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# Position Paper on Indonesian Democratic Transformation Trust Fund (IDTTF)

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## EXECUTIVE SUMMARY

*Many positions have been heralded on the planned implementation of the Indonesian Democratic Transformation Trust Fund (IDTTF). The diverse positions are largely based on the varied philosophies, political perspectives, strategies and experiences deriving from the more than 15 years of deepening democracy in the country and also the implementation of such initiatives in the context of other developing democracies. This Position Paper takes the view that to transform the democratic practice in Indonesia, its civil society must be strengthened and be given the opportunity to take on a more strategic leadership role in the interest of expanding the public space to enhance participation and to ensure the proper application the concept of open governance. The Partnership for Governance Reform in Indonesia (Kemitraan) therefore seeks the support of the Government of Indonesia and the stakeholders in realizing the IDTTF, which was essentially designed and thought of as a ‘game changer’ in the process of democratic transformation in Indonesia. The implications of this Position Paper are threefold: first, democratic transformation is a complex phenomenon, and that state-society relations should no longer be governed by zero-sum game; second, the limited resources on democratic transformation can be allocated to areas and actors, which otherwise would not be able to gain access. Third, with civil society as the leading sector for the IDTTF, the Trust Fund is expected to be used not for the typical or routine programs that merely produce redundancies but rather take a ‘high-risk, high-impact’ approach to making strategic transformative changes in the way democracy is practiced in Indonesia[].*

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## What Is At Stake

Indonesia's democracy may seem to outsiders or casual observers as a vibrant and sustainable system. The triumphalism is much imbued in the numerous lamentations by political experts, pundits and foreign analysts, who have been declaring *ad nauseam* Indonesia as being “the world's third largest democracy”, after India and the United States of America. Going down the trenches of democratic building and governance, however, one can safely state that the process of deepening democracy has yet to be exhausted. Many challenges lie ahead awaiting creative insights and innovative solutions from actors involved in the tedious and often muddled process of democratization.

It is thus argued that Indonesia has well reached the level of procedural democracy, but has yet to attain long term sustainability of the democratic system, process and values. In short, examining closely the democracy in the country, Indonesia has yet to arrive at substantive democracy, where social norms and cultural values are consistent with democratic idealism.

The general direct elections at all levels have in part proved relatively free and fair since the reform era, and governments have come and gone peacefully without rampant violence and major disruption of the process. This has provided a good platform for all government post-*reformasi* to secure their political legitimacy, and hence giving them the ability to govern the inherently difficult and fragmented nation of Indonesia. A major reversal of a policy framework has also been done through the dispersal of power and authority from the center to the periphery by way of decentralization and regional autonomy. Furthermore, leaders at the gubernatorial, district and mayoralty have all been elected directly since 2005, providing more incentives for the citizenry to participate in politics in a more intimate manner.

Despite all the achievements and investments being put in for democratization and decentralization, new challenges arise, as the reformation of power structures are constantly being shifted throughout the country. This has caused both resentment and resistance on the part of the traditional power holders and brokers at the national and local levels. In Indonesia, the military remains strong and influential in all discussions about the most important issues in the country from elections, party system, parliamentary politics, presidency to foreign policy, disaster mitigation and counter

terrorism. The recent *coup d'état* in Thailand, which is being closely watched by the Indonesian military, has also raised fears and alarm bells in the country, especially among the top civilian leadership and political party cadres. The Egyptian military coup is another case in point, where the weak and divided civilian government was unable to deter the military from intervening in the running of state affairs until now.

Corruption in government institutions and agencies still remain high in spite of the relentless efforts by the anti-corruption agency (KPK) to fight against the 'ultimate sociopolitical disease'. At the moment, the KPK is at great odds with the national police, which saw the probable dismissal of its newly appointed police chief due to his status of being a "suspect" for having suspiciously 'fat bank account' (*rekening gendut*). As a form of retaliation, the KPK is now being criminalized, and its top officials are being apprehended on the basis of various dubious charges. This current stalemate is the second occurrence with the first one when the a two-star police general Djoko Susilo was also arrested by KPK for corruption. If Joko Widodo's present administration does not manage this political stalemate well, it could well spillover to other reform agendas and even imperil his presidency.

