts to provide a viable funding stream for ormas over the longer term.

7. FINDINGS AND CONCLUSIONS: WHAT WAS THE ROLE OF KSI AND LKPP IN ENABLING OR ENCOURAGING USE OF THE MECHANISM? (KEQ3)

Based on evidence from the case studies as well as additional interviews and socialisation data, KSI and LKPP have played three main roles in encouraging or enabling use of the Swakelola Tipe III mechanism:

- (1) Conducting socialisation events:** In 2019 LKPP conducted at least 63 socialisation events to government departments across the country, as part of LKPP's program to raise awareness of the mechanism and the Swakelola guidance detailed in PerLKPP 8/2018. KSI also held socialisation events targeted towards their PRI network, as well as to broader audiences including USAID's CSO forum and to DFAT programs and their CSO partners. These KSI socialisation events were often delivered together with LKPP, providing PRI's with the opportunity to ask questions directly to LKPP and share their experiences. KSI found that these events were most useful when they held smaller sessions that focused on peer learning through sharing experiences and when these events were attended by CSOs and potential government counterparts that were interested in the mechanism. SMERU, IRE, and CIPG learnt about the Swakelola Tipe III mechanism through these KSI events and although YNS learned of the mechanism through UNICEF, it is likely that this information also originated from KSI. On the government side, Bappeda Sumbawa requested a socialisation event from LKPP to improve their understanding of the mechanism before contracting IRE. The other governments learned about (or enhanced their understanding of) the mechanism through their interaction with the PRI's, an indirect result of KSI and LKPP socialisations. Among the additional six organisations interviewed as part of the data collection process, two (Ikatan Arsitek Indonesia and Universitas Gunadarma) found out about the mechanism through their relationships with LKPP and then attended socialisations, one (Kementrian Desa) found out from attending an LKPP socialisation and then informed the ormas they have contact with (Fatayat NU), one (Article 33) attended a KSI socialisation and the sixth organisation (Gurindam) likely received information through their role as an LKPP-endorsed provider of training on public procurement.
- (2) Providing general reference materials:** These include the 'buku saku' and introductory videos produced by KSI PRI, AKATIGA, which are also accessible online via the AKATIGA and KSI websites. These have become a key resource for SMERU, IRE and CIPG, originally used to enhance their own understanding of the mechanism and now shared with potential government counterparts to help explain the mechanism.
- (3) Providing specific guidance/templates:** LKPP produced PerLKPP 8/2018, a guide (*pedoman*) to Swakelola, which also contains templates for both MOUs and contracts. IRE and Pusdatin explicitly mentioned the guide as a useful resource to help understand the mechanism and the team from Pusdatin used the MOU and contract templates to draw up the paperwork for their contract with CIPG.

OVERALL CONCLUSIONS

There were clear contributions by LKPP and KSI to all four of the cases investigated, although these contributions varied in terms of the directness of contributions and across the three roles described above.

An additional observation is that based on the information presented above, the efforts by LKPP and KSI seem to have focused more on 'encouraging' the use of Swakelola Tipe III than 'enabling' it, where 'encouraging' is defined as promotion of the mechanism and 'enabling' means making the mechanism possible or easier to use. The various socialisation events have increased awareness and knowledge of the mechanism, especially amongst PRIs. This is complemented by the AKATIGA general reference materials which present information contained in the regulation in a more easily digestible format and have been utilised by three out of four of the ormas in the case studies. However, amongst a wider audience,

awareness of the mechanism still seems relatively low. Only two government counterparts in the case studies had heard of the mechanism before being introduced to it by the KSI PRIs, including officials from Disdik DKI Jakarta who were aware of the mechanism as a result of the regional government's efforts to encourage use of Swakelola Tipe III through gubernatorial regulation, namely InGubDKI 11/2019.

The templates provided by LKPP in PerLKPP 8/2018 do seem to have enabled use of the mechanism by one of the parties in these case studies (Pusdatin), meaning either that the other contracting parties were unaware of their existence or chose not to use them. Other support targeted more toward 'enabling' use of the mechanism, such as providing consultations, developing definitive answers to 'Frequently Asked Questions', or a 'toolkit' of templates and examples have not yet been provided.

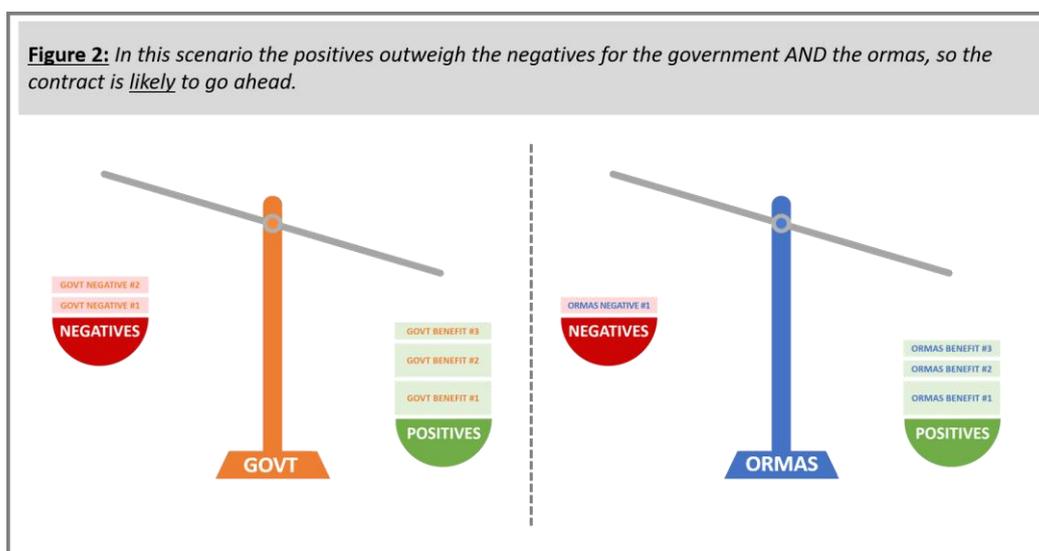
8. FINDINGS AND CONCLUSIONS ABOUT THE CIRCUMSTANCES UNDER WHICH SWAKELOLA TIPE III IS LIKELY TO BE SUCCESSFULLY USED? (KEQ4)

This section presents the main findings and conclusions related to the question; ‘under which circumstances is Swakelola Tipe III likely to be successfully used, by which types of institutions and why?’. This section uses the findings from the case studies to elaborate a basic ‘theory’ about (1) the decision making process and the factors that determine the likelihood of a Swakelola Tipe III contract being signed and (2) the types of institutions that are most likely to be interested in the Swakelola Tipe III mechanism.

PerPres 16/2018 outlines a three stage process to Swakelola Tipe III procurement (planning, preparation and implementation), beginning in the financial year prior to implementation, when the government first discusses using the mechanism and obtains input from the ormas to the initial terms of reference and budget. However, evidence from the case studies show little engagement between the parties during the planning stage. Instead there was a period of interaction and negotiation between the two parties during the preparation phase, culminating in an agreement to collaborate which is formalised through the signing of the Swakelola Tipe III contract. In order to understand how to best promote the use of Swakelola Tipe III in the future, this critical process warrants further exploration to identify the key factors that influence the decision to enter into a contract and ways to maximise the chances of a positive outcome. This decision making process will therefore be the focus for the remainder of this section.

8.1 WEIGHING THE POSITIVES AND NEGATIVES OF A SWAKELOLA TIPE III CONTRACT

A basic way to conceptualise the process of deciding to use Swakelola Tipe III is through the lens of cost-benefit analysis of an uncertain outcome, where each party involved in the decision weighs up the potential positive outcomes against all the potential negative ones. In the context of Swakelola Tipe III, both the government institution and the ormas will (informally) identify meaningful positives and negatives, consider their significance, and weigh them against each other. **The Swakelola Tipe III contract will only go ahead if both parties conclude that the potential positives are likely to outweigh the potential negatives** (see Figure 2).

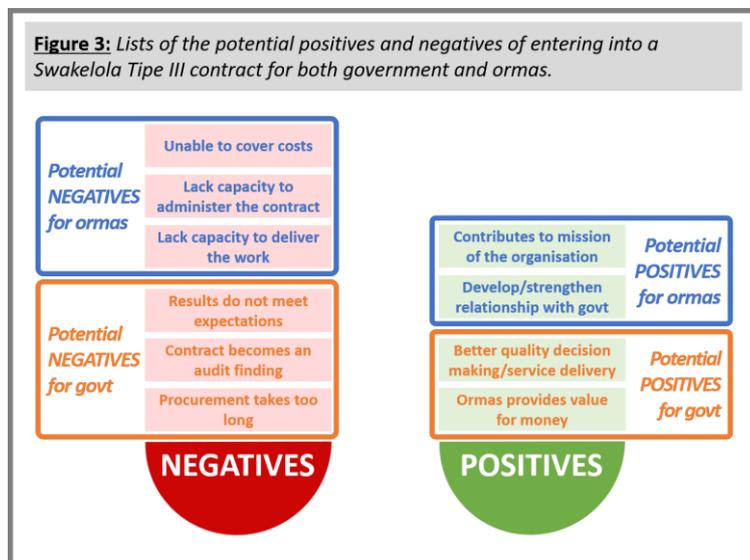


Potential positives and negatives of entering a Swakelola Tipe III contract

To understand the likelihood of a government institution and an ormas agreeing to a Swakelola Tipe III contract, it is important to identify the potential positive and negative factors for each party.

Based on the benefits and challenges highlighted in the case studies above, the positives and negatives have been summarised in Figure 3 below. For the government the main potential positives of a Swakelola Tipe III contract are the potential to increase the quality and capacity of government decision making or

services, as well as the work being better value for money either due to the increased quality, or time and cost savings. For ormas, the positives are mainly related to the extent to which the work contributes to the mission of the organisation and the potential to strengthen or develop relationships with the government.



In terms of potential negatives, a key concern for the government is that the contract might become an audit finding, especially where awareness of the mechanism is still low. A second negative is that the procurement process will take too long, meaning that the work cannot be delivered in time with the needs of the government, or before the end of the financial year, and the final negative for the government is that the work is not delivered in line with the government’s expectations.

For ormas the negatives are related to their capacity to administer the contract and deliver the work, as well as the ability to cover their costs (both direct

and indirect) associated with delivering the work, and their ability to negotiate sufficient payment for the contract to cover their labour and/or overhead costs.

The above list represents *potential* positives and negatives associated with undertaking a Swakelola Tipe III contract. The presence of these factors will vary depending on the specific nature and content of each contract (e.g. some contracts will align more with an ormas’ mission than others). In addition, how decision-makers in each party *perceive* the magnitude and importance of the positives and negatives of each contract is dependent on (1) the various organisational-level factors of each organisation and (2) the degree of uncertainty surrounding each contract.

Organisational factors

The decision-makers involved in agreeing Swakelola Tipe III contracts will perceive the positives and negatives in different ways, depending on their organisational culture and characteristics. These characteristics are independent of the substance of the contracts, but may change over time along with personnel changes (especially in leadership positions) within the organisation. These characteristics affect how the institutions perceive the likelihood of the negatives occurring, how much risk they are willing to tolerate and how highly they value the different positives. These characteristics are listed in Figure 4 below and have been identified based on the institutions involved in the case studies. The characteristics are divided into ‘must have’ criteria (those that are essential for Swakelola Tipe III to even be considered) and ‘should have’ criteria that, if present, make the organisation more likely to be interested in using the mechanism.

The ‘must have’ characteristics include having a positive attitude towards collaboration between government and third parties, particularly ormas. In addition, there must be multiple team members that understand the Swakelola Tipe III mechanism, or have the willingness to trial a new mechanism if the department has never carried out a Swakelola Tipe III contract before. Ideally, one of these people would be the formal decision maker in the Swakelola Tipe III process, namely the PPK. Pusdatin, Disdik Papua and Bappeda Sumbawa all displayed these characteristics (and it assumed that Disdik DKI Jakarta did also) and were willing to seek information and learn from their ormas counterparts or other government departments. One of the characteristics that potentially caused issues in the Bappeda Sumbawa contract was that other actors who were required to process the Swakelola Tipe III contract did not have the same

understanding of the mechanism, which caused confusion and delay, demonstrating the need for multiple actors within the government to understand the process.

Figure 4



The must have characteristics for an ormas undertaking a Swakelola Tipe III contract include collaboration with the government as core to the mission of the ormas. For all four ormas in the case studies, engagement with the government is key to achieving the organisation's goals and the mechanism itself was seen to formalise this collaboration in a way that was easier or more beneficial than the alternatives used in the past. This also meant that the ormas had the motivation to advocate for the use of the mechanism by promoting it to the government (as in the case of CIPG and YNS), as well as sharing materials and connecting the governments with other organisations that are able to provide support (CIPG, YNS, IRE and SMERU). It also meant that the ormas was willing to bear financial costs associated with lower rates or a low or non-existent management fee (SMERU and IRE)²⁴. CIPG and IRE also highlighted that it was also important to have others within the organisation who understood the mechanism to support the procurement process, rather than the entire process being dependent on one person.

The factors that affect the degree of (un)certainty related to the use of Swakelola Tipe III

As outlined in the above sections, the decision to enter into a Swakelola Tipe III contract is an exercise in weighing up the different factors and concluding that, overall the positives outweigh the negatives. These positives and negatives involve predictions about future outcomes and their impact, and are therefore inherently uncertain. Just as certainty of positive outcomes can increase the perceived benefit of collaboration (e.g. the successful delivery of high-quality work), uncertainty can increase the perceived "threat" of negative outcomes (e.g. the risk of audit findings). Factors which increase certainty or decrease uncertainty therefore make Swakelola more likely to be used (and *vice versa*). Based on the four cases reviewed for this evaluation, such factors include:

- Either party has previous experience of Swakelola Tipe III:** This was beneficial for the CIPG and Pusdatin contract, as CIPG could explain the process and was prepared to address potential issues, such as confusion about the legal entity and the tax implications.

²⁴ This was also echoed by Fatyat NU and YNS in relation to other Swakelola Tipe III contracts.

- CIPG also has experience of successfully securing sufficient Swakelola Tipe III budgets, which sets a precedent for future negotiations, thereby reducing negative factors related to covering costs.
- **The parties have previous experience of collaborating together:** This was common to all case studies suggesting that the trust generated has a significant impact on reducing perceived negatives related to ability of the ormas to deliver the contract and increasing positives related to the quality of work and value for money.
- **The ormas has a strong track record:** Bappeda Sumbawa stated that they were concerned in general about ormas' ability to deliver the work and administer the contract, but IRE's reputation and experience of managing grants from donor organisations and international NGO's minimised this potential negative.
- **The ormas has previous experience of similar projects:** YNS, SMERU and CIPG all had previous experience similar to the work undertaken in the case studies, which served to minimise the potential negatives related to their ability to deliver the contract to the expected standards.
- **There is a personal relationship between decision-makers from both the parties:** For IRE and SMERU, personal relationships with the government counterpart was a factor in the initial stages of decision making, as direct knowledge of the ormas or the individuals working there minimised negatives associated with the ability of the ormas to deliver the work.

8.2 OVERALL CONCLUSIONS

The three elements detailed above (perceived positives and negatives, organisational factors and the degree of certainty) can be combined to understand the likelihood of a Swakelola Tipe III contract being undertaken. This is most likely in situations where:

1. There is a clear connection between the work under contract and (a) the ormas's mission and (b) the contribution to more effective government decision making/service delivery.
 - a. The above is of importance to both parties.
2. The government does not have the capacity to deliver the work to the desired standard, within the desired time frame.
3. The parties have knowledge of the Swakelola Tipe III process, or a willingness to learn.
4. The government is aware of the ormas' capability due to their reputation or previous experience of working together.

This is because the above elements combine to reduce almost all of the perceived negatives and increase all of the perceived positives of entering into a Swakelola Tipe III contract.

Those interested in advocating for the use of Swakelola Tipe III can also use the above concept to:

- Identify the types of contract that are most suitable for ormas (those that align mostly closely with the ormas' mission) or government (those that contribute to government decision making/service delivery in high priority areas)
- Identify the types of government institutions and ormas that are most likely to be interested in Swakelola Tipe III, as targets for advocacy (those that fulfill at least the 'must have' criteria identified above)
- Identify additional ways to maximise positives or minimise negatives related to Swakelola Tipe III contracts (by promoting the positive aspects relevant to each institution or taking action to decrease the negative aspects for either ormas, or government, or both).

The specific ways in which KSI and LKPP can increase the use of the Swakelola Tipe III mechanism are detailed in Section 10 below.

9. ADDITIONAL OBSERVATIONS

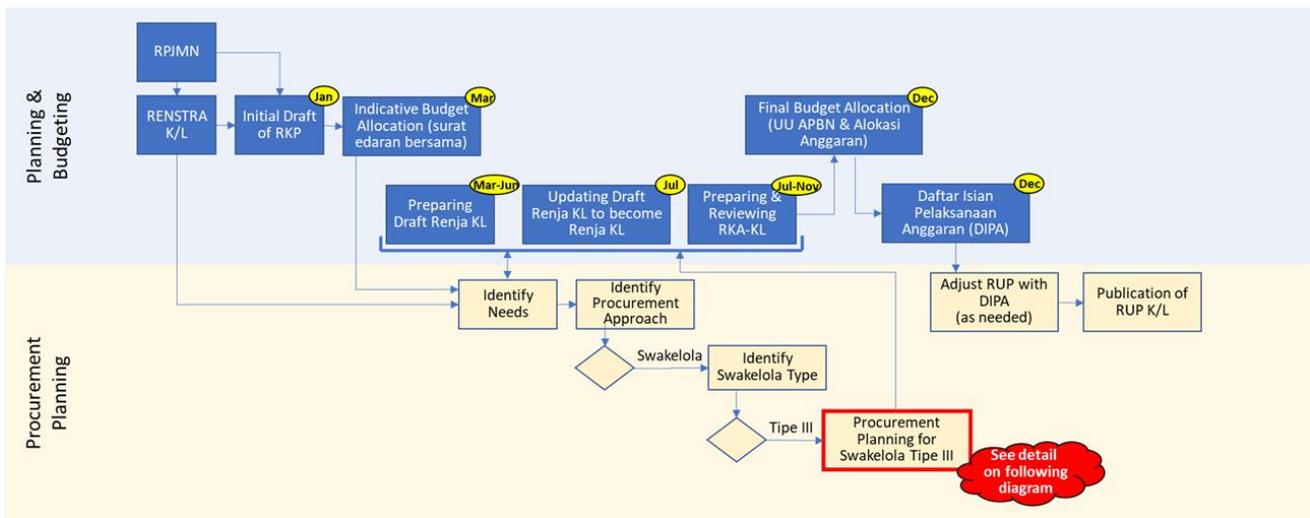
This section contains three additional observations related to the Swakelola Tipe III mechanism, which are based on information collected as part of this evaluation and considered relevant to LKPP’s and KSI’s efforts to support the continued use of the mechanism.

Procurement Planning for Swakelola Tipe III: Regulations vs Reality

The first observation pertains to the planning (*perencanaan*) stage of the procurement process, particularly the significant difference between the planning process as outlined in PerLKPP 8/2018 and the actual process common to all of the case studies documented in Section 6 above.

According to Perpres 16/2018, the process of procurement planning is implemented in parallel (“*dilakukan bersamaan*”) with the process of developing national or subnational planning documents.²⁵ The process of planning for Swakelola Tipe III according to Perpres 16/2018 and PerLKPP 8/2018 is depicted in Figure 5 below, with a summary as follows:²⁶ in the year prior to implementation, the government first identifies the goods and services needed, and then decides whether to use self-implementation (*swakelola*) or public procurement (*penyediaan*) as the basic procurement approach. If *swakelola* is used, the government then decides which of the four types of *swakelola* to use. Following the decision to use Swakelola Tipe III, the government then identifies an ormas (with the option to use *sayembara* for selection where multiple eligible ormas are identified), then signs an MoU together with selected ormas. After signing the MoU, the ormas develops and submits a proposal and budget (*Rencana Anggaran Biaya, RAB*) which is then reviewed and finalised by government as the basis for inclusion in both planning and budgeting documents (Renja KL and RKA-KL) and detailed procurement plans (*Rencana Umum Pengadaan, RUP*). The main implication of this process is that the government identifies the ormas as part of the planning process, and the ormas formally participates in the planning process through the development and submission of a proposal and budget. This is done without any guarantee that the activity will be approved for implementation in the final government plans or budgets, that the government will contract the ormas, or that the ormas will agree to the contract; the MoU signifies the general intention to collaborate, but is not a binding document.

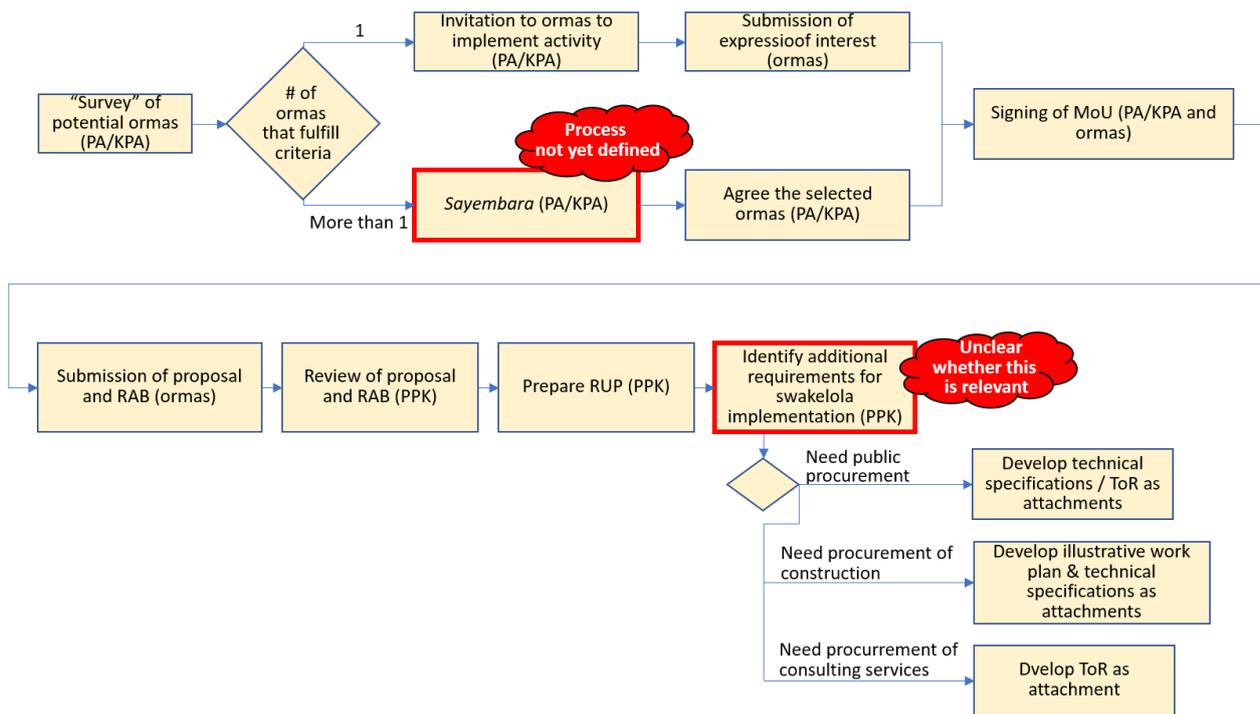
Figure 5.A - Planning & Budgeting and Procurement Planning Processes (Ministries & State Agencies)



²⁵ See Chapter 18 of Perpres 16/2018 point (2) “Perencanaan pengadaan yang dananya bersumber dari APBN dilakukan bersamaan dengan proses penyusunan Rencana Kerja Kementerian/Lembaga (Renja K/L) setelah penetapan Pagu Indikatif” and point (3) “Perencanaan Pengadaan yang dananya bersumber dari APBD dilakukan bersamaan dengan proses penyusunan Rencana Kerja dan Anggaran Perangkat Daerah (RKA Perangkat Daerah) setelah nota kesepakatan Kebijakan Umum APBD serta Prioritas dan Plafon Anggaran Sementara (KUA-PPAS).”

