The Pressing Need for Reform:
The Provincial Civil Service
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Provincial Governance Strengthening Programme

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## Glossary of Terms

<table>
<thead>
<tr>
<th>Abbreviation or acronym</th>
<th>Description</th>
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<tr>
<td>ADB</td>
<td>Asian Development Bank</td>
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<tr>
<td>ADEKSI</td>
<td>Asosiasi Dewan Perwakilan Rakyat Daerah Kota Seluruh Indonesia</td>
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<tr>
<td>ADKASI</td>
<td>Asosiasi Dewan Perwakilan Rakyat Daerah Kabupaten Seluruh Indonesia</td>
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<tr>
<td>AECID</td>
<td>The Spanish Agency for International Development Cooperation</td>
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<td>AGI</td>
<td>Art Gold Indonesia</td>
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<td>ALGAP</td>
<td>Aceh Local Governance Programme</td>
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<td>ANRI</td>
<td>Arsip Nasional Republik Indonesia</td>
</tr>
<tr>
<td>APKASI</td>
<td>Asosiasi Pemerintah Kabupaten Seluruh Indonesia</td>
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<td>ASEM</td>
<td>The Asia-Europe Meeting</td>
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<td>ASSD</td>
<td>Advisory Service Support for Decentralization</td>
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<td>AusAID</td>
<td>The Australian Agency for International Development</td>
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<tr>
<td>Bangda</td>
<td>Bina Pembangunan Daerah</td>
</tr>
<tr>
<td>Bappeda</td>
<td>Badan Perencanaan Pembangunan Daerah</td>
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<td>Bappenas</td>
<td>Badan Perencanaan Pembangunan Nasional</td>
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<tr>
<td>BGR</td>
<td>Bureau of Governmental Research</td>
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<tr>
<td>BKD</td>
<td>Badan Kepegawaian Daerah</td>
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<tr>
<td>BKN</td>
<td>Badan Kepegawaian Negara</td>
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<tr>
<td>BPKP</td>
<td>Badan Pengawasan Keuangan dan Pembangunan</td>
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<tr>
<td>BRIDGE</td>
<td>The Building and Reinventing Democratic Governance</td>
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<td>BRSP</td>
<td>Balochistan Rural Support Programme</td>
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<tr>
<td>CAP</td>
<td>Community Action Planning</td>
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<td>CAPE</td>
<td>Country Assistance and Program Evaluation</td>
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<td>CBAP</td>
<td>Capacity Building Action Plan</td>
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<td>CBNA</td>
<td>Capacity Building Needs Assessment</td>
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<td>CDD</td>
<td>Community Driven Development</td>
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<td>CIDG</td>
<td>Canadian International Development Agency</td>
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<td>CLGS</td>
<td>Community and Local Government Support</td>
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<td>CSP</td>
<td>Country Strategy and Program</td>
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<tr>
<td>Diklat</td>
<td>Pendidikan dan Pelatihan</td>
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<td>DP3</td>
<td>Daftar Penilaian Pelaksanaan Pekerjaan</td>
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<tr>
<td>DPRD</td>
<td>Dewan Perwakilan Rakyat Daerah</td>
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<tr>
<td>EU</td>
<td>The European Union</td>
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<tr>
<td>GAM</td>
<td>Gerakan Aceh Merdeka</td>
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<td>GDS</td>
<td>Governance and Decentralization Survey</td>
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<td>GLG</td>
<td>Good Local Governance</td>
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<td>GOI</td>
<td>Government of Indonesia</td>
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<td>GR</td>
<td>Government Regulation</td>
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<td>GIZ</td>
<td>The Deutsche Gesellschaft für Internationale Zusammenarbeit</td>
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<tr>
<td>HIV/AIDS</td>
<td>Human Immunodeficiency Virus / Acquired Immune Deficiency Syndrome</td>
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<tr>
<td>HRD-LG</td>
<td>Human Resources Development for Local Governance</td>
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   UNDP/PGRI
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   CIDA/GRIS II
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   ADB/SCBD

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1. INTRODUCTION

This thematic paper discusses main issues of provincial civil service reform to strengthen the functions of the provincial government in a decentralized governance set-up. The reform is required as a supporting strategy for the implementation of decentralization in government operations, thereby improving government policy making and planning functions, and improving service delivery to the population through devolving of authority to sub-national government.

Civil service reform means that roles and responsibilities concerning government functions and service delivery may change, as well as the management of the civil service itself. The management can be shifted horizontally to various agencies or vertically to sub-national governments. This means capacity building to perform new government tasks in new organizational settings must follow.

The question is what are the main issues of national and regional civil service of Indonesia? What are the problems and opportunities in capacity strengthening of the provincial government? The last question is how Indonesia deal with this reform?

The paper specifically looks at laws and regulations on civil service from the following perspectives:
- Existing laws and regulations on civil service;
- Their appropriateness for the best practices of merit based personnel management;
- Its appropriateness with organizational requirements for decentralized provincial governance;
- Its appropriateness with the pursuance of development objectives and with Millennium Development Goals of the province;
- Its responsiveness to the growing demand to enhance a new strategy of decentralized economic growth as conceptual framework for governance decentralization;
- Existing donor assistance on decentralization with civil service components.

2. THE NATIONAL PUBLIC ADMINISTRATION SYSTEM

In broader term the national system of administration in Indonesia is under the Institute of Public Administration (LAN) whose main function is to carry research and analyses of administrative development issues and to provide training for members of Indonesia’s public service, and the civil service including the management of members of the national civil service is under the National Civil Service Agency (BKN). Both bodies report to the President through the Minister of State for the Empowerment of State Apparatuses (MenPAN). This section reviews these systems in the light of the ongoing reforms, particularly decentralization, to see whether these fundamental crosscutting elements of Indonesian public administration are conducive to reform. The conclusion is that radical public administration and civil service reforms are both required and urgent. This section is summarized in a table listing reform activities to be taken to make the systems work more effectively.

The National System of Administration

The Minister of State for Empowerment of the State Aparatuses (MenPAN) is appointed by the President to formulate national policies on the enhancement of productivity and quality of Indonesian civil service, the improvement of government agencies in delivering public services, and the enhancement of good governance. On behalf of the President, the Minister coordinates the work of the National Institute of Public Administration (LAN), the National Civil Service Agency (BKN), the Financial and Development Supervisory Board (BPKP), and the National Archive (ANRI).

The Minister and LAN are the custodian of the national administrative system comprising of a large body of rules and procedures in the form
of Ministerial regulations on the organizational design of government agencies and offices. For the regions there is also a massive compilation of regulations from Minister of Home Affairs, other ministers, Regional Regulation, as well as regulations issued by the Governor.

All proposals for organizational and administrative changes must follow the national rules that provide organizational models for ministries, government agencies, secretariat general of legislative and judicative bodies, and regional governments. As chief custodian of rules and regulations on government organization, MenPAN’s consents are compulsory for any change in every changes in government agencies.

In formulating the administrative and organization policies to ensure efficiency and effectiveness in meeting public sector management objectives, the Ministry is supported by LAN RI, a non-departmental agency of the government whose major functions include the formulating policy recommendations to the government concerning administrative and organizational change. Other main function of the Institute is to provide training and university level training for government employees to bring their professional skills in line with organizational needs of the government.

Although Law 32/2004 on regional government does not state the system of administration and a function to be devolved to the region, the nature of MenPAN’s powers over organizational affairs of the regional government changes significantly. Regional government has at present more freedom to design their organizational structure based on national guidelines but in accordance with regional needs without too much involvement from MenPAN. The guidelines are given in Government Regulation (GR) 41/2007 on the organization of regional government, which set criteria for organizational set up of regional government administration based on the population size, financial condition and others.

The national system of administration separates organizational design from manpower planning, i.e., from the establishment of professional capacity for each position with the organization as well as from budgeting. This separation implies three problems with great repercussions to effective functions of the organization. First, organizations are designed and regulated without due regards for professional skills needed. Second, the process of defining the professional skills needs of the organization is based on different regulations, GR 1/2002, which emphasized more on educational achievement and general administrative skills. Third, organizational designing and recruitment of staff are separated from budgeting, affecting overall performance of the organization.

