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## Collaborative Governance Performance in Grant Policy to Foreign Governments/Foreign Institutions

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### **Abstract:**

Governance reform in granting to foreign governments/foreign institutions was marked by the issuance of Government Regulation 48 of 2018 concerning Procedures of Grants to Foreign Governments/Foreign Institutions. This new grant regulation aims to centralize grant budget allocations to Indonesian AID. The business process of grants to foreign governments/foreign institutions involves the Ministry of Foreign Affairs as the actor that determines policy directions and targets, the Ministry of Finance as the actor who negotiates and signs the grant agreement, Indonesian AID as the executor of the grant, and technical ministries/agencies as units—proposing grants, as well as state-owned enterprises and domestic business actors participating in the supply of goods/services for grant commodities. The role of each of these organizations shows the existence of collaborative governance in the policy of grants to foreign governments/foreign institutions. In its implementation, the realization of grants still needs to reach the target set. It is an indication of difficulties in the process of collaborative governance. For this reason, this study aims to assess the performance of collaborative governance by using the Collaborative Governance Regime (CGR) performance dimension matrix. The results of this study found obstacles, including 1) the List of Planning Grants (DRPH) that were late, which had an impact on the realization of grants, and 2) the outcomes of the policy of grants to foreign governments/foreign institutions do not yet have clear indicators, so they are still not measurable. For this reason, the suggestion from this research is that it is necessary to formulate an outcome measure of the policy of grants to foreign governments/foreign institutions so that it can be used as a monitoring and evaluation tool, not only for the outcomes themselves but also for the collaborative governance process within them.

**Keywords:** Collaborative Governance, Grant To Foreign Government/Foreign Institution

### **1. Introduction**

Since the beginning of its independence, the Unitary State of the Republic of Indonesia has had a goal as a sovereign state and nation. The purpose of establishing the Unitary State of the Republic of Indonesia as stated in the Preamble of the 1945 Constitution is to promote general welfare, educate the nation's life, and participate in implementing world order based on independence, lasting peace and social justice. To realize these goals, in international relations, Indonesia continues to strive to increase

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its contribution to world order through active involvement in supporting development and world peace.

In 2018, the Government issued Government Regulation Number 48 of 2018 concerning Procedures of Grants to Foreign Governments/Foreign Institutions as amended by Government Regulation Number 57 of 2019 (PP 48/2018). Based on the regulation, grant policies are prepared by the Minister of Foreign Affairs in coordination with the Minister of Finance, Minister of National Development Planning/Head of the National Development Planning Agency, Minister of State Secretary, and heads of relevant agencies proposing grant plans.

The existence of this policy is a manifestation of the Government's efforts to manage the provision of grants abroad better. The granting policy is centralized at the Ministry of Foreign Affairs, so that the grants provided align with foreign policy diplomacy. Grant policies at least contain general objectives and principles, general policies, regional priorities, criteria for recipient countries/institutions, and fiscal capacity.

Regarding budget allocation, PP 48/2018 regulates that the budget allocation of grants to foreign governments / foreign institutions is allocated centrally to institutions with the financial management pattern of the Public Service Agency (BLU). In the derivative regulation through a regulation of the Minister of Finance, the BLU institution is formed under the name of Lembaga Dana Kerja Sama Pembangunan Internasional (LDKPI) or *Indonesian Agency for International Development (Indonesian AID)*.

#### **APPLICATION IN PRACTICE**

- The budget allocation for grants to foreign governments/foreign institutions is still spread across line ministries so that the government issued a policy to centralize the allocation to Indonesian AID.
- The business process of grants in PP 48/2018 involving networking between government sectors and also private parties is relevant to the theory of collaborative governance.
- The low realization of grants to foreign governments/foreign institutions from 2020 to 2022 is an indication of collaborative governance that is experiencing difficulties.

The centralization of budget allocations for grants to foreign governments/foreign institutions aims to maintain compliance with state financial governance. The grant budget allocation should use a grant expenditure type code that can only be allocated to the State General Treasurer's Budget Section (BA BUN), not the Budget Section of the Ministry of State / Institution (BA K / L).

Prior to the policy in the government regulation, there were still Ministries/Institutions that allocated in their DIPA (Budget Implementation List) BA K/L for activities that were actually grants to foreign governments/institutions. These activities are mostly in education and training for government delegates (Ministry of State Secretariat, 2014-2019). These activities in DIPA BA K / L use the allocation of goods and

services expenditure. However the largest portion of the budget realization for grants to foreign governments/foreign institutions has been appropriately allocated to DIPA BA BUN with a grant expenditure type code.

Based on Minister of Finance Regulation Number 102 / PMK.02 / 2018 concerning Budget Classification, the type code for goods and services expenditure is used for the purchase of goods / services that are consumable in the context of producing goods / services with the intention, among others, to be delivered or sold to the community / Regional Government. Meanwhile, the grant expenditure type code is used to transfers money/goods/services from the Government that can be given to other governments, international organizations, local governments, or state/regional companies.

Grant proposals can be made by agencies or ministries/technical institutions in accordance with their duties and functions. The Minister of Foreign Affairs then forms a working group involving elements of the Ministry of Foreign Affairs, the Ministry of Finance, the Ministry of National Development Planning / National Development Planning Agency, and the Ministry of State Secretariat to assess the grant proposal.