²⁶ Although the terminology is different at the national and subnational levels, the basic processes are the same, and only national level processes are presented in this document.

Figure 5.B: Business Process for Procurement Planning for Swakelola Tipe III



In the four case studies presented in Section 6 above, the actual process of procurement planning in the year prior to implementation was significantly different than the process outlined in PerLKPP 8/2018. In all cases, the government conducted planning and budgeting for the proposed activity *without* formal participation from the ormas: in three cases (YNS-Disdik Papua, IRE-Bappeda Sumbawa, and CIPG-Pusdatin Kemenristek/BRIN), the activity was not actually planned as Swakelola Tipe III; in two cases (YNS-Disdik Papua and IRE-Bappeda Sumbawa) there was informal consultation related to the plans for the activity; however, in no cases did the ormas sign an MoU or submit a proposal or budget as part of the procurement planning stage.²⁷ After the plan and budget for the activity was formally approved (as part of DIPA/DPA), the government contacted the ormas, the ormas provided a proposed implementation plan and budget, and negotiated final arrangements. With the exception of IRE and Bappeda Sumbawa (who had a pre-existing MoU), the MoUs and contracts were signed at almost the same time, with the MoU seemingly not adding any additional information not included in the contract.

The differences described form the basis for two important points about the planning stage related to Swakelola Tipe III. First, the “type” of Swakelola as defined at the planning stage is *indicative*; what seems much more important is the decision regarding whether the activity will be procured through swakelola or *penyediaan*. Second, that there are two different “pathways” to enter into a Swakelola Tipe III contract:

Pathway 1: following PerLKPP 8/2018, the ormas is formally involved in the planning stage.

Pathway 2: the government institution manages the planning stage, with either no input or limited, informal input from the ormas. In this pathway, the key engagement between the government institution and ormas occurs during preparation stage, after the activity has been approved.

Although Pathway 1 may be considered the ideal process, it requires earlier engagement between the ormas and government. This may occur more frequently over time as more ormas and government institutions learn about and gain experience with Swakelola Tipe III; however, there are two important

²⁷ This lack of involvement at the planning stage was also corroborated through an interview with a representative from Fatayat NU, who stated that she viewed the planning and budgeting for Fatayat NU’s nine Swakelola Tipe III contracts in 2019 as “the job of the government.”

factors which may limit how frequently this pathway is used, namely: (1) it involves a complicated business processes precisely at the time when the government is busy with planning and budgeting (see Figure 5A), and (2) it requires efforts from the ormas to develop and submit a proposal and budget and the government institution to review that budget, without certainty that the activity will be approved the final plan/budget.

As illustrated by the common practice documented through this evaluation, Pathway 2 seems more likely to be more frequently used, because it is simpler and involves less uncertainty around the outcomes of the planning and budgeting process. It is also more similar to how government institutions engage with external providers under the public procurement mechanism. This pathway does involve some risk of inaccurate planning and budgeting for activities, but in general planned activities and final budgets are approved without significant detail, and can thus be fine-tuned later on as part of negotiations. The risk of the need for significant revisions can be further mitigated through informal consultations with the ormas during the planning process, rather than more formal engagement requiring the submission of a proposal and budget and the signing of an MoU.

Swakelola versus Penyediaan; Which is the Most Appropriate Fit for Ormas?

After an examination of the procurement process and the challenges associated with Swakelola Tipe III contract, many potential solutions could be borrowed from public procurement. In fact, the ormas involved in these case studies have more in common with the commercial organisations allowed to access public procurement, than the types of institutions that fall under the other Swakelola mechanisms; these ormas are established, professional organisations that must generate and report their income to remain viable and are considered '*badan usaha*' (business entities) under tax law. This raises the question of why the mechanism for contracting ormas was included under Swakelola, rather than by opening up public procurement to ormas. This is arguably a more natural fit, as it avoids some of the pitfalls experienced by the institutions in the case study examples and would have reduced the need for large scale socialisation and guidance documents by (largely) following the public procurement process, which is already well established and understood by the government. The ormas in these case studies are likely to be able to compete with private sector organisations in terms of organisational capability, therefore restricting ormas to Swakelola Tipe III contracts unnecessarily limits the potential for productive engagement between non-profit organisations and the government.

Challenge related to monitoring and evaluating Swakelola Tipe III

Given the early-stage nature of Swakelola Tipe III implementation, ongoing monitoring of the use of the mechanism seems highly strategic as a way to inform the iterative improvement of the mechanism. As was intended as part of this evaluation study, such monitoring should ideally cover both "broad" information on the extent to which the mechanism has been used, and "deep" information on the experiences (both positive and negative) of government institutions and ormas in using the mechanism. However, efforts at such monitoring are likely to face several challenges related to understanding the extent to which the Swakelola Tipe III mechanism is being used by both government institutions and ormas, as well as to identify cases which are interesting to explore in greater depth. The fundamental challenge for structured monitoring of Swakelola Tipe III is related to the lack of a suitable sample frame to use to collect information, as described briefly below.

Originally, this evaluation intended to use data from LKPP's SiRUP system to identify cases where government institutions had planned to use Swakelola Tipe III; however, also as described in Section 4 above, there are several important shortcomings of using SiRUP to identify cases of Swakelola tipe III. Considering these challenges, in order for SiRUP to be useful for monitoring Swakelola Tipe III, LKPP would likely have to implement significant changes related to how SiRUP is used and managed.

Due to the limitations of SiRUP and the need for potentially significant changes before SiRUP can be used as the basis for identifying cases of Swakelola Tipe III, it may be worth considering the possibility of alternative sample frames, each of which have their own limitations. Three options are presented briefly below:

Option 1: conduct follow-up with participants of LKPP and/or KSI socialisations, as a means to identify cases where Swakelola Tipe III is being or has been used. At a minimum, this would require the collection and compilation of names and contact information (phone and/or email) of socialisation participants²⁸, as the basis for efforts to conduct follow up data collection at a point in time after the socialisation has been implemented.

Option 2: conduct structured data collection with (a sample of) UKPBJ. However, this approach may be hindered by two factors: first, that LKPP does not necessarily have direct lines of communication with UKPBJ staff, and second, that UKPBJ currently play a limited role in supporting swakelola activities (see Section 10 for more information) and may therefore not have sufficiently accurate or complete information about the extent to which the institutions they support are using Swakelola Tipe III.

Option 3: using existing civil society networks to collect information about the extent to which members of these networks are using Swakelola Tipe III. Such networks are likely to be focused on particular types of ormas rather than being comprehensive in nature, but could include KSI's network of PRIs, the networks of other donor programs (e.g. MAMPU or MADANI) working with significant numbers of CSOs, umbrella organisations such as Konsil LSM Indonesia, or apex bodies such as associations of private universities (e.g. Asosiasi Perguruan Tinggi Katolik, APTIK).

²⁸ For socialisations conducted in 2019, LKPP kept comprehensive attendance records, but these did not include the contact information of participants.

10. CONSIDERATIONS FOR FUTURE SUPPORT TO SWAKELOLA TIPE III (KEQ5)

This section focuses on future support of Swakelola Tipe III and answers KEQ5; “How can KSI and LKPP more effectively support the successful use of Swakelola Tipe III?”. The recommendations and observations identified below are drawn from the data collection process, discussions with ormas and governments during case studies and interviews, as well as the evaluation team’s own reflections on the research process and key findings.

As part of efforts to further support use of the Swakelola Tipe III mechanism in the future, KSI and LKPP can use the concepts and findings outlined in this report to focus on the following three activities:

1. Improving and better targeting socialisation efforts
2. Updating and expanding existing socialisation materials and
3. Developing support system to provide support to organisations undertaking Swakelola Tipe III.

The first activity functions to inspire and encourage the institutions that are most likely to be interested in and have the capacity to carry out a Swakelola Tipe III contract. The second and third activities serve as a way to decrease uncertainty and minimise the potential negative aspects of entering a Swakelola Tipe III contract for both parties.

Of the eleven recommendations in total, the following three are considered key to promoting further use of the mechanism and therefore should be considered as priorities:

The case studies highlight the large degree of uncertainty around various aspects of Swakelola Tipe III, and the need for further resources to improve/update the existing guidance and support organisations to troubleshoot issues during the contracting process. The involvement of other agencies, such as the BPK and the Ministry of Finance is also key as many of the challenges and risks of undertaking Swakelola Tipe III are related to uncertainties around payment and acquittal of Swakelola Tipe III contracts.

Most of the existing guidance about Swakelola Tipe III provides information about the process up to the oversight stage, but does not cover payment and acquittal. Given that a significant number of negative factors identified by governments were in relation to the audit process, involving relevant stakeholders such as the Ministry of Finance and BPK in the development of payment guidelines for Swakelola Tipe III would be a significant step towards reducing risk and enabling increased use of the mechanism. In general, a set of resources from LKPP, including good practice from some of the case study examples, Frequently Asked Questions and guidance documents covering the key points above and endorsed by the Ministry of Finance and/or BPK would be beneficial to not only support governments and ormas currently planning or undertaking a Swakelola Tipe III process, but would also help to increase confidence of future parties interested in the mechanism.

Key Recommendation #1

LKPP (with support from KSI and KSI’s PRI network as relevant) should (a) develop a revised set of guidance documents (including examples of good practice and answers to frequently asked questions), (b) involve other relevant stakeholders, e.g. the Ministry of Finance and/or BPK in the development of the guidance to obtain their endorsement, and (c) consider how best to provide consultation services to parties with questions regarding the use of Swakelola Tipe III.

All four case studies highlighted the inability to recoup direct and/or indirect costs as a key challenge, thereby making Swakelola Tipe III contracts less appealing due to the potential negative impact on ormas’ financial sustainability. Although this factor will vary depending on the circumstances of the contract (especially related to the availability of government budget), KSI and LKPP can still take steps to reduce the likelihood of this negative factor occurring and increase ormas’ confidence to advocate for increased budgets when relevant.

The case studies of SMERU and YNS raise the issue of the common practice of using SBM to develop Swakelola Tipe III budgets. The SBM is developed in reference to the government and is intended as a supplement (honoraria) to the base salaries of government officials, or resource persons. This is in contrast to ormas undertaking Swakelola Tipe III contracts, for whom labour costs are based on actual salary. As such, from this perspective, ormas are more similar to private sector entities than with the other institutions eligible for Swakelola. In addition, many of the unit costs relevant for ormas are simply not covered in current versions of SBM (e.g. field staff/facilitators). The uncertainty related to not being able to cover costs is of significant concern as it undermines one of the key benefits of the Swakelola Tipe III mechanism for ormas, namely enabling fair remuneration for the contribution of ormas to government work.

CIPG successfully advocated for the use of the market rates developed by the National Association of Indonesian Consultants (INKINDO) as the reference for labor costs for their contract with Pusdatin. These rates are externally verified and more closely match CIPG's actual labour costs, however it should also be noted that INKINDO rates include organisational profit, which is not meant to apply in the case of ormas. Other government departments CIPG has worked with have also agreed to use INKINDO as a reference, but not all governments would be comfortable deviating from SBM unless explicitly allowed to do so. By identifying (or developing) suitable references to enable governments to develop more accurate budgets and strengthen ormas' ability to advocate to secure appropriate remuneration, LKPP and KSI would help to minimise this potential negative outcome for ormas.

Furthermore, three out of four of the ormas in the case studies were unable to charge any kind of institutional fee; the fourth (SMERU) followed the advice in the 'buku saku' and charged 5% rather than their normal fee which, based on information from SMERU, is typically around 30%. As with labour costs, this inability to cover overheads reduces the perceived benefits of Swakelola Tipe III and increases the risk that the ormas will be unable to cover costs. KSI and LKPP can reduce the risk of ormas not being able to cover overhead costs by reviewing the guidance around appropriate institutional fees to be charged under Swakelola Tipe III, with the larger aim of supporting the sustainability of ormas that undertake Swakelola Tipe III contracts.

Key Recommendation #2

LKPP (with input from other government entities as relevant) should specify acceptable references for (1) labour costs for ormas and (2) institutional fees to cover overhead costs within the Swakelola Tipe III guidance documents related to budget development. These references should reflect the actual or reasonable labour and overhead costs Indonesian ormas would incur when undertaking contracts for the government.

KSI can support this process by providing relevant and appropriate supporting evidence, both from international practice as well as the KSI PRI network.

One benefit noted by governments and ormas is that payment based on deliverables is a more efficient and effective way of paying and acquitting Swakelola Tipe III contracts, but the vague wording of PerPres 16/2018 related to the basis of payment creates uncertainty about whether Swakelola contracts can be paid based on milestones.

KSI and LKPP could reduce the risks associated with key government concerns related to audits by clarifying what can be used as the basis of payment and what supporting documents the ormas is required to submit to the government as part of the financial acquittal process. PerLKPP 8/2018 states that payments can be made "in accordance with the agreement outlined in the Swakelola Tipe III contract which is in accordance with the provisions in legislation"²⁹, suggesting that the basis for payment of Swakelola Tipe III is flexible and can follow whichever process the contracting parties agree on. This is similar to public procurement, where the government is responsible for contracting third parties and it is

²⁹ "PPK melakukan pembayaran pelaksanaan Swakelola sesuai dengan kesepakatan yang tercantum dalam Kontrak Swakelola sesuai dengan ketentuan dalam peraturan perundang-undangan" (p 25).

up to the contracting parties to choose the most appropriate contract type. Payments in all four of the contracts in the case studies were fixed-price payments based on the receipt of deliverables, which was highlighted by Pusdatin and Disdik Papua as a more efficient method, in comparison to the burdensome process of collecting and processing receipts in order to trigger payments. However, the 'deliverables as a basis for payment' approach has remained a source of confusion for some of the contracting parties, particularly the government, as they are unsure as to whether receipts and timesheets still need to be collected, as is the case with other Swakelola types. This lack of clarity increases the perceived risk of future audit for the government; without clear guidance on what is and is not allowed, government institutions will continue to face uncertainty related to the potential for BPK audits.

Key Recommendation #3:

LKPP should update the Swakelola Tipe III guidance to clarify whether deliverables may be used as the basis for payments and what financial and administrative documents are necessary to support payment; to mitigate audit-related risks, such guidance should be developed in consultation with key stakeholders such as the Ministry of Finance (Directorate General of the Treasury) and BPK. KSI can support this process with evidence-based input as relevant.

The additional eight recommendations are as follows:

The case studies highlight that there are certain 'must have' characteristics of ormas and government that are basic requirements for a successful Swakelola Tipe III contract. These characteristics can be used as criteria to 'screen' organisations and encourage them to consider their suitability for Swakelola Tipe III before attending a socialisation or embarking on the Swakelola Tipe III process. Those that are interested in using Swakelola Tipe III can use the characteristics as a checklist to prepare themselves for the process.

By understanding the potential positive and negative aspects of entering a Swakelola Tipe III contracts, KSI and LKPP can also tailor socialisation material to highlight the potential positive factors for each party, such as by providing some examples of value for money or improved decision making/service delivery to inspire and encourage governments, and providing examples of stronger government networks and the ways in which Swakelola Tipe III can contribute to the mission of ormas. This can also help governments and ormas to help identify the projects that would be most suitable for Swakelola Tipe III and the most suitable potential counterparts.

The CIPG and IRE case studies also highlight the importance of ensuring all the key actors involved in a Swakelola Tipe III contract have a basic understanding of the mechanism. LKPP and KSI could use this information to advise governments attending socialisations to invite the key actors involved. Potential key actors include; the PPK for the contract, a member of the *tim pelaksana*, a member of the team responsible for processing payment for the contract, a member of UKPBJ and a someone from the *Inspektorat* unit.

Recommendation #1: KSI and LKPP can use the organisational characteristics and the understanding of the potential positive and negative aspects of Swakelola Tipe III to better target and tailor socialisation efforts to focus on those organisations that are most likely to be interested in and have the ability to successfully carry out a Swakelola Tipe III contract.

Related to timing of the procurement process, as described in Section 9 above, all four of the case studies took a different procurement "pathway" to the one outlined in PerLKPP 8/2018, whereby the planning phase was managed by the government without formal input from the ormas and the type of Swakelola was only confirmed in the planning phase once a suitable ormas had been identified. Providing guidance and timing that reflects these two "pathways" could increase the use of Swakelola Tipe III, as it would allow governments that had previously planned to use other Swakelola types to switch if they were able to identify a suitable ormas. Mapping these two pathways would also provide further clarity regarding the process for the two different pathways and length of time procurement can be expected to take, increasing certainty around timings and enabling the government to develop realistic plans.

Recommendation #2: KSI should support LKPP to map out the relevant business processes under two potential Swakelola Tipe III pathways (where the activity is collaboratively planned in the year prior to

implementation, and where the government plans the activity without formal input from the ormas and only identifies a suitable ormas after plans for the activity have been approved) and provide appropriate guidance for both.

All the contracts in the case studies were the result of direct appointments and none used a sayembara process. This was due either to the government knowing only one suitable ormas, or because the Swakelola Tipe III process saves time in comparison to public procurement, due to the mandatory tender process for contracts above a certain value. Although the public tender process can be cumbersome, the principle of competition is fundamental and it is notable that the same principle does not apply to Swakelola Tipe III. There is an optional sayembara process, but with no obligation to conduct a competitive process, it is likely that most governments will bypass this step.

The lack of guidance regarding (1) the level of justification required for directly appointing ormas and (2) how to conduct a sayembara process creates uncertainty, by potentially increasing concerns about the contract passing any future audit and the amount of time that the procurement process will take. Developing guidance on the sayembara process would not only support and encourage healthy competition for Swakelola Tipe III contracts, but would also enable LKPP to improve on the public procurement process by outlining a selection process that would enable governments to select proposals that are the best value for money, rather than simply the cheapest.

Recommendation #3: LKPP (with support from KSI) should develop additional guidance on (1) the level of justification required for direct appointments and (2) how to conduct a sayembara process (including timeline), with a focus on selecting proposals that represent the best value for money. This could include further consideration of whether a sayembara process should be mandatory above a certain proposed contract value.

In addition to clarifying the basis for payment and acquittal of Swakelola Tipe III contract (Key Recommendation #3, above), KSI and LKPP could also provide additional clarity around the options available to government and ormas in the event that Swakelola Tipe III implementation cannot be completed by the end of the financial year. Article 14 of PerLKPP 8/2018 covers this eventuality, enabling contracts to be extended by the PPK with an addendum to the original contract, even in the event that implementation extends beyond the end of the financial year³⁰. However, it seems either that governments and ormas are not aware of this possibility, or that there is another reason preventing this simple fix from being applied. The issue of how payments are made and recorded in the event that implementation carries over into the next financial year is a gap in the guidance and is key to ensuring that governments and ormas are comfortable with using the solution provided in Article 14 of PerLKPP 8/2018, as this is likely to create further concerns in relation to audits.

Recommendation #4: LKPP (in coordination with other government entities and with support from KSI as relevant) should provide practical guidance to contracting parties on how to proceed in the event that implementation cannot be completed by the end of the financial year, including implications for payments and acquittal.

Expansion of the support provided for Swakelola Tipe III is not limited to the *topics* covered by guidance materials, but should also consider the organisations that provide input and advice. The UKPBJ played a minor advisory role in at least two out of the four case studies, however there is potential for the UKPBJ's role to be expanded. PerPres 16/2018 states that UKPBJ is "the center of excellence for procurement of goods and services"³¹, suggesting that UKPBJ should act as the authority on all issues of procurement, including Swakelola. As with public procurement, the UKPBJ could expand its role to include providing

³⁰ The original wording is "(1) Dalam hal Tim Pelaksana gagal menyelesaikan pekerjaan sampai masa pelaksanaan kontrak berakhir, namun PPK menilai bahwa Tim Pelaksana mampu menyelesaikan pekerjaan, PPK memberikan kesempatan Tim Pelaksana untuk menyelesaikan pekerjaan. (2) Pemberian kesempatan kepada Tim Pelaksana untuk menyelesaikan pekerjaan sebagaimana dimaksud pada ayat (1), dimuat dalam addendum kontrak yang di dalamnya mengatur waktu penyelesaian pekerjaan. (3) Pemberian kesempatan kepada Tim Pelaksana, untuk menyelesaikan pekerjaan sebagaimana dimaksud pada ayat (1), dapat melampaui Tahun Anggaran.", PerLKPP 8/2018, Article 14

³¹ The original wording is "menjadi pusat keunggulan Pengadaan Barang/Jasa", article 1, paragraph 11 of Perpres 16/2018.

support to government technical departments undertaking Swakelola Tipe III contracts, by acting as an authoritative source of information. As LKPP already has links with UKPBJ departments this could be a way of providing support to technical departments wishing to undertake Swakelola Tipe III contracts. If governments and ormas had a support service to access, this could reduce the uncertainty around Swakelola Tipe III and would likely increase the confidence of new parties considering undertaking the Swakelola Tipe III process.

Recommendation #5: LKPP should clarify the role of the UKPBJ to include responsibility for providing technical advice and coordination of Swakelola Tipe III contracts, noting that this may involve additional assistance related to Swakelola Tipe III to ensure UKPBJ are able to play such a support role. KSI can support this process by identifying, documenting, and sharing examples of UKPBJ which play a role as a “center of excellence” in support of Swakelola Tipe III contracts.

In agreeing an approach to monitoring the use of Swakelola Tipe III in the future, KSI and LKPP will need to consider the challenges described above in Section 9. Given the fundamental issues related to SiRUP data, it may be more appropriate to consider alternate sample frames, in reference to the options presented above. The following recommendation is provided based on what is considered as the simplest option.

Recommendation #6: in order to identify planned or actual cases of Swakelola Tipe III, LKPP and KSI should conduct follow up data collection with participants of socialisation events (using contact information collected from participants), noting that this has the added benefit of keeping open lines of communication for consultation / further support. Additionally, KSI and/or LKPP should maintain a list of cases of Swakelola Tipe III (or a list of organisations that are using Swakelola Tipe III) similar to the example provided in Annex 4.

Where there is a desire to implement improvements to SiRUP related to Swakelola Tipe III, LKPP may also wish to consider the following.