The regional system of administration follows the national system in both ways. Except in some provinces, organizational design is usually separated from personnel management as well as from budgeting. Administrative and organizational regulations are usually made at the Province Secretariat and personnel development and training functions are under the Provincial Staff Training and Education Office. At the districts and cities, most of these functions are under the purview of the district and city’s Secretariat. The management of members of province civil service and district’s and city’s placed under the Civil Service Office of the province, districts or cities. The separation of organizational design from personnel development planning and management and from allocation of budget, continue to become one the main issues in regional civil service reform and need to be addressed in order to enhance provincial government’s capacity to carry out its functions.
### Table 1 – Findings of Administrative Reform Issues and Problems

<table>
<thead>
<tr>
<th>Issues</th>
<th>Problems</th>
<th>Actions to be taken</th>
</tr>
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<tbody>
<tr>
<td>Roles of the provinces</td>
<td>Law 32/2004 does not define clearly role of the province, especially the dual roles of governor as head of an autonomous region and as holder of devolved powers of the national government</td>
<td>A draft Law on Regional Government to replace Law 32/2004 is being prepared and would be enacted in 2011.</td>
</tr>
<tr>
<td>Organization of Administration</td>
<td>Regions still cannot organize according to their needs</td>
<td>Reform the national system of administration and civil service system</td>
</tr>
<tr>
<td>Planning</td>
<td>Regions are introducing regional strategic plans but local planning skills are still weak</td>
<td>Institute capacity building programs to improve regional planning capacity</td>
</tr>
<tr>
<td>Service standards</td>
<td>There is still no clear definition of the extent of services to be provided by province, districts/cities in the obligatory functions</td>
<td>Implements minimum service standards for the obligatory functions</td>
</tr>
<tr>
<td>Political intervention on civil service</td>
<td>Implementing regulation of Law 43/1999 allows political intervention on recruitment, appointment, and promotion of personnel, and this affect the quality of sub-national public service.</td>
<td>A draft Law on Indonesian Civil Service to replace Law 8/1974 and Law 43/1999 is being prepared and would be enacted in 2011.</td>
</tr>
<tr>
<td>Comoditization of civil service positions</td>
<td>Delegation of personnel management authority to elected officials at national and sub-national causes widespread commoditization of staff appointments.</td>
<td>Replacement of staff appointments based on “formation” with appointment based on vacant positions.</td>
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</table>

### The National System of Civil Service

The National Civil Service Agency (BKN) is the custodian of the civil service whose main functions are the management of civil servants of the national government, promotes good standards and procedures in civil service management, and sets up competency standards for the positions in the civil service. The Agency implements Law 8/1974 on the civil service as amended by Law 43/1999, and a body of regulations, mainly decrees from the head of BKN, which is considered as part of the national administrative system. Law 43/1999 fosters a deconcentrated, not a devolved, civil service system, merit based personnel management system, and propagates a public service system that is free from political intervention. To oversee implementation of the decentralized and merit based civil service that is politically neutral, Law 43/1999 gives mandate to the Government of Indonesia for the establishment of Civil Service Commission as an in-dependent statutory body to serve as custodian of a professional and merit based personnel system and the application of Public Service values and codes of conduct by all government agencies. Twelve years after the enactment of Law 43/1999 the Commission has not yet been established and this delay has affected the speed of reform of the national and provincial civil service to a certain degree.

Government regulations under Law 43/1999 are synchronized with Law 32/2004 on regional government. National government agencies must have their establishments approved by BKN, while regional formally have the right to define their own establishment and can manage their own
staffing affairs, provided they follow national government policies and guidelines. These guidelines maintain closed hiring and appointment systems that do not encourage appointments, placement and promotions based on qualifications, competence, and performance. BKN retains regulatory control over the implementation of zero-growth policy, and manage staff transfers between agencies. In practice, ministries have promulgated a wide range of personnel regulations, with the Ministry of Home Affairs (MoHA) creating most of the body of regulations governing civil service in autonomous regions, which have yet to be amended in line with the new laws on decentralization and the civil service. The regions have also added to this large body of regulation their own procedures and guidelines, mostly defined by decrees that do not need approval from DPRD.

Devolvement of personnel management functions to elected heads of sub-national governments has created fertile ground of corruptions as indicated in a study by a Norwegian political scientist Stein Kristiansen in 2009. Appointments of new civil servants are tagged with high prices in the range between Rp 60-75 million for lower positions to Rp 100-150 million for mid-level positions. For appointment as district secretary or head of district agencies the price tags are even higher. To curb the personnel malpractices draft law on Indonesian civil service is now under preparation by the House of People Assembly.

1. A closed career system
Law 8/1974 on the Civil Service was written during at the beginning of New Order Government to facilitate very centralized national government. When the Reformation Government took over in 1998 it was amended by Law 43/1999, to foster a decentralized and merit based civil service system that is free from political intervention. It is a relatively brief Law and requiring many matters of principle and procedures to be defined in government regulations and president or ministerial decrees. The main ones are Government Regulations Nos. 11 to 13/2002 covering recruitment, selection, appointment, promotion, the establishment of structural and functional positions, and on training institutions. GR No. 9/2003 determines national and regional officials responsible for the appointment, promotion and termination of government employees, GR 54/2003 appoints MenPAN as official for authorizing the “formation” or number and classification for government employees to be recruited. GR 10/2008 regulates salary scale for public servants.

Law 43/1999 considers members of Indonesia’s civil service or civil servants as belonging to a single national civil service or Aparatur Negara in Bahasa Indonesia with single civil service identification number to ease regional mobility of capable government personnel. The Law also stipulates a new category of government employees, the non-permanent civil servants or contract based government employees for educational, health, researchers, extension workers and other jobs that are very sensitive to changes in the structure of Indonesia’s demography and society. This scheme has not yet been implemented except for some professionals in health service who are appointed for limited terms. Otherwise, majority of government employees are guaranteed tenure, salary, allowances, right for promotion, leave, health insurance during their career, and a pension when a civil servant reaches compulsory retirement age of 56 or 60.

Indonesia employs a career civil service system. Civil servants are recruited to the service after a person graduates from high school, undergraduate or graduate educations, on the basis of results of entry examination and levels of education. Persons of different levels of education would enter civil service at different grades, and a career is advance through ranks where promotion is based on seniority, competition, and managerial training. Up to 1968, the Indonesian civil service contained some 2,000 professionally classified positions. However since 1969 when Law 8/1974 was enacted Indonesia’s civil service system was reformed following a military-style ranking system and
the professional classification system was slowly replaced by the current career based system based on 17 personnel ranks, from I/a the lowest position to IV/e the highest position in the civil service.

Since 1980s the Government of Indonesia made several efforts to change the system to a position-based system with no success. Although the President holds the right to appoint non-civil servants to senior positions in the government agencies, the appointments were quite rare and the persons have to be recruited as civil servants. These are the main reason for the appointment of university professors in senior positions in government agencies, as until now university staff members are officially members of Indonesia’s civil service. Civil service system based on professional job classification is considered as more suitable for various skills needed in modern administration than a career system based on general ranks. The position-based system is today considered to better promote professionalism, efficiency, transparency, and accountability than a career system. But it should be acknowledged that career-system is still be required for certain segment of government bureaucracy, thus Indonesia needs to find the best combination of the two systems and that shall be one of the main objectives of civil service reform.

2. Multiple authorities in Civil Service Regulation

Each regional government, ministry and government agency is responsible for its personnel management, according to standards, norms and procedures set out by MenPAN and BKN. All national government personnel are administered centrally by the BKN, while Law 43/1999 stipulates that members of the civil service in each region are managed by the regional civil service board. In some provinces like Nanggroe Aceh Darussalam, Central Java, and Gorontalo have civil service management and in-service training board, while in other provinces and most districts separate boards are set for these functions. In smaller districts and cities personnel management is done by an office within the district or city’s secretariat. BKN maintains a national register of all civil servants. The database includes over 40 records of essential personal data, including date of recruitment, education and training, present and past positions, salary, allowance entitlement, and family record. All regional and national agencies have to report changes in these records to BKN through its 12 regional offices.

LAN regulates the education and training of civil servants and runs senior executive training for all government agencies. LAN, MoHA, Department of Finance also has a higher learning institution that offers under and graduate level education for public service members as well as the public. National government and provincial government agencies have their own training units, and several district and cities have recently established training units. Technical trainings for national and provincial civil servants have also been outsourced to universities and training institutes. Provision of training services by a plethora of government, university and private institutions bring about other main issues for civil service reform, the quality and validity of technical trainings.