Thus, what is at stake in the current political turmoil is the continuing process of democratization. Many actors in the country remain adamant about keeping the *status quo* intact in the hope that they can benefit from the system, and be safeguarded against any charges of corruption, collusion and nepotism, the ills that brought about the *reformasi* movement in the first place. Like a pendulum, the greatest political anxiety resides in the fact the democratization process can potentially experience a total reversal. If the media is anything to go by with, public cynicism is on the rise and trust in the democratic government and political parties is at an all time low. In the view of the public, the democratic government seems to have reached the stage of inertia, and that the reform movement has been unable to root out or even curb corruption by the political elite. Meanwhile, political parties have increasingly been open about their preferred choice of politics, which is more often than not relegated to partisanship and political expediency. In other words, the longer term view of public interest has merely been used to justify claims of short term gains in politics, notably on the competition for public office and access to state resources.

With the current circumstances, it is high time that the democratic actors throughout the country intensify their efforts by engaging in high risk investments and endeavors that would solidify

democracy, its institutions and practices, thereby sustaining it for the long term. This is necessary amid the formidable resistance that is growing ever so strong since the reform started over 15 years ago. On this point, one should note that the younger generation of political activists and political cadres do not have the collective memory of the New Order, and hence their attachment to the reform movement and its idealism (to essentially fight against *KKN*) is scant. This is because when the *reformasi* took place, most of them were too young to recall and understand the real reason for the necessity for change. A cursory survey of whether or not the young generation, namely university students, is familiar with the acronym *KKN* or know the system of governance in place during the 32-year reign of the New Order will clearly show a lack of collective memory. Even among the political elite, it is probable that many of them may have been romanticizing about Suharto's regime, whether or not they manifest their sentiments.

## High Risk, High Impact

There are options available in terms of building and managing various democracy-related programs. Many program proposals are on the table for deepening and entrenching democracy with innovative approaches based on sound technical analyses and built-in impact assessments. Most are or will be endorsed by the Government of Indonesia, while some will continue to confront challenges and questions pertaining to their practicality and political sensitivity. What is clear is that all democracy-related 'intervention' programs supposedly contribute to the entrenchment of democratic idealism.

The only problem is that most of these programs, if not all, are based on an underlying assumption that democracy is all about governance. Even worse, some would argue that the problem of democracy in Indonesia is about shifting from bad governance to good governance. The reasoning goes that if we could just nudge the system a little, democracy will prevail and that it would become 'the only game in town' without necessarily changing the basic, fundamental structures of logic that democracy is based on. The fallacy in this thinking is exactly what has inadvertently led to the less-than-ideal governance structures in Indonesia's democracy. Such a line of thinking assumes that democracy concerns itself primarily with the nuts and bolts of bureaucratic imperatives. This is clearly an oversimplification on the mountain of challenges faced by democracy activists, who must still fight in the trenches, and confront on a daily basis the ignorance and apathy often shown by various members of the political community. For them, it is business as usual, and that democracy can take good care of itself through some sort of autopilot mechanism.

It cannot be over emphasized that democracy presupposes some form of rationality that is systemic, reciprocal and incentive-based. Without such rationality, democracy will be replaced by elitism, parochialism and quite possibly even nihilism. By instituting a rational form of democracy, the system will adapt to basic structures of logic that can be agreed upon by all reasonable political actors, hence participation becomes possible and desirable. This denotes that to a certain extent, democracy is highly correlated with meritocracy, where the merit for being democratic, inclusive and non-corrupt has its value in a participatory and transparent democratic system. One of the problems with the current democratic system points to the relentless question of: what's in it for me? If democracy does not, or could not possibly, help provide food on the table, what can one expect of democracy? With such

lingering questions over the heads of pertinent political actors, democracy effectively becomes an orphan, an unwanted child of the reform movement.