Recommendation #7: LKPP could:

- **clarify expectations related to the input of procurement packages planned to be implemented through Swakelola Tipe III**
- **modify the SiRUP data format specifically for Swakelola Tipe III to require the input of the name of the ormas (in the case where ormas are involved in the procurement planning stage) OR to specify that a particular ormas has not yet been identified (in the case where the government plans without input from the ormas, but intends to identify a suitable ormas as part of the preparation stage)**
- **add or modify SiRUP business processes to include a step to verify or spot-check data entry for Swakelola Tipe III.**

This final recommendation is not necessarily related to improving Swakelola Tipe III or encouraging its use, but speaks to wider principles of procurement. The KSI diagnostic studies which led to KSI support for procurement reform cited the “restriction of bidding on tendered contracts to commercial entities” as an important limitation on collaboration between government and non-profit research organisations. PerLKPP 8/2018 identifies the types of projects that are considered suitable for Swakelola, one of which is the “value, location and/or characteristics of the goods/services are not of interest to the private sector”³². This restrictive interpretation has several implications, firstly that swakelola contracts are unlikely to be of high value, and secondly artificially limits the projects that both commercial entities and ormas can be involved in and the value they can contribute to government policy and service delivery. In addition, many of the issues and challenges raised in this report could be solved by applying processes used in public procurement, rather than in Swakelola. Ormas clearly have an important role to play in contributing to the work of government, but the decision to create a dedicated procurement mechanism

³² Section 1.5 of the Swakelola guidance (PerLKPP 8/2018): “Barang/jasa yang dilihat dari segi nilai, lokasi, dan/atau sifatnya tidak diminati oleh Pelaku Usaha...”

for ormas through the Swakelola mechanism, while well-intentioned, places clear limitations on the ways in which ormas can support government. The ormas covered in this case study (and in all probability any other ormas that fulfill the criteria for Swakelola Tipe III) offer professional and specialised services that would likely be able to win competitive tenders in their area of expertise, should they choose to participate. If ormas were able to compete in public procurement, this would open up new opportunities for partnerships in support of government, inspire competition and, ultimately, improve government policy and service delivery.

Recommendation #8: KSI (together with its network of PRIs) should consider longer term advocacy related to the opening up of public procurement to ormas, including by sharing both international practice and the experience and perspectives of Indonesian CSOs.

ANNEXES

ANNEX 1 - LIST OF INTERVIEWEES

Organisation	Interviewee	Date	Purpose	Notes
Initial Interviews				
Article 33	Male (Director), Male (Finance Manager), Male (Program Manager)	07 February 2020	To discuss general experience of Swakelola Tipe III	
CIPG	Female (Operational Director)	10 February 2020	To discuss general experience of Swakelola Tipe III	2019 Contract between CIPG and Pusdatin selected as case study
Lembaga Pendidikan dan Pelatihan Gurindam	Male (Head of Training Division)	22 April 2020	To discuss the contract between Gurindam and Kota Tanjung Pinang (and other local govts) as well as legal status of Gurindam	
Ikatan Arsitek Indonesia	Male (Chairperson of Architectural Award and Competition Agency)	17 April 2020	To discuss general experience of Swakelola Tipe III	Based on request, the respondent answered in written format
IRE	Male (ex-Director)	14 February 2020	To discuss general experience of Swakelola Tipe III	2019 Contract between IRE and Bappeda Sumbawa selected as case study
Directorate of Human Resource Development, Ministry of Villages	Male (Head of Skills Sub-division, Directorate of Human Resource Development)	21 April 2020	To discuss the contract between Ministry of Villages and Fatayat NU	
Fatayat NU	Female (Deputy Coordinator)	4 May 2020	To discuss the contract between Ministry of Villages	

Organisation	Interviewee	Date	Purpose	Notes
			and Fatayat NU	
SMERU	Female (Deputy Director of Admin and Finance), Female (Deputy Director of Research and Outreach), Female (Project admin and M&E)	06 February 2020	To discuss general experience of Swakelola Tipe III	2019 contract between SMERU and Disdik DKI Jakarta selected as case study.
Universitas Gunadarma	Male (Coordinator of International Collaboration), Female (Internal Collaboration team)	02 April 2020	To discuss general experience of Swakelola Tipe III	Confirmed 13 Swakelola Tipe III contracts in 2019
YNS	Female (Program Manager Early Years Education, Papua)	18 February 2020	To discuss general experience of Swakelola Tipe III	2018 contract between Disdik Papua selected as a case study.
Case study interviews				
SMERU	Female (Deputy Director of Admin and Finance), Female (Deputy Director of Research and Outreach)	26 March 2020	To discuss the 2019 contract between SMERU and Disdik DKI Jakarta	Case study #1
YNS	Female (Program Manager Early Years Education, Papua)	19 March 2020	To discuss the 2018 contract between YNS and Disdik Papua	Case study #2
YNS	Female	31 March 2020	To discuss the 2018 contract between YNS and Disdik Papua	
Disdik Prov. Papua	Male (Secretary of Papua Provincial Education Office)	08 April 2020	To discuss the 2018 contract between YNS and Disdik Papua	
IRE	Male (ex-Director)	25 March 2020	To discuss the 2019 contract between IRE and Bappeda Sumbawa	Case study #3
Bappeda	Male (Head of the	8 April 2020	To discuss the 2019	

Organisation	Interviewee	Date	Purpose	Notes
Sumbawa	Strategic Issue Research Subdivision, Bappeda Sumbawa)		contract between IRE and Bappeda Sumbawa	
CIPG	Female (Operational Director)	1 April 2020	To discuss the 2019 contract between CIPG and Pusdatin	Case study #4
Pusdatin, Kemenristek/BRIN	Female (Head of Subdivision Data Management and Information, Pusdatin)	9 April 2020	To discuss the 2019 contract between CIPG and Pusdatin	

ANNEX 2 - CASE STUDIES

CASE STUDY SWAKELOLA TIPE 3 #1

SMERU AND DINAS PENDIDIKAN PROVINSI DKI JAKARTA

March 2020

INTRODUCTION

This case study aims to provide in depth information on a specific case of a contract using the Swakelola Tipe III procurement mechanism introduced in *Peraturan Presiden nomor 16 tahun 2018 tentang Pengadaan Barang/Jasa Pemerintah* (Presidential Decree number 16/2018 about government procurement of goods and services, hereafter “Perpres 16/2018”). This case study is one of four that make up part of a wider study, commissioned by the Knowledge Sector Initiative (KSI) and supported by *Lembaga Kebijakan Pengadaan Barang Jasa Pemerintah* (National Public Procurement Agency, hereafter “LKPP”), related to the use of Swakelola Tipe III in the first 18 months since the regulation was passed.

The main purpose of this case study is to describe the processes and key factors that lead to the successful completion of a Swakelola Tipe III contract between an *Organisasi Kemasyarakatan* (Civil Society Organisation, hereafter ormas) and a regional government.

This case study will focus on the example of a contract between SMERU Research Institute (ormas) and DKI Jakarta Education Authority (*Dinas Pendidikan Provinsi DKI Jakarta*, hereafter Disdik DKI Jakarta) for a study on ‘*SMP Terbuka*’. This example was selected as a case study because this contract is between the government and one of KSI’s Partner Research Institutes and it is an example of a successfully implemented contract with a regional government (DKI Jakarta Province).

Data for this case study was collected through initial and in-depth interviews with two members of staff from SMERU; the Deputy Director of Administration and Finance and the Deputy Director of Research and Outreach. The research team was unable to interview representatives from Disdik DKI Jakarta for this case study³³.

The rest of this case study document is divided into three sections: Section 1 provides background information on the two parties involved in procuring and supplying the services in the Swakelola Tipe III contract and an overview of the contract in question. Section 2 details the process, results, and the perceived challenges and benefits of procurement using the Swakelola Tipe III mechanism. Finally, section 3 discusses the relevant factors related to the success of the contract, including contributions from KSI and LKPP.

1. BACKGROUND

PROFILE OF THE ORMAS

The SMERU Research Institute was established in 2001 and provides research and policy analysis related to poverty and inequality in Indonesia. Legally, the institute is registered as a *Yayasan* (not-for-profit foundation) which means the institute has a social purpose and has no shareholders. The institute has no business unit, nor any affiliation with other businesses. SMERU is audited every year and has registered with the tax

³³ SOLIDARITAS contacted two representatives from Disdik DKI Jakarta that were involved in this contract, but neither were available to participate in an interview. A draft of this case study was also made available for representatives from Disdik DKI Jakarta to review and provide input, but there was no response. The results from this case study therefore represent SMERU’s experience related to the contract, but do not include the government perspective.

authority as a *Pengusaha Kena Pajak*, which means it must file annual tax reports. These features mean that SMERU fulfills all the criteria for ormas to undertake a Swakelola Tipe III contract.

Since its inception SMERU has worked with the government to conduct policy analysis and poverty research. These collaborations were either procured indirectly; using funding from donor programs to produce results for the government, or directly; utilising the Swakelola Tipe I mechanism whereby individual SMERU staff are hired as resource persons by the government. SMERU has an internal policy that any individual staff hired through the Swakelola Tipe I mechanism must pay the total sum of the fees received to SMERU.

SMERU staff first learned of Swakelola Tipe III at a socialisation event for PerPres 16/2018 held by KSI in June 2018, which was attended by SMERU's Deputy Director of Administration and Finance and the organisations' Director at the time. After the event the SMERU team read the new regulation and the pocket guide (*'buku saku'*) to the new mechanism, which was developed by AKATIGA and launched at the event. The team held internal discussions and decided that Swakelola Tipe III provided a number of interesting opportunities for SMERU. Firstly, it would enable SMERU to work directly with the government, without being reliant on donor funding. SMERU's long term strategy is to work more with local governments, where the SMERU senior management believes they can have greater and more direct influence on local policies, and Swakelola Tipe III provides a mechanism to realise this ambition. Secondly, Swakelola Tipe III is an opportunity to diversify SMERU's funding sources and build a new, sustainable funding stream for the long term. The team therefore decided to try using the mechanism and began looking for potential opportunities.

An opportunity presented itself in May 2019 when a SMERU Researcher, who had previously conducted research about the innovative ways Disdik DKI Jakarta was delivering education in Jakarta, received news of a research opportunity to be procured using Swakelola Tipe III. SMERU's understanding is that this offer from Disdik DKI Jakarta was at least partly a result of *Instruksi Gubernur DKI Jakarta 11/2019 tentang Pelaksanaan Kegiatan Swakelola Tipe III dan Tipe IV pada Anggaran Pendapatan dan Belanja Daerah* (DKI Gubernatorial Instruction 11/2019 about the Implementation of Swakelola Type III and Type IV Activities from Local Government Budgets, hereafter InGub 11/2019), in which the Jakarta Governor instructs all government departments to make use of the mechanism. The relatively small budget and the short contract length would, under normal circumstances, make this contract less appealing to SMERU. However, because the work was within SMERU's area of expertise and the organisation was interested in Swakelola Tipe III, SMERU decided that this contract was a good opportunity to trial the mechanism.

PROFILE OF THE GOVERNMENT CONTRACTING PARTY

The government unit requesting the work under this contract was the Planning and Budgeting Department (*Bidang Perencanaan dan Penganggaran*) of Disdik DKI Jakarta. This same department undertook at least one other Swakelola Tipe III contract during 2019, with another KSI PRI, Article 33. The Article 33 contract ran for six months from May to November 2019, so it is likely that this and the SMERU contract may have been Disdik DKI Jakarta's first two experiences of using the Swakelola Tipe III mechanism.

DESCRIPTION OF THE CONTRACT

The contract was for a research study on how and in what ways the *Sekolah Menengah Pertama Terbuka* (SMPT, open junior secondary school) system provided (1) increased access to education and (2) better quality education to school-aged people in DKI Jakarta. The results of this study were to be used by Disdik DKI Jakarta to assess and further develop the SMPT program, part of Disdik DKI Jakarta's wider strategy to increase school retention and education quality in the capital.

The work began in June and was completed in October 2019, acknowledged by a signed *Berita Acara Serah Terima*, or BAST. The work was procured directly from SMERU and did not involve a *sayembara*³⁴ process. The three key personnel involved in the contract were:

- The Head of the Planning and Budgeting department of Disdik DKI Jakarta (*Kepala Bidang Perencanaan dan Penganggaran Dinas Pendidikan DKI Jakarta*), identified in the contract as both the *Penguna Anggaran* and *Pejabat Pembuat Komitmen*.
- The Head of the Budgeting and Standardisation Sub-Division (*Kepala Sub-Bidang Standardisasi dan Penganggaran*), who was the main point of contact for SMERU and the person in charge of the substance of the contract.
- A member of staff from the Planning and Budgeting Division (*Staf Bidang Perencanaan dan Penganggaran*), who dealt with contracting.

Throughout this contract SMERU only had contact with the main point of contact and the planning and budget staff and they never met the PA/PPK.

2. PROCUREMENT PROCESS, RESULTS, PERCEIVED BENEFITS AND CHALLENGES

This section summarises the information collected through interviews with key informants and a review of relevant documentation. It describes the stages of the procurement process and the perceived challenges and benefits of using the Swakelola Tipe III mechanism.

PROCUREMENT PROCESS

PLANNING

The planning phase, including the development of an initial Terms of Reference as the basis for developing and securing the budget, was conducted by the government. SMERU is not aware of when Disdik DKI Jakarta decided to procure the contract using Swakelola Tipe III.

The first contact SMERU had with Disdik DKI Jakarta related to this contract was in May 2019, when the SMERU Researcher who had previously conducted research at Disdik DKI Jakarta notified the senior management of a research opportunity at Disdik DKI Jakarta to be procured using the Swakelola Tipe III mechanism. That same month the two parties met to discuss the contract and at this time SMERU were asked for their organisational documents (including tax number, articles of incorporation, and registered address). It is assumed that these were used by Disdik DKI Jakarta to verify SMERU's eligibility to be contracted under Swakelola Tipe III based on the criteria outlined in PerLKPP 8/2018, and potentially also to support justification for offering the contract directly to SMERU without a competitive process.

PREPARATION AND PROCUREMENT

Once it was established that SMERU was interested in undertaking this contract and that both parties wanted to use the Swakelola Tipe III mechanism, the two parties then discussed the initial Terms of Reference (*KAK awal*) developed by Disdik DKI Jakarta and the approach to the research. These discussions resulted in the agreed final Terms of Reference (*KAK final*).

Although the budget (*Rencana Anggaran Biaya*, RAB) for this work had already been finalised by the government, the budget provided was not sufficient to cover SMERU's costs. The work was within SMERU's capacity and area of interest, but at IDR 99,000,000 this was not a contract that SMERU would normally have considered, because this amount would not be sufficient to cover SMERU's labour costs required to complete this study in accordance with the KAK. In addition, SMERU charged a 5% institutional fee, in line with the 'best

³⁴ *Sayembara* is the term given for a competitive bidding process for a Swakelola Tipe III contract. Under *Peraturan LKPP 8/2018 tentang Swakelola* (the implementing regulation for Perpres 16/2018 related to swakelola), a *sayembara* process should be conducted if more than one Ormas is considered capable of completing the work to be contracted.

practice' from the *Buku Saku*, which was insufficient to cover indirect costs (see the 'challenges' section below for further information). Although SMERU was willing to undertake the contract regardless of the budget in order to trial Swakelola Tipe III, they did successfully negotiate with Disdik DKI Jakarta so that the costs associated with Focus Group Discussions (FGDs) and workshops were covered directly from Disdik DKI Jakarta's own budget, and that the full value of the SMERU's contract could therefore be used to cover labour costs.

Dinas Pendidikan then prepared the draft MOU (*Nota Kesepahaman*) and contract for the SMERU team to review. Both documents were signed by the then Director of SMERU, on 10th June 2019. According to SMERU's understanding, Disdik DKI Jakarta did not access any external support (either from other units within the provincial government or elsewhere) for the procurement process for this contract.

IMPLEMENTATION AND OVERSIGHT

After an initial inception phase, the SMERU team conducted the data collection for this study in three steps, beginning with FGDs with key stakeholders in Jakarta, followed by an online survey of all SMPT in DKI Jakarta. This was followed by a final step of conducting field research at three SMPT locations. The results of the research were written up in the final report and disseminated through workshops with officials from DKI Jakarta to discuss the results and next steps. These steps were in accordance with the workplan and there were no changes to the contract or deliverables.

There was no formal oversight procedure for the work under this contract, but as the study was short and the SMERU team had to coordinate regularly with Disdik DKI Jakarta regarding endorsement letters for the school-level FGDs and travel, the government were regularly kept up to date with developments while the research was being carried out.

The SMERU team submitted two deliverables for the work: a preliminary report and a final report. The final deliverable was acknowledged with a BAST document. The payment terms for this contract was a lump sum to be paid at the end of the contract. To process the payment, SMERU staff were asked to provide an invoice, to be submitted by the finance team to Disdik DKI Jakarta, along with the organisational documentation provided in the preparation phase. The payment was processed and paid within one month of submitting the invoice.

PERCEIVED BENEFITS OF USING SWAKELOLA TIPE III

According to the SMERU team the key benefit of Swakelola Tipe III is that it enables the institute to work directly with the government. Previously much of SMERU's work with the government was funded by donor organisations, which have their own agendas and opinions about how and in what ways SMERU should engage with the government. One of the main ways this has influenced SMERU's work with the government is that the majority of engagement has been at the national level. In this sense, Swakelola Tipe III provides SMERU with flexibility to engage directly with government institutions, and in particular with local governments, an area in which SMERU believes it can have greater and more direct policy influence.

In the past, if not engaged by donor organisations, SMERU staff would have been engaged by the government in an individual capacity. In order to generate the paperwork required to release payments to individuals, Swakelola Tipe I activities are designed as a series of events, where individuals are paid as Resource Persons (*Narasumber*). Now with the option of the Swakelola Tipe III mechanism, the research design can better align with the needs of the research, making it easier to implement research activities, to develop an efficient approach, and to split tasks across a research team, rather than a limited number of individuals.

PERCEIVED CHALLENGES IN USING SWAKELOLA TIPE III

In discussions with other government departments (not Disdik DKI) on Swakelola Tipe III, SMERU has experienced challenges related to lack of understanding on behalf of the government regarding the mechanism. Other government institutions wanting to work with SMERU appear to still favour Swakelola Tipe I, because it is more familiar to them and requires minimal paperwork during the preparation and

procurement stages and no formal contract. This was not an issue for SMERU's work with Disdik DKI Jakarta, something that SMERU staff attribute to the existence of InGub 11/2019, the regulation instructing specific department heads to either socialise the Swakelola Tipe III (and Tipe IV) mechanisms, utilise the mechanisms, or monitor their use, depending on their role.

A further general challenge experienced by the SMERU team is a concern from the government that Swakelola Tipe III contracts may become an issue during the audit process. The SMERU team noted that the Indonesian audit agency (BPK) has never attended any of the socialisation events that SMERU have been part of, meaning that SMERU staff have not had an opportunity to clarify their understanding of the mechanism with the BPK, as a way of avoiding potential issues. However, in the case of this contract, SMERU staff think that, as well as the encouragement provided by InGub 11/2019, Disdik DKI Jakarta were confident to proceed because it was a fixed-term contract, payable based on deliverables. It would therefore be much easier to produce the documentation required for an audit in comparison to a contract payable based on reimbursement, where each individual receipt and timesheet would have to be provided in the event of an audit.

The final challenge for SMERU is the amount that governments are willing to pay for services. SMERU's rates are higher than the government rates set out in *Standar Biaya Masukan* (SBM), which was the reference for developing the budget for the work with Disdik DKI Jakarta (as well as all other Swakelola Tipe III budgets that the SMERU team have discussed or implemented). Furthermore, SMERU followed the best practice outlined in the AKATIGA *buku saku*³⁵, and only charged a 5% institutional fee within the budget, which was not sufficient to make up the difference in actual cost of labour or to cover overheads. SMERU's standard management fee is 30%, and they estimate that this same service provided to other clients would command a budget of approximately IDR 195,000,000, meaning SMERU performed this work at an approximately 50% "discount" as compared to a non-Swakelola Tipe III contract. In the future the SMERU team hopes to mitigate this issue by being involved in the planning phase to provide input on the development of the budget, as well as the development of the initial TOR, especially related to timing and duration of research conducted under Swakelola Tipe III.

3. DISCUSSION

This section discusses several interesting aspects of the use Swakelola Tipe III highlighted by the case of collaboration between SMERU and Disdik DKI Jakarta, namely: key factors which seem to influence the (successful) use of Swakelola Tipe III, the limits to which Swakelola Tipe III provides an avenue for financial sustainability of civil society organisations, and some areas where it may be possible to improve the Swakelola Tipe III mechanism.

KEY FACTORS INFLUENCING THE USE OF SWAKELOLA TIPE III

INSTITUTIONAL FACTORS (GOVT)

According to SMERU staff one of the key institutional factors influencing this contract was the InGub 11/2019 enacted by the Jakarta Governor, which is directed at heads of local governments and outlines their role in socialising, implementing and overseeing Swakelola Tipe III contracts. While this regulation provides no further information on how to carry out Swakelola Tipe III contracts (beyond what is already detailed in PerLKPP 8/2018), it seems that the InGub helped to provide an 'authorising environment' where decision makers within the local government felt 'safe' and justified in attempting to use this new procurement mechanism.

It is also reasonable to assume, since this contract had been planned as Swakelola Tipe III before SMERU was involved, that decision makers within Disdik DKI Jakarta have a positive attitude towards collaboration with

³⁵ "Berdasarkan best practice, Organisasi Nirlaba dapat memasukkan komponen biaya operasional (overhead) berkisar 5% dari total biaya pelaksanaan Swakelola." (Buku Saku, page 37). The reference for this figure is from a 1998 UNHCR committee decision on the payment of institutional fees to *international NGO partners*, so may not reflect the most appropriate or up-to-date reference for the context of Swakelola Tipe III.

third parties and value quality work. If the purpose of the contract is results-focused and collaboration with third parties is viewed as an opportunity to strengthen the work of the government, rather than threaten it, then it is more likely that the government will have the motivation to see through a Swakelola Tipe III contract and to figure out any unfamiliar aspects of the process.

A further factor, identified by SMERU staff, is that the terms of the contract (fixed-price and paid based on deliverables) were such that preparing the paperwork for any future audit would be simpler than reimbursable contracts that require all invoices and receipts to be collected and stored in the event of an audit. Based on discussions with other government institutions, it is the SMERU team's experience that a fear of the contract being picked up in an audit process has been enough to prevent the use of Swakelola Tipe III. Along with the authorising environment created by the InGub, the simpler contract and payment terms may have also contributed to Disdik DKI Jakarta's confidence in conducting a Swakelola Tipe III procurement process, as this would make it easier to produce supporting documentation in the event of an audit.

To summarise, Swakelola Tipe III is more likely to be (successfully) used where:

- Decision-makers within the government institution feel encouraged to use the mechanism, e.g. based on 'instructions' from a higher level of bureaucratic authority
- Decision-makers within the government institution have a positive attitude toward collaborating with third parties and value quality work
- The contract terms are such that they are likely to stand up to external scrutiny.

INSTITUTIONAL FACTORS (ORMAS)

Various members of the SMERU team have taken part in the Swakelola Tipe III socialisations hosted by KSI and LKPP and members of staff have also independently reviewed the information to improve their understanding of the Swakelola Tipe III mechanism. This knowledge has given the SMERU team an understanding of the process and has enabled them to identify the ways in which Swakelola Tipe III could contribute SMERU's strategy. The result is that SMERU senior management were willing to overlook the limited budget and view this contract as an opportunity to trial the mechanism and test the assumption that the mechanism has potential to support future sustainability.