Policy making for regulating the civil service is usually best managed by a single authority. In Indonesia such functions are managed by diffused authorities that include MenPAN, BKN, and LAN RI for national civil service, and MoHA, BKN, and regional civil service agencies for regional civil servants. To add to the complexity, BKN and its 12 regional offices also carry out operational functions. Law 43/1999 mandated the establishment of a civil service commission to formulate and oversee nation-wide civil service policies. This commission has not yet been established. The implementation of a decentralized governance and decentralized civil service system does not annull the inherent need for a national, system-wide norms and standards for civil service. Thus the need for a national civil service committee to formulate and monitor the application of national civil service standards and procedures remains. Following international good practices a
The central civil service commission should be empowered to: (1) issue civil service regulations on matters that should be nationally coherent; (b) monitor the implementation of national civil service legislation and regulations; (c) issue national salary guideline for civil service; (d) collect and maintain necessary information on members of the civil service, their distribution, and costs; and (e) serve as the highest arbitrage in civil service matters.

Government Regulations under the Law works quite well with Law 22/1999 on regional government and later with Law 32/2004 on regional government. National government agencies must be approved by the MenPAN and organizational positions accepted before personnel are allocated. Regional governments formally have the right to define their own establishments and manage their own personnel affairs following national civil service standards and procedures. These guidelines maintain national wide hiring and closed appointment system that do not progressively encourage appointments and promotions based on competence and performance.

BKN retains regulatory control over the implementation of the zero-growth policy, and manages staff transfers between agencies. In practice, each ministry have promulgated a wide range of personnel regulations, with MoHA is probably the biggest producers of a body of regulations governing civil service practices in the regions. The regions have also added to this large body of regulation their own procedures and guidelines, mostly defined by decrees of governor’s or by provincial or district/city regulations.

3. Weak accountability procedure

Law 43/1999 mandated staff members of Indonesian civil service to be professional, honest, fair, and accountable to the government. They must also be neutral and the Law prohibits national and local government personnel becoming active functionary in political parties. All members of the civil service have to perform their functions with responsibility, consciousness, dedication, and they must uphold the good image and integrity of the civil service. They must not misuse government property for their own and other peoples’ advantage, and is prohibited from business activities that are related to their position.

GR 30/1980 on Code of Conducts for Indonesia Civil Service provides for disciplinary liability and disciplinary procedures that ranges from oral warning, written warning, suspension of salary and promotion, demotion, and dismissal from public service. After decentralization regulations were enacted disciplinary actions against personnel of the regional civil service were processed at the provincial level. In practice, however, actual administrative sentences were rarely been implemented.

Annual assessment of performance of personnel of national and regional civil service or the DP3 (Civil service performance assessment form) contains some useful indicators for performance assessment. The assessment is done by direct superior officers and is reported in descriptive forms, not as an assessment of performance against targets and objectives. Therefore, the DP3 is more a measure for determining rewards and not an effective instrument for evaluating civil service accountability.

4. Job classification based on structural and functional ranks

Unlike in position-based system of civil service, job classification in Indonesia civil service is divided into two main categories, namely, the structural positions and the functional positions. Structural positions or managerial positions comprise of four (4) echelons ranging from the lowest: 4th echelon position section head or equivalent, 3rd echelon position for head of sub-directorate, 2nd echelon position, head of sub-directorate or head of bureau, and 1st echelon position such as Secretary Generals of Department or Statutory Bodies, Director Generals, Heads and Deputy Heads of Statutory Bodies. Outside these managerial positions members of civil service are lumped into staff positions, to
which category majority of the civil servants become members. The first step in the staffing process in each government agency at national as well as regional levels is to define an establishment of personnel, indicating the numbers of personnel, indicating the number of civil servants needed to fill managerial or structural, professional or functional, and general staff positions. The number of structural positions with a ministry or a statutory body are defined in the decrees of the respective ministers, head of statutory agencies, or head of regions that defines the missions, functions and structure of the organization. Qualifications to fill these positions are based on administrative qualifications, technical competence, seniority, leadership, and top positions need security clearance.

Professional or functional positions are for members of the civil service who do not hold managerial positions in the civil service. Teachers, researchers, planners, statisticians, extension workers, social workers, librarians, IT technicians and programmers, and nuclear scientists and researchers, are example of functional positions in Indonesian civil service. Like structural positions, functional positions are grouped into 4 categories. For example, teaching staff in the university is ranked into 4 groups, namely, lecturer positions, senior lecturer positions, associate professorial positions, and professorial positions.

Each structural and functional positions entitled for special structural and functional allowances in addition to salaries and core allowances that are based on Civil Service Salary Scale. The salary scale comprises of 17 ranks and each rank has between 4 to 16 steps. Total take home pay received by a civil servant depends on his or her structural or functional position and the corresponding salary rank.

5. **In-service training**

LAN RI, departmental training institutes, and regional training institutes, all provide in-service-training for staff members of civil service. Much of the training provided is a mandatory requirements for promotion, is very general in content, and uses formal methods. Such training is oriented toward allegiance to the system and is not specifically designed to develop management, technical or policy-making skills or to improve performance and government efficiency. Civil servants spend much more time in structural training for promotion than in technical, vocational or managerial training. Every institution has to spend training funds on the mandatory structural training, which naturally reduces available funds for technical and professional training. Where specific training is required, for example, to operate particular equipment, training must be run at frequent intervals because most government offices regularly rotate their staff and the trained civil servants more on to other duties, general in content, and uses formal methods. Such training is oriented toward allegiance to the system and is not specifically designed to develop management, technical or policy-making skills or to improve performance and government efficiency. Civil servants spend much more time in structural training for promotion than in technical, vocational or managerial training. Every institution has to spend training funds on the mandatory structural training, which naturally reduces available funds for technical and professional training. Where specific training is required, for example, to operate particular equipment, training must be run at frequent intervals because most government offices regularly rotate their staff and the trained civil servants more on to other duties.

Structural training is fully funded from national or regional routine budgets, while technical or managerial training is funded from development budgets and usually depends largely on external funds. External funding agencies have repeatedly established technical training programs for ministries and prepared plans for sustainability, only to find that the facility were left empty and training ceased once the program was completed. This a human resource management problem, but it is also a budgetary problem and is a consequence of the dual budget system that does not provide financial resources on the
budget once an assistance program is completed.

The less professional job classification to a certain degree causes the quality of civil service training is regarded as poor and the design of structural training is out-dated and does not provide necessary skills such as strategic planning and public policy formulation in trainings for higher level managerial positions. The quality of externally funded training programs can be improved if they are well planned and training courses are carefully selected. The poor usage of externally funded training programs often contributes to the lack of sustainable support from these sources.

The national civil service system does not yet support the assessment of skills requirements of various positions in public organization, or the classification of professional competencies for different staff positions. The separation of training from institutional development needs and the lack of focus on both individual and institutional performance are core reasons for the poor record of training programs in the past. However, there is now a National Framework for Capacity Building established by MoHA, which has the potential to make training more sustainable. The on-going ADB capacity-building program in support of decentralization is intended to lead to sustainability by focusing on the necessary training infrastructure, sustainable training curricula and training methods, sustainable budget techniques, and professional criteria for special jobs including accreditation schemes.

For many reasons, the current training system has not yet geared toward building sustainable capacity. According to GR 10/2000 on Civil Service Training, LAN RI is assigned as leading agency to reform civil service training to make it more professional and skills-based. Training funds, for example, are no longer given to training suppliers but to government agencies to be used in accordance with their needs. To have a larger impact, training reforms have to be designed with a broader context of legal and institutional reform.

6. Remuneration system not productivity oriented

The pay system in Indonesian civil service pay system is complex and lacks transparency and simplicity. A Presidential Decree defines the scale for civil service basic salary which comprises of 17 ranks and around 20 steps for most of the ranks. The basic salary is supplemented by a maze of allowances based on personal criteria (food and family allowances), on location (remote area allowance), on position (structural or functional allowances), and special allowance for jobs with greater risks (nuclear technicians). Law 30/2007 on Teaching Positions adds to this complexity with the introduction of professional allowance for teaching staff. For most functional positions additional incomes come as payment for additional works in excess of regular workload. Basic salary usually comprise about one third of take home pay. For those civil servants who hold high structural positions or highest functional positions their basic salary comprise about a quarter of their take home pay. Problem arises when a civil servant retires as his pension is calculated as a fraction, 75 percent at the highest, of his or her basic salary. This means when a civil servant retires his or her total pension is only 20-25 percent of his or her take home pay.