In such an extraordinary circumstance, it is necessary to think ‘out of the box’, and be able to come up with extraordinary solutions that would guarantee to sustain democracy, however, risky the venture might be. For many years now, development partners have focused mainly on supporting the Government of Indonesia in managing its democracy through programs that basically provide capacity building for targeted institutions such as government ministries, agencies, parliaments, political parties and other formal state structures. Very little attention and resources were given to civil society that could take on the task of moving the democratization process to the next level.

Notwithstanding, as much as the government may need additional resources to govern the geographically fragmented country, it is high time that real investments be put in to develop the Indonesian civil society. This logic is based on the conventional way of thinking about democratic transformation in Indonesia, and that is to say that development partners, and perhaps the government itself, have over stated the requirements for democracy, and not stating enough the fact that civil society and its associational life is vibrant and should be further promoted and supported.

What counts as high risk often has its consequential returns. High risks mean high impact on the development of democracy. Without the risks, there will be no real, significant impact, and that democracy will continue to suffer and experience a slow and painful death. The case of Thailand and Egypt should be kept in mind, where the military found justification to replace the civilian government that were unable to manage their internal contradictions and bitter political infighting.

Therefore, if Indonesians’ really and truly desire their democracy to be sustainable, the state-society relations need not be based on the zero-sum game logic, but shift toward positive-sum game, where both the state (political community) and society (activists, intellectuals and idealists alike) come to agree that democracy will remain to be the one and ultimate game in town. And that any distortion in the system and prospect of the pendulum swinging back to authoritarianism would jeopardize the collective interest of “the people of Indonesia”, and if that should ever happen, the political community and civil society will come together to eliminate the threat.

## Financing Civil Society

One of the salient issues confronting civil society strengthening in Indonesia pertains to financial sustainability and direct state support to the sector. Who should finance civil society? If the Indonesian terminologies of “*swadaya*” (self empowerment), “*swadana*” (*self financing*) and “*swakelola*” (self governance) are anything to go by, the tendency is to think that the civil society sector should ideally be financed independently in order to safeguard its autonomy and space to operate within the given context.

However, given that Indonesia had just put down an authoritarian regime, which was unsupportive, to say the least, of civil society, it is reasonable to expect that the country’s civil society requires assistance in organizing and financing itself. The argument also supports the logic that underpins the principles of democracy; that democracy without a healthy and vibrant civil society is no democracy at all. This follows that civil society is an important function of democracy and to the development of democracy. Without civil society, there would be no countervailing power, which could possibly be critical of the public and private sectors, allowing the state and businesses to collude against the interest of the people.

Fortunately, the Government of Indonesia has recently ratified the Law on Social Organizations (*Organisasi Kemasyarakatan*) No.17/2013 to replace the rather draconian Law on Mass Organizations (*Organisasi Massa*) No.8/1985 in which the latter was essentially used to further legitimize the New Order regime, and undermine the development of civil society in Indonesia. In this new Law No.17/2013, funding for civil society, among others, could be derived from the following: membership fee, donation from society, business ventures of the social organizations, grants from “foreigners” (*orang asing*) or international organizations (*lembaga asing*), other legal activities and/or national (*APBN*) and regional state budgets (*APBD*).

Being a fledgling democracy, Indonesian civil society is still collectively struggling with how to finance its own sector. Having been a development partner in the field of governance reform for over ten years now, Partnership for Governance Reform in Indonesia (Kemitraan) is poised to take the lead in co-creating and co-designing platforms for civil society to build up its financial capacity to ensure its own sustainability, and the longevity of its democratic politics.