A further factor influencing the use of Swakelola Tipe III in this case was that the work under this contract fell within SMERU's focus areas and their capacity to deliver the work. These factors provided additional motivation for SMERU senior management to undertake the contract and possibly made this contract more appealing as an experiment, because this contract was well within their capacity and therefore relatively 'low risk'.

SMERU are also a well-established organisation, highly experienced in managing procurement processes with donor and grant making organisations. This means that SMERU (1) fulfills the criteria for Ormas to be contracted under Swakelola Tipe III and (2) has the resources to spend time providing the documentation and understanding the process required for Swakelola Tipe III. It is also likely that SMERU's high profile and international donor experience created a perception of trust and reliability among key stakeholders in Disdik DKI Jakarta. Swakelola Tipe III is a new mechanism and it is likely that even governments motivated by a desire to collaborate and obtain quality results would hesitate to contract an unknown organisation, so experience and a high profile are likely to be influencing factors that encouraged Disdik DKI Jakarta to undertake this Swakelola Tipe III contract.

In summary, Swakelola Tipe III is more likely to be (successfully) used where:

- The ormas has a clear strategic interest in working with government, and is willing to be flexible on financial considerations
- The work falls within the core capabilities of the ormas

- The ormas is sufficiently well established to both meet the administrative criteria and has a strong organisational reputation / high degree of credibility.

RELATIONAL FACTORS

A further influencing factor is that SMERU was already known to Disdik DKI Jakarta. In 2018 SMERU led the consortium that ran an international educational research project called ‘Research on Improving Systems of Education’, or RISE. As mentioned above, as part of this study a researcher was assigned to collect data on the innovative ways Disdik DKI Jakarta was delivering education in Jakarta. As a result of this research (1) SMERU became known to Disdik DKI Jakarta as a research organisation and (2) personal relationships between the SMERU researcher and staff at Disdik DKI Jakarta developed. It was through this network that Disdik DKI Jakarta approached SMERU to deliver this Swakelola Tipe III contract.

Swakelola Tipe III is more likely to be (successfully) used where:

- The government institution and ormas (or individuals from both entities) have a pre-existing relationship.

CONTRIBUTIONS OF KSI AND LKPP

KSI, LKPP and AKATIGA were cited as key sources of information by SMERU staff. It was through an event hosted by KSI and attended by LKPP and AKATIGA that the SMERU team first learned about PerPres 16/2018 and this event encouraged them to explore the mechanism further. The *buku saku* and short videos developed by AKATIGA were also key references for SMERU staff and SMERU also shares these resources with other government institutions when discussing the potential to use the Swakelola Tipe III mechanism.

Based on information collected for this case study, it is unclear how Disdik DKI Jakarta became aware of Swakelola Tipe III and whether they received support from any other organisations or departments to better understand the mechanism.

SWAKELOLA TIPE III FOR FINANCIAL SUSTAINABILITY

Initially, SMERU senior management viewed Swakelola Tipe III as having potential to support the financial sustainability of the organisation, as the mechanism provides a new possible source of funding. However, SMERU’s experience so far with Swakelola Tipe III contracts has led the senior management to reassess this opinion.

In this contract with Disdik DKI Jakarta and in discussions with other government departments, the standard practice has been to develop the budget for Swakelola Tipe III contracts in reference to the SBM. SBM include rates of government staff or external resource persons involved in the implementation of government activities. The labour costs outlined in SBM are intended to be supplemental (honoraria) to the base salaries received by government officials or resource persons. For ormas like SMERU, labour costs are based on actual salary and direct benefits. This makes the SBM and ormas labour costs fundamentally different and using SBM as the reference for Swakelola Tipe III budgets therefore does not accurately represent the actual cost of the activity as outlined in the contract.

Additionally, SMERU and other ormas have limited ability to recover indirect costs (e.g. office overheads) related to the delivery of the work by charging an institutional fee. The “good practice” for institutional fees charged by ormas as listed in AKATIGA’s *buku saku* is 5% of the total cost of implementation, however, this is based on a 1998 UNHCR committee decision on the payment of institutional fees to *international NGO partners*, so may not reflect the most appropriate or up-to-date reference for the context of Swakelola Tipe III and is also significantly lower than the 30% institutional fee usually charged by SMERU.

The constraints on daily rates and institutional fees mean that Swakelola Tipe III contracts developed using SBM and following the “good practice” from the *buku saku* will likely cost SMERU money to implement, as they will have to cover the additional expenditure to meet the actual costs incurred for labour and overheads associated with these government contracts. Under such circumstances, Swakelola Tipe III contracts with SBM

budgets and limited institutional fees, will not only fail to contribute to SMERU's financial sustainability, it may in fact be detrimental to it.

OPPORTUNITIES FOR IMPROVING THE SWAKELOLA TIPE III MECHANISM

Based on the experience of SMERU and Disdik DKI Jakarta, there are several opportunities for improving the Swakelola Tipe III mechanism, as described below.

First, the SMERU team still has some questions related to the Swakelola Tipe III mechanism, particularly related to whether deliverables can form the basis for payment. PerLKPP 8/2018 states that payments can be made "in accordance with the agreement outlined in the Swakelola Tipe III contract which is in accordance with the provisions in legislation"³⁶, suggesting that the basis for payment of Swakelola Tipe III is flexible and can follow whichever process the contracting parties agree on. In this case, SMERU and Disdik DKI Jakarta used deliverables as the basis for payment. However, the wording of the regulation is open to interpretation, which creates the possibility that this part of the regulation could be interpreted differently by other organisations in the future, including by auditing bodies. This lack of clarity regarding what is permitted as the basis for payment has made SMERU hesitant to pursue further Swakelola Tipe III contracts without first clarifying this issue.

Second, the ideal Swakelola Tipe III process outlined in PerLKPP 8/2018 includes the signing of an MOU between the ormas and the PPK. This is reasonable in circumstances where the budget for the activity has yet to be formally approved and both parties want to formalise their intentions (e.g., planning and budgeting in YO for work to be carried out in Y1). However, in cases such as the one between SMERU and Disdik DKI Jakarta, where the terms of reference and budget have already been approved and the MoU was signed at the same time as the contract, there does not appear to be a clear need for an MoU. Under such circumstances, the Swakelola Tipe III procurement process could be streamlined by skipping the MoU process and directly drawing up a contract.

Third, further guidance from LKPP (and ideally also from BPK) on costing, specifically on (1) alternatives to SBM as the basis for determining labour costs and (2) institutional fees, would also provide the SMERU team with the encouragement and justification to negotiate contracts that fully cover the costs of delivering activities (including indirect costs), thereby ensuring that government-ormas collaboration through Swakelola Tipe III is more sustainable over the long term. Such guidance would also reduce uncertainty around what is permitted under government regulations and what documentation is required and would provide greater confidence from both parties to pursue Swakelola Tipe III contracts.

³⁶ "PPK melakukan pembayaran pelaksanaan Swakelola sesuai dengan kesepakatan yang tercantum dalam Kontrak Swakelola sesuai dengan ketentuan dalam peraturan perundang-undangan" (p 25).

CASE STUDY SWAKELOLA TIPE III #2

YAYASAN NUSANTARA SEJATI (YNS) AND THE PROVINCIAL EDUCATION DEPARTMENT OF PAPUA

March 2020

INTRODUCTION

This case study aims to provide in depth information on a specific case of a contract using the Swakelola Tipe III procurement mechanism introduced in *Peraturan Presiden nomor 16 tahun 2018 tentang Pengadaan Barang/Jasa Pemerintah* (Presidential Decree number 16/2018 about government procurement of goods and services, hereafter “Perpres 16/2018”). This case study is one of four that make up part of a wider study, commissioned by the Knowledge Sector Initiative (KSI) and supported by *Lembaga Kebijakan Pengadaan Barang Jasa Pemerintah* (National Public Procurement Agency, hereafter “LKPP”), related to the use of Swakelola Tipe III in the first 18 months since the regulation was passed.

The main purpose of this case study is to describe the processes and key factors leading to the successful completion of the activities under this Swakelola Tipe III contract. This case study will focus on the example of a contract between Yayasan Nusantara Sejati (YNS) and the Provincial Education Department of Papua (Dinas Pendidikan Provinsi Papua), hereafter Disdik Papua. The contract was to develop a ‘roadmap’ for three different education pathways; senior high school (SMA), vocational school (SMK) and schools serving students with special educational needs (PKLK). This contract was selected to become a case study because it is: (1) an example of a successful, high value contract (in excess of IDR 1billion) between *organisasi kemasyarakatan* (Civil Society Organisation, hereafter ormas), and a provincial government, (2) an example of early implementation of Swakelola Tipe III (2018) and (3) allows for some comparison of the process and perceptions around public procurement versus Swakelola Tipe III (since YNS is an ormas with an affiliation to a business unit).

Data for this case study was collected by reviewing documentation provided by YNS and conducting interviews with: YNS’s project manager in Papua, the Director of YNS and the Secretary of Disdik Papua, who, although not formally involved in the contract, was a key stakeholder in the project. The Secretary of Disdik Papua was involved in the planning and oversight of this contract but declared that they themselves did not have detailed understanding of the procurement processes³⁷.

The rest of this case study document is divided into three sections: Section 1 provides background information on the two parties involved in procuring and supplying the services in the Swakelola Tipe III contract and an overview of the contract in question. Section 2 details the results of data collection, including a description of the procurement process and the perceived challenges and benefits of procurement using the Swakelola Tipe III mechanism. Finally, section 3 discusses the relevant factors related to the success or failure of the contract, the contributions of KSI and LKPP and opportunities for improving the Swakelola Tipe III process.

1. BACKGROUND

PROFILE OF THE ORMAS

YNS was established in 1999 and is a consultancy organisation specialising in capacity development and research activities related to good governance and education, with a specific focus on local government. YNS

³⁷ The *Pejabat Pembuat Komitmen* (PPK) for this contract was the government official with the most knowledge of this contract, but unfortunately passed away soon after the contract was completed and so their knowledge is not represented in this case study.

is based in Jakarta and is legally registered as a yayasan (a not for profit foundation), meaning YNS has a social purpose and no shareholders. The yayasan is audited annually and is registered with the tax authority as *Pengusaha Kena Pajak (PKP)*, which means it must file annual tax reports. These factors mean YNS fulfils all the criteria for ormas to undertake a Swakelola Tipe III contract. In addition, the yayasan is closely linked with a business entity, PT Wacana Tata Akademia (hereafter WTA), which was established in 2004. These organisations operate from the same office and the Director of YNS is also the CEO of WTA.

WTA has worked with the government since its inception, and with Disdik Papua since 2007, through direct contracts between the government and WTA. All the contracts between Disdik Papua and WTA went through the public procurement and a tender process. Since the passing of Perpres 16/2018, YNS/WTA has only used the yayasan as the contracting party in its contracts with the government, based on the preference of the government in each case.

The team from YNS first heard about the Swakelola Tipe III mechanism from KSI, possibly via a UNICEF staff member who shared an AKATIGA presentation about the Perpres in mid-2018, or via members of the YNS network that have connections with KSI and were involved in early discussions of the new mechanism. The Swakelola Tipe III mechanism was of interest to YNS senior management because the mechanism supports YNS and WTA's broader goal of developing a similar model to the Charter School³⁸ system in the US, where government schools are managed by the private sector. According to the YNS Director, this goal is unlikely to be realised through the private sector in the Indonesian context due to the poor image of the private sector held by the many within the government and the wider community, namely that the private sector prioritises profit over quality. The Swakelola Tipe III mechanism therefore offers a new opportunity for ormas such as YNS to deliver government services without the "stigma" associated with the private sector.

The contract between YNS and Disdik Papua was the YNS team's first experience of using the Swakelola Tipe III mechanism. Since this contract the YNS team has gone on to sign at least three further Swakelola Tipe III contracts with district and provincial governments in Papua³⁹.

PROFILE OF THE GOVERNMENT CONTRACTING PARTY

The government department that procured this contract is the Program and Planning Department (*Program dan Perencanaan*) of Disdik Papua. The head of this department at the time was the *Pejabat Pembuat Komitmen (PPK)* commitment for this contract.

Disdik Papua has a long history of working with ormas and has utilised Swakelola Tipe I and standard procurement (for ormas like YNS that are affiliated with a business entity) for this purpose. Officials within Disdik Papua first heard about the Swakelola Tipe III mechanism through discussions with YNS/WTA staff. According to the Director of YNS, officials from Disdik Papua were interested in the mechanism because it allowed them to contract ormas, which have a better image than the private sector and because the procurement process is quicker than public procurement.

DESCRIPTION OF THE CONTRACT

The contract was to develop three roadmaps for three different departments of Disdik Papua: one for senior high schools (SMA), one for vocational schools (SMK) and one for schools for students with special educational needs (PKLK). These strategic documents were to be developed based on data collection and consultation with schools and communities, in order to (1) map the current situation of the education sector in five indigenous areas, (2) understand the gaps in current education services, (3) identify potential ways to address these gaps in the future and (4) ensure that the strategy was appropriate for the Papuan context. These roadmaps were

³⁸ In the US, Charter Schools are funded by the government but run by independent groups. These schools have more flexibility to set curriculum and school hours, but in return have to meet government standards of accountability.

³⁹ Two contracts with Dinas Pendidikan Kabupaten Jayapura (in 2018 and 2019) and one contract with Dinas Pendidikan Kabupaten Mamberamo Tengah, all for the implementation of early literacy programs in schools.

to be used by the respective departments within Disdik Papua to guide the implementation of services for the next five years (2018-2023).

The contract was from mid-2018 until December 2018 and the *Pengguna Anggaran* (PA) for this contract was the Head of Disdik Papua. In addition to the *Pejabat Pembuat Komitmen* and the Disdik Secretary, an assigned staff member from the province procurement department (*Unit Layanan Pengadaan, ULP*⁴⁰) also supported the administration of this contract. The final report and results workshop were delivered in November 2018.

Disdik Papua has previously contracted other third parties, namely local universities, to conduct similar work, but according to the Disdik Secretary the results were unsatisfactory. According to the District Secretary, while it was possible for the government to develop the roadmaps themselves, they did not have the time or capacity to conduct the fieldwork and data collection required to produce high quality strategy documents. Rather than develop documents with little reference to what was happening in schools across the region, the Disdik Secretary and the PPK were keen to ensure that these roadmaps were developed based on an understanding of the current situation and input from stakeholders.

Disdik Papua has both experience of working with WTA and a personal connection to the organisation (the Disdik Secretary was one of the government officials sent to Australia for training as part of a program run by WTA and has worked as a consultant for UNICEF, a key funder of YNS), so has an understanding of YNS's skills, capacity and experience in Papua. The YNS/WTA team were interested in delivering the work under this contract because it was an opportunity to influence the government and set the standard for how this kind of work should be done.

This contract was a direct appointment of YNS, i.e. without any competitive process (*sayembara*). According to the Disdik Secretary, there is no other organisation with sufficient capacity and experience in Papua that could carry out this work to the required standard.

2. RESULTS

This section summarises the information collected through interviews with key informants and a review of relevant documentation. It describes the stages of the procurement process and the perceived challenges and benefits of using the Swakelola Tipe III mechanism.

PROCUREMENT PROCESS

PLANNING

WTA provided initial input into discussions about the activities under this contract in 2017 and Disdik Papua then formally approached WTA to deliver this work towards the end of 2017. However, at that time the activity description for the budget allocation in the detailed budget document (*Daftar Pelaksanaan Anggaran, DPA*) did not correspond closely enough to the content of the work, which made WTA senior management reluctant to undertake this project. Disdik Papua revised the nomenclature of the budget for entry into DPA 2018 and WTA agreed to deliver the work.

The MoU (*Nota Kesepahaman*) was signed by the CEO of WTA on 14th of May 2018. The switch to the Swakelola Tipe III mechanism was made just before the signing of the contract, once Perpres 16/2018 was officially enacted. According to the Director of YNS, once they found out about the new Swakelola Tipe III mechanism (through UNICEF and an AKATIGA presentation), YNS/WTA offered the PPK the option of contracting YNS through the yayasan and the new Swakelola Tipe III mechanism, or WTA using standard procurement. The PPK's preference was to contract the yayasan using Swakelola Tipe III. Although it is not possible to confirm the rationale for this choice, according to the Director of YNS there were two reasons: (1) the procurement process for Swakelola Tipe III is simpler and less time-consuming than the standard procurement process for commercial entities and (2) many officials within Disdik Papua and the wider community have a negative view

⁴⁰ ULP is old terminology and was subsequently replaced in Perpres 16/2018 by UKBPI (*Unit Kerja Pengadaan Barang/Jasa, Goods and Services Procurement Department*)

of private sector organisations, perceiving them as concerned only with profit. From the perspective of particular government officials involved, contracting a yayasan may therefore have been perceived as a potentially less controversial option.⁴¹ It should be noted that the Disdik Secretary does not share the negative opinion of the private sector and was certain that either YNS or WTA would have been contracted to deliver this work regardless of the legal entity used for procurement.

PREPARATION AND PROCUREMENT

Once the DPA was confirmed and the MoU signed, the YNS team developed a Terms of Reference and a budget which they provided to the PPK for comment. After some minor changes YNS then developed the contract (*Surat Perjanjian Kerjasama*, SPK) which was discussed between the two parties, amended accordingly and signed by the *Pengguna Anggaran* and the Director of YNS in July 2018. There was no budget negotiation, because the government had already provided YNS with a budget ceiling, as per the 2018 DPA. The budget was developed in reference to *Standar Biaya Masukan* (SBM).

Although the Disdik Secretary was unclear as to the extent of the role of ULP in supporting procurement, it appears that a staff member from ULP was tasked to support some of the administrative processes associated with this contract. Other than this and the AKATIGA presentation, neither YNS nor Disdik Papua received any support in the procurement of this contract.⁴²

IMPLEMENTATION AND OVERSIGHT

Implementation of the contract began in July 2018 and was completed in accordance with the activities outlined in the contract, starting with instrument development and an initial workshop, followed by data collection in five indigenous areas of Papua, as well as focus group discussions with headteachers, teachers and industry representatives. This was followed by data analysis and a workshop to verify the findings and policy recommendations.

There were three deliverables for this contract; one document for each of the roadmaps. According to YNS staff, a *Berita Acara* was signed after each deliverable. Disdik Papua requested three-monthly reports including the Terms of Reference for each activity, event attendance records and meeting minutes/notes.

Payment for the contract was made in three tranches. The first tranche was paid on receipt of the inception report, the second based on the draft roadmaps and the final tranche was paid after the presentation of the final roadmaps. YNS staff submitted a financial report at the end of the contract, complete with receipts of all expenditures.

PERCEIVED CHALLENGES IN USING SWAKELOLA TIPE III

From the government's perspective, one of the key challenges related to this contract was developing an appropriate budget. The government was keen for the development of the roadmaps to be a collaborative process and ended up involving many more people than was originally envisaged, which presented a challenge from budgeting perspective. This challenge, however, is not unique to a Swakelola Tipe III contract.

The Disdik Secretary also openly admitted that although they themselves did not know the proper procurement procedure for Swakelola Tipe III, they are confident that with all of the documentation available, Disdik Papua can show that the procurement process was transparent, and that the contract was delivered according to the original plans and to a high standard. They are therefore confident that if BPK were to look further into this work as part of an audit, any issues would have been easily resolved, also because YNS would have been available to provide any additional information required.

⁴¹ Disdik Papua officials may have been particularly sensitive to potential controversy at the time of the decision to contract YNS, due to the regional elections (*Pilkada*) held in Papua at the end of June 2018.

⁴² At this time the Perpres 16/2018 had only just been formally enacted, so it is likely that this was one of the first Swakelola Tipe III contracts ever undertaken.

According to YNS staff there was some degree of questioning on behalf of the junior members of staff in Disdik Papua regarding the contracting of YNS to develop the roadmaps. These junior government officials felt that their team was capable of developing these roadmaps independently and did not require the services of a third party. However, key senior members of Disdik Papua decided that the department did not have the time and resources to deliver results to the same standard as those produced by an organisation such as YNS.

For YNS, there were no issues from an administrative or procurement perspective (aside from the issue of the nomenclature in the 2017 DPA) and there were no documents requested by the government that YNS was unable to provide. However, in other contracts YNS staff have faced a challenge in relation to the use of SBM as the basis for developing the budget, because it does not reflect the rates and roles of yayasan. The Director of YNS gave an example of YNS facilitators on another government contract; due to the lack of a relevant unit cost the maximum labour cost YNS were able to charge was less than 50% of actual rates. In an attempt to overcome this budget limitation, YNS advocates for use of the highest relevant rates in the SBM (for example, rates for university lecturers). This is most successful in cases such as this contract, where many of the researchers engaged by YNS are actually university lecturers and therefore have a corresponding unit cost in SBM.

In addition to the limitation of using SBM as the basis for budget calculations, according to the Director of YNS, the yayasan was unable to charge any kind of institutional fee. This has also been the case for budgets under public procurement, when the government has hired WTA. There is no regulation on this issue but is a common interpretation of procurement practice by government officials.

PERCEIVED BENEFITS OF USING SWAKELOLA TIPE III

The benefits of Swakelola Tipe III identified by Disdik Papua and YNS were predominantly administrative, in that contracting under Swakelola Tipe III is a simpler and therefore less time-consuming process. WTA was able to work directly with the government prior to Perpres 16/2018 by using the public procurement process, so the availability of the Swakelola Tipe III mechanism provides YNS/WTA with more options and enables them to offer the choice of legal entity to their clients.

3. DISCUSSION

This section discusses several interesting aspects of the use of Swakelola Tipe III highlighted by the case of collaboration between YNS and Disdik Papua, namely: key factors which seem to influence the (successful) use of Swakelola Tipe III, the contributions of KSI and LKPP and some areas where it may be possible to improve the Swakelola Tipe III mechanism.

KEY FACTORS INFLUENCING THE USE OF SWAKELOLA TIPE III

INSTITUTIONAL FACTORS (GOVT)

A key factor influencing the use of Swakelola Tipe III in this case is the openness of key officials from Disdik Papua to working with competent third parties. Despite some misgivings among junior staff, key decision-makers within Disdik Papua appear to be results-oriented, making them open to collaboration with organisations that have capacity to deliver high-quality work.

Disdik Papua was also willing to use a new procurement mechanism, suggesting that decision-makers are risk tolerant, especially considering the timing of this procurement. This contract was signed in the same month that Perpres 16/2018 was enacted, meaning they were likely one of the first governments to undertake a Swakelola Tipe II contract and did not have the benefit of drawing on the experience of others.

Disdik Papua may have been further encouraged to use the Swakelola Tipe III mechanism due to the negative image of the private sector, as mentioned by YNS. Although this opinion is not held by everyone in government (including the Disdik Secretary) the availability of an alternative mechanism to contract a yayasan may have been a factor in deciding between the Swakelola Tipe III mechanism and standard procurement of WTA. This

is likely to be especially true in politically tense situations, such as local or national elections, where scrutiny from both within government and the wider community may be heightened.

Based on this case, Swakelola Tipe III is more likely to be (successfully) used, where:

- key decision-makers within the government institution have an open attitude towards working with third parties, viewing collaboration as an opportunity to enhance the work of the government, rather than as a threat to it
- communities and/or government officials have positive attitudes towards ormas
- decision-makers within the government institution are 'risk tolerant'; this is especially relevant where there are no pre-existing examples of the mechanism being successfully used by others from within their ministry, regional or district government.