Law 43/1999 stipulates civil service salary must be comparable to salary in the private sector, commensurate to responsibility, and motivates civil service productivity. This mandate has not been implemented by the national and regional governments yet. The complexity of the salary system applied in Indonesian civil service and its various allowances drives the World Bank to conclude “Indonesia government’s approach to civil service pay has been ad hoc and contradictory to good practices in followed in other parts of the world.” Law 43/1999 stipulates a new category of civil service, non-permanent or contract based government employees. This new category of employment is designed for various functional positions in the civil service such as teachers and university teaching staff, health service personnel, researchers, extension workers, public relation officers,
which amount to almost half of Indonesian civil service. However, the regulation for this government employee category has not been issued yet although this category, when enacted, can bring down the size of Indonesian civil service to a half.

The analysis of Indonesian civil service above brings us to some conclusions which is summarized in Table 5. The main conclusion is that the national system of administration and the civil service system do not support good governance and performance improvement. Both systems need fundamental reform, taking internationally recognized practices into account. Organization should be designed to match institutional needs and staffed with appropriate skills. Incentives need to be changed to improve performance and reduce corruption. Training needs to be modernized and oriented toward performance enhancement by focusing on improving technical and managerial skills. As sustainability is important, the regional governments should adhere to the National Framework for Capacity Building, which cover all state institutions on all levels and whose main message is that all training should be sustainable and not implemented as standalone activities. Sustainability requires improved manpower planning, an improved system for training, and a reformed budget system. And not implemented as standalone. The planning of operations, design of organizational structures, manpower planning, and budgeting need to be considered as one system of management and not four separate system of planning, as is now the case.

Effective human resource management is dependent on professional job classifications together with skills and qualifications assessments as well as on recruitment, appointments, transfers, and promotions being based on merit and institutional needs. The closed appointment procedures should be replaced with competitive appointment and promotion at least for professional managerial positions. Remuneration should reward responsibility, complexity, and performance as well as experience. Remuneration should underpin good performance. The large number of skilled government employees in the national and regional governments is underutilized in their current positions following decentralization. These employees should be considered as national asset. The implementation of an open and competitive recruitment mechanism may well start with a program to reassign these qualified officials to positions where their skills could be utilized. Another area where an open and competitive mechanism would meet popular demand would be in the relocation of teachers and health officials to redress major inequalities in distribution across the country. Professional associations and trade unions should play an increasingly important role in government human resource management. From the start, national government policy should encourage associations and unions to be involved in this effort.
## Table 2 – Findings on the Civil Service System

<table>
<thead>
<tr>
<th>Issue</th>
<th>Findings</th>
<th>Actions to be taken</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall Assessment</td>
<td>The national system of administration and the civil service system are not conducive to good governance and improved performance</td>
<td>Reform the systems (organizational design, manpower planning and staffing, incentive structures, human resource management, training systems, and budgeting. Integrate the four planning processes into a single management process. Efforts to improve efficiency and effectiveness of government are dependent on integrated management.</td>
</tr>
<tr>
<td>Integrated Management</td>
<td>At present, operational planning, manpower planning, development planning, and the budgeting take place independently of one another</td>
<td></td>
</tr>
<tr>
<td>Role AND mandate of central institutions (MenPAN, BKN, and LAN)</td>
<td>Central institutions emphasize adherence to regulations rather than performance</td>
<td>Reform and merge central institutions to help them adjust to decentralization, focus on performance, and emphasize sustainability</td>
</tr>
<tr>
<td>Civil Service Performance</td>
<td>The civil service system is a career system not focused on professionalism and performance</td>
<td>Introduce a position-based civil service system including open, competence-based hiring and promotion; better incentive structures, professionally classified positions and improved training.</td>
</tr>
<tr>
<td>Structure of the civil service</td>
<td>Indonesian civil service composes of approximately 1.1 million national civil servants (PNS), 2.5 million regional civil servants, and more than a million personnel under short service agreement (SSA).</td>
<td>Reform structure of the civil service by downsizing the national and regional civil servants (PNS) and implement Short and Medium Service Agreements for teaching, health, and technical personnel.</td>
</tr>
<tr>
<td>Job Classification</td>
<td>Civil service positions are not professionally classified. There are no requirements for position holders to have skills matching the tasks.</td>
<td>Introduce professional job classification covering all structural and functional civil service position. Issue guidelines, tools, and budget allocation and improved training.</td>
</tr>
<tr>
<td>Gender Equity</td>
<td>Women are underrepresented in managerial positions, and in most sections other than health and education.</td>
<td>Increase the emphasis on the current gender mainstreaming program</td>
</tr>
<tr>
<td>Unions and Professional Association</td>
<td>Union’s activity in the civil service has only just begun and there are have professional associations.</td>
<td>Encourage the development of professional associations.</td>
</tr>
<tr>
<td>Decentralization</td>
<td>Regions have more autonomy to organize themselves, but they have been provided with a model that is too limited.</td>
<td>Involve unions in civil service reform.</td>
</tr>
<tr>
<td>Staff Allocation</td>
<td>There is no mechanism for the transfer of staff to or between regions. Such as mechanism is urgently needed because of the large disparities in staff levels between regions, and excessive staffing in national government system</td>
<td>Introduce relocation mechanisms. This would imply an opportunity for introducing open hiring system.</td>
</tr>
<tr>
<td>Personnel Records</td>
<td>Many irregularities in data were found during the transfer of personnel to the regions. The Government proposes to reenter all personnel records into an upgraded database system.</td>
<td>Conduct a proper audit before reentering data.</td>
</tr>
<tr>
<td>Training</td>
<td>Indonesia has a poor track record in functional training programs supported by funding agencies. To support decentralization a new approach is being developed.</td>
<td>Reform the training system. Training should be oriented toward performance and should focus on developing technical and managerial skills. Sustainability requires improved budgeting and selection for training.</td>
</tr>
<tr>
<td>Remuneration and pension system</td>
<td>Civil service pay is low, very complex, lacks transparency and not commensurate with legal requirement as mandated by Law 43/1999. Pension uses ‘pay as you go system’ and is based on basic salary causing a sharp decline in welfare of retired civil servant.</td>
<td>Salary reform is long overdue and has to focus on simplification, increased transparency and based on performance. Pension reform is required to reduce burden on Government Budget.</td>
</tr>
<tr>
<td>Issue</td>
<td>Findings</td>
<td>Actions to be taken</td>
</tr>
<tr>
<td>-----------------------</td>
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<td>---------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Combating corruption</td>
<td>Many activities are rewarded with allowances, creating an environment where civil servants are dependent on additional payments.</td>
<td>The practice of selling and buying positions should be an early and particularly important target in a civil service reform. Officials subject to corruption investigation should be suspended from office.</td>
</tr>
<tr>
<td></td>
<td>Positions and promotions are offered for sale, candidates invest with the expectation of rewards not commensurate with formal remuneration, thus entrenching corruption.</td>
<td>Introduce clear procedures for suspension of officials investigated for crime.</td>
</tr>
<tr>
<td></td>
<td>Officials under investigation for corruption are allowed to remain in office.</td>
<td>Abolish current procedure which means that investigations or prosecution against officials is subject to approval of higher civil service authority or the president.</td>
</tr>
<tr>
<td></td>
<td>Civil servants cannot be investigated or prosecuted without approval of the higher civil service authority.</td>
<td>A draft Law on Indonesian Civil Service is in the legislation process and this mandated the establishment of Civil Service Commission with authority to oversee implementation of a-political civil service, its values and code of conduct by head and employees of agencies of sub-national governments.</td>
</tr>
<tr>
<td>Civil Service Commission</td>
<td>Civil service affairs is the responsibility of a plethora of government ministries and agencies, MenPAN, BKN, LAN, and MoHA, at national level, and BKD at regional levels</td>
<td></td>
</tr>
</tbody>
</table>


BKN = Badan Kepegawaian Negara (National Civil Service Board); LAN = Lembaga Administrasi Negara (National Institute of Administration); MenPAN = Menteri Negara Pendayagunaan Aparatur Negara (State Minister for the Empowerment if the State Apparatus).