The current strategy was to engage a team of researchers to conduct a comparative study examining various ways of state financing of civil society in countries with diverse features and characteristics. The research was largely based on desk review and analysis with the main question of how democratic countries finance their civil society sector. The case involved three countries i.e. United Kingdom, Sweden and South Korea, which were then juxtaposed with the present situation and condition of Indonesia. The conclusions and possible recommendation of the comparative study can be briefly summed up as follows:

1. Based on the experiences of the United Kingdom, Sweden and South, civil society is part and parcel of the vision to create a democratic state and society. Various kinds of grant schemes and modalities are provided by the respective governments, and are made available for civil society organizations to tap into. The assistance covers a wide range of areas that civil society organizations were working on, namely in poverty eradication, developing democratic practices, environmental conservation, etc. The main idea for the provision is that these civil society organizations work to provide or make better delivery of “public good”, which could be enjoyed by the people without exclusivity rights. All three governments in this respect provide grants to their civil society organizations. In fact, the trend seems to show an increasing amount of state funds being disbursed to their civil society organizations.
2. The Government of Indonesia should ideally start to think of ways in which to provide direct grants to civil society organizations. After more than 15 years of *reformasi*, Indonesia has yet the legal instrument to justify such modality. One major development in this field pertains to the Law No.16/2011 on Legal Aid, where grants are provided for civil society organizations that specializes on legal aid. In 2013, some Rp.40.8 billion was expended for legal aid alone, a significant figure that signaled the state’s political willingness to open itself

up to legal scrutiny. The following year, the amount was increased to Rp. 50 billion, a major sign of improvement with a little more than 25% increment. At the moment, there are around 310 legal aid organizations throughout the country that could potentially solicit funding from this state budget allocation. The previous two years seemed to be good precedents for others to follow suit.

- There are two possible scenarios for civil society to tap into the resources of prospective state funds in Indonesia. The two scenarios can be viewed below:

Issues	Scenario 1	Scenario 2
<i>Focus</i>	Democratic Governance	Democratic governance and Public Goods' Volunteers
Funding Sources	<ul style="list-style-type: none"> <li>Government: Rp.100 billion (Endowment)</li> <li>Government grant: Rp.100 billion/year</li> <li>CSR (Private sector)</li> <li>International donors</li> </ul>	<ul style="list-style-type: none"> <li>Government: Rp.100 billion (Endowment)</li> <li>International donors</li> <li>CSR (Private sector)</li> <li>Other donations e.g. philanthropy</li> </ul>
Decision Making Structure	Steering Committee	Trusteeship
Project Management Unit (PMU)	Independent, legally standing outside of government	Independent, with co-chairmanship between government and CSO
Mechanism	<ul style="list-style-type: none"> <li>Competitive grants</li> <li>3-Year grant cycles</li> <li>Calls for proposal</li> </ul>	<ul style="list-style-type: none"> <li>Competitive grants</li> <li>3-Year grant cycles</li> <li>Calls for proposal</li> </ul>
Beneficiaries	<ul style="list-style-type: none"> <li>NGOs</li> <li>Universities</li> <li>Socio-religious organizations and groups</li> </ul>	<ul style="list-style-type: none"> <li>NGOs</li> <li>Universities</li> <li>Socio-religious organizations and groups</li> <li>Local governments/ agencies</li> </ul>

Having to examined the conclusion and recommendations of the comparative study, Kemitraan finds that the idea to shift from Trust Fund (*Dana Perwalian*) to Endowment Fund (*Dana Abadi*) would seem untimely and unstrategic, given the existing legal framework, which would not allow civil society to manage funds beyond the five-year term limit. Otherwise, the state would have the right to appropriate the funds, and consider it as on-tax revenue (*penghasilan negara*)

*bukan pajak*). Thus, if the principle objective is to provide grants *to* civil society *through* CSOs, then the option for endowment fund would seem a self defeating and unfitting strategy, if there expected outcome were to build and strengthen a vibrant civil society in Indonesia.

In view of the above reasoning, the position of Kemitraan seems all too clear that it prefers to establish a Trust Fund, instead of an Endowment Fund. Therefore, despite the outcome of the comparative study, Kemitraan feels that it should persist and push for the long awaited idea the Indonesian Democratic Transformation Trust Fund (IDTTF) (see Program Document 2014).

The IDTTF was initially thought of as a platform for the Government of Indonesia and development partners to come together to create a civil society that would be able to play its role in a more effective and professional manner within the context of democracy. Furthermore, IDTTF was envisioned to serve the purpose of providing a platform for civil society to build an ‘open governance system’, where participation is more direct and transparency mechanisms are made to monitor the system in order to catch problems early. This would enable the democratic system to be more self-correcting, and prevent problems to blow up. Without a strong civil society, the democracy will remain unstable and public cynicism will continue to be on the rise, hence decreasing the level of legitimacy and sustainability.

## Democratic Transformation and Complexity Science

There is a growing trend in natural sciences to acknowledge the complexity of nature and beings. Change is no longer seen and considered as necessarily linear. Chaos is more often than not the name of the game within the context of growth and development of natural phenomena. In the social and human sciences, complexity science too has gained currency in numerous different scientific circles. The idea is relatively elementary, that every process is not to be understood simply as a linear progression to meet its objectives or end. Any process of change is so tedious that no human mind could possibly take note or conceive of the totality of the process, thereby we tend to disregard what we perceive as too complex. In the attempt to understand the whole process, we simplify and make it seen as though the system is moving on a straight line, like factory lines or airport conveyor belts. The truth of the matter, however, is much more complex than the human mind could possibly grasp. The same is with democratic transformation in anywhere.

Democratic proponents have for many decades seem to suggest that democratization takes a linear path, and that assumptions about democratization are built on overly simplified notions about paradigm shifts, explosion of participation, party reform, market liberalization, good governance, etc. Hence, democratic transformational processes are always assumed to be going from disorder to order. The logic also experiences a reduction by way of assuming that the whole is equal to the sum of the parts. And that the whole process is predictable and deterministic.

With complexity science, the whole process of transformation is debunked. There is no first or second. This assumption seems to be biased toward the understanding that either we give support to the state or civil society first. And the former seems to always be the conventional wisdom. In this context, one should not view IDTTF as something that could be reducible nor predictable, more so, it could be assumed to be deterministic nor orderly. There will be problems with whatever choice we, as change managers, decide upon. It is the intention, strategy and intended outcome that matter most. The unintended consequences and possible failures could always struck at any time and place with any kind of program as such.

The IDTTF, it should be mentioned, was conceived of with the idea that it is high time for the country to embrace the Indonesian civil society and to comprehensively support its development head-

on. To develop a sustaining and vibrant civil society, serious investments should be put in to warrant life and longevity to the mélange of locally grown clubs, organizations, groups and associations, which number around 140,000 throughout the country) that would become an effective countervailing power of the state. This way, civil society will be able to render itself in providing expertise, critique and contribution when and if necessary within the larger framework of democratic politics and governance.

At the moment, the Government of Indonesia is at odds with the decision on setting up a Trust Fund to enable civil society in Indonesia to develop and flourish. The Kemitraan views that as much as the power and authority reside in the government, as stipulated in the law, it is often more prudent to restrain power and delegate the decision to others. This way, power is exercised prudentially in the hope that the outcome will serve the purposes of all parties and stakeholders involved. The philosophy behind this is that human beings have throughout generations been at awe and inspired by the Most Powerful, not because He flexes His muscles over them, but in contrast reserves His power, and shows Mercy and Grace. To ensure the Cosmic balance, He is also constantly on the side of the meek. This could perhaps be a good enough allegory to point out the logic of restraint in the interest of balance and the need for a countervailing force in society.

## The Position of Kemitraan

As far as Trust Funds are concerned, the existing legal framework suggests that the government should take the lead in the IDTTF, and makes all calls and decisions pertaining to civil society strengthening. From such an articulation, one should already foresee problems for an effective use of the strategic resources. Two obvious scenarios could take place: one, the resources are allocated to non-strategic areas but fulfill the requirements of political correctness, and supports the ‘business as usual’ approach to governance. The other may be that the funds are allocated to organizations that are not exactly in line with the government or have limited capacity but have shown great potential in becoming a game changer in democratic politics and governance.