INSTITUTIONAL FACTORS (YNS)

A key factor influencing the use of Swakelola Tipe III in this case is that YNS views the government as a core part of their model (both in terms of achieving YNS' organisational goals and as a source of funding). This means that YNS senior management are motivated to be flexible and find ways to appeal to the government and encourage collaboration. This factor is likely to be more important for ormas that do not have an affiliation with a business entity, but consider collaboration with government as essential to their work. Swakelola Tipe III enables these organisations to approach the government to explore direct collaboration, where previously they could only work together through third party funders or Swakelola Tipe I.

A further factor influencing the use of Swakelola Tipe III is that the work in this contract is in alignment with YNS' experience and capacity. The organisation is invested in Papua and the topic of the work under this contract. This makes the work more appealing to YNS and also means they have a proven track record in Papua and working on educational issues, which enables YNS to prove their capacity to the government. This not only gives the government confidence that the YNS team can carry out the work, but also provides justification for direct appointment.

YNS has also received and managed grants from international organisations, such as UNICEF and the World Bank. This also contributes to demonstrating capacity and reliability to the government, which may have contributed to Disdik Papua's confidence to proceed with a new mechanism.

In summary, Swakelola Tipe III is more likely to be (successfully) used, where:

- ormas view the government either as a key stakeholder in achieving the goals of the organisation, or as a key potential funder (or both)
- ormas have experience and capacity in the geographical area and/or topic of the contract
- ormas have had experience managing contracts or delivering contracts from international or high-profile funders.

RELATIONAL FACTORS

Disdik Papua and WTA have a long history of collaboration beginning in 2008 when WTA managed a long-standing program that sent teachers, students and education officials abroad on study tours. As WTA and YNS are run by some of the same people, this has contributed to the government's sense of trust that YNS can deliver the work, as well as mutual trust that the two parties could successfully apply the new mechanism.

Based on this case, Swakelola Tipe III is more likely to be (successfully) used, where:

- The contracting parties are well known to one another and have prior, successful experience of working together.

CONTRIBUTIONS OF KSI AND LKPP

Information about the Swakelola Tipe III mechanism reached YNS through UNICEF and some of the original information shared with YNS included the presentation developed by AKATIGA, so it seems likely that UNICEF obtained this information from KSI.

YNS staff subsequently attended a KSI-LKPP joint socialisation session in Jayapura in April 2019, co-sponsored by KSI and UNICEF Papua and spoke at a second event held in Sorong in June 2019, co-sponsored by KOMPAK and UNICEF Papua. However, all of these events occurred after this contract with Disdik Papua and so would not have been a factor in this particular contract.

OPPORTUNITIES FOR IMPROVING THE SWAKELOLA TIPE III MECHANISM

This section identifies four potential ways to improve the Swakelola Tipe III mechanism, including; outlining considerations related to direct appointment and competition, ways to simplify the Swakelola Tipe III process, guidance on costing Swakelola Tipe III contracts and the ability to charge an institutional fee.

In this case the two contracting parties had the ability to choose between using the yayasan or the business entity for the purpose of procurement. One of the reasons identified for choosing the yayasan was that the procurement process is 'simpler' than the public procurement process. One of the reasons the Swakelola Tipe III procurement process is considered simpler is because, unlike public procurement, there is no mandatory competitive process. Swakelola Tipe III provides an opportunity to shorten the time needed for procurement, as there is no need for a time-consuming tender-type process, as long as the government can demonstrate that the contractor is the only organisation able to deliver the service.⁴³ In the case of YNS and Disdik Papua there appears to be sufficient justification for the direct appointment of YNS. However, the total value of this contract is high (IDR 1billion) and well over the threshold requiring a tender process in public procurement (as per Perpres 16/2018, the threshold for competitive selection of consultancy services is IDR 100,000,000 and IDR 200,000,000 for all other goods and services).

The public procurement process comes with its own set of limitations, but the lack of competition inherent in the Swakelola Tipe III process should be considered further. Potential improvements could include providing guidelines on the level of justification required for direct appointment and consideration of whether a threshold contract value is required, above which a sayembara (competitive) process becomes mandatory.

A second reason that the Swakelola Tipe III process is considered 'simpler' than public procurement is that Swakelola Tipe III does not require as many steps in the preparation phase. However, Swakelola Tipe III is potentially more complicated in the *planning* phase, if all the steps are carried out according to PerLKPP 8/2018, as the government is expected to consult with the ormas at multiple points, including to develop the initial terms of reference and budget for inclusion in the government's annual budget proposal. In this case it is unlikely that Disdik Papua followed the planning steps, because this phase would have happened before Perpres 16/2018 and PerLKPP 8/2018 and because prior to these regulations Disdik Papua were planning to contract WTA using the public procurement process. Therefore, in this case the process was simpler, as the full planning process was not followed, but in some cases a shortened process may be more appropriate and efficient. This is especially true where the planned activity (including an initial terms of reference and budget ceiling) has already been approved in DPA/DIPA and a suitable ormas has been identified, in which case the process could skip straight to agreeing a detailed terms of reference and budget as the basis for contracting, rather than the development of an MoU, which no longer seems to be necessary under such circumstances. This variation of the process could be provided as an option in guidance for Swakelola Tipe III processes, to increase efficiency.

⁴³ Current guidance on the selection of ormas (from PerLKPP 8/2018 tentang Swakelola) is as follows: *Dalam hal terdapat lebih dari 1 (satu) ormas yang dinilai mampu untuk melaksanakan pengadaan barang/jasa melalui Swakelola Tipe III, PA/KPA dapat melakukan proses pemilihan melalui mekanisme sayembara* (In the case of there being more than one ormas which is considered to be able to deliver the goods/services through Swakelola Tipe III, the PA/KPA may conduct a selection process through a *sayembara* mechanism. The language of this passage - specifically the use of "*dapat*" (may) - implies that competitive selection is optional, even in cases where multiple ormas are considered qualified to deliver the goods/services in question.

The third and fourth opportunities for improvement are related to costing and budgeting. One of the challenges highlighted by YNS was the government's use of SBM to develop Swakelola Tipe III budgets. The costs outlined in SBM are intended as a supplement (*honoraria*) to the base salaries of government officials or resource persons, whereas for ormas, labour costs are based on actual salary. SBM contains no unit costs for the kinds of roles held by ormas staff and YNS has utilised this to develop a workaround to the budgeting problem; by identifying the highest relevant rates to try and recoup costs. Although in this case YNS senior management were willing to adhere to the SBM budget, this may not be possible or sustainable for all ormas and may discourage use of Swakelola Tipe III. This could be avoided by using market rates (similar to those developed for for-profit government service providers by the National Association of Indonesian Consultants, INKINDO), instead of SBM as a reference point for Swakelola Tipe III contracts.

A related issue is that of institutional fees. In this case YNS staff said they were unable to charge any kind of institutional fee, which means that YNS had to cover all indirect costs associated with this contract. While not an issue for this contract, in the long term this could prove unsustainable. Clear guidance on an appropriate range for institutional fees would help both ormas and governments develop appropriate budgets, without compromising the non-profit criteria of yayasan.⁴⁴

⁴⁴ The AKATIGA 'buku saku' suggests a 5% institutional fee based on 'good practice', but the reference for this figure is from a 1998 UNHCR committee decision on the payment of institutional fees to *international NGO partners*, so may not reflect the most appropriate or up-to-date reference for the context of Swakelola Tipe III.

CASE STUDY SWAKELOLA TIPE III #3

INSTITUTE FOR RESEARCH AND EMPOWERMENT (IRE) AND BAPPEDA SUMBAWA

March 2020

INTRODUCTION

This case study aims to provide in depth information on a specific case of a contract using the Swakelola Tipe III procurement mechanism introduced in *Peraturan Presiden nomor 16 tahun 2018 tentang Pengadaan Barang/Jasa Pemerintah* (Presidential Decree number 16/2018 about government procurement of goods and services, hereafter “Perpres 16/2018”). This case study is one of four that make up part of a wider study, commissioned by the Knowledge Sector Initiative (KSI) and supported by *Lembaga Kebijakan Pengadaan Barang Jasa Pemerintah* (National Public Procurement Agency, hereafter “LKPP”), related to the use of Swakelola Tipe III in the first 18 months since the regulation was passed.

The main purpose of this case study is to describe the processes and key factors leading to the unsuccessful completion of a Swakelola Tipe III contract between an *Organisasi Kemasyarakatan* (Civil Society Organisation, hereafter ormas) and a district government.

This case study will focus on the example of a contract between Institute for Research and Empowerment (IRE) and the Sumbawa Regional Planning and Development Agency (Bappeda Litbang Sumbawa), hereafter Bappeda Sumbawa. The contract was to conduct a pilot assessment of local economic development in two villages. This example was selected as a case study because the contract was signed but not successfully implemented (the contract expired before the work could be completed) and there are interesting lessons to be drawn both from the successful completion of the first two steps of procurement (planning and preparation) as well as the failure of the final step (implementation).

Data for this case study was collected through interviews with the Director of IRE at the time of the contract and the Head of the Strategic Issue Research Subdivision (*Kepala Subbidang Pengkajian Isu Strategis*) of Bappeda Sumbawa and the person in charge of technical implementation (*Pejabat Pelaksana Teknis*) for this contract. The respondent from IRE has since left the organisation, so this case study does not include the views of IRE’s current management.

The rest of this case study document is divided into three sections: Section 1 provides background information on the two parties involved in procuring and supplying the services in the Swakelola Tipe III contract and an overview of the contract in question. Section 2 details the results of data collection, including a description of the procurement process and the perceived challenges and benefits of procurement using the Swakelola Tipe III mechanism. Finally, section 3 discusses the relevant factors related to the success of contracting and the failure of implementation, as well as the contributions of KSI and LKPP.

1. BACKGROUND

PROFILE OF THE ORMAS

IRE is a research and capacity building organisation focusing on governance and democracy. IRE was set up as a study group in 1994 and registered as a *yayasan* (a non-profit organisation with a social purpose) in the same year. IRE has a business entity (*Perseroan Terbatas*), but it has not been active for around 10 years. IRE is externally audited every year and is also a *Pengusaha Kena Pajak* (PKP), which means it is registered with the tax authority and must file annual tax returns. This means IRE meets all the criteria to enter into a Swakelola Tipe III contract.

IRE has been working with the government since 2005. The organisation originally focused on activism and often campaigned against the government, however IRE's approach has evolved over time and they now have a policy of 'critical engagement' with the government. Prior to the passing of Perpres 16/2018, IRE worked with the government using the Swakelola Tipe I mechanism, whereby IRE staff were contracted as individuals, on a short-term, project basis. IRE has an internal policy that staff contracted through Swakelola Tipe I must provide a percentage of their fee to IRE (this percentage varies depending on whether IRE was asked to assign a staff member, or the staff member was approached directly by the government).

IRE staff first worked with Bappeda Sumbawa in 2015 as part of their contract with the DFAT-funded governance program, KOMPAK. This work was to identify and support local economic opportunities in the district. The IRE Director first found out about Swakelola Tipe III from KSI, at an event IRE hosted and KSI attended in March 2018. Subsequently the IRE Director did their own research on the mechanism, including reading Perpres 16/2018. They then later watched the AKATIGA videos and attended other socialisation events hosted by KSI, occasionally accompanied by one of IRE's Deputy Director's at the time.

The Director of IRE was interested in the mechanism for two reasons: firstly, the Swakelola Tipe III mechanism is a 'fairer' way of working with the government, meaning that IRE can be paid directly and the delivery approach can be developed according to needs, rather than as a series of events that enable payments to individuals under Swakelola Tipe I. Secondly, the Director of IRE at the time was responsible for securing funding for the organisation and they felt the Swakelola Tipe III mechanism had the potential to become an important funding stream.

The contract with Bappeda Sumbawa was IRE's first and, to date, only attempt to deliver a Swakelola Tipe III contract.

PROFILE OF THE GOVERNMENT CONTRACTING PARTY

The directorate that procured this contract is the Research, Development and Evaluation Department of Bappeda Sumbawa and one of the first Swakelola Tipe III procurement processes the district had undertaken. Bappeda Sumbawa has worked indirectly with ormas in the past, whereby ormas conducted work that contributes to government policy and services using funding from donor programs. Bappeda Sumbawa has also used Swakelola Tipe IV to work with community groups (*Kelompok Masyarakat*), as well as Swakelola Tipe II to work with other government institutions.

Bappeda Sumbawa officials are interested in using the mechanism as a way of supporting local ormas and to create collaborative relationships between ormas and government that enable better development outcomes. Decision makers from Bappeda Sumbawa learned of the mechanism from LKPP and requested a socialisation on Perpres 16/2018 which was delivered in August 2019 in Sumbawa, during the procurement process for this contract.

Bappeda Sumbawa staff had a pre-existing relationship with IRE before discussions about this contract began. In addition to the work conducted through KOMPAK, in 2018 IRE and Samawa University collaborated on a study about local economic development (funded by KSI), and the main point of contact for this work was the Head of the Research and Planning Department at that time, who the IRE Director also happened to know from university. One of the recommendations resulting from this research was to conduct local economic assessments in villages throughout the district, which led to the discussions related to this contract.

DESCRIPTION OF THE CONTRACT

The activity to be procured under this contract was a pilot of a participatory local economic assessment to be trialed in two villages, to promote local economic development. The assessment was to include thematic discussions with the community and village government to identify economic opportunities, and the assessment (if deemed successful) would then be implemented in villages across the district. IRE was directly appointed (there was no competitive, or *sayembara*, process to select from qualified ormas). The *Pengguna Anggaran* for this contract was the Head of Bappeda. The *Pejabat Pembuat Komitmen* was the District

Secretary. The respondent from Bappeda Sumbawa for this case study was the *Pejabat Pelaksana Teknis Kegiatan* and the main point of communication with IRE.

2. RESULTS

This section summarises the information collected through interviews with key informants and a review of relevant documentation. It describes the stages of the procurement process and the perceived challenges and benefits of using the Swakelola Tipe III mechanism.

PROCUREMENT PROCESS

PLANNING

The work under this contract was originally conceived of at the end of 2018, as a follow up to IRE and Samawa University's research recommendations. At that time the IRE Director's contact from university was the Head of the Research, Development and Evaluation department and was a key initiator of this follow up work. The contract was originally planned as Swakelola Tipe I, with Bappeda hiring the IRE Director as an individual. However, at the end of July 2019, the respondent from Bappeda Sumbawa (who had recently been moved to the Bappeda Sumbawa department) asked IRE to submit a proposal and a budget, because the government had decided to use Swakelola Tipe III. By this time, the IRE Director's contact had moved to another government department and the PA in this contract had taken over as department head.

Officials within Bappeda Sumbawa learned about the new mechanism through the *Unit Layanan Pengadaan* (the procurement unit, subsequently referred to under Perpres 16/2018 as *Unit Kerja Pengadaan Barang dan Jasa*, or UKPBJ), but it remains unclear why they decided to use Swakelola Tipe III for this case. The IRE Director was concerned that the government did not have sufficient experience to complete the Swakelola Tipe III procurement process, but Bappeda Sumbawa had already requested an LKPP socialisation about Perpres 16/2018, which was planned for the end of August 2019. At the IRE Director's suggestion, the event was extended by a day, so that LKPP and KSI could hold further sessions focused specifically on the Swakelola Tipe III mechanism.

An official from Bappeda Sumbawa consulted with the ULP/UKPBJ about the procurement process and was advised of the key steps (the MOU and the contract), but that the contract would not go through the UKPBJ, because it was Swakelola and not public procurement (*penyediaan*). Decision-makers within Bappeda Sumbawa knew that they wanted to work with IRE, so there was no competitive selection process (*sayembara*). In August, the government decided to proceed with the Swakelola Tipe III contract and asked IRE to submit a proposal and a budget.

PREPARATION AND PROCUREMENT

IRE and Bappeda Sumbawa had a pre-existing MOU from previous work which they used for the purposes of this contract, so officials from Bappeda Sumbawa went ahead and developed a draft contract for input from IRE. As the budget was small (IDR 40,000,000), there were no negotiations and the payment schedule was a lump sum at the end of the contract on receipt of the agreed deliverables from the assessments in two villages. The contract duration was three months, from October to December 2019. Despite the limited budget, the IRE Director was still keen to proceed, as this was follow up by the government in response to IRE and Samawa University's research recommendations. The contract was signed by the IRE Director on 11th September and the PPK signed the contract shortly after.

FAILURE OF THE CONTRACT

The contract failed at the implementation stage. Implementation was expected to start at the beginning of October 2019, but at this point IRE had not yet received a counter-signed version of the contract. Reluctant to begin implementation without this, the Director of IRE contacted Bappeda Sumbawa to request a copy of the signed contract. It was at this point that an official from Bappeda Sumbawa informed IRE that there were some technical difficulties with the administration of the contract. Officials from Bappeda Sumbawa had been told

by the UKBPJ that this contract should be entered into Sumbawa's procurement management system (SIRMS)⁴⁵, but when officials from Bappeda Sumbawa submitted the information to the unit responsible for SIRMS, they questioned the use of Swakelola Tipe III. It appears that the SIRMS unit were unfamiliar with the regulatory changes under Perpres 16/2018 related to Swakelola and were instead referring to the previous regulation (Perpres 54/2010). Under Perpres 54/2010 only three types of institutions could implement swakelola activities: the government department itself, other government institutions, and community groups (*Kelompok Masyarakat*). Apparently due to confusion caused by the change in regulation, the SIRMS unit requested that IRE fulfill the requirements for contracting a community group rather than an ormas. This confusion related to the new "type" of Swakelola (Tipe III) meant two things: (1) the additional information requested by the SIRMS unit was not relevant to the proposed contract with IRE, and (2) the SIRMS system itself did not have the features required to input data related to Swakelola Tipe III.

According to officials from Bappeda Sumbawa, this was the first time that the Sumbawa government had undertaken a Swakelola Tipe III contract, so it took some time to work out that the issue was a misunderstanding of the Swakelola types. Once the issue was resolved in late November, IRE was informed that the contract was in fact valid, but this left insufficient time to implement the contract and IRE had still not received a countersigned copy. On 9 December 2019, the IRE Director informed Bappeda Sumbawa that they would be unable to fulfil the contract. There was no formal documentation of this decision, and the contract expired in December 2019.

According to an official from Bappeda Sumbawa, the government was interested in re-contracting IRE to implement this activity in 2020, however due to the disruption caused by the coronavirus outbreak, this is unlikely and instead the government hopes to collaborate with IRE to undertake further research activities in 2021.

PERCEIVED BENEFITS OF USING SWAKELOLA TIPE III

For IRE, Swakelola Tipe III represents an opportunity to develop a new source of funding and explore the potential of working directly with the government. The IRE Director believes these kinds of direct contracts will help to legitimise and recognise the role of ormas in national and regional development, as previously only donor organisations and the private sector were able to provide ormas this support, funding and recognition.

The IRE Director sees the relationship between ormas and the government as mutually beneficial; the government is responsible for service delivery and many ormas have the ability and experience to support and/or deliver these services. Previously, the only way ormas could support service delivery was through third-party funding, or by using the Swakelola Tipe I mechanism, which only enables the hiring of individuals rather than organisations.

Bappeda Sumbawa also sees the mechanism as providing mutual benefit. Swakelola Tipe III is a way of providing government support to local ormas, while at the same time obtaining research and information that can contribute to decision-making within Bappeda Sumbawa.

PERCEIVED CHALLENGES IN USING SWAKELOLA TIPE III

According to the IRE Director, there are both internal and external challenges related to Swakelola Tipe III. Internally, ormas must have the financial and administrative capacity to manage the procurement process and must also possess a shared vision within the ormas of how Swakelola Tipe III contracts will contribute to their strategy. In this case, most of the procurement process was managed by the Director of IRE at the time, as he was the person most familiar with the mechanism. Although this is understandable as this was the first Swakelola Tipe III contract undertaken by IRE, this requires a knowledge sharing process to ensure that other members of the staff understand the mechanism and its potential benefits.

⁴⁵ Sumbawa Integrated Resource Management System (<http://sirms.sumbawakab.go.id/>)

Externally, IRE faced challenges related to the details of the Swakelola Tipe III mechanism. Although the PerLKPP 8/2018 and the AKATIGA “*Buku Saku*” provide information about the process, there are still elements (including whether it is possible for an activity planned as Swakelola Tipe I to be changed to Tipe III and whether milestone-based payments or up-front payments are possible), that have not yet been outlined. This means that IRE was only able to provide limited support to the government to help them understand the Swakelola Tipe III process.

On the government side, Bappeda Sumbawa also faced challenges related to the administration of the Swakelola Tipe III contract. The process up to contract signing proceeded without difficulty, however issues arose when officials from Bappeda Sumbawa had to collaborate with other government departments who did not have the same understanding of the process. This was compounded by lack of experience of the Swakelola Tipe III on the Bappeda Sumbawa side, which meant it took time to identify the source of the problem and clarify the misunderstanding.

In addition, the official from Bappeda Sumbawa also identified concerns about the capacity of ormas to provide complete financial reports in accordance with government requirements. Financial reporting for government contracts is highly detailed, requiring signed and verified receipts for every rupiah spent, which would require significant support and follow-up by the government to the ormas to ensure compliance. In the case of this contract, officials from Bappeda Sumbawa were confident to proceed with procuring IRE despite these concerns, because IRE has worked with donor and international organisations, which gave the government the confidence that they would be able to meet these administrative requirements.

3. DISCUSSION

This section discusses several interesting aspects of the use of Swakelola Tipe III highlighted by the case of collaboration between IRE and Bappeda Sumbawa. Although the contract was not ultimately successful, the procurement process was completed and there was a desire on both sides to use the mechanism, so it is possible to identify learnings from both the positive aspects of this case, as well as the ultimate failure of the implementation phase. Therefore, the first section will discuss the key factors which seem to influence the use of Swakelola Tipe III (both positive and negative), followed by a discussion of some areas where it may be possible to improve the Swakelola Tipe III mechanism.

KEY FACTORS INFLUENCING THE USE OF SWAKELOLA TIPE III

INSTITUTIONAL FACTORS (GOVT)

One of the key institutional factors that positively influenced the use of Swakelola Tipe III in this case is the openness of Bappeda Sumbawa decision makers to collaborating with third-party organisations. This is demonstrated by the motivation to collaborate with IRE and Samawa University on the initial local economic research and then the commitment to follow up on the recommendations by hiring IRE to conduct the pilot activities under this contract.

Decision makers within Bappeda Sumbawa also had the willingness to trial a new mechanism. Officials within the department requested a socialisation from LKPP to help improve their understanding of the mechanism and also contacted ULP/UKBPJ to obtain advice on the process, demonstrating initiative and a desire to use the mechanism properly.

There were also factors that negatively affected the completion of this contract. The first was a change of personnel during the planning phase. The new head of the Research, Evaluation and Development department came into post after the initial study on local economic development and discussions on the follow up assessments. Although the new head of the department was supportive of the use of Swakelola Tipe III, a lack of involvement in the previous work and the time needed to get up to speed may have contributed to the slow start to the procurement process. This contract was originally discussed at the end of 2018, but IRE was only contacted again in June 2019 to initiate the procurement process, and the contract was only signed in

September. As government contracts must end in December to align with the government financial year, this left a limited time window for implementation and no room for delays.

A second factor is related to the complexity of the overall business process. In this case the contract had to go through at least three departments (Bappeda, SIRMS and finance), and the key actors from each require a basic understanding of the Swakelola Tipe III process. In this case the SIRMS department was not up to date with the latest regulations which caused fatal delays to the contract. It is likely therefore, that the more departments a Swakelola Tipe III contract has to (formally) go through, the greater the risk of delays.

A third, related factor is that there does not seem to be a department within the local government that is clearly responsible for managing Swakelola Tipe III contracts end to end. Under standard public procurement (*penyediaan*), the UKPBJ is a source of information and support to overcome the kinds of issues and misunderstandings between departments that were seen in this contract. According to Perpres 16/2018 the role of UKPBJ is as “the center of excellence for procurement of goods and services”⁴⁶, suggesting that UKPBJ is the authority on all issues of procurement, including Swakelola. However, this is not explicit and in this case UKPBJ provided some basic information about the process, but advised Bappeda Sumbawa officials that UKPBJ did not need to be formally involved in the contract because it was swakelola. It was therefore left to Bappeda Sumbawa officials to manage the procurement of this contract, without recourse to further support.

A fourth factor was the lack of experience of the Sumbawa government with the Swakelola Tipe III process. Officials within Bappeda Sumbawa were new to the mechanism, giving them no experience to draw on and the SIRMS unit was unfamiliar with the latest regulations, which generated confusion and delays. This was however, an important learning process and the official from Bappeda Sumbawa claims that as a result of the failed contract with IRE, both Bappeda Sumbawa and the SIRMS unit are now in a position where they are capable of conducting the Swakelola Tipe III procurement process without issue. In fact, Bappeda Sumbawa had several research projects planned for 2020 using the Swakelola Tipe III mechanism, but, due to the coronavirus outbreak, these projects have been postponed.

In summary, based on both the positive and negative factors in this case, the Swakelola Tipe III procurement process is more likely to be successful when:

- decision makers within the contracting government department are open to collaboration with third parties
- decision makers within the government departments involved in the contract are willing to trial a new mechanism
- the relevant key government actors involved at each stage of the procurement process have a basic understanding of Swakelola Tipe III and the process
- key government actors involved in the contract are aware of and accesses external support (either from UKBPJ, LKPP, or other organisations that have already carried out Swakelola Tipe III contracts)
- key government actors involved in the contract have first-hand experience of the Swakelola Tipe III process
- key government actors involved in the contract remain the same throughout the process.

INSTITUTIONAL FACTORS (IRE)

One of the factors that positively influenced this contract was that the IRE Director understood the Swakelola Tipe III contract and how it could contribute to furthering IRE’s goals. Therefore, when officials from Bappeda Sumbawa offered to use the Swakelola Tipe III mechanism, it represented not just an opportunity to work with the government, but also an opportunity to trial a mechanism that had potential to become a new funding stream for IRE.

A second factor that positively affected the use of Swakelola Tipe III was that this contract was follow-up to recommendations that IRE had made to Bappeda Sumbawa as part of a previous piece of research. This made

⁴⁶ The original wording is “*menjadi pusat keunggulan Pengadaan Barang/Jasa*”, article 1, paragraph 11 of Perpres 16/2018.

the contract appealing to IRE because they were invested in the outcome, understood the necessity of the work and wanted to encourage and support the government to carry out their recommendations.

A third factor that positively contributed to the use of Swakelola Tipe III was that IRE has experience of managing grant funding from donor and international organisations. This gave the government confidence that IRE would be able to carry out the contract and fulfill all the administrative requirements.

To summarise, Swakelola Tipe III contracts are more likely to be undertaken when:

- At least one person with sufficient authority within the ormas has a clear understanding of the process as outlined in PerLKPP 8/2018 and the AKATIGA ‘buku saku’
- At least one individual with sufficient authority within the ormas has a clear strategic interest in working with the government
- The ormas has experience of managing funding from well-known national or international organisations.

RELATIONAL FACTORS

A further key factor in enabling the use of Swakelola Tipe III in this case was that the two contracting parties had a pre-existing relationship, having previously collaborated on a piece of research. This created a mutual sense of trust that the Swakelola Tipe III mechanism was appropriate and the work within the contract could be undertaken.

A Swakelola Tipe III contract is therefore more likely to be entered into where:

- The government institution and ormas (or individuals from both entities) have a pre-existing relationship.

CONTRIBUTIONS OF KSI AND LKPP

Officials from Bappeda Sumbawa learned about the Swakelola Tipe III mechanism via UKPBJ and requested a socialisation event from LKPP about Perpres 16/2018. The IRE Director learned about Swakelola Tipe III from KSI and has also read the AKATIGA ‘*buku saku*’ guide to the Swakelola Tipe III process. The LKPP socialisation event was held in Sumbawa in August 2019 and an additional day (attended by KSI and IRE) was added to discuss the Swakelola Tipe III mechanism in detail.

This provided information on the process up to contract signing, but was not able to ensure the successful completion of this Swakelola Tipe III contract. The next section outlines some opportunities for improvement to the socialisation process and provision of support to organisations wanting to use Swakelola Tipe III, that may help future contracting parties to overcome the issues faced by IRE and Bappeda Sumbawa in this contract.

OPPORTUNITIES FOR IMPROVING THE SWAKELOLA TIPE III MECHANISM

Based on the experience of IRE and Bappeda Sumbawa, there are several opportunities for improving the Swakelola Tipe III mechanism, as described below.

Firstly, the existing guidance documents (e.g. the AKATIGA ‘Buku Saku’ and/or PerLKPP 8/2018) could be revised to provide more detailed technical information and responses to frequently asked questions. Some example questions identified by the Director of IRE include;

- If an activity has been planned as Swakelola Tipe I, can the mechanism be changed to Tipe III if the government subsequently finds out about an ormas that is capable of undertaking the activity?
- Is it possible for the government to make milestone-based payments, or even up-front payments? The latter would be particularly helpful for ormas that do not have sufficient cash flow to pay upfront for delivery of activities.

Secondly, LKPP and KSI could advise governments, or PRI's that have requested socialisation events, to invite all relevant departments to attend, including but not limited to UKPBJ, the department responsible for data/contract management, and the finance department. This would ensure that all the key actors involved in processing a Swakelola Tipe III contract receive the same information and can ask questions.

Thirdly, clarifying the expected role of UKPBJ in supporting Swakelola Tipe III contracts would help government technical departments understand how to access support. UKPBJ could play an important role in supporting the management of Swakelola Tipe III contracts, as is the case with public procurement, as well as helping government technical departments undertaking Swakelola Tipe III contracts to troubleshoot issues, by acting as an authoritative source of information. In this case, Bappeda Sumbawa officials, with no previous experience of conducting a Swakelola Tipe III process, did not know how to access support when the contract was questioned by the SIRMS department. Without access to an authoritative source of information, the two departments were left to try and resolve the issue between themselves. As LKPP already has links with UKPBJ departments this could be a way of providing support to technical departments wishing to undertake Swakelola Tipe III contracts.

CASE STUDY SWAKELOLA TIPE III #4

CENTRE FOR INNOVATION POLICY AND GOVERNANCE (CIPG) AND PUSDATIN, KEMENRISTEK/BRIN

March 2020

INTRODUCTION

This case study aims to provide in depth information on a specific case of a contract using the Swakelola Tipe III procurement mechanism introduced in *Peraturan Presiden nomor 16 tahun 2018 tentang Pengadaan Barang/Jasa Pemerintah* (Presidential Decree number 16/2018 about government procurement of goods and services, hereafter “Perpres 16/2018”). This case study is one of four that make up part of a wider study, commissioned by the Knowledge Sector Initiative (KSI) and supported by *Lembaga Kebijakan Pengadaan Barang Jasa Pemerintah* (National Public Procurement Agency, hereafter “LKPP”), related to the use of Swakelola Tipe III in the first 18 months since the regulation was passed.

The main purpose of this case study is to describe the processes and key factors leading to the successful completion of a Swakelola Tipe III contract. This case study will focus on the example of a contract between the Centre for Innovation Policy and Governance (CIPG) and the Centre for Data and Information (Pusdatin) of the Ministry of Research and Technology/National Agency for Research and Innovation (Kemenristek/BRIN). This contract was selected, because it is an example of a successful Swakelola Tipe III contract between an *organisasi kemasyarakatan* (Civil Society Organisation), hereafter ormas, and a national government department. Data for this case study was collected through interviews with: the Operational Director of CIPG, who managed all aspects of the contract from the CIPG side; and the Head of the Data Processing for Science and Technology Subdivision (*Kepala Subbidang Pengolahan Data dan Informasi*), who was one of the main users of the results of this contract and the main government contact person for CIPG.

The rest of this case study document is divided into three sections: Section 1 provides background information on the two parties involved in procuring and supplying the services in the Swakelola Tipe III contract and an overview of the contract in question. Section 2 details the process, results, and the perceived challenges and benefits of procurement using the Swakelola Tipe III mechanism. Finally, Section 3 discusses the relevant factors related to the success of the contract, including any contributions of KSI and LKPP.

1. BACKGROUND

PROFILE OF THE ORMAS

The Centre for Innovation Policy and Governance (CIPG) was established in 2010 and provides research-based advisory, consultancy, capacity building and policy intervention services in the areas of science, technology, innovation and governance. The organisation is registered as a *perkumpulan*, or association, and has no affiliation to any business entity. CIPG is audited every year and is a *pengusaha tidak kena pajak* (PTKP), or non-taxable entity. These features mean that CIPG fulfils the criteria for ormas to be contracted under Swakelola Tipe III.

CIPG has worked with the government since 2011, providing policy advice, research and capacity building services. Prior to Perpres 16/2018, government obtained CIPG’s services by hiring individual CIPG staff members as ‘resource persons’ using the Swakelola Tipe I mechanism and paying directly to CIPG. The first time CIPG worked with Kemenristek/BRIN (then known as Kemenristekdikti) was in 2013 and with the Pusdatin department specifically in 2016.

The senior management of CIPG first learned about the Swakelola Tipe III mechanism through the CIPG WhatsApp group. As a research organisation with the government as a core client, CIPG management were, at the time, actively seeking alternative methods to Swakelola Tipe I. When Perpres 16/2018 was announced, the CIPG management team were immediately interested, as the mechanism was potentially the solution they had been looking for. For CIPG, the Swakelola Tipe I mechanism has four key limitations that Swakelola Tipe III helps to overcome:

(1) accountability - Swakelola Tipe I is a mechanism to hire individuals as resource persons, and therefore budgets are developed and payments are made based on attendance at events. This means CIPG staff must attend unnecessary events just to get paid and also means that the government cannot hold CIPG to account, as they are hiring individuals. In contrast Swakelola Tipe III provides scope for budgets to be developed based on the projected labour costs of delivering the work and payments to be made based on receipt of deliverables.

(2) attribution - the results of Swakelola Tipe I contracts do not accrue to the organisation, but to individuals. In contrast, Swakelola Tipe III enables governments to hire an organisation and therefore the organisation is credited for the work.

(3) capacity building - Swakelola Tipe I contracts hire individuals who have suitable qualifications to justify hiring them as resource persons. This means that it is difficult for CIPG to involve their junior staff on Swakelola Tipe I contracts, without CIPG taking on the additional cost. Swakelola Tipe III contracts enable more flexibility within the budget to involve a variety of staff members which provides the opportunity for junior staff to gain valuable experience.

(4) tax issues – tax reporting under Swakelola Tipe I is complicated because the payment is *intended* for individuals, so the government automatically deducts income tax, despite the fact the payment is in reality made to CIPG. It then becomes difficult for CIPG to report on this income and pay the correct tax. For a Swakelola Tipe III contract the payment is made based on the terms agreed in the contract and is paid directly to CIPG, which makes reporting income and payments easier.

CIPG staff began contract discussions with the Agency for Creative Economy (*Badan Ekonomi Kreatif, BEKRAF*) in mid-2018, shortly after PerPres 16/2018 was enacted and the Operational Director suggested using Swakelola Tipe III as the procurement mechanism. BEKRAF agreed and this became the first Swakelola Tipe III contract for CIPG. CIPG's Operational Director attended the KSI exchange forum in September 2018, where Pak Fadli from LKPP was a speaker. This event helped to improve CIPG's understanding of the mechanism.

The contract discussed in this case study was the second Swakelola Tipe III contract undertaken by CIPG⁴⁷.

PROFILE OF THE GOVERNMENT CONTRACTING PARTY

The contracting party for this case study contract is the Centre for Data and Information (Pusdatin) of the Ministry of Research and Technology/National Agency for Research and Innovation (Kemenristek/BRIN)⁴⁸. Prior to Perpres 16/2018, Pusdatin worked with third parties either by hiring them through public procurement or working with ormas using the Swakelola Tipe I mechanism to engage individuals as resource persons. Pusdatin used Swakelola Tipe I to work with CIPG on three different projects over three years, starting in 2016.

The team at Pusdatin first heard about Swakelola Tipe III from CIPG. In 2018 CIPG's Operational Director suggested using the mechanism for a particular piece of work, but the Pusdatin team felt they were not ready at that time and the work proceeded using the Swakelola Tipe I mechanism. The Pusdatin team then took

⁴⁷ CIPG has carried out three additional Swakelola Tipe III contracts at the time of writing: A 2018 contract with Badan Ekonomi Kreatif (BEKRAF), and two contracts in 2019 with DirGen Inovasi of Kemenristekdikti (as it was then known).

⁴⁸ At the time of this contract the ministry was operating under the name the Ministry of Research, Technology and Higher Education (Kemenristekdikti)

steps to learn about the Swakelola Tipe III mechanism, by reading Perpres 16/2018, PerLKPP 7/2018 and PerLKPP 8/2018 and additional resources provided by CIPG⁴⁹, as well as consulting with *Pejabat Pengadaan Barang dan Jasa* (Procurement staff) within Pusdatin and the *Unit Layanan Pengadaan*⁵⁰ (Procurement Service Unit) responsible for supporting all procurement within the Ministry. The team also read a draft of the Swakelola Tipe III contract that was being developed between CIPG and another department of Kemenristek/BRIN (the Directorate General for Innovation, *DG Inovasi*), and discussed the process with CIPG.

The Pusdatin team were interested in using Swakelola Tipe III because the mechanism has several advantages in comparison to the two other procurement methods that they have previously used to hire third parties, namely public procurement and Swakelola Tipe I. The advantage in comparison to public procurement is that Swakelola Tipe I provides the government party the freedom to select the ormas based on the quality of their work. In the tender process for public procurement, government must select the cheapest offer that fulfills the criteria in the TOR, regardless of whether there are other, better proposals that are more expensive but still within budget. In the past this system has meant Pusdatin has been forced to choose the cheapest bid which resulted in work that was below expectations. The advantage in comparison to Swakelola Tipe I is that Swakelola Tipe III is less burdensome from an administrative process. The basis for Swakelola Tipe I payments is attendance at events, so the government has to arrange these meetings and collect paperwork from each individual in order to make payments. In comparison, Swakelola Tipe III provides scope for budgets to be developed based on the labour costs required to deliver the work and payments to be made based on deliverables, removing the need for unnecessary events and the accompanying paperwork.

DESCRIPTION OF THE CONTRACT

The purpose of this contract was to update the draft regulation on national science and technology information systems (*Perpres Sistem Informasi Iptek Nasional*) and supporting documents, which included an academic paper (*naskah akademik*) and legal drafting. CIPG staff had already conducted this work in 2018, but the documents required updating to be in accordance with a regulation that had been passed subsequently.

The contract began at the end of July 2019 and ran until the end of December 2019, in accordance with the financial year.

The *Pengguna Anggaran* (PA) for this contract was the Head of Pusdatin and the *Pejabat Pembuat Komitmen* (PPK) was the Head of the Staffing and Correspondence Sub-division (*Kepala Subbidang Kepegawaian dan Persuratan*). CIPG staff did not have direct contact with either the PA or the PPK. In addition to the main point of contact with CIPG, a member of the Pusdatin procurement team was also involved to provide input and support the administration process. There was also a supervisory team that reviewed the deliverables before they were approved for payment.

2. PROCUREMENT PROCESS, RESULTS, PERCEIVED BENEFITS AND CHALLENGES

This section summarises the information collected through interviews with key informants and a review of relevant documentation. It describes the stages of the procurement process and the perceived challenges and benefits of using the Swakelola Tipe III mechanism.

PROCUREMENT PROCESS

PLANNING

Initially the mechanism to be used for procuring this work was Swakelola Tipe I, the budget and initial terms of reference for which had already been approved in the *Daftar Isian Pelaksanaan Anggaran* (DIPA, implementation budget). However, after CIPG's Operational Director suggested using Swakelola Tipe III in

⁴⁹ This included the presentation that Pak Fadli delivered on behalf of LKPP at the KSI exchange forum in September 2018

⁵⁰ In Perpres 16/2018 this unit is now referred to as *Unit Kerja Pengadaan Barang dan Jasa* (UKPBJ)

early 2019 and the team from Pusdatin had learned of the process conducted by DG Inovasi and consulted with ULP/UKPBJ, the Pusdatin team decided to proceed with Swakelola Tipe III, for the reasons mentioned in section 1 above.

The team from Pusdatin was clear that they wanted to work with CIPG and did not know of any other ormas capable of doing this work, so this contract was a direct procurement with no *sayembara* process.

PREPARATION AND PROCUREMENT

Once the decision to use Swakelola Tipe III was finalised, the initial terms of reference was then further refined based on a concept note and discussions with CIPG staff to establish the final terms of reference. The change from Swakelola Tipe I to Tipe III required a revision of the budget scheme in the *Petunjuk Operasional Keuangan* (POK, finance operational instructions)⁵¹. CIPG provided a budget proposal that referenced the rates developed by the National Association of Indonesian Consultants, INKINDO, for personnel costs and the *Standar Biaya Maskuan* (SBM) for non-personnel costs, which was accepted by the Pusdatin team.

The Pusdatin team then drew up the MOU and contract using the examples provided by LKPP in the PerLKPP 8/2018, for review and signing by CIPG.

IMPLEMENTATION AND OVERSIGHT

The CIPG team began by conducting FGDs as input to the academic paper and the legal drafting, all of which was in accordance with the work plan outlined in the final terms of reference. There were two deliverables for this contract, the academic paper and the legal draft.

The payment for this work was in two terms, the basis for which was a “preliminary report” and a “final report”. These documents were reviewed by the ‘supervisory team’ before being sent to the finance team for payment.

CIPG staff prepared an invoice for each payment, which was submitted by Pusdatin to the finance department alongside the contract, their organisational details and a letter from the tax office acknowledging CIPG as a non-tax-paying entity.

There was no formal monitoring process for this piece of work, but both parties scheduled regular meetings and sent emails to report on progress.

PERCEIVED BENEFITS OF USING SWAKELOLA TIPE III

The government is a core partner for CIPG, so the organisation would almost certainly be working with the government regardless of the mechanism. However, the benefits of Swakelola Tipe III mean that CIPG can receive fair payment for their work with the government, which is based on their actual costs, rather than having to attend multiple meetings for the purpose of obtaining signatures for Swakelola Tipe I payments. This benefit is echoed by the government; from the Pusdatin perspective, although the Swakelola Tipe III mechanism requires additional steps in the planning and preparation phase, it enables the Pusdatin team to focus on monitoring progress and results during the implementation and oversight phase, which is a more efficient and effective use of time in comparison to the Swakelola Tipe I mechanism.

PERCEIVED CHALLENGES IN USING SWAKELOLA TIPE III

CIPG’s Operational Director noted that there were some internal challenges related to Swakelola Tipe III. This is due to the shift in working style from research-based contracts to consultancy-style contracts. The former are clearly defined and not subject to change, whereas the latter requires flexibility and negotiation throughout the process, which requires a skill set that has not been a feature of CIPG’s work in the past. CIPG’s

⁵¹ Tipe I requires details of the qualifications and positions of individuals attending events, whereas Swakelola Tipe III only requires the overall budget for the deliverables.

Operational Director also learned from this contract with Pusdatin that it is good practice to set up separate teams, one to deal with the procurement process and another that is responsible for the substance of the contract. In previous contracts one person was responsible for both aspects which caused delays.

An external challenge for CIPG is that not many officials within the government are aware of *perkumpulan* and that this entity is not subject to tax. This means CIPG staff often have to explain this to multiple different officials throughout the process. CIPG has obtained a formal letter from the tax authority to help support their explanation and so far this has been well received by the government.

From the government perspective the challenges related to Swakelola Tipe III are mainly due to unfamiliarity with the new process. This means that at least one team member must have a good understanding of the process and spend time convincing other key actors (especially the PPK) that the additional processes required in the preparation and planning phases of Swakelola Tipe III are worth it to avoid the administrative headache of obtaining the documentation required for Swakelola Tipe I payments.

3. DISCUSSION

This section discusses several interesting aspects of the use Swakelola Tipe III highlighted by the case of collaboration between CIPG and Pusdatin Kemenristek/BRIN, namely: the key factors which seem to influence the successful use of Swakelola Tipe III in this case, as well as some areas where it may be possible to improve the Swakelola Tipe III mechanism.

KEY FACTORS INFLUENCING THE USE OF SWAKELOLA TIPE III

INSTITUTIONAL FACTORS (GOVT)

There are three factors related to the organisational culture within Pusdatin (or at least amongst the individuals involved in this contract) that positively influenced the use of Swakelola Tipe III in this case.

The first is an openness to working with third parties. Pusdatin has used public procurement, Swakelola Tipe I and now Swakelola Tipe III to engage third parties, suggesting that the organisational culture is results-oriented and that officials within Pusdatin believe that collaboration with third parties will enhance the work of government. The acceptance of the INKINDO standards as a reference⁵² for the payment of labour costs under this contract, which is higher than the rates used for other types of Swakelola mechanism, also indicates that the Pusdatin team were prepared to pay more for better results.

The second is related to teamwork. Pusdatin put together a team made up of members from within their department to help support administration and delivery of this contract and each team member had clear roles, including administration support and oversight. By establishing a team, Pusdatin created a sense of joint responsibility and enabled the smooth administration of the Swakelola Tipe III process. This was further supported by consultations with relevant parties outside of the core team, including ULP/UKPBJ and finance.

The third is a willingness to trial a new mechanism, which required the Pusdatin team to do their own research; reading the regulations and guidance and consulting with the internal procurement team and the external ULP/UKPBJ department. This not only required additional time commitment from the Pusdatin team, but also a genuine desire to understand the benefits of the mechanism and a willingness to try and convince the other key actors involved.

To summarise, Swakelola Tipe III is more likely to be successfully used when:

- Key actors within the government hold positive views regarding the role of third parties, in particular ormas, in contributing to the work of government

⁵² Prior to this contract Pusdatin has used INKINDO as a reference for budgets developed under public procurement.

- Key actors within the government have the time and willingness to understand the Swakelola Tipe III mechanism and share this with others in their team
- The team responsible for the contract is willing to seek input and advice from its team members and other relevant actors outside the core team (UKPBJ and finance) to ensure that the decision to use Swakelola Tipe III is appropriate and has buy-in from all the parties required to successfully complete the contract.

INSTITUTIONAL FACTORS (ORMAS)

One of the factors that influenced the use of Swakelola Tipe III in this case was that key decision makers within CIPG understood the value that the mechanism could bring to the organisation. This meant that CIPG staff actively sought out opportunities to use the mechanism with the government.

A second, related factor is that the Operational Director has a solid understanding of the Swakelola Tipe III mechanism and was able to explain the process to Pusdatin and provide resources to help the relevant people understand the mechanism. This knowledge and support provided a sense of reassurance to the government that CIPG clearly understood the mechanism, increasing confidence that the mechanism could be successfully applied.

A third factor is that the team at CIPG had the foresight to advocate for the use of past contracts with other clients and the INKINDO average rates as justification and the basis for developing the budget. This advocacy was ultimately successful and avoided the default system of using SBM to develop the budget, which is intended as a supplement (honoraria) to government monthly salaries and therefore is not relevant for the purposes of paying a third party, whose rates reflect full salary costs.

A final factor is that the work in this contract was within CIPG's capacity and was a continuation of work they had done previously. This meant that CIPG staff were confident about undertaking the contract and were also invested in the outcome.

To summarise, Swakelola Tipe III is more likely to be successfully used when:

- Key decision makers within the ormas understand how Swakelola Tipe III can contribute to their organisational goals
- At least one person within the ormas has a clear understanding of the process and access to Swakelola Tipe III resources, to help respond to any concerns from the government
- At least one person from the ormas has prepared references for the ormas' daily rates and is able to advocate from the outset that these references should be used as the basis for developing the budget
- The work under contract is within the experience and capacity of the ormas.

RELATIONAL FACTORS

Finally, there was a clear relational factor that influenced the use of Swakelola Tipe III in this case; that CIPG and Pusdatin have a history of working together. These prior positive experiences have generated a mutual sense of trust between the two parties, which was especially important in giving the Pusdatin team the confidence to undertake a totally new procurement mechanism. This also meant that both parties were confident that (1) the work under this contract would be delivered to a satisfactory standard and (2) the organisations could rely on each other to deal with any issues that arose during or after the contract process, such as issues related to the audit process.

To summarise, Swakelola Tipe III contracts are more likely to be entered into when the contracting parties have prior, positive experience of working together, as a way of creating mutual trust.

CONTRIBUTIONS OF KSI AND LKPP

CIPG initiated their first Swakelola Tipe III contract soon after Perpres 16/2018 came into effect, but the Operational Director's experience attending the KSI exchange forum in September 2018, as well as subsequent events involving KSI and LKPP, have helped to enhance their understanding of the mechanism.

The respondent from Pusdatin also said that PerLKPP 7/2018 and PerLKPP 8/2018 were two documents the Pusdatin team referred to during the procurement process and they made use of the template documents for the MOU and the contract that are provided as attachments to PerLKPP 8/2018.

OPPORTUNITIES FOR IMPROVING THE SWAKELOLA TIPE III MECHANISM

This section identifies four potential ways to improve the Swakelola Tipe III mechanism, based on the experience of the contract between CIPG and Pusdatin. These include providing further guidance on; what can be used as the basis for payment, the competitive, or *sayembara*, process, the use of alternatives to SBM for developing budgets, and using the CIPG and Pusdatin process as the basis for developing good practice materials.

One potential area of improvement is related to the use of deliverables as the basis for payment. In this case payment for work under this contract was based on two deliverables, a "preliminary report" and a "final report". PerLKPP 8/2018 states that payment can be made "in accordance with the agreement outlined in the Swakelola Tipe III contract which is in accordance with the provisions in legislation"⁵³. CIPG and Pusdatin followed the regulation and the payment was made in accordance with the terms outlined in the contract. However, the language in the regulation, specifically the addition of "in accordance with the provisions in legislation" creates unnecessary confusion because it is vague. A solution would be to amend the regulation so that it states that payment is based on the terms outlined in the contract only (deleting the reference to generic legislation), or provide further guidance to help contracting parties understand what can and cannot be used as the basis for payment in a Swakelola Tipe III contract.

A second potential improvement concerns the lack of guidance around *sayembara* process for awarding Swakelola Tipe III contracts. One of the advantages of Swakelola Tipe III according to Pusdatin staff is that the government department is not constrained by the same selection mechanism used in public procurement tenders, whereby the government is forced to choose the organisation that submits the cheapest proposal that fulfills the TOR criteria, instead of the organisation that submits the best proposal that is within budget. Although in this case the Pusdatin team had no need for a *sayembara* process because CIPG was the only qualified organisation they were aware of that could carry out this type of work, in the event that there was another qualified organisation, there is currently no guidance for carrying out a *sayembara* process. Developing guidance on the *sayembara* process would not only support and encourage healthy competition for Swakelola Tipe III contracts, but would also enable LKPP to improve on the public procurement process by outlining a selection process that would enable governments to select proposals that are the best value for money, rather than simply the cheapest.

The third potential improvement is related to identifying alternatives to SBM for developing Swakelola Tipe III budgets. In the context of this contract, the CIPG Operational Director successfully advocated for the use of INKINDO as an alternative reference to SBM for determining the labour costs associated with this contract. As the CIPG Operational Director highlighted, SBM is developed in reference to the government, not third parties, and therefore a more relevant source such as INKINDO is potentially more appropriate. Future versions of the LKPP guidance for Swakelola Tipe III should specify appropriate references for labour costs for ormas, as alternatives to SBM for the purpose of developing budgets, to ensure that ormas are remunerated fairly for the work they undertake on behalf of the government.

A final improvement to the current mechanism would be for KSI and/or LKPP to use the process CIPG has developed to discuss Swakelola Tipe III with prospective clients to develop a set of 'good practice' resources

⁵³ "PPK melakukan pembayaran pelaksanaan Swakelola sesuai dengan kesepakatan yang tercantum dalam Kontrak Swakelola sesuai dengan ketentuan dalam peraturan perundangundangan".

that could be publicly accessed by other ormas. This would help ormas interested in exploring Swakelola Tipe III to improve their understanding of the process and develop their own strategy for approaching governments about the possibility of using the mechanism.

ANNEX 3 - SIRUP MEMO

TO: KSI: Rebecca McLaren, Sugiyanto, Budhi Bahroelim, Budiati Prasetiamartati
CC: Emma Piper; Heni Yulianto
FROM: Mark Fiorello
DATE: 29 Jan 2020
RE: **Initial Exploration of SiRUP Data to Understand the Use of Swakelola Tipe III**

This memo summarizes initial attempts to understand and analyze data provided by LKPP from Sistem Informasi Rencana Umum Pengadaan (SiRUP) as provided by LKPP to KSI on 24 January 2020.

This memo is organized around several key questions, around which the initial attempts to understand and analyze the data were structured.

1. WHAT DOES SIRUP DATA CONTAIN?

Each dataset a list of procurement “packets” (*paket*) which were planned by individual work units (*Satuan Kerja*) within ministries, state agencies, or subnational governments (*Kementerian / Lembaga / Pemerintah Daerah, or K/L/PD*) and categorized as Swakelola Tipe 3 within the SiRUP database (presumably, at the time the data was entered/uploaded).⁵⁴ **Importantly, the 2020 dataset only contains data imported into SiRUP as of 17 Jan 2020, and is therefore only a partial representation of 2020 procurement plans.**

The contents of the 2019 and 2020 SiRUP datasets are summarized in Table 1 below.

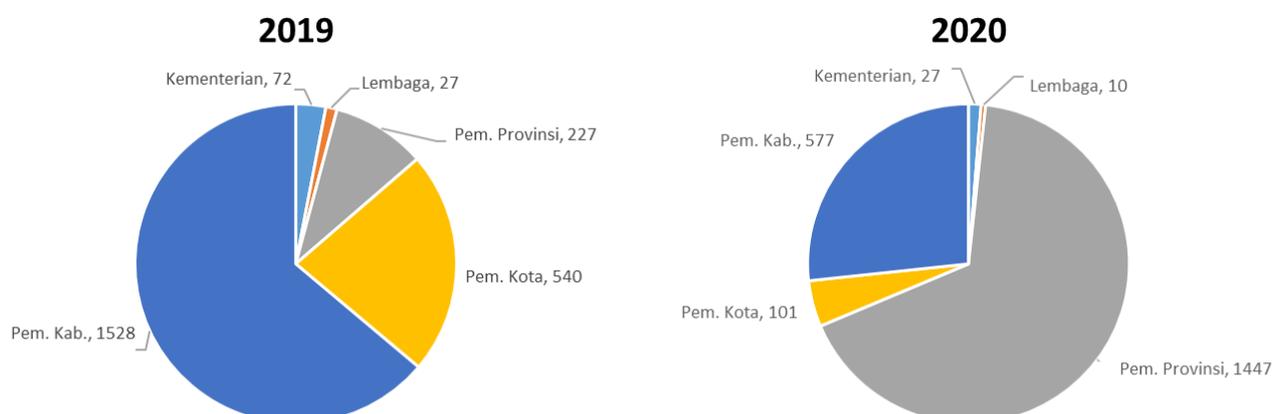
Table 1: Descriptive Summary of 2019 and 2020 SiRUP Data

	2019 SIRUP DATA	2020 SIRUP DATA
Total number of procurement “packets” categorized as Swakelola Tipe 3	2,394	2,162
Total number of different <i>K/L/PD</i> with at least 1 “packet” categorized as Swakelola Tipe 3	197	66
Total number of <i>Satuan Kerja</i> with at least 1 “packet” categorized as Swakelola Tipe 3	382	105
Total of all procurement amounts (<i>pagu paket</i>) for all “packets” categorized as Swakelola Tipe 3	IDR 368,491,817,894 (approx. AUD 40million)	IDR 553,737,961,373 (approx. AUD 60million)

The share of total “packets” categorized as Swakelola Tipe 3 by type of government entity (ministry / *kementerian*, state agency / *lembaga*, provincial government / *pem. provinsi*, district government / *pem. kab.*, or city government / *pem. kota*) is summarized in Figure 1 below.

⁵⁴ LKPP also provided 2019 data for Swakelola Tipe IV; however, due to an agreed focus on Swakelola Tipe III, this has been excluded from all analysis.

Figure 1: Swakelola Tipe III Procurement Packets by Government Type



In general, the data for each *paket* provided is in line with the request to LKPP; of the fields requested from LKPP, only the following were not included in the dataset provided:

1. *volume* (the number of ‘units’ to be procured), and
2. *penyelenggara swakelola* (the party responsible for implementing the planned swakelola activity)⁵⁵.

Interestingly, the total number of planned *pakets* categorized as Swakelola Tipe III significantly exceeds the expected number, considering: (1) 2019 was the first planning year after the passage of Perpres 16/2018, which created Swakelola Tipe III as a new procurement mechanism, and (2) anecdotally, awareness (and use) of Swakelola Tipe III is still quite limited.

It is therefore entirely possible that some portion of the SiRUP data provided by LKPP does not accurately reflect the planned use the Swakelola Tipe III, but rather that some (potentially significant) proportion of *pakets* categorized as Tipe III were miscategorized within the data, and that the procuring entity actually had no intention to use the Tipe III mechanism.⁵⁶

The remainder of this memo describes initial attempts to understand and summarize the SiRUP data.

2. WHAT CAN WE SAY ABOUT THE PLANNED USE OF SWAKELOLA TIPE III BASED ON SiRUP DATA?

To test the whether SiRUP data accurately reflects planned use of Swakelola Tipe III, a random sample of 100 *pakets* from each year was taken from the SiRUP data, and the procurement *pakets* were reviewed to assess whether they are potentially suitable for the use of the Swakelola Tipe III mechanism. Results are summarized in Table 2 below.

⁵⁵ Upon further investigation, the *penyelenggara swakelola* field appears to be automatically generated based on the Swakelola “type” (i.e., for “packets” categorized as Swakelola Tipe 3, *penyelenggara swakelola* is automatically filled with “*dengan Organisasi Masyarakat*”) and therefore adds no additional information.

⁵⁶ One possible explanation for this is that government agencies were asked to categorize the Swakelola Type within their procurement plans without actually understanding the difference between various types; alternatively, some government agencies could have confused Swakelola Tipe IV (swakelola through *kelompok masyarakat*) with Swakelola Tipe III, since under the previous procurement regulations, swakelola through *kelompok masyarakat* was the third of three forms of swakelola.

Table 2: Summary of Analysis of Sample (n=100) of 2019 and 2020 SiRUP Data

Year	2019	2020	2020
Population (N)	2394	2162	778**
Sample size (n)	100	100	100
Margin of error (%)	±9.6%	±9.6%	±9.2%
Pakets which are clearly inappropriate for Swakelola Tipe III	46 (including 11 honoraria, 7 related to office services, 6 related to official travel, and 6 related to purchase of goods)	7 (including 3 related to purchase of goods, 2 honoraria, and 1 related to office services)	20 (including 3 related to purchase of goods, 3 related to purchase of food/drink, 3 related to office services, 2 related to official travel, and 2 honoraria)
Pakets which are potentially suitable for Swakelola Tipe III	54	93	80
Pakets which are potentially suitable for Swakelola Tipe III, but more appropriate for other Swakelola types	Construction: 26 Maintenance: 5	Penguatan Adat: 66* Construction: 17 Maintenance: 3	Construction: 67 Maintenance: 1
Remaining (uncategorized)	15	6	12

*all from Provinsi Bali, Dinas Pemajuan Masyarakat Adat

**excluding 1384 *pakets* from Dinas Pemajuan Masyarakat Adat, Provinsi Bali

The ability to make generalizations about the overall planned usage of Swakelola Tipe III based on SiRUP data seems limited at best, due to concerns about the accuracy of the categorization of *pakets* as Type 3.

This is underscored by:

- The results of the manual review of the sampled *pakets* reveals that the **nature of the procurement planned under many *pakets* (especially from 2019 SiRUP data) are more appropriate for Swakelola Tipe I.**
- The relatively large proportion of *pakets* which are related to some form of construction or routine maintenance. **Although it is not impossible that an *ormas* would be contracted to deliver such services, such construction-oriented *pakets* seem more appropriate for Swakelola Tipe IV.**
- The fact that for 2020 SiRUP data, 64% of the number of *pakets* (1384 of 2162) and 75% of the total expenditure (IDR 414.9M of IDR 553.7M) are from one budget holder, namely Dinas Pemajuan Masyarakat Adat Bali. Each of these packets are for IDR 300,000,000 and are for the strengthening of traditional villages ("*belanja penguatan desa adat*") throughout Bali.

Additionally, only two out of seven known uses of the Swakelola Tipe III mechanism are contained within the SiRUP data sent by LKPP.⁵⁷

⁵⁷ The two cases which do exist within the data are: IRE collaborating with Kab. Sumbawa and Article 33 collaborating with Prov. DKI Jakarta. The other five cases are two instances of SMERU collaborating with DKI Jakarta and three instances of CIPG collaborating with Kemenristekdikti.

3. TO WHAT EXTENT CAN SIRUP DATA BE CODED OR OTHERWISE EASILY CATEGORIZED?

One additional way to potentially review the validity of SiRUP Swakelola Tipe III data is to compare the planned procurement to the types of activities that are well suited to being contracted to *ormas* under the Swakelola Tipe III mechanism. SiRUP data contains two fields which describe the planned procurement: “*Nama Paket*” and “*Deskripsi*”. Based on an initial review, in most cases these are identical or similar, although in some cases one or the other may contain slightly more detailed information regarding the type or location of goods/services to be procured. *Nama Paket* therefore seems appropriate to be considered as the core description of the goods/services to be procured, as the basis for (attempted) coding/categorization.

Lampiran I of *PerLKPP 8/2018 tentang Pedoman Swakelola* contains nine examples of goods/services which can be provided through Swakelola mechanism (in general, not only Tipe III). Although not intended as an exhaustive list⁵⁸, these nine examples can be used as a general “typology” of the types of goods and services intended for Swakelola Tipe III, as follows:

- a. Goods/services which are not of interest to the private sector
- b. Services related to capacity building
- c. (Services related to the) implementation of competitions or contests
- d. Goods/services produced by the domestic creative/cultural industry for the purposes of festivals or other cultural events
- e. Services related to research and analysis
- f. Goods/services still under development and therefore not yet provided by the private sector
- g. Goods/services produced by *ormas*, *pokmas*, or *masyarakat*
- h. Goods/services whose provision require the participation of *masyarakat* (for construction works, this comprises rehabilitation, renovation, and simple construction).
- i. Goods/services which are confidential in nature and can be implemented by the relevant government institution.

Given the large number of *pakets* contained within the dataset, filtering/coding using keywords is likely to be more efficient than manual coding (although not necessarily as accurate). An initial set of keywords for each of the 9 “types” was developed based on the language of *PerLKPP 8/2018*, with some additional keywords identified in line with the general definition of the category as relevant (see Annex 1). As can be seen in Annex 1, it is relatively easy to identify distinct keywords for some categories, whereas other categories are more general and do not lend themselves to specific keywords.

Each *paket* was then automatically flagged based on whether the *Nama Paket* field contained any of the relevant keywords (Step 1); *pakets* automatically flagged based on the keyword search were then reviewed manually to confirm whether they were in fact in line with the category (Step 2). Where relevant, *pakets* were recategorized into other categories based on the manual review. The results of this two-step categorization are shown in Table 3.

Table 3: Summary of Two-Stage Categorization of *Pakets*

CAT.	DESCRIPTION	2019 PAKETS		2020 PAKETS	
		BASED ON KEYWORD SEARCH	AFTER MANUAL REVIEW	BASED ON KEYWORD SEARCH	AFTER MANUAL REVIEW
a.	Goods/services which are (considered) not of interest to the private sector	47	47	12	11

⁵⁸ *PerLKPP 8/2018* explicitly states that the examples of Swakelola are not limited to the list of examples provided.

CAT.	DESCRIPTION	2019 PAKETS		2020 PAKETS	
		BASED ON KEYWORD SEARCH	AFTER MANUAL REVIEW	BASED ON KEYWORD SEARCH	AFTER MANUAL REVIEW
b.	Services related to capacity building	205	111	345	31
c.	Services related to the implementation of competitions or contests	1	1	0	0
d.	Goods/services produced by the domestic creative/cultural industry for the purposes of festivals or other cultural events	41	23	3	0
e.	Services related to research and analysis	48	44	11	8
f.	Goods/services still under development and therefore not yet provided by the private sector	0	0	0	0
g.	Goods/services produced by <i>ormas, pokmas, or masyarakat</i>	48	5	2	0
h.	Goods/services whose provision require the participation of <i>masyarakat</i> (construction works in the form of rehabilitation, renovation, and simple construction).	446	351	231	223
i.	Goods/services which are confidential in nature and can be implemented by the relevant government institution.	0	0	0	0

The manual review often revealed activities which are relevant for Swakelola Tipe I (e.g. workshop costs, the purchase of supplies, honoraria, or travel costs) but not for Swakelola Tipe III. **This strongly suggests that these *pakets* were mis-categorized as Swakelola Tipe III.**

The process of review also identified that:

- Several of the categories potentially overlap, for example: goods/services which are not of interest to the private sector (category a) and goods/services whose provision require the participation of *masyarakat* (category h)
- *Nama Paket* (and other information provided within the data) is often insufficient to identify whether the goods/services procured were actually intended for (or reflective of) Swakelola Tipe III, since many of the *pakets* could have been implemented through any of the four types of Swakelola.

Despite overall concerns about the validity of the SiRUP Swakelola Tipe III data, two of the categories of goods and services seem most relevant for Swakelola Tipe III, namely:

- Services related to capacity building
- Services related to research and analysis

SiRUP data for these three categories is summarized in Table 4 and Table 5 below.

Table 4: Summary of 2019 SiRUP Data for Categories Considered Potentially More Suitable for Swakelola Tipe III

	DESCRIPTION	# 2019 PAKETS	TOTAL PLANNED EXPENDITURE (IDR)	AVERAGE PLANNED EXPENDITURE/PAKET	# K/L/PD	# SKPD
b.	Services related to capacity building	111	11,634,516,775	104,815,466	28	37
e.	Services related to research and analysis	44	7,285,337,000	165,575,841	19	21

Table 5: Summary of 2020 SiRUP Data for Categories Considered Potentially More Suitable for Swakelola Tipe III

	DESCRIPTION	# 2020 PAKETS	TOTAL PLANNED EXPENDITURE (IDR)	AVERAGE PLANNED EXPENDITURE/PAKET	# K/L/PD	# SKPD
b.	Services related to capacity building	31	2,370,010,300	76,451,945	10	10
e.	Services related to research and analysis	8	2,461,789,600	307,723,700	4	5

4. HOW TO PROCEED?

An initial discussion with KSI seems advisable at this point, after which key results and issues identified can be further discussed with LKPP.

Despite significant concerns about the overall ability to make generalizations about the use of Swakelola Tipe III based on SiRUP data, **SiRUP data (including the results of categorization of the data) can be used as a sample frame for identifying cases of planned procurement to investigate further.** SiRUP data can serve to identify potential cases of the use of Swakelola Tipe III, for which additional initial data can be collected to both confirm the use of Swakelola Tipe III and obtain additional information required as the basis for selecting a small number of case studies for further study.

However, when considering additional initial data collection, several questions must be considered:

1. Whether to focus on cases of planned procurement from 2019, 2020, or both?
2. Whether to focus on all planned procurement in SiRUP categorized as Swakelola Tipe III or to focus only on certain types of activities that seem more relevant to Swakelola Tipe III.
3. Whether to draw a sample of relevant planned procurement (either purposively or randomly) or to attempt to collect data related to all relevant planned procurement? Noting that the latter would almost certainly necessitate a survey or online questionnaire, with response rates potentially quite low.

As a basis for further discussion with KSI and LKPP, in consideration of the dual priorities of (1) the extent to which use of the Swakelola Tipe III mechanism has actually been planned, and (2) documenting structured information about a limited number of cases of Swakelola Tipe III, SOLIDARITAS proposes the following:

1. To focus on planned procurement related to capacity building, research and analysis, and *penguatan masyarakat adat* (as identified in the Nama Paket field in SiRUP) from both 2019 and 2020 (see Annex 2 for a summary of SiRUP procurement data meeting the criteria above)

2. To offer to collaborate with LKPP to collect a limited amount of structured data from relevant procurement support units (*Unit Kerja Pengadaan Barang/Jasa, UKPBJ*) related to the procurement packages meeting the above criteria, both to confirm whether procurement was intended to use the Swakelola Tipe III mechanism, and to document the current status of procurement.
3. To prioritize data collection from *Satuan Kerja* falling in the top 5 per year for each category in terms of:
 - Total number of procurement *pakets*
 - Total procurement amount for all *pakets*
 - Average procurement amount per *paket*

noting that this would reduce the number of *Satuan Kerja* subject to follow up data collection from 73 to 35.