### 3. PROVINCIAL CIVIL SERVICE SYSTEM AND REFORM ISSUES

The issues surrounding provincial civil service reform to enhance its capacity to act as custodian of a merit based personnel management at all agencies of provincial government are numerous but they can be categorized into two major categories. First, issues that relate to the national level legal framework, including the basic characteristics, values and code of conduct of Indonesian civil service; and second category that relate to the function of provincial civil service board.

To support effectively a decentralized governance, new functions as zoning and economic planning coordinator of the region, coordinative roles in the achievement of MDGs, and enhanced supervisory roles of the sub-province governments, the province and civil service system should be able to oversee the implementation of national civil service standards, values and code of conducts of personnel practices by all agencies of the regional government. To achieve these provincial civil service reform should cover the following aspects:

- A sufficient legal framework to define legal mandate, functions, roles and responsibilities of the various levels of government in a coherent, transparent and manageable way;
- A clear delineation about which level of government and which regulatory agencies should have the power to determine organizational requirements and human resource policies and procedures, i.e. pay scales, terms and conditions of employment, and civil service structure;
- Sufficient power and appropriate tools for the regional governments to determine their own organizational structures related to local needs and subsequently be provided with modern human resources policies and instruments geared at improving service delivery;
- Consultation with various constituencies – civil servants, associations, local politicians,
service users to voice needs and to set standards for service delivery;
• A transparent and accountable merit personnel management system that provides adequate incentives for civil servants and is sustainable over the medium and long terms;
• A strong commitment and capability of the Central Government to monitor and evaluate decentralization and in particular the implementation of provincial civil service reform and to adapt changing policy, objectives, local needs and the availability of financial resources.

Main issues that are related to Provincial Civil Service Reform are as follows:

Legal framework for decentralized governance: Law 32/2004

One of the most critical and challenging elements of decentralization in Indonesia that has to be tackled in the recent reforms is the restructuring of regional government's functions. This was done with the inaction of Law 32/2004 and subsequent regulations. Law 22/1999, taking a residual approach of government functional division between central and regional governments, did not specify clearly regional government functions. Even when there was clarity, some ministries/agencies resisted the assignment of important and income generating functions, leading to tensions between levels of government.

Law 32/2004 corrects the assignment of residual functions to regional government. It enumerates 16 obligatory functions for provinces and districts/cities, and discretionary functions. Some of those functions are sector determined and the others are based on management functions. The functions devolved to provinces and those given to districts/cities are basically identical but for minor additions, some provincial functions relate to cross-district roles or functions the districts/cities could not perform. The discretionary functions are loosely defined as “covering those government functions that has the potential to further enhance social welfare based on the condition, comparative and competitive potentials of the province.”

GR 38/2007 further strengthens the sectoral characteristics of devolved functions to provinces. It identifies 31 functions that are determined following Indonesia’s development sectors, and divides those into 25 obligatory functions and 8 discretionary functions that have regional development potentials. The some 600 pages regulation on functions assignment to national, provincial, district/city governments does not fully shed lights to the problem of ambiguity of functions between units of governments. Instead, the sectoral approach followed in formulation of the regulation has caused further and more intense confusion in the division of government functions.

Article 2 Section (2) of the Law states “regions as stipulated in Section (1) regulates and executes government affairs according to principles of autonomy and co-administration (tugas pembantuan).” Unlike with autonomy the mechanism for the principles of co-administration is not clearly defined and is poorly developed. The misconceptions of regional governance principles begins with the amended Constitution by mixing autonomy with delegation of national government functions to regional governments, as the term stipulates. For economy and efficiency reasons national government usually delegates some of its functions to regional governments through de-concentration. The inclusion of tugas pembantuan or co-administration functions as underlying framework for regional governance is inconsistent with principle of autonomy of governance and continues to be problematic if it is left unsolved. Unfortunately, the misconceptions of autonomous regional governance starts at the amended Constitution of 1945, especially Article 18 Section (2).Thus, satisfactory solution for this problem of functions delineation can be done only through amendment of the Constitution. Controversy

1Law 32/2004 Article 13 Section (2).
between autonomous governance and functional assignment of government functions would probably continue to continue in the coming years. A major flaw seems to start from inconsistency between law and regulations on decentralization with sectoral laws and regulations. This would have negative effects on the implementation of decentralization, as inter-governmental tensions continue to prevail.

Law 32/2004 opens the possibility of enhancing roles of the Governor by assigning the task to coordinate and supervise the district/city governments. This will further complicate the role of the province as its own role as autonomous regional government, remains unclear. The bolstering of deconcentrated tasks of the Governor has not proceeded in a clear fashion. The tasks as stipulated in Law 32/2004 are not very operational and its implementing regulation, GR 38/2007, does not shed the light for the ambiguity, especially the overlap between the deconcentrated tasks of the Governor and the role of Governor in his capacity as head of the province. Coordination and supervisory tasks toward districts/cities are two tasks carried in both the deconcentrated and devolution streams. In the revision of Law 32/2004 there is a plan to strengthen the roles and functions of the Province by deconcentrating special tasks on regional zoning and regional economic development planning to the provincial government. To guarantee district and city’s adherence to provincial government directions on regional zoning and regional economic development, it can use fiscal decentralization as main policy instrument. This scheme has been implemented with some success as policy package for special autonomy given to the Province of Papua and the Province of Nanggroe Aceh Darussalam.

To improve supervisory functions of the province, Government of Indonesia recently issued GR 6/2008 on assessment of regional governments’ performance, which requests the district and city governments to submit performance reports to the local legislators and to the local public, to the governor, and to the President through the Minister of Home Affairs.

The formulation of autonomy between sub-national governments followed in the amended Constitution of 1945 is unclear, and because of that some measure of hierarchy between autonomous governments as practiced in other countries should be developed, although this needs further study to find the appropriate and applicable model for Indonesia. In moving forward, a great deal of works have to be done to clarify the roles of provinces in Indonesia’s multi-level government and the nature of national government’s tasks that cannot be entrusted to an autonomous sub-national government, and the organizational means of discharging these tasks.

More intensive national debates are to be initiated on these very basic issues of decentralized governance during the drafting of implementing regulations, particularly those relating to the role of Governor and organizational structure. International comparison on division of roles within a multi-level unitary government would be useful input, to overcome autonomy-deconcentration controversy and to make it more operational in Indonesian context. Good practices on project planning coordination and financing and open recruitment of heads of provincial offices and agencies by special autonomy provinces like NAD and Papua could be used as reference in designing the regional planning roles and functions of the province. In these regions, the provinces have the authority to spend special autonomy funds for the achievement of regional development objectives. To make use of this fund, district and city governments need to submit project proposals that are in line with the development priorities of the provinces. Other provinces do not have such authority as national government channels all funds directly to districts and cities, and these regional governments do not need province’s approval to receive funding for their proposed projects.
Table 3 – Key Implications of Existing Regulations on Decentralization

<table>
<thead>
<tr>
<th>Regulations</th>
<th>Key Implications</th>
<th>Ongoing or planned revisions</th>
</tr>
</thead>
</table>
| Law 32/2004 | • Unitary and Decentralized Governance  
• Province as autonomous and deconcentrated government under national government  
• District and City as autonomous government  
• Functions of the province  
• Regional Autonomy Advisory Council | Revisions of this Law is in progress |
| Law 25/2005 | Regulatory framework for financial arrangement between national and regional governments. | |
| GR 38/2007 | Assignment of Functions to National and Regional Governments | Further revision is required to bring it in line with revised Law |
| GR 41/2007 | Guidelines for regional government organization. Regulates 3 sizes of regional government organizations based on the following criteria: (a) size of the population, (b) size of the region, and (c) size of regional annual budget. | |
| GR 65/2005 | Formulation of Minimal Standard of Services | |
| GR 28/2008 | Regional Autonomy Advisory Council | |
| GR 25/2000 | Assignment of functions to National and Local Governments | |
| GR 6/2008 | Assessment of Local Government Performance | |

As such, the position of the province was very much weakened and although Law 32/2004 has corrected these by providing the province more coordinating and supervisory functions over districts and cities governments, the provision was not too effective and weak coordination between local projects and regional planning objectives continued to prevail. An audacity of power of the purse in the part of the province is also reflected in less effective supervisory role of the province. These shortcomings in Law 32/2004 should be corrected if new and enhanced functions of the province in regional zoning policy formulation and in regional development planning were to be realized.