In short, the danger lies in the high prospect of misdirection of funds, which may prove damaging to the credibility of the Trusteeship (*Lembaga Wali Amanat*). If this were to be the case, this would fall under the ‘low risk, low impact’ path that is conventional, formalistic and legalistic with almost foreseeable outcomes. Alternatively, Kemitraan could like to suggest to the Government of Indonesia to take the ‘high risk, high impact’ option to better ensure that the ultimate goal of democratic transformation is achieved. This would require that the champions of civil society strengthening within the government assist in finding solutions to guarantee that the grants meant *for* civil society is channel *through* credible and reliable CSOs. Granted that such measure would require a ‘leap in faith’ in Indonesia’s civil society, but the risks involved would be tantamount to the gains and impact that IDTTF could potentially achieve, which is to open up the governance system for greater and real participation of the people.

In relation to the above, Kemitraan hereby proposes an alternative way of resolving such a dilemma by essentially giving more ‘voice’ to civil society. This is after all consistent with Law No.17/2013 on Social Organizations (*Organisasi Kemasyarakatan*), which gives legal justification for the government to support the strengthening of civil society as the main building block of democracy, as stipulated in Chapter 37 (f), where funding for CSOs could be derived from national (*APBN*) and regional state budget (*APBD*). In relation to this, Kemitraan respects and considers the wisdom of the legal framework as stipulated in Law No.1/2004 on State Treasury (State Document N0.5/2004; Addendum 4355), which defines management and accountability systems on state funds. Article 38(4)

of that Law states that “the mechanism of loans and/or acceptance of grants, both from domestic and foreign sources ... is governed by Government Regulation”.

Kemitraan also takes into great consideration of the Government Regulation (*Peraturan Pemerintah*) No.10/2011 on Managing Loans and Grants (State Document No.23/2011; Addendum 5202). Article 1(2) defines “*Hibah Pemerintah*” or Grants to the Government as “any state acceptance of *devisa* (foreign exchange), foreign exchanged that is converted to rupiah, rupiah, goods, services and/or letters of obligations given by Grantor, which does not require repayment and originates from domestic or foreign sources”. In Chapter III on Grants, Article 42(1) stipulates that the ones that could be received by the Government are as follows: (a) cash grants; (b) money to fund activities; (c) goods/services; and/or (d) valuable letters.

Kemitraan too recognizes the Presidential Regulation (*Peraturan Presiden*) No.80/2011 on Trust Funds. Article 1(2) defines Trust Funds as being “grants provided by one or more grantors, which are managed by one institution as the *Wali Amanat* (Trustee) for specific purposes”. Article 1(5) defines *Lembaga Wali Amanat* (Trusteeship) as being “an organization established by government ministry/agency to manage a Trust Fund in accordance with the authorization as set forth in the Grants Agreement”. Moreover, Article 2(1) stipulates that “the Government can receive grants in the form of funds to finance the activities of the Trust Fund” with the intent “to optimize the use of grants” (2). Articles 2(3) and 2(4) states that “the Trust Fund can originate from domestic and foreign sources” and that the grants can take two forms: “planned grants” and “direct grants”. In the same Presidential Regulation, Article 3 stipulates that the acceptance of grants through Trust Funds has to fulfill the “certain targeted themes”, again as enshrined in the National Development Priorities.

In terms of the “management of the Trust Fund”, Kemitraan also accepts Article 5 on the idea to setup a Trusteeship (*Lembaga Wali Amanat*), established by Bappenas. Furthermore, Article 6 states that two entities are necessary: (a) Board of Trustees and (b) Trust Fund Manager. The Board of Trustees, in accordance with Article 9, must comprise: (as) Head; (b) Secretary; and (c) Members. Furthermore, Article 9(2) requires that the Head of the Board of Trustees must come from the Ministries/Agencies that established the Trusteeship, or “based on the Grants Agreement”. Meanwhile the Secretary and Members of the Board of Trustees can derive from relevant Ministries/Agencies, other beneficiaries from among the stakeholders of the Trust Fund, and/or any relevant party appointed

by the Grantor. On the appointment of a Trust Fund Manager, as stipulated in Article 6, a representative from civil society or “non-government organizations” (NGOs) could potentially play that role. On the utilization of funds, Kemitraan recognizes Article 15, which expressly states that the activities proposed by the Ministries/ Agencies, NGOs and Private Enterprises should take into consideration the following:

1. Mid-Term National Development Plans
2. Objective of the use of grants
3. Principles on the grants acceptance
4. Fulfillment of the thematic targets of the Trust Fund

Given the legal framework and the clear position of Kemitraan, the IDTTF model could perhaps be summarized as such:

No.	Dimension	Options
1.	Objectives	<ul style="list-style-type: none"> <li>• To strengthen quality of democracy in Indonesia</li> <li>• Enhance level of participation and CSO workings within the framework of democratic governance</li> <li>• Increase the participation of the marginalized communities at the national and local levels e.g. diffables, the aged, etc.</li> </ul>
2.	Grants scheme	For CSOs <i>through</i> CSOs
3.	Regulatory Framework	See full listing in IDTTF Program Document 2014.

4.	Trusteeship	<ul style="list-style-type: none"> <li>• Presidential Office</li> <li>• Ministry of Finance</li> <li>• Bappenas</li> <li>• Senior Journalist</li> <li>• Academician</li> <li>• Local government official</li> <li>• CSO Rep</li> </ul>
5.	PMU	Non-Government Organization e.g. Kemitraan
6.	Institutional Arrangement	CSO Representative as Trust Fund Manager
7.	Timeline	10 years
8.	Institutional Modality	<ul style="list-style-type: none"> <li>• TOR IDTTF</li> <li>• Strategic Plan</li> <li>• Program Document</li> <li>• Business Plan</li> <li>• SOP</li> <li>• Code of Ethics and Conduct for PMU</li> </ul>

Considering and recognizing all the above, Kemitraan views that the legal framework still leaves room for civil society to play a meaningful role. However, Kemitraan opines that the principle, which underlies Trust Funds, should be made more flexible in order to open up opportunities for civil society to participate and contribute significantly and meaningfully. This could be done in two ways:

- a. *Decision Making Process:* Kemitraan views that representatives of civil society should have a greater say in the process of decision making in the Trusteeship, especially pertaining to the grants that are allocated for civil society strengthening. The legal structure of IDTTF still provides a lot of opportunity for the Government of Indonesia to make structural decisions, but also leaves room for civil society representatives to play a strategic and meaningful role in deciding who gets to be allocated funds from IDTTF and how much.
- b. *Grant Agreements:* Based on a number of legal stipulations, it seems imperative that Grant Agreements could be a way to ensure meaningful participation and decisive role for civil society to strengthen itself. It is therefore recommended that a template Grant Agreement

is drafted and molded in such a way that would support the underlying idea that while funds for government ministries/agencies should be decided upon by their representatives in the *Lembaga Wali Amanat*, funds that are targeted at civil society should be primarily decided upon by civil society representatives. This way, there is greater chance for the resources in the Trust Fund to be expended wisely.

The implications of such position are threefold: first, democratic transformation is a complex phenomenon, and open governance systems require long-range thinking that reexamines the relationship between the state and society. Through IDTTF, the zero-sum game should (and could) be transformed into a positive-sum game, where the real constituents of democracy become the ultimate winner. Second, with IDTTF, the limited resources on democratic transformation could be allocated to areas which would otherwise not get support using the conventional, legalistic and formalistic approach to program funding. The democratic sphere could also potentially be expanded by incorporating previously unengaged actors in governance. And third, with civil society as the leading sector for IDTTF, the Trust Fund is expected to be used not for typical, routinized or conventional programs, but rather touch upon 'high-risk, high-impact' programs to ensure strategic transformative changes in the way democracy is practiced in Indonesia

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