ANNEX 3.A: NINE “CATEGORIES” OF EXAMPLES OF GOODS AND SERVICES WHICH CAN BE PROVIDED THROUGH SWAKELOLA

	CONTOH BARANG/JASA YANG DAPAT DIADAKAN MELALUI SWAKELOLA*	DESCRIPTION	KEYWORDS**
a.	Barang/jasa yang dilihat dari segi nilai, lokasi, dan/atau sifatnya tidak diminati oleh Pelaku Usaha contoh: pemeliharaan rutin (skala kecil, sederhana), penanaman gebalan rumput, pemeliharaan rambu suar, Pengadaan Barang/Jasa di lokasi terpencil/pulau terluar, atau renovasi rumah tidak layak huni	Goods/services which are not of interest to the private sector	pemeliharaan; terpencil
b.	Jasa penyelenggaraan penelitian dan pengembangan, pendidikan dan/atau pelatihan, kursus, penataran, seminar, lokakarya atau penyuluhan;	Services related to capacity building	pendidikan; pelatihan; kursus; penataran; seminar; lokakarya; penyuluhan; <i>peningkatan kapasitas; pembinaan</i>
c.	Penyelenggaraan sayembara atau kontes	(Services related to) the implementation of competitions or contests	sayembara; kontes
d.	Barang/jasa yang dihasilkan oleh usaha ekonomi kreatif dan budaya dalam negeri untuk kegiatan pengadaan festival, parade seni/budaya, contoh: pembuatan film, tarian musik, olahraga	Goods/services produced by the domestic creative/cultural industry for the purposes of festivals or other cultural events	festival; seni; budaya; film; musik; olahraga
e.	Jasa sensus, survei, pemrosesan/pengolahan data, perumusan kebijakan publik, pengujian laboratorium dan pengembangan sistem, aplikasi, tata kelola, atau standar mutu tertentu	Services related to research and analysis	Sensus; survei; data; kebijakan; pengujian laboratorium; pengembangan sistem; standar mutu; <i>analisis; penelitian; riset; evaluasi; kajian; pemetaan</i>
f.	Barang/jasa yang masih dalam pengembangan sehingga belum dapat disediakan atau diminati oleh Pelaku Usaha;	Goods/services still under development and therefore not yet provided by the private sector	<i>pilot; ujicoba</i>

	CONTOH BARANG/JASA YANG DAPAT DIADAKAN MELALUI SWAKELOLA*	DESCRIPTION	KEYWORDS**
g.	Barang/jasa yang dihasilkan oleh Ormas, Kelompok Masyarakat, atau masyarakat, contoh: produk kerajinan masyarakat, produk Kelompok Masyarakat, produk Kelompok Masyarakat penyandang disabilitas, tanaman atau bibit milik masyarakat atau produk warga binaan lembaga permasyarakatan	Goods/services produced by <i>ormas, pokmas, or masyarakat</i>	produk; kerajinan; disabilitas; tanaman; bibit; warga binaan;
h.	Barang/jasa yang pelaksanaan pengadaannya memerlukan partisipasi masyarakat. Dalam hal pengadaan yang memerlukan partisipasi masyarakat tersebut berupa Pekerjaan Konstruksi maka hanya dapat berbentuk rehabilitasi, renovasi, dan konstruksi sederhana. Konstruksi bangunan baru yang tidak sederhana, dibangun oleh Kementerian/Lembaga/Pemerintah Daerah penanggung jawab anggaran untuk selanjutnya diserahkan kepada Kelompok Masyarakat penerima sesuai dengan peraturan perundang-undangan. contoh: pembangunan/pemeliharaan jalan desa/kampung, pembangunan/pemeliharaan saluran irigrasi mikro/kecil, pengelolaan sampah di pemukiman, atau pembangunan/peremajaan kebun rakyat	Goods/services whose provision require the participation of masyarakat (construction works in the form of rehabilitation, renovation, and simple construction).	partisipasi; rehabilitasi; renovasi; konstruksi; jalan; irigasi; sampah; kebun rakyat
i.	Barang/jasa yang bersifat rahasia dan mampu dilaksanakan oleh Kementerian/ Lembaga/ Perangkat Daerah yang bersangkutan, contoh: pembuatan soal ujian dan pembuatan sistem keamanan informasi	Goods/services which are confidential in nature and can be implemented by the relevant government institution.	rahasia; soal ujian; sistem keamanan

* From Perlkpp 8/2018, Lampiran I, Pasal 1.5

**normal font: identified based on LKPP 8/2018; *italics*: additional keywords identified based on the general description of the category.

ANNEX 3.B: SUMMARY OF PLANNED PROCUREMENT (BY TAHUN ANGGARAN, K/L/PD, AND SATUAN KERJA) PROPOSED AS FOCUS FOR ADDITIONAL DATA COLLECTION

TAHUN ANGGARAN	NAMA K/L/PD	NAMA SATUAN KERJA	TYPE	# PAKETS	TOTAL PAGU	AVG PAGU PER PAKET	PRIORITY
2019	Kem. Desa Pembangunan Daerah Tertinggal dan Transmigrasi RI	DITJEN PEMBANGUNAN DAERAH TERTINGGAL	Capacity Building	24	4,800,000,000	200,000,000	Y
2019	Pem. Daerah Kab. Aceh Besar	DINAS KOPERASI UKM DAN PERDAGANGAN	Capacity Building	1	260,500,000	260,500,000	Y
2019	Pem. Daerah Kab. Bandung	DINAS PERTANIAN	Capacity Building	1	47,067,025	47,067,025	
2019	Pem. Daerah Kab. Bangli	SEKRETARIAT DAERAH	Capacity Building	2	350,000,000	175,000,000	
2019	Pem. Daerah Kab. Banyuwangi	RSUD GENTENG	Capacity Building	1	137,500,000	137,500,000	
2019	Pem. Daerah Kab. Bintan	KECAMATAN BINTAN UTARA	Capacity Building	1	29,460,000	29,460,000	
2019	Pem. Daerah Kab. Bintan	KECAMATAN TELUK SEBONG	Capacity Building	2	58,388,400	29,194,200	
2019	Pem. Daerah Kab. Gunung Mas	DINAS KOMUNIKASI INFORMATIKA PERSANDIAN DAN STATISTIK KABUPATEN GUNUNG MAS	Capacity Building	1	60,000,000	60,000,000	
2019	Pem. Daerah Kab. Gunung Mas	DINAS PENDIDIKAN KEPEMUDAAN DAN OLAHRAGA KABUPATEN GUNUNG MAS	Capacity Building	2	65,000,000	32,500,000	
2019	Pem. Daerah Kab. Karo	Kantor Camat Berastagi	Capacity Building	1	14,900,000	14,900,000	
2019	Pem. Daerah Kab. Keerom	SEKRETARIAT DPRD	Capacity Building	1	625,082,000	625,082,000	Y
2019	Pem. Daerah Kab. Kubu Raya	KANTOR CAMAT KUALA MANDOR B KABUPATEN KUBU RAYA	Capacity Building	1	26,000,000	26,000,000	
2019	Pem. Daerah Kab. Kutai Barat	KECAMATAN NYUATAN	Capacity Building	2	24,973,150	12,486,575	
2019	Pem. Daerah Kab. Majene	BADAN PENANGGULANGAN BENCANA DAERAH KAB MAJENE	Capacity Building	4	180,000,000	45,000,000	Y

TAHUN ANGGARAN	NAMA K/L/PD	NAMA SATUAN KERJA	TYPE	# PAKETS	TOTAL PAGU	AVG PAGU PER PAKET	PRIORITY
2019	Pem. Daerah Kab. Majene	DINAS KOPERASI UKM PERINDUSTRIAN DAN PERDAGANGAN KABMAJENE	Capacity Building	16	780,000,000	48,750,000	Y
2019	Pem. Daerah Kab. Majene	DINAS PERTANIAN, PETERNAKAN DAN PERKEBUNAN KAB. MAJENE	Capacity Building	8	390,300,000	48,787,500	Y
2019	Pem. Daerah Kab. Maluku Tenggara	DINAS KETENAGAKERJAAN DAN TRANSMIGRASI	Capacity Building	1	152,659,000	152,659,000	
2019	Pem. Daerah Kab. Probolinggo	DINAS TENAGA KERJA	Capacity Building	1	133,800,000	133,800,000	
2019	Pem. Daerah Kab. Sikka	DINAS PEKERJAAN UMUM DAN PENATAAN RUANG	Capacity Building	3	855,000,000	285,000,000	Y
2019	Pem. Daerah Kab. Sukabumi	DINAS KESEHATAN	Capacity Building	3	256,350,000	85,450,000	
2019	Pem. Daerah Kab. Sukabumi	KECAMATAN PABUARAN	Capacity Building	1	27,000,000	27,000,000	
2019	Pem. Daerah Kab. Takalar	SATUAN POLISI PAMONG PRAJA DAN PEMADAM KEBAKARAN	Capacity Building	2	290,000,000	145,000,000	
2019	Pem. Daerah Kab. Wonosobo	KECAMATAN WONOSOBO	Capacity Building	3	54,683,000	18,227,666.67	
2019	Pem. Daerah Kota Bima	DINAS STATISTIK DAERAH	Capacity Building	1	100,000,000	100,000,000	
2019	Pem. Daerah Kota Gorontalo	KANTOR CAMAT KOTA TENGAH	Capacity Building	7	40,000,000	5,714,285.71	Y
2019	Pem. Daerah Kota Parepare	KECAMATAN UJUNG	Capacity Building	3	93,936,000	31,312,000	
2019	Pem. Daerah Kota Surabaya	BADAN KEPEGAWAIAN DAN DIKLAT	Capacity Building	2	266,000,000	133,000,000	
2019	Pem. Daerah Kota Surabaya	DINAS KESEHATAN	Capacity Building	1	141,500,000	141,500,000	
2019	Pem. Daerah Kota Surakarta	KELURAHAN KADIPIRO	Capacity Building	1	9,560,000	9,560,000	
2019	Pem. Daerah Kota Tangerang	KECAMATAN JATIUWUNG KOTA TANGERANG	Capacity Building	1	171,668,200	171,668,200	
2019	Pem. Daerah Kota Tanjung Pinang	DINAS KEPEMUDAAN DAN OLAHRAGA	Capacity Building	2	131,000,000	65,500,000	
2019	Pem. Daerah Kota Tanjung Pinang	KECAMATAN TANJUNGPINANG KOTA	Capacity Building	2	55,000,000	27,500,000	
2019	Pem. Daerah Kota Tanjung Pinang	SEKRETARIAT DAERAH	Capacity Building	1	374,400,000	374,400,000	Y

TAHUN ANGGARAN	NAMA K/L/PD	NAMA SATUAN KERJA	TYPE	# PAKETS	TOTAL PAGU	AVG PAGU PER PAKET	PRIORITY
2019	Pem. Daerah Provinsi Aceh	DINAS PENDIDIKAN DAYAH ACEH	Capacity Building	1	90,000,000	90,000,000	
2019	Pem. Daerah Provinsi DKI Jakarta	KABUPATEN ADMINISTRASI KEPULAUAN SERIBU KEP SERIBU	Capacity Building	1	22,000,000	22,000,000	
2019	Pem. Daerah Provinsi DKI Jakarta	PUSAT KESEHATAN MASYARAKAT KECAMATAN CAKUNG JAKTIM	Capacity Building	1	410,200,000	410,200,000	Y
2019	Pem. Daerah Provinsi DKI Jakarta	PUSAT KESEHATAN MASYARAKAT KECAMATAN SETIABUDI JAKSEL	Capacity Building	4	29,595,000	7,398,750	Y
2019	Pem. Daerah Provinsi Kepulauan Bangka Belitung	BADAN KESATUAN BANGSA DAN POLITIK PROVINSI KEPULAUAN BANGKA BELITUNG	Capacity Building	1	80,995,000	80,995,000	
2019	Pem. Daerah Kab. Bandung	DINAS PERTANIAN	Research/Analysis	1	75,190,500	75,190,500	
2019	Pem. Daerah Kab. Bojonegoro	DINAS LINGKUNGAN HIDUP	Research/Analysis	2	153,700,000	76,850,000	Y
2019	Pem. Daerah Kab. Grobogan	DINAS KETAHANAN PANGAN DAERAH	Research/Analysis	1	0	0	
2019	Pem. Daerah Kab. Kolaka Utara	BADAN PENELITIAN DAN PENGEMBANGAN DAERAH	Research/Analysis	1	120,000,000	120,000,000	
2019	Pem. Daerah Kab. Kolaka Utara	DINAS SOSIAL	Research/Analysis	1	150,000,000	150,000,000	
2019	Pem. Daerah Kab. Konawe	SEKRETARIAT DPRD	Research/Analysis	1	579,600,000	579,600,000	Y
2019	Pem. Daerah Kab. Kotabaru	BADAN PERENCANAAN PEMBANGUNAN DAERAH	Research/Analysis	2	670,000,000	335,000,000	Y
2019	Pem. Daerah Kab. Lebong	Dinas Lingkungan Hidup	Research/Analysis	2	555,000,000	277,500,000	Y
2019	Pem. Daerah Kab. Madiun	BADAN PERENCANAAN PEMBANGUNAN DAERAH	Research/Analysis	4	504,000,000	126,000,000	Y
2019	Pem. Daerah Kab. Majene	BADAN PENELITIAN DAN PENGEMBANGAN KAB MAJENE	Research/Analysis	6	656,271,500	109,378,583.33	Y

TAHUN ANGGARAN	NAMA K/L/PD	NAMA SATUAN KERJA	TYPE	# PAKETS	TOTAL PAGU	AVG PAGU PER PAKET	PRIORITY
2019	Pem. Daerah Kab. Sumbawa Barat	BADAN PERENCANAAN PEMBANGUNAN DAERAH DAN PENELITIAN PENGEMBANGAN	Research/Analysis	4	400,000,000	100,000,000	Y
2019	Pem. Daerah Kab. Takalar	SEKRETARIAT DAERAH	Research/Analysis	1	50,000,000	50,000,000	
2019	Pem. Daerah Kab. Tuban	DINAS LINGKUNGAN HIDUP	Research/Analysis	1	90,000,000	90,000,000	
2019	Pem. Daerah Kab. Wakatobi	DINAS KETAHANAN PANGAN KABUPATEN WAKATOBI	Research/Analysis	1	125,000,000	125,000,000	
2019	Pem. Daerah Kota Padang	DINAS SOSIAL	Research/Analysis	2	463,234,000	231,617,000	Y
2019	Pem. Daerah Kota Tanjung Pinang	SEKRETARIAT DAERAH	Research/Analysis	1	98,000,000	98,000,000	
2019	Pem. Daerah Provinsi DKI Jakarta	BADAN PEMBINAAN BADAN USAHA MILIK DAERAH	Research/Analysis	1	239,500,000	239,500,000	Y
2019	Pem. Daerah Provinsi DKI Jakarta	DINAS PENDIDIKAN	Research/Analysis	1	204,750,000	204,750,000	
2019	Pem. Daerah Provinsi Jawa Timur	BADAN PERENCANAAN PEMBANGUNAN DAERAH	Research/Analysis	8	2,075,000,000	259,375,000	Y
2019	Pem. Daerah Provinsi Sumatera Barat	DINAS LINGKUNGAN HIDUP	Research/Analysis	1	20,000,000	20,000,000	
2020	Badan Narkotika Nasional	BADAN NARKOTIKA NASIONAL PROVINSI KEPULAUAN RIAU	Capacity Building	1	60,698,000	60,698,000	Y
2020	Kem. Hukum Dan Hak Asasi Manusia RI	LEMBAGA PEMASYARAKATAN YOGYAKARTA	Capacity Building	1	12,000,000	12,000,000	
2020	Pem. Daerah Kab. Bekasi	DINAS KEARSIPAN DAN PERPUSTAKAAN	Capacity Building	1	211,680,000	211,680,000	Y
2020	Pem. Daerah Kab. Bintan	KECAMATAN BINTAN TIMUR	Capacity Building	8	60,800,000	7,600,000	Y
2020	Pem. Daerah Kab. Gunung Mas	DINAS KOMUNIKASI INFORMATIKA PERSANDIAN DAN STATISTIK KABUPATEN GUNUNG MAS	Capacity Building	2	118,200,000	59,100,000	Y
2020	Pem. Daerah Kab. Karawang	KANTOR KESATUAN BANGSA DAN POLITIK	Capacity Building	2	293,217,300	146,608,650	Y

TAHUN ANGGARAN	NAMA K/L/PD	NAMA SATUAN KERJA	TYPE	# PAKETS	TOTAL PAGU	AVG PAGU PER PAKET	PRIORITY
2020	Pem. Daerah Kota Malang	DINAS TENAGA KERJA PENANAMAN MODAL DAN PELAYANAN TERPADU SATU PINTU	Capacity Building	5	266,415,000	53,283,000	Y
2020	Pem. Daerah Kota Surabaya	BADAN KEPEGAWAIAN DAN DIKLAT	Capacity Building	4	300,000,000	75,000,000	Y
2020	Pem. Daerah Kota Tangerang	BADAN KEPEGAWAIAN DAN PENGEMBANGAN SUMBER DAYA MANUSIA	Capacity Building	6	747,000,000	124,500,000	Y
2020	Pem. Daerah Provinsi Bali	DINAS PEMAJUAN MASYARAKAT ADAT	Penguatan Adat	1383	414,900,000,000	300,000,000	Y
2020	Pem. Daerah Kab. Grobogan	DINAS KETAHANAN PANGAN DAERAH	Research/Analysis	1	84,700,000	84,700,000	Y
2020	Pem. Daerah Kota Mojokerto	BADAN PENELITIAN DAN PENGEMBANGAN	Research/Analysis	2	187,500,000	93,750,000	Y
2020	Pem. Daerah Provinsi Bali	BADAN RISET DAN INOVASI DAERAH	Research/Analysis	3	1,900,000,000	633,333,333.33	Y
2020	Pem. Daerah Provinsi Bali	BIRO PENGADAAN BARANG JASA	Research/Analysis	1	80,000,000	80,000,000	Y
2020	Pem. Daerah Provinsi Jawa Barat	DINAS ENERGI DAN SUMBER DAYA MINERAL PROVINSI JAWA BARAT	Research/Analysis	1	209,589,600	209,589,600	Y

ANNEX 4: CONFIRMED/PLANNED SWAKELOLA TIPE III CONTRACTS.

	K/L/PD (Satuan Kerja)	Ormas	Year	Focus of Activity	Budget / Contract Value (million IDR)	Identified through	Add'l Notes
1	Badan Ekonomi Kreatif	CIPG	2018	Study on IT marketing	Not available	KSI	
2	Kab. Jayapura (Dinas Pendidikan)	YNS	2018	Implementation of early literacy program in schools in remote areas	519	KSI	
3	Prov. Papua (Dinas Pendidikan)	YNS	2018	Roadmap for SMA, SMK, PKLK	1200	KSI	selected as case study
4	Various	Ikatan Arsitek Indonesia	2018	2 contracts for architectural design competitions	1692	LKPP	
Total confirmed 2018 contracts: 5 contracts for at least 3.4 billion IDR							
5	Kab. Sumbawa (Bappeda)	IRE	2019	Pilot on economic empowerment in 2 villages	40	KSI	selected as case study
6	Prov. DKI Jakarta (Dinas Pendidikan)	Article 33	2019	Kajian Standardisasi Penyelenggaraan PAUD dan BLUD Pendidikan	205	KSI	
7	Prov. DKI Jakarta (Dinas Pendidikan)	SMERU	2019	2 contracts for studies on Sekolah Pesisir and Sekolah Terbuka	Total of 198	KSI	Sekolah Terbuka study selected as case study
8	Kemenristekdikti (Dirjen Inovasi)	CIPG	2019	2 contracts for Strategic plan and 'Innovation strengthening Roadmap'	Not available	KSI	
9	Kemenristekdikti (Pusdatin)	CIPG	2019	Research on Draft <i>PerPres Sistem Informasi Iptek Nasional</i>	Not available	KSI	
10	Kab. Jayapura (Dinas Pendidikan)	YNS	2019	Implementation of early literacy program in schools in remote areas	417	KSI	

	K/L/PD (Satuan Kerja)	Ormas	Year	Focus of Activity	Budget / Contract Value (million IDR)	Identified through	Add'l Notes
11	Kab. Mamberamo Tengah (Dinas Pendidikan)	YNS	2019	Implementation of early literacy program in schools in remote areas	550	KSI	
12	BKN (Pusbinjak)	Universitas Gunadarma	2019	Development of <i>Sistem Informasi Jabatan Fungsional Kepegawaian</i> (SI-JFK)	125	LKPP	
13	BKN (Direktorat Wasdal KPPJ)	Universitas Gunadarma	2019	Development of the <i>e-advokasi</i> application	20	LKPP	
14	BKN (Direktorat Wasdal KPPJ)	Universitas Gunadarma	2019	Development of the <i>e-pengaduan</i> application	20	LKPP	
15	BKN (Direktorat Wasdal KPPJ)	Universitas Gunadarma	2019	Development of the <i>e-jabatan</i> application	35	LKPP	
16	BKN (Inspektorat)	Universitas Gunadarma	2019	Sistem design of the <i>e-LHA</i> application	20	LKPP	
17	BKN (Direktorat Sinka)	Universitas Gunadarma	2019	Development of the BKN IT Development roadmap for 2020 – 2024	195	LKPP	
18	BKN (Direktorat Sinka)	Universitas Gunadarma	2019	Integration of the ASN – SPBE information systems	300	LKPP	
19	Kemkominfo (Pusbalitbang)	Universitas Gunadarma	2019	Training curriculum development and delivery	601	LKPP	
20	Kemkominfo (Pusbalitbang)	Universitas Gunadarma	2019	Training curriculum delivery	660	LKPP	
21	Kemenkes (Pusdatin)	Universitas Gunadarma	2019	Development of the Dashboard for <i>Satu Data Kesehatan</i>	400	LKPP	
22	Kemenkes (Pusdatin)	Universitas Gunadarma	2019	Development and integration of the Keluarga Sehat application	400	LKPP	
23	Kemenkes (Pusdatin)	Universitas Gunadarma	2019	Development of the M-Health application	800	LKPP	
24	Kemenpan (Deputi Bidang Pelayanan Publik)	Universitas Gunadarma	2019	Policy study on the development of a model and instruments for electronic public services	98.5	LKPP	

	K/L/PD (Satuan Kerja)	Ormas	Year	Focus of Activity	Budget / Contract Value (million IDR)	Identified through	Add'l Notes
25	Various	Ikatan Arsitek Indonesia	2019	2 contracts for architectural design contests and exhibitions of winning designs	Total of approx. 2,300	LKPP	
26	Kemendes PDTT (Direktorat Jenderal Pembangunan Daerah Tertinggal)	Fatayat NU	2019	9 contracts for delivery of skills training in disadvantaged regions	Total of approx. 1,350-1,800	SiRUP	
27	Kemendes PDTT (Direktorat Jenderal Pembangunan Daerah Tertinggal)	Yayasan Alfa Omega	2019	approx. 8 contacts for delivery of skills training in disadvantaged regions	Total of approx. 1,200-1,600	SiRUP	
Total confirmed 2019 contracts: 41 contracts for at least 9.9 billion IDR							
28	Prov. Bali (Biro Pengadaan Barang Jasa)	Universitas Warmadewa	2020	Research on the development of standard costs for 2021	80	SiRUP	planned for 2020; current implementation status unknown
29	Prov. Bali (Badan Riset dan Inovasi Daerah)	various	2020	Research grants	1,900	SiRUP	planned for 2020; on hold due to COVID- 19
30	Prov. DKI Jakarta (Puskesmas Setiabudi)	Ikatan Ahli Kesehatan Masyarakat Indonesia	2020	Mental health capacity building	4	SiRUP	planned for 2020; current implementation status unknown
31	Kab. Bekasi (Dinas Kearsipan dan Perpustakaan)	unknown	2020	Short courses / trainings	212	SiRUP	planned but on hold due to COVID-19