Furthermore, the approved grant proposal becomes the basis for Indonesian AID to plan and budget. After determining the budget allocation, Indonesian AID negotiates a grant agreement with prospective grantees, which is later signed by the Minister of Finance c.q. Director General of Financing and Risk Management. Based on the signed agreement, Indonesian AID continues the process by implementing grants to foreign governments/foreign institutions. In carrying out its duties, Indonesian AID organizes the selection of goods/services providers oriented from domestic business actors.

The orientation of the procurement of goods/services of grant commodities provided by domestic business actors is one of the steps to achieve the policy objectives of providing grants to foreign governments/foreign institutions, namely economic diplomacy (Budi 2024). Business actors who play a very important role in the national economy, especially in job creation, namely MSMEs, need to be given the opportunity to contribute to grant policies to foreign governments/foreign institutions.

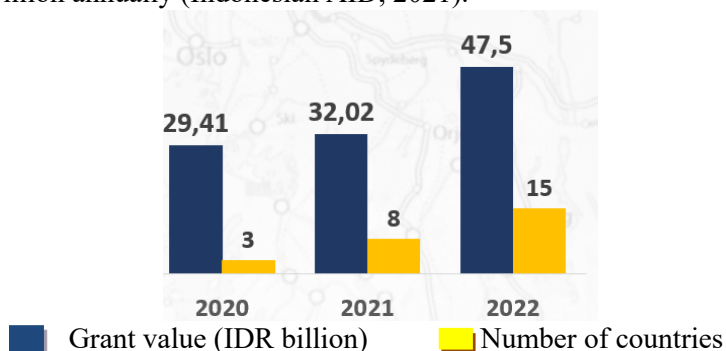
The number of MSMEs in 2021 reached 64.2 million with a GDP contribution of 60.51% or IDR 9,580 trillion. The role of MSMEs in employment in Indonesia reaches 96.92% of the total workforce and has an investment portion of up to 60.42% of total investment. However, MSME exports still need to be more aggressive, a percentage of around 15.65% of Indonesia's total exports (Ministry of Cooperatives and Small and Medium Enterprises, 2022).

The business process of granting policies to foreign governments / foreign institutions can be developed using a collaborative governance approach. Emerson and Nabatchi (2015) explain that the definition of collaborative governance includes "multi-partner" governance, which can include partnerships between states, the private sector, and communities, as well as joint government and hybrid arrangements such as public-private and social-private partnerships and cooperation.

Collaborative governance is also a depiction where there is a state of interdependence between actors (Wang & Ran 2023). This can be seen from the dependence of Indonesian AID, foreign governments/foreign institutions as potential grantees, and business actors as providers of goods/services to the Ministry of Foreign Affairs, Ministry of Finance, Ministry of National Development Planning/Bappenas, and Ministry of State Secretariat as actors in the preparation of medium-term grant policies, assessment, and determination of grant proposals to foreign governments/foreign institutions. Meanwhile, the Ministry of Foreign Affairs, the Ministry of Finance, the Ministry of National Development Planning/Bappenas, and the Ministry of State Secretariat have a dependency on ministers/leaders of technical institutions as proposers of grants to foreign governments/foreign institutions.

The existence of the actors' limitations creates a desire for collaborative governance, so the actors want to establish intensive relationships with other actors. The actors recognize the legitimacy that other actors also have, so the actors are committed to collaboration. After commitment, there needs to be a sense of shared ownership in each collaboration process (Ansell, 2014, p. 78). Collaborative governance is a process of networking organizations between sectors that make mutual agreements, joint decisions, and achieving goals through mutually beneficial interactions in achieving collaborative goals. In the policy of providing grants to foreign governments / foreign institutions, actors need to understand the objectives to be achieved, namely economic diplomacy, to support the achievement of national interests.

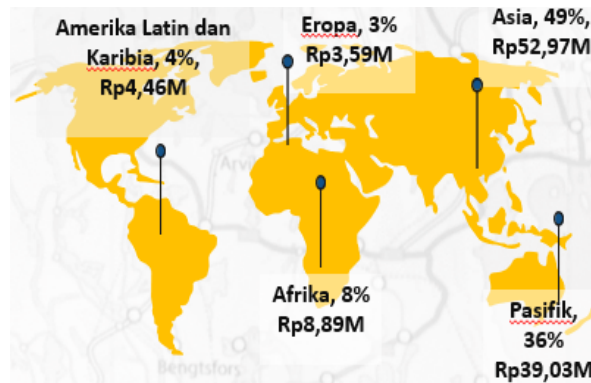
Since this policy was implemented, the government has realized grants to foreign governments / foreign institutions from 2020 to 2022 in the amount of IDR 29.41 billion, IDR 32.02 billion, and IDR 47.50 billion, respectively (Indonesian AID, 2023). Despite the positive trend, these achievements still need to reach the target of IDR 500 billion annually (Indonesian AID, 2021).



**Figure 1. Realization of FY 2020-2022 Grant Provision**  
**Source: Indonesian AID (2023)**

In addition, with the implementation of the new foreign government/foreign institution granting policy through PP 48/2018, the realization of FY 2022 grant expenditure is only 20% of the realization of grant expenditure in BA BUN FY 2019, which reached Rp234.27 billion (Ministry of Finance, 2020). The low realization of

grant budgets to foreign governments/foreign institutions after PP 48/2018 indicates that collaborative governance in its business processes needs to be improved.



**Figure 2. Realization of FY 2022 Grant Provision**  
**Source: Indonesian AID (2023)**

**Table 1. Realization of FY 2019 Grant Giving**

Activities/Countries	Amount (billion Rp)
Humanitarian grants for Palestine	14,12
Grants to the Government of Salomon Islands	112,50
Grants to the Government of Nauru	35,65
Grants to the Government of Tuvalu	37,50
Grants to the Government of Fiji	27,00
Grants to the Government of Myanmar	7,50

Source: Processed by Author from Ministry of Finance (2020)

Indications of business processes based on PP 48/2018 that run less than optimally are the background for the author to conduct research to evaluate the implementation of grant policies to foreign governments / foreign institutions. The evaluation conducted by the author focuses on analyzing the collaborative governance process in the policy of grants to foreign governments / foreign institutions.

The analysis was carried out using a collaborative governance approach because the grant-making business process, which involves networking between the government and private sectors, is relevant to the theory of collaborative governance. Collaborative governance is seen based on the Collaborative Governance Regime framework formulated by Emerson and Nabatchi (2012). In analyzing collaborative governance, the author also uses the collaborative governance productivity performance matrix compiled by Emerson and Nabatchi (2015).

## 2. Theoretical Background

### Objectives of Diplomacy in Granting to Foreign Governments/Foreign Institutions

The policy of providing grants to foreign governments/foreign institutions has two diplomatic objectives, namely political diplomacy and economic diplomacy (Ministry

of Foreign Affairs, 2018). In political diplomacy, the provision of grants to foreign governments/foreign institutions is expected to strengthen Indonesia's position in the international relations. As for economic diplomacy, Rashid (2005) defines it as the process of formulating and negotiating policies related to the production and exchange of goods, services, labor, and investment in other countries. The provision of grants to foreign governments/foreign institutions from the perspective of economic diplomacy is expected to be followed by economic activities that have an impact on economic growth both in Indonesia and in the recipient country (Hutabarat 2022).

The government's mission is in line with what is stated by JICA (2010), that the objectives, strategies, and policies of a country assisting other countries are divided into five categories, namely:

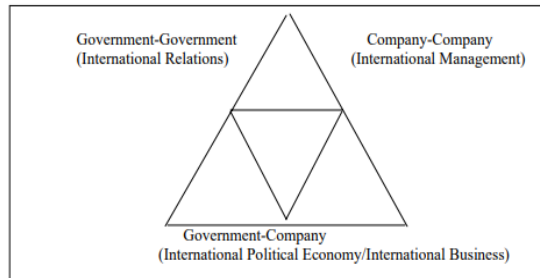
1. Diplomacy, namely assistance as an instrument for international security, foreign policy, and strengthening bilateral relations.
2. Development, i.e. aid is used to promote socio-economic progress and poverty alleviation.
3. Humanitarian assistance, is provided to fulfill the capacity and resources of countries experiencing disasters.
4. Trade, i.e. aid as an instrument to promote exports, ensure access to trade in natural resources, and finance investment opportunities of donor countries.
5. Culture, namely assistance to maintain linguistic areas or expand the religious teachings of donor countries.

The trade category is an important motive for developing countries, including Indonesia. The policy of providing grants to foreign governments/institutions is expected to open up opportunities for domestic businesses to expand exports and trade access to the international arena. Baranay (2009), states that efforts to increase exports, attract foreign investment, and participate in various work programs of international economic organizations are the scope of economic diplomacy, namely official diplomatic activities that focus on the objectives of a country's economic interests at the international level.

In line with this, Rana (2007), states that economic diplomacy is a process by the state in its relations with the outside world in an effort to maximize its goals in all forms of activities such as trade, investment, and other forms of economic interaction. The development of the role and function of economic diplomacy which was later reiterated by Baranay (2009), was driven by several factors, namely:

1. the process of internationalization and strengthening of dependencies of the world economic system directed at global and regional integration;
2. rapid market economic expansion, domestic economic liberalization, and increased state interaction through trade and investment, as well as increased participation of global economic actors;
3. Economic globalization through the process of internationalization of multinational business actors; and
4. The development of economic innovation in a country that can attract foreign investment so that it has an impact on domestic economic growth.

Government efforts which are a form of economic diplomacy have been carried out through the function of economic aid and the role of business actors. Susan Strange (1988; 1992) was the first to bring up business actors in the global economic system, thus formulating the theory of triangular diplomacy, namely diplomacy between countries, between companies, and countries with companies that can be described as follows:



**Figure 3. Triangular Diplomacy**

Source: adapted from Stopford, Strange, and Henley (1991)

Based on the concept of triangular diplomacy, if business actors can be empowered to become actors in the implementation of granting policies to foreign governments/foreign institutions, the diplomatic framework will develop not only in international relations, but also in the international political economy.

### ***Collaborative Governance Regime (CGR)***

*Collaborative Governance Regime (CGR)* is part of the logic model approach in collaborative governance formulated by Emerson and Nabatchi (2012). In the collaborative governance logic model framework, the CGR dimension is placed in the middle of the collaboration process, namely before collaborative outcomes. The CGR dimension becomes the core of the collaboration process by covering the dynamics and actions of collaboration (Ulibarri et al., 2020). The dynamics and actions of this collaboration will illustrate the quality and effectiveness of the collaboration carried out. The dynamics of collaboration have three elements: principled engagement, shared motivation, and joint capacity (Bitterman & Koliba 2020). These three elements are interrelated interactively in order to realize collaborative actions. This collaborative action will produce collaborative outputs to achieve common goals and agreements.

**Table 2. Logic Model Approach in Collaborative Governance (Emerson and Nabatchi, 2012)**

Dimension and Components	System Context	Drivers	The Collaborative Governance Regime				Collaborative Outcomes	
			Collaborative Dynamics			Outputs Collaborative Actions	Impacts	Adaptation
			Principled Engagement	Shared Motivation	Capacity for Joint Action			
Elements within Component	<ul style="list-style-type: none"><li>- Resource Conditions</li><li>- Policy Legal Frameworks</li><li>- Prior Failure to Address Issues</li><li>- Political Dynamics/Power Relations</li><li>- Network Connectedness</li><li>- Levels of Conflict/Trust</li><li>- Socio-economic/Cultural Health &amp; Diversity</li></ul>	<ul style="list-style-type: none"><li>- Leadership</li><li>- Consequential Incentives</li><li>- Interdependence</li><li>- Uncertainty</li></ul>	<ul style="list-style-type: none"><li>- Discovery</li><li>- Definition</li><li>- Deliberation</li><li>- Determination</li></ul>	<ul style="list-style-type: none"><li>- Mutual Trust</li><li>- Mutual Understanding</li><li>- Internal Legitimacy</li><li>- Shared Commitment</li></ul>	<ul style="list-style-type: none"><li>- Procedural/Institutional Arrangements</li><li>- Leadership</li><li>- Knowledge</li><li>- Resources</li></ul>	<ul style="list-style-type: none"><li>- Will depend on context and charge, but might include:<ul style="list-style-type: none"><li>- Securing Endorsements or projected conditions in System Context</li><li>- Enacting Policy, Law, or Rule</li><li>- Marshalling Resources</li><li>- Deploying Staff</li><li>- Siting/Permitting</li><li>- Building/Cleaning Up</li><li>- Enacting New Management Practice</li><li>- Monitoring Implementation</li><li>- Enforcing Compliance</li></ul></li></ul>	<ul style="list-style-type: none"><li>- Will depend on context and charge, but aim is to alter pre-existing or projected conditions in System Context</li></ul>	<ul style="list-style-type: none"><li>- Change in System Context</li><li>- Change in the CGR</li><li>- Change in Collaboration Dynamics</li></ul>

*Principled engagement* occurs over time and can include different stakeholders at different foci. It takes place in face-to-face or virtual formats, and involves networking between organizations (Emerson and Nabatchi, 2012). Through principled engagement, parties with different content, relationships, and goals will work across institutional, sectoral, or jurisdictional boundaries to solve problems, resolve conflicts, or create value (Cahn 1994; Cupach and Canary 1997; Lulofs and Cahn 2000; in Emerson and Nabatchi 2012).

*Shared motivation* is defined by Emerson and Nabatchi (2012) as a self-reinforcing cycle that includes elements of mutual trust, understanding, internal legitimacy, and commitment. All elements except legitimacy are included in the configuration of the collaboration process formulated by Ansell and Gash (2008). Share motivation highlights the interpersonal and relational elements of collaborative dynamics and is sometimes referred to as social capital (Colman 1988; Putnam 2000; Putnam, Leonardi, and Nanetti 1993; in Emerson and Nabatchi 2012).

For *capacity for joint action*, in essence, collaboration aims to increase the capacity of each organization so that they are able to solve complex problems together (Emerson and Nabatchi, 2015). Emerson and Nabatchi interpret this as the unification of various elements to create potential or capacity that is useful in strategizing and improving performance.

### CGR Performance Appraisal Matrix

Emerson and Nabatchi (2015) explained the CGR performance assessment matrix by first dividing the performance levels into actions, outcomes, and adaptation. Next, they describe three units of analysis, namely participating organizations, CGR, and target goals. The final step in conducting this CGR assessment is to combine the



performance levels and units of analysis into a matrix to form nine specific CGR performance dimensions.

According to Emerson and Nabatchi (2015), CGR produces outputs (or collaborative actions) that then have an impact (outcome) so that in time it can cause adaptation. Therefore, to fully assess the productivity performance of CGR, we must assess each of these three levels. Assessing the performance of CGR, according to Emerson and Nabatchi (2015) is more complicated than assessing the effectiveness of a single organization, because CGR involves many organizations working across borders to jointly address public issues. This cross-border cooperation can pose challenges, including decreased autonomy, shared resources, and dependence (Provan and Millward 2001 in Emerson and Nabatchi 2015). Thus, based on Provan and Millward's (2001) research, Emerson and Nabatchi (2015) established three units of analysis to assess CGR productivity performance, namely participant organizations, CGR, and target goals.

Based on the CGR performance dimensions as shown in Figure 6, the combined results of performance levels with units of analysis will form nine performance dimensions. Briefly, the performance dimension indicators are described by Emerson and Nabatchi (2015) as follows:

1. Performance in participant organizations

The first dimension of this unit of analysis is action/output efficiency. Performance in this dimension is achieved when organizations participating in the collaboration recognize resource efficiency and reduce resource redundancies in the implementation of collaboration.

In the second dimension, in assessing the outcome effectiveness of CGR, they suggest two indicators, namely 1) the increase in benefits received from the organization; and 2) participants' perceptions of increased organizational capacity and performance that can be attributed to CGR.