Law 8/1974 as amended to Law 43/1999 and a plethora of Government Regulations, Presidential Decrees, Decrees of the Minister of Home Affairs, of the Minister of State for Civil Service Improvement, and of the Head of the Civil Service Agency serves as the main legal framework for Indonesian civil service system. Legal framework for a decentralized civil service management and a merit personnel management system. Article 34A section (1) of the Law orders the establishment of Regional Civil Service as an element of the nation's civil service and assigns the Regional Civil Service Agency or Office as caretaker of civil service management following national standards, procedures and norms.

This Law and its implementing regulations are based on out-dated perspective which views civil service as two separate systems, the organizational system and the personnel system. The two system were implemented with different regulations and are implemented by separate agencies in the government and frequently causes inconsistency between organizational planning and personnel planning. Organizational set-up of the regional government is defined by GR 41/2007 based on 3 criteria, i.e., population size of the region, physical size of the region, and budget size of the region. While, the personnals of regional
The Provincial Civil Service

Table 4 – Key Implications of Existing Legislations on Provincial Civil Service

<table>
<thead>
<tr>
<th>Regulations</th>
<th>Key Implications</th>
<th>Ongoing or planned revisions</th>
</tr>
</thead>
</table>
| Law 43/1999 | • Decentralized Civil Service System  
  • Merit personnel management  
  • Political neutrality in civil service  
  • National standard and procedures for recruitment, placement, promotion, and termination  
  • Establishment of Civil Service Commission | MenPAN and BKN have plan to revise this Law. |
| Law 32/2004 | • Unitary and Decentralized Governance  
  • Province as autonomous and deconcentrated government under national government  
  • District and City as autonomous government  
  • Functions of the province | Revisions of this Law is in progress |
| Law 25/2005 | Regulatory framework for financial balance between National and regional governments | |
| GR 30/1980 | Code of Conduct of Indonesian Civil Service | |
| GR11/2002 | Recruitment of Civil Servants | |
| GR 12/2002 | Promotion of Civil Servant | |
| GR 13/2002 | Appointment of Civil Servants for executive position | |
| GR 9/2003 | Regulates the appointment, transfer, and suspension of civil servants | |
| GR 54/2003 | Civil service recruitment guidelines | |
| GR 10/2008 | Salary scale of civil servants | |

The terms Aparatur Negara in Bahasa Indonesia expresses the new perspective, and means civil service which comprises the administrative system and the personnel system. The revision of Law 43/1999 is a golden opportunity to put this perspective into action. It is about time for this country to change her Law on Civil Servants and makes it a Law on Civil Service, and to place a special Chapter on Provincial Civil Service in the revised Law 32/2004 on Regional Governance.

Second main group of issues related to provincial civil service, its mandated merit based personnel management system, salary and pension system, application of sanction against obstruction of civil service values and code of conducts, and issues related to the organizational structure of provincial civil service authority.
Professional and Merit Based Issues

Law 43/1999 stipulates Indonesian civil service a merit based and professional system in which recruitment, appointment, promotion and rewards are based on relative competence of the individual, and shall be free from political, race, sex, and religious considerations. The Law also spells out the meritocratic character of Indonesian civil service is based on professionalism principle, individual competence, performance and seniority as stipulated in Article 17(1) of the Law. Recruitment of new civil servant is based on levels of education rather than on competence requirements for a specific job in the agency. It is a semi closed system in which the selection of candidates for strategic position in provincial civil service is based on closed competition between senior personnel of the unit. Although the Law allows open and competitive recruitment of non-civil servant for the top managerial position, it has to be done through special appointment by the President or the Governor. Formation, or number of personnel to be recruited as civil servant, is made nationally by MenPAN and is based on attrition rate of about 4 percent annually. Promotion in regional civil service based on seniority as stipulated in Law 43/1999.

While the civil service management rights of regional government is defined in Law 32/2004, the areas of civil service authority of regional government is defined in Law 43/1999 which stipulates the establishment of the regional civil service board as regional authority for civil service management. Three issues are frequently mentioned as problematic in the area of civil service management at the regional levels. First, widespread practice of political cronyism in the recruitment, appointment and promotion of regional civil servants due to the appointment of elected officials as authority for those functions. Second, the incongruity between national guidelines as stipulated in Law 43/1999 and the competence requirements for new and enhanced functions of regional governments. Third, definition of functions of BKD as authority for regional civil service management.

Integrated personnel and organizational planning issues

Provincial civil service composes of two main components, the organization of the regional government, and the personnel who work in the organization. At national level organizational planning for government agencies is the authority of MenPAN, while manpower management functions is in the hands of BKN, and training and development of civil service manpower is done by LANRI, in-service training center of each ministry, private training center and universities. Because of the separation, a major issue in Indonesian civil service is the inappropriateness between recruitment of personnel with organizational structure in government agencies.

Provincial civil service suffers the adoption of the separated system because skill composition and distribution of personnel usually does not suit the competence requirements of the functions of provincial civil service. The end result of this incompatibility between organization structure and individual skills of personnel result in low performance of the regional government.

Personnel Structure of Regional Civil Service

Like the national civil service, personnel of regional civil service comprises of two main components; 2.5 million regional civil service who are tenured until reaching compulsory retirement age and entitled for pension, and approximately 1 million personnel under short service appointments. The second category is not entitled for pension but in some regions the governments have special retirement arrangements with private sector.

Article 2 section (3) in Law 43/1999 defines a special category of short service assignments (SSA) in Indonesian civil service. This mandate needs to be implemented with special
Government Regulation on the recruitment, appointment, promotion and salary scale for SSA personnel in national and regional civil service.

Oversight issues
A main function that is absence from Indonesian civil service management is the oversight of the implementation of public service policies by personnel of national and regional civil service. Accountability of civil personnel is not well defined and is not in line with demands of a growingly democratic populace of Indonesia. Thus the one of the main issue is to whom civil service personnel should be accountable; to the governor, to the regional councils, or to the people of the region?

Law 43/1999 and Law 32/2004 do not separate regulatory and oversight functions with implementing function in civil service affairs and assigns BKN as civil service regulatory, implementing and oversight agency at national level, while at regional level, provincial and district/city BKDs have been assigned that function at regional level.

The lack of capacity and experience by the BKN and BKDs are reflected in increasing number of offenses by civil service personnel mostly without sanctions. The national and regional civil service bodies devote most of their energy and time on personnel management functions and less on formulation of sound civil service regulations and oversee their implementation by agencies of national and regional governments. Therefore, one of the main issues would be the separation of regulatory and oversight functions from personnel management functions.

Organization issues
Law 43/1999 assigns BKD or regional civil service board as the regional authority for civil service management. But the areas of authority of the local government as defined in Law 32/2004 especially in Article 21 states broader rights of autonomous region in “the management of civil service.” The incomplementarity issues between rights of regional governments in civil service affairs and civil service management mandates given by Law 43/1999 to BKD and other agencies of regional government has resulted in duplication of related functions and inefficiency.

Other organizational issue that emerge in regional civil service is the need to separate regulatory and oversight functions from personnel management function. Following good practice in other countries, it is time for Indonesia to separate those functions and assigns different organizations to formulate civil service regulations including issuing civil service salary scale, and to implement those regulations and salary scale. At the national level the mandated Civil Service Commission has not yet been established and the civil service organizational issue has not been resolved. To solve this problem at regional level a clause can be added in the revision of Law 32/2004 for the establishment of Provincial Civil Service Reform with special mandates to oversee the implementation of national civil service regulations, to formulate and oversee the implementation of provincial civil salary scale, and to formulate and oversee the implementation of provincial decrees on civil service.

4. RECENT PROJECTS WITH PROVINCIAL CIVIL SERVICE COMPONENTS

Since the start of the Reform Era in 1999, a wide range of development partners have been involved in providing assistance to national and regional governments with provincial civil service reform component. These partners are ranging from bilateral donor agencies such as USAID, AusAID, GIZ, JICA, and CIDA to multilateral organizations such as UNDP, World Bank, and Asian Development Bank, regional government associations such as ADKASI, APKASI, and ADEKSI, and various Indonesian civil society organizations.
UNDP/BRIDGE

The Building and Reinventing Democratic Governance (BRIDGE) project is a collaboration between the National Development Planning Board (Bappenas) and UNDP. BRIDGE has been design in 2006 to support Indonesian Government Program in enhancing capacity of local government in pilot areas to support democratic governance. The Building and Reinventing Decentralized Governance Programme (BRIDGE) is specifically focused on governance at the sub-national level - on the 86 cities and 348 regencies which under Law 22/1999 carry the primary burden of service delivery to the citizens. More specifically it aims at demonstrating that adoption of good governance principles—primarily participation, transparency, accountability, responsiveness and the like—could improve the quality of public services. In the first half of the project period attention was given more on facilitating national government institutions’ roles to improve the quality of local planning and public services, as well as facilitating the local planning mechanism and processes to improve the quality of public services.

In the second half of the project’s life BRIDGE—in particular its overall design as well as its community-level component—has been necessarily innovative and tremendously relevant within the broad context of decentralization and democratization in Indonesia and the generally low capacity of most local governments in providing good public services to their people

UNDP/PGRi

Partnership for Governance Reform in Indonesia (PGRi) is an example of a massive join cooperation based on 3 pillars of good governance and with an integrated support mechanism of international donor agencies. One early understanding that emerged in the conceptualization of PGRi was to make it an more effective mechanism for governance reform through collective action.

The provision of a mechanism, to assist institutions undergo the complex processes of reforms was the main objectives of PGRi. The mechanism for this multi-sectoral approach to reform was to be known as the Partnership for Governance Reform in Indonesia. Having agreed to the merits of an Indonesian led partnership with active input from a wide cross section of Indonesian society the next issues to determine were the structure of this partnership. Following further consultation, the structure of the Partnership began to take shape. To provide strategies and ideas to support advance the reform agenda, the Partnership would include a facility to support policy dialogue and analysis. To support Indonesian institutions and entities to carry forward their activities a dedicated trust fund would be established.

Areas of the overall national reform agenda in which PGRi focused its areas of interest consisted of the following:
1. Judicial sector;
2. Civil service, which was subsequently refined to include police;
3. Electoral systems and management;
4. Legislative support;
5. Civil society and media;
6. Corporate sector;
7. Decentralization and regional autonomy; and
8. Anti-corruption.

The issues of decentralization and regional autonomy and anti-corruption were seen as cutting across each of the above issues and thereby seen as critical elements to the potential agenda of PGRi.

Some of the best examples of the Partnership in action have occurred when more than one component of the Partnership’s agenda have been combined. The following examples provide an indication of a few Partnership supported initiatives that have had a significant and constructive impact on Indonesia’s reform agenda:
1. Support program for Ambon Municipality;
2. Selection and recruitment for high-ranking government officials in Kabupaten Kebumen;
3. Establishment and empowerment of the Corruption Eradication Commission (KPK);
4. The National Police and the Panwasker,
5. Law Summits (Facility) and the Integrated Criminal Justice System in West Sumatera (Trust);
6. 2004 Elections: Support to KPU, Panwaslu and the voters;
7. Community-policing;
8. The Police;
9. Corruption Eradication Commission (KPK);

**UNDP/AGI**

**ART GOLD INDONESIA** (hereinafter, AGI) is intended by UNDP as a tool to support Indonesian public institutions at all levels in their efforts to improve living conditions of local communities through a more effective, participatory and balanced regional development, open to international opportunities. AGI can be also instrumental in facilitating aid coordination and effectiveness at the Provincial level, in line with national provisions.

The ultimate objective of AGI is *to reinforce the Provinces* within sub-national institutions, in their role as facilitators and promoters of regional development, as described in previous chapter. In this respect, coordination and synergies with the GOI/UNDP Provincial Governance Support Programme would be sought after to the extent possible, particularly in stakeholders identification, capacity building, training, planning and budgeting and national advocacy.

The AGI added value in this context, together with its methodologies and tools, mostly rests on the installed capacity to mobilize a wide *network of partners worldwide*, which were selected and involved in several ART initiatives in the four Continents. These partners range from regions or cities (more than 300 partnerships are currently ongoing with local governments from Canada, Belgium, France, Greece, Italy, Spain and Switzerland), to *Local Economic Development Agencies (LEDA)* and centres of excellence in all fields of development.

The partnerships are promoted in connection between the Art Country Projects, in this case AGI, and the Art offices in Geneva (head Office within the BRSP – Hub for Innovative Partnerships), Rome and Seville. These partnerships generally provide highly skilled and diversified technical assistance and tutoring in the long term.

The so called *Decentralised Cooperation* has proven effective in other Art-countries because it puts together at work institutions and groups sharing the same challenges, although in different contexts, which develops a sense of mutual solidarity that goes far beyond technical exchanges. That is maybe the reason why many times the partnerships survive project closure.

In addition to that it is worth saying that many of the methodologies used by ART worldwide and which were incorporated in national regulations or guidelines have been empirically tested thanks to decentralized cooperation development partnerships. In this respect, Indonesia experience may become a success study case which could demonstrate beneficial to the network worldwide.

**Strategy at the Provincial Level**

At the local level, a **Provincial Working Group (PWG)** – or different denomination which could be self-defined) is constituted, chaired by the Province Governor and with BAPPEDAS as coordinator. The PWG is the principal collective stakeholder of the project. It is mainly tasked with the **Strategic Development Planning**, which resulted in a middle-term Human Development Plan and annual work-plan, aligned and completing the *Musrenbang* process. In particular the strategic planning enhances current planning modalities in a participatory way that leads to the identification of the strategic *drivers of regional development across Districts and sectors*.

The strategic planning is then completed through the derived work plan, which puts together and harmonises the sectoral workplans resulting from further formulation in sector-specific teams, again in a public-private-civil society partnership. These two documents should be endorsed by the National Coordination Committee (see
following paragraphs) in view of the role of the Bappenas in the Musrenbang finalisation.

Once this process has outlined the drivers of development, geographical and sectoral priorities and alternative solutions to developmental challenges, the Project provides support at both the Provincial and District level in the Musrenbang process so as to incorporate the output of the planning cycle in the definition of public expenditures requests.

Finally the AGI will provide **co-financing investment resources** for strategic projects included in the Provincial Strategic Human Development Plan following tailor made modalities, which depends on the dimension of the project, its location and the responsible partners (be they public institutions, private sector or CSOs).

Resources might come from project budget or through resources mobilization activities in coordination with the National Coordination Committee. To do so, the project supports the PWG in formulating **Provincial Marketing Brochures**, as a highlight on the opportunities for external cooperation and/or investment.

The Development Plan has a section dedicated to cooperation needs and opportunities, and thus may be also used by the Province to facilitate **aid coordination and effectiveness** and updated on annual basis. The Development Plan and the Brochures is the principal instruments to mobilize resources from additional donors and to promote decentralized cooperation partnerships.

**Strategy at the National Level**

In line with **Art Trust Fund Cluster Guidelines** and as agreed during the formulation mission with Vice-Minister of Bappenas, a **National Coordination Committee** established under the leadership of Bappenas to ensure these functions.

Its by-law members are Bappenas, UNDP, AGI CTA, Min. of Home Affairs and project donors. Depending on the agenda of each meeting, additional governmental departments may be invited (e.g. Min. of SMEs and Cooperative Development, Min. of Health, etc.).

**USAID/LGSP**

The USAID/Indonesia Local Governance Support Program (LGSP) is a collaborative program between the governments of Indonesia and the United States of America, implemented by RTI International directly supported “**expanding participatory, effective and accountable governance.**”

Through the introduction of participatory processes, improved local government management and transparent and accountable local legislative practices, it is expected that Indonesians can fully experience the benefits of a democratic society. The scope of work further emphasizes the importance of a well-managed decentralization process to create opportunities to bring government closer to the people, to improve public services and reduce corruption.

LGSP offered technical capacity development, training, tools, publications and information to local governments, civil society organizations, the media and citizens in two broad areas: (i) strengthening the core competencies of local administration; and (ii) strengthening democratic governance at the local level. In addition, it supported local government performance assessment and benchmarking.

1. **Strengthening the core competencies of local administrations**

   1. Enhancing **strategic and participatory planning** to facilitate citizen input to local government resource allocation decisions, with particular focus on improved multi-year and annual local development plans.
   2. Improving the **finance, budgeting and accounting** function of local governments, through development of performance budgets based on public consultations and realistic resource allocations with measurable outcomes to achieve community priorities; timely and accurate financial and performance reporting; and improved stewardship of public assets.
3. Strengthening management systems for service delivery, including creating minimum performance standards for core functions, strengthening procurement and service contracting and improving the environment for local development.

ii. Strengthening democratic governance at local level
   - Improving the capacity and performance of local legislative councils (DPRD) to perform their functions of oversight of local administrations, representation of citizens’ interests, and development of sound policies and legislation.
   - Strengthening the capacity of civil society and the media to reflect the priority needs of citizens vis-à-vis local administrations and legislatures.

iii. Cross-cutting areas to enhance good governance in the areas of performance assessment and participatory approaches

LGSP’s assistance is based on priorities established in each of the 52 targets local district governments in which it works in nine provinces, Aceh, North Sumatra, West Sumatra, Banten, West Java, Central Java, South Sulawesi and West Papua. These target district governments, selected where possible to be in common with those where USAID supports projects in specific sectors, are provided a core menu of assistance plus assistance in up to two locally selected areas where management service managements are soughts.

CIDA/GRIS II

The overall goal is “Developing Human Resource Development for Local Governance in the fields of administrative management and regional development,” and the project’s main purposes are:

(1) To improve capacity of training management in Education and Training Agency of Ministry of Home Affairs (Badan Diklat Kemdagri) and Training and Education Board of North Sumatera Province (Provincial Diklat) as the model area.

(2) To disseminate widely public administration methods and techniques based on new regulations related to decentralization.

To achieve the purposes above, HRD-LG Project (II) conducts following activities:

a. Improving training curriculums and modules to be more practical ones based on needs of local governments, aiming at improvement on public services.

b. Strengthening the collaboration between Badan Diklat MoHA and Provincial Diklat to conduct training courses.

c. Improving training curriculum to improve public services.

d. Establishing partnership among the training institutions (among province/provinces or between province and district/municipal).

e. Increasing knowledge of civil servant regarding the partnership and its implementation method.

Three long term experts were dispatched, where 2 of them were stationed in Jakarta and 1 expert in North Sumatera. These three long term experts who speak Indonesian language contributed well to produce outputs through communication with Indonesian counterparts, such as Education and Training Agency of MoHA, North Sumatera Provincial Diklat and others. They also collaborate in preparing the training planning, implementation and evaluation to achieve Project’s main purposes.

EU/ALGAP II

Aceh Local Governance Programme (ALGAP) II is a three years 36 months (2007-2009) project funded by the European Union and implemented by GIZ. The objective of the program is strengthen local (Kabupaten and Kota) and provincial governments and make it more responsive to needs of Acehnese people, thereby contributes to a lasting and durable peace.

EU/ALGAP II intended to enhance the capacity of Nanggroe Aceh Darussalam (NAD) and district/ city authorities to execute their core competencies in term of new Law on Governing Aceh (LoGa) and principles of good
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good governance. Agreed by the Provincial Government of NAD and GIZ in December 2006, ALGAP II will facilitate a Capacity Building Needs Assessment (CBNA) and Capacity Building Action Plan (CBAP) for all 23 Kota and Kabupaten in NAD. Assessing the capacity of local authorities and executive leaders will further enhance their role to execute their responsibilities consistent to new governing structures.

The project applied a response strategy based on the following ten principles:

- Enhance all Kabupaten and Kota in all Kabupaten and Kota in NAD and coordinate all efforts of support provided in capacity development for actors;
- Bind the Kabupaten/Kota to an NAD “LoGa Implementation Strategy”, helping actors tackle governance objectives locally important, building unity and cooperation;
- Promote Integration and Social Cohesion, principally with respect to the re-integration of GAM members and protection of basic human rights;
- Cross-cutting attention to Gender Issues, with regards to aspects of participation of women/men in governance process;
- Reach government and non-government stakeholder, to nurture checks and balances in local governance;
- Enhance Cooperative relationship between the executive and legislative branches of province and Kab/Kota governments, to strengthen democratic processes and attain consistent regional policies;
- Build on ALGAP change agents, contracts and awareness, to tap into established goodwill, lending legitimacy to the new initiative and speeding progress;
- Tailor Governance Initiative, and capacity development plans to specific needs of Kab/Kota (within an overall province wide strategy), to spur local actors to become involved and maximize local opportunities;
- Use and build local partners, to strengthen the capacity of institution that can provide services to local governments.

GIZ/ASSD/GLG

Good Local Governance (GLG) supports the development, piloting, replication and institutionalization of innovative structures, regulations, processes and professional competences of governance at the district, city and province levels so that government organizations in cooperation with stakeholders better fulfill their core functions. Improved governance capacity will positively impact on the achievement of the Millennium Development Goals (MDGs) which in particular address poverty, hunger, disease, illiteracy, environmental degradation, and discrimination against women. Improved governance is one essential contribution to that. Good Local Governance is complementary to the project “Advisory Service Support for Decentralization” (ASSD) which together seek to support greater coherence of the governance policy framework and its implementation.

The overall objective of both projects reads: Sub-national government authorities have improved the degree to which they fulfill their functions in planning, budgeting and service provision.

At national level GLG is implemented by the Ministry of Home Affairs and its Directorates General for Guidance of Regional Development (BANGDA), and for General Administration (PUM). The project addresses regional governments in four provinces, i.e. Central Java, the Special Region of Yogyakarta, West Nusa Tenggara and East Nusa Tenggara.

GLG promotes pilot measures on governance related tools and instruments to support capacity development for local and regional government organizations and for stakeholders from the private and civic sector. The measures are being addressed to sectors (above all, health, economic development and environmental protection) supported by German development cooperation. Successful practices shall be disseminated to other local governments by means of peer-to-peer learning networks moderated by GLG, in cooperation with intermediary organizations.
Together with ASSD the lessons learnt has been evaluated and injected into the national policy formulation process to inform and influence national decision-makers. Thus it is expected that the framework for decentralization would be adjusted to local governments’ needs, and the cooperation between different levels of governance is improved.

LG addresses inter-related issues of good local governance:

- **Planning and Budgeting**
  Helping local governments implement performance oriented budgeting which reflects the objectives of development and spatial planning.

- **Provision of Public Services**
  Supporting local governments increase the degree of coverage and the quality of selected public services.

- **Disaster Risk Management**
  Advising national and regional governments to develop and implement guidelines for disaster risk management (in cooperation with the German Federal Institute for Geo-sciences and Natural Resources - BGR).

The local governments’ capacities to deliver their core functions are enhanced through a range of governance related products and services:

- **Local Development Planning**
  The application of planning procedures which improve the opportunities for public participation and enhance the consistency between the various planning streams is supported. A method such as CAP (Community Action Planning) stimulates planning processes within local communities, leading to result-oriented, time-bound and location-specific action plans for participatory local development.

- **Local Economic Development**
  Pro-poor economic development is promoted through practical tools such as pro-poor value-chains analysis and the establishment of economic stakeholder forums.

- **Public Consultations**
  Local planning and decision-making processes are improved by holding public consultations with experts, relevant organizations from the private and civic sector, and local communities.

- **Spatial Planning Tools**
  Spatial planning processes at local level are strengthened through tools such as urban planning competitions and integrated urban infrastructure planning.

- **Budgeting and Financial Management**
  The preparation, implementation and evaluation of performance based budgets which provide transparent and measurable targets for the delivery of public services is a key instrument in local governance capacity building.

- **Inter-regional Cooperation**
  Inter-regional approaches for collaboration in the provision of public infrastructure, transport, waste disposal, and spatial planning are developed.

- **Disaster Risk Management Plans**
  Municipalities are advised to incorporate geo-risks in spatial/urban planning and to formulate local disaster risk management action plans.

- **Peer-to-Peer Learning Networks**
  Learning networks among local government organizations and officials to assist and consult other local governments across Indonesia are established.

The products and services would help to develop the institutional, organizational as well as individual capacities to improve participation in and transparency of decision-making processes, to enhance the accountability among governance stakeholders and increase the responsiveness of local governments to provide better public services.

**AusAID/IASTP 3**

The Indonesia Australia Specialised Training Project (IASTP) contributes to promoting good governance through improved economic management, improved governance practices and the enhanced delivery of basic social services (health and education) consistent with Indonesia's development needs and
priorities. It provides specialised short-term training and capacity building initiatives at the central, provincