From 2007-2016, Indonesia’s Generasi Sehat Cerdas (‘Bright Healthy Generation’), a community driven development (CDD) program distributed annual block grants to 5,400 villages to support activities that reduce maternal and child mortality and ensure universal coverage of basic education. Generasi employs unique performance incentives: the size of a village’s block grant depends in part on its past performance on the 12 targeted indicators. To facilitate a rigorous evaluation of Generasi, the Government of Indonesia, World Bank and J-PAL conducted routine randomized evaluations. This presentation shares the findings of a mixed-methods impact evaluation (IE) conducted in 2016, focusing on the qualitative component. The quantitative analysis finds that Generasi still helps mobilize community members to attend local health posts for infant weighing, maternal health and parenting classes, immunization, and Vitamin A. Generasi’s initial impact on stunting has not been sustained beyond the 2009 IE. The qualitative results point to the importance of facilitators who are embedded in the communities where they work, but also the limits of community participation for empowerment, and the limited utility of performance bonuses at the community level. Specifically, we find that Generasi facilitators collaborate with a variety of actors in the community and at different government levels to assess community needs and address problems. Facilitators and beneficiaries interpret community participation as attending meetings and utilizing services, which fails to advance the program’s goal of empowering communities to plan, implement, and monitor the delivery of basic services and influence village governance. While facilitators at all levels were aware of the 12 health and education targets, few understood how they relate to performance bonuses. Instead, public accountability serves as a more important motivation to achieve the targets. Finally, the study found that Generasi has had a significant impact on village governance, but not on the delivery of sector-based service provision. This long-term IE fills an important gap in the CDD literature, given most evaluations are conducted after only 2.5 years. Overall, these findings provide a nuanced review of what works and what requires refinement when CDD principles are applied to rural health and education services in settings of decentralized governance.