The third dimension of performance is the equilibrium of adaptation. Equilibrium is context-specific and changes over time. Therefore, it is difficult to standardize and especially difficult to associate with CGR. General indicators of equilibrium can be: 1) the stability and evolution of participant organizations, and 2) the development of internal characteristics of participant organizations (e.g., size, structure, staffing, strategy) over time.

2. Performance at CGR

The first dimension of this unit of analysis is efficacy. They argue that efficacy refers to the capacity of action to produce effects that are consistent and aligned with shared expectations, prior agreements, and strategies for achieving CGR goals. The main indicator of action success in CGR analysis units is the extent to which the applied action is consistent with the recorded CGR intention and the shared theory of change.

The second dimension is external legitimacy. A common indicator of external legitimacy in CGR analysis units is the observation by relevant leaders or the public that CGR is a worthwhile and worthwhile endeavor. As a measure of CGR system-level adaptation performance, viability provides confirmation that CGR has an ongoing capacity to add value above and beyond the efforts of individual participants. Common indicators of viability in CGR analysis units are: 1) evidence

of the use of CGR capacity that has contributed to the achievement of targeted objectives (e.g., dedicated staff, resource acquisition, resource sharing); and 2) evidence of CGR's available capacity to continuously contribute to the achievement of targeted goals (e.g., fundraising strategy, strategic plan, shared theory of change).

**Table 3. CGR Performance Dimensions (Emerson and Nabatchi, 2015)**

<i>Unit of Analysis/ Performance Level</i>	<i>Participant Organization</i>	<i>Collaborative Governance Regime</i>	<i>Target Goals</i>
Level One: Actions/Outputs	Efficiency	Efficacy	Equity
Level Two: Outcomes	Effectiveness	External Legitimacy	Effectiveness
Level Three: Adaptation	Equilibrium	Viability	Sustainability

### 3. *Performance on target goals*

Equity as the first dimension in this unit of analysis is equality in collaborative actions to improve environmental, economic, and social conditions. Indicators for this dimension are 1) objectivity of the distribution of benefits from CGR action; and 2) beneficiaries' perceptions of equitable distribution of costs and benefits associated with CGR actions. The second dimension is the effectiveness of outcomes, which measure the extent to which CGR produces the desired impact in achieving common goals. The main indicator of the effectiveness of outcomes in the target goals analysis unit is the desired level of change in the targeted public conditions that have been achieved.

The last dimension is the sustainability of adaptation. Sustainability is the resilience of adaptive responses to outcomes on targeted resources or service conditions, given uncertain and changing external contexts, influences, and events. To that end, the primary indicator of sustainability in the target goal level analysis is the extent to which adaptive responses to results in target systems, conditions, or services are maintained over time

## 3. Methodology

This research uses a qualitative method with primary and secondary data collection through observation, in-depth interviews, and structured interviews, and documentation. Primary data was collected through direct interviews with actors in the grant policy to foreign governments/foreign institutions, namely the Ministry of Foreign Affairs, Ministry of Finance, Ministry of National Development Planning/Bappenas, Ministry of State Secretariat, Indonesian AID, technical ministries/agencies, and the private sector (SOEs and private sector businesses).

In addition, primary data collection was also conducted using an online form that would generate written documents from respondents' answers with structured interviews. This interview provides several open questions, namely: 1) whether the information regarding the objectives of the grant policy to foreign governments/foreign institutions has been adequately conveyed; 2) what are the positive things that become the strengths of the business process of grants to foreign governments/foreign institutions in PP 48/2018 compared to the business process

before the existence of PP 48/2018; 3) whether the outcome of the grant policy to foreign governments/foreign institutions can be felt; 4) what are the challenges faced in the implementation of the grant policy to foreign governments/foreign institutions; and 5) what are the suggestions for improvement in the grant policy mechanism to foreign governments/foreign institutions.

Meanwhile, secondary data were obtained from laws and regulations, planning documents, and other documents and data related to the research. The results of primary and secondary data collection are used as material for free interviews with key policy actors in the context of triangulation to obtain sufficient confidence in the truth of the data collected.

The collected data were analyzed using the CGR Performance Dimension matrix. The research results are discussed descriptively to draw a conclusion about the problem under study. The discussion is carried out based on the theory of collaborative governance, especially the CGR approach formulated by Emerson and Nabatchi, 2015

#### **4. Empirical Findings/Result**

The policy of granting grants to foreign governments/foreign institutions in the PP 48/2018 regime began to be implemented in 2020. As stated in the Regulation of the Minister of Foreign Affairs Number 11 of 2019 concerning Policy for Granting Grants to Foreign Governments/Foreign Institutions for the Medium-Term Period, the objectives of grant policies to achieve national interests are directed to:

1. Opening political opportunities that allow Indonesia to obtain economic, political, socio-cultural benefits.
2. Improve Indonesia's image in various fields and make Indonesia an influential country in the Asia and Pacific region.
3. Support respect for the sovereignty and territorial integrity of the Republic of Indonesia.
4. Support Indonesia's role and interests in international forums.
5. Encouraging national economic progress by opening markets and investment opportunities abroad.
6. Support the creation of peace and stability in various corners of the world.

The policy target of grants to foreign governments/foreign institutions is the basis for technical ministries/institutions in submitting grant proposals to foreign governments/foreign institutions. In the grant proposal, technical ministries/institutions can cooperate with SOEs and business actors from the private sector who have the potential to penetrate foreign markets through goods/services that become grant commodities.

The grant proposal will be assessed by a Working Group consisting of elements from the Ministry of Foreign Affairs, Ministry of Finance, Ministry of State Secretariat, and Ministry of National Development Planning/Bappenas. Based on the assessment results from the Pokja, Indonesian AID carries out the distribution of grant funds which can be in the form of cash, activities, or goods/services. For the distribution of

grants in the form of goods/services, Indonesian AID must also be oriented towards SOEs and other domestic business actors.

A brief explanation related to the policy mechanism for grants to foreign governments / foreign institutions can illustrate the existence of collaborative governance. Many parties can be involved in the collaborative process, not only between state ministries/government agencies, but also the role of SOEs and the private sector.

In the next discussion, the application of the CGR performance dimension matrix as a tool for assessing the productivity of collaborative governance in the implementation of grant policies to foreign governments/foreign institutions is illustrated. The application of the matrix is carried out by exploring evidence of actions, outcomes, and adaptations of grant policies to foreign governments / foreign institutions with units of analysis namely participant organizations, CGR, and target goals.

The results of the analysis through matrix application are presented in the three tables below. In the evidences column in the table, descriptions are given a check mark (√) when general evidence from the data collection results can be used to support the CGR performance dimension indicators, and a tilde mark (~) when there is disagreement or contradiction in the data. Third-party verification and other data will be used in the future with a more in-depth evaluation of collaboration on grant-making policies to foreign governments/foreign organizations.

### ***Performance at Participant Organization Unit of Analysis***

Analysis of the performance dimension in the participant organization analysis unit shows that participants have felt the benefits of action/output efficiency with the implementation of PP 48/2018. Technical ministries/institutions no longer allocate budgets for overseas grant activities because they have been allocated to Indonesian AID. The shift in budget allocation is an advantage because it creates fiscal space in the budget structure of technical ministries/institutions. In addition, SOEs also recognize the efficiency of action because their efforts to market their products abroad are helped by grant policies that prioritize domestic products.

Participants' perceptions of the increase in organizational capacity and performance caused by CGR which is an indicator of outcome effectiveness in this analysis unit show positive results. Participants increase each other's capacity by understanding the business processes and interests of other participants.

Still in the effectiveness of outcomes, the second indicator, namely the improvement of the internal organization of participants, can be proven by the existence of guidelines for the preparation of grant proposals, which also has an effect on improving the quality of grant proposals prepared by the proposing unit. However, there are contradictory things, namely the List of Grant Plans (DRPH) as the basis for implementation in FY 2021 and 2022 which should have been published in T-1 but were published in the current year.

In the adaptation equilibrium, the indicators of perceived stability of the mission and sustainable achievement of participants have yet to be met because it was found that

there was no post-grant monitoring of grants to foreign governments / foreign institutions. However, the indicator of evidence of sustainable contribution records is reflected in the current condition that is being formulated in the revision of PP 48/2018 as amended for the first time by PP 57/2019.

**Table 4. Performance at Participant Organization Unit of Analysis**

Performance Dimensions and Indicators	Evidence
Action/Output Efficiency <ul style="list-style-type: none"> <li>The extent to which participants felt and/or measured the benefits caused by CGR</li> </ul>	<ul style="list-style-type: none"> <li>✓ Technical K/L: no longer allocates budget for overseas grant activities because it has been allocated to Indonesian AID</li> <li>✓ SOEs: reduce costs for marketing goods/services products abroad</li> </ul>
Effectiveness of Outcomes <ul style="list-style-type: none"> <li>Participants' perceptions of organizational capacity improvement and performance caused by CGR</li> <li>Evidence of improvements in participants' internal organization or benefits attributable to CGR</li> </ul>	<ul style="list-style-type: none"> <li>✓ Technical K/L and SOEs: knowing the direction of diplomacy policy through granting abroad so that they can formulate appropriate proposals</li> <li>✓ Ministry of Foreign Affairs: knowing the pattern of BLU financial management applied by Indonesian AID</li> <li>✓ Indonesian AID: knowing the potential of SOEs that can be encouraged to penetrate foreign markets</li> <li>✓ K/L Teknis dan BUMN: menyusun proposal pemberian hibah yang relevan dengan arah kebijakan diplomasi</li> <li>✓ Indonesian AID: develop guidelines for assessing grant proposals from Technical K/L with an outcome-oriented orientation</li> <li>~ List of Grant Plans (DRPH) as a basis for implementation in FY 2021 and 2022 which should have been published in T-1 but published in the current year</li> </ul>
Adaptation Equilibrium <ul style="list-style-type: none"> <li>The perceived stability of the mission and the continued achievement of participants</li> <li>Evidence from a record of ongoing contributions by CGR to participants</li> </ul>	<ul style="list-style-type: none"> <li>~ Ministry of Foreign Affairs, Indonesian AID: no monitoring after granting to foreign governments/foreign institutions</li> <li>✓ Currently, a revision of PP 48/2018 is being formulated as amended for the first time with PP 57/2019</li> </ul>

### ***Performance at CGR Unit of Analysis***

In the action/output efficacy performance dimension, it was found that there were actions that needed to be implemented consistently with CGR's intentions and the theory of collective change. The evidence is the List of Grant Provision Plans (DRPH) as the basis for implementation in FY 2021 and 2022 which should have been published in T-1 but was published in the current year, and in FY 2023 it was published in FY 2022 but revisions were made in the first quarter of FY 2023.

The external legitimacy of the outcomes also received negative indicator results. In the structure of Indonesian AID, there is a Steering Committee consisting of the Minister of Foreign Affairs and Minister of Finance as co-chairs and the Minister of State Secretary and Minister of National Development Planning as members. The Steering Committee in 2023 has given direction to draft a revision of PP 48/2018 to support the flexibility and simplicity of grant mechanisms to foreign governments/foreign institutions. This is evidence that the Steering Committee feels that the outcomes could be more optimal from the implementation of the grant policy to foreign governments/foreign institutions.

Even less optimal results occur in the dimension of adaptation viability which has indicators of evidence of the use of CGR capacity that has contributed to the achievement of targeted goals and evidence of CGR capacity available to continue to contribute to the achievement of targeted goals, the reality that there is no monitoring system or mechanism for evaluating the achievement of the objectives of the grant policy to foreign governments / foreign institutions makes the indicators of this dimension unfulfilled.

**Table 5. Performance at CGR Unit of Analysis**

<b>Performance Dimensions and Indicators</b>	<b>Evidence</b>
Efficacy of Action/Output <ul style="list-style-type: none"> <li>The extent to which the applied action is consistent with recorded CGR intentions and shared theories of change.</li> </ul>	~ The List of Grant Plans (DRPH) as a basis for implementation in FY 2021 and 2022 which should have been published in T-1 but published in the current year, and in FY 2023 was published in FY 2022 but has been revised in the first quarter of FY 2023.
External Legitimacy of Outcomes <ul style="list-style-type: none"> <li>Evidence of observations by relevant leaders or the public that CGR is beneficial.</li> </ul>	✓ In the structure of Indonesian AID, there is a Steering Committee consisting of the Minister of Foreign Affairs and Minister of Finance as co-chairs and the Minister of State Secretary and Minister of National Development Planning as members. The Steering Committee in 2023 has given directions to draft a revision of PP 48/2018 to support flexibility

Performance Dimensions and Indicators	Evidence
	and implications for the mechanism for grants to foreign governments/foreign institutions.
Adaptation Viability	
<ul style="list-style-type: none"> <li>• Evidence of the use of CGR capacity that has contributed to the achievement of the targeted objectives.</li> </ul>	~ There is no monitoring system or mechanism to evaluate the achievement of the objectives of the policy of grants to foreign governments/foreign institutions.
<ul style="list-style-type: none"> <li>• Evidence of CGR capacity available to continuously contribute to the achievement of targeted objectives</li> </ul>	~ There is no monitoring system or mechanism to evaluate the achievement of the objectives of the policy of grants to foreign governments/foreign institutions

### ***Performance at Target Goals Unit of Analysis***

Performance on the target goals unit of analysis for the action/output equity dimension has been in accordance with its indicators, namely participants ensure that the distribution of shared costs and benefits is consistent with previous CGR commitments and participants feel fair sharing of costs and benefits from participation in CGR. In the context of this grant policy to foreign governments/foreign institutions, cost or budget allocation is not a major issue. All participants have understood that the budget allocation for grant making to foreign governments/foreign agencies is centered on Indonesian AID.

In the effectiveness of change, the targeted change condition of services achieved can be met with an increase in the quality of proposal preparation as a result of the guidelines from Indonesian AID. However, for the other two indicators, namely indirect changes and the results of long-term changes, no evidence has been found because the outcomes of the policy of providing grants to foreign governments / foreign institutions still need clear indicators so they are still need to be measurable. In the sustainability performance dimension, this grant policy has a CGR that is able to maintain the quality, level, and scope of changes in the condition of the target goals over time. This is evidenced by the direction of diplomacy policy through the provision of grants to foreign governments / foreign institutions prepared in the medium term and stipulated by regulations of the Minister of Foreign Affairs.

**Tabel 6. Performance at Target Goals Unit of Analysis**

Performance Dimensions and Indicators	Evidence
Equity Action/Output	
<ul style="list-style-type: none"> <li>• Participants ensure the distribution of shared costs and benefits is consistent with previous CGR commitments.</li> </ul>	✓ All participants understood that the budget allocation for granting to foreign governments/foreign

Performance Dimensions and Indicators	Evidence
<ul style="list-style-type: none"> <li>Participants feel a fair share of costs and benefits from participation in CGR</li> </ul>	institutions is centralized in Indonesian AID
Effectiveness of Change	
<ul style="list-style-type: none"> <li>The extent to which changes in conditions targeted by public goods/services or services are achieved (immediate or immediate results).</li> <li>The extent to which conditions affecting target goals are placed and functioning (indirect results or through intermediaries)</li> <li>Duration and consistency of change over time (long-term results)</li> </ul>	<ul style="list-style-type: none"> <li>✓ <i>Improving the quality of proposal preparation with guidelines from Indonesian AID.</i></li> <li>~ The outcomes of the policy of grants to foreign governments/foreign institutions do not have clear indicators so they are still not measurable</li> <li>~ The outcomes of the policy of grants to foreign governments/foreign institutions do not have clear indicators so they are still not measurable</li> </ul>
Sustainability	
<ul style="list-style-type: none"> <li>The extent to which the CGR strategy maintains the quality, level, and scope of change in target goal conditions over time</li> </ul>	<ul style="list-style-type: none"> <li>✓ The policy direction of diplomacy through the provision of grants abroad is drawn up in the medium term</li> </ul>

## 5. Discussions

The implementation of grant policies to foreign governments/foreign institutions under PP 48/2018 regime has introduced a collaborative governance framework involving multiple stakeholders, including government ministries, state-owned enterprises (SOEs), and the private sector. This collaborative approach aims to achieve various national interests outlined in the Regulation of the Minister of Foreign Affairs Number 11 of 2019. The policy's objectives range from enhancing Indonesia's image globally to supporting economic progress and fostering peace and stability worldwide.

One significant advantage highlighted in the analysis is the efficiency gained through the reallocation of budgetary resources. Technical ministries/institutions no longer allocate funds for overseas grant activities, as this responsibility has shifted to Indonesian AID. This reallocation not only streamlines budget management but also creates fiscal space within ministries. Moreover, SOEs acknowledge the efficiency brought by grant policies, which aid in marketing their products abroad. This



efficiency in resource allocation and utilization demonstrates a positive outcome of collaborative governance, enhancing action/output efficiency.

Collaborative governance has facilitated an exchange of knowledge and expertise among participants, leading to improved organizational capacity (Lope & Farias 2022). Participants from technical ministries/institutions, SOEs, and Indonesian AID have gained insights into each other's business processes and interests, thereby enhancing their ability to formulate relevant grant proposals. Additionally, the development of guidelines for proposal preparation has further enhanced the quality of submissions. However, discrepancies such as delays in publishing crucial documents like the List of Grant Plans (DRPH) indicate areas for improvement in ensuring consistency and timeliness.

While collaborative efforts have led to enhanced organizational capacity and performance, challenges remain in achieving stability and sustainable contributions. The absence of post-grant monitoring poses a significant hurdle in assessing the long-term impact of grant policies. However, ongoing revisions to regulatory frameworks, such as the formulation of PP 57/2019, signify efforts to address these shortcomings and establish mechanisms for sustainable contributions.

The analysis underscores the importance of aligning actions with the intended goals of collaborative governance. While initiatives such as the List of Grant Plans indicate progress, inconsistencies in implementation timelines highlight the need for greater coordination and adherence to shared objectives. Moreover, the lack of a robust monitoring system poses challenges in evaluating the effectiveness of collaborative efforts and ensuring accountability.

Despite efforts to enhance outcomes through steering committee directives and policy revisions, challenges persist in demonstrating external legitimacy and ensuring adaptation viability. The absence of clear indicators for evaluating policy outcomes hampers stakeholders' ability to assess the policy's effectiveness and make informed decisions. Additionally, the lack of a monitoring system limits the capacity to leverage collaborative resources effectively and measure progress toward targeted objectives.

The collaborative governance framework has contributed to equity in resource distribution and improved the quality of grant proposals (Chen et al., 2022). However, challenges remain in defining and measuring outcomes effectively. Clear indicators are essential to assessing the policy's impact and ensuring the sustainability of targeted changes over time. Nonetheless, the policy's medium-term orientation and regulatory frameworks provide a foundation for maintaining momentum and achieving long-term goals.

The analysis highlights both the benefits and challenges of implementing collaborative governance in grant policies to foreign governments/foreign institutions. While collaborative efforts have led to efficiency gains and capacity building, discrepancies in implementation timelines and the absence of a robust monitoring system pose significant challenges. Addressing these challenges requires greater coordination, transparency, and accountability among stakeholders. Clear indicators,

enhanced monitoring mechanisms, and ongoing revisions to regulatory frameworks are essential to ensuring the effectiveness and sustainability of collaborative governance in achieving national interests through grant policies.

## 6. Conclusions

Indications of problems in collaborative governance of grant policies to foreign governments / foreign institutions, namely the low realization of the grant budget, are illustrated by the results of the analysis. In the participant organization analysis unit, there are findings in the outcome effectiveness dimension, namely the List of Grant Provision Plans (DRPH) as the basis for implementation in FY 2021 and 2022 which should have been published in T-1 but was published in the current year. The lateness of the DRPH affects the effectiveness of the outcome because the time to negotiate agreements and implement grant awards becomes narrower. This constraint is a major contributor to the low budget realization of grants to foreign governments/foreign institutions.

Another problem found with collaborative governance performance assessment tools is that in the policy of grants to foreign governments / foreign institutions there is no monitoring system or mechanism to evaluate the achievement of the policy objectives, this is supported by the reality that the outcomes of the policy of grants to foreign governments / foreign institutions still need clear indicators so that they are still not measurable. For this reason, as a recommendation, it is necessary to formulate a measurement of the outcomes of the policy of providing grants to foreign governments / foreign institutions. Indicators of outcome success are needed as a monitoring and evaluation tool. The policy of providing grants to foreign governments/foreign institutions is not a temporary policy because it is part of the state objectives stated in the Preamble of the 1945 Constitution. Monitoring and evaluation is very important for policies that take place continuously. Monitoring and evaluation is carried out not only on the granting project, but also the collaborative governance process because it involves many participating organizations.

In the end, the advice given in this research is for the participating organizations to increase the productivity of collaborative governance in grant-making policies to foreign governments/foreign institutions. This research is limited by the use of the GRC performance dimension matrix on grant policies to foreign governments/foreign institutions that generally meet the conditions of collaborative governance. Therefore, this research can be developed by looking at the GRC process itself in granting policies to foreign governments/foreign institutions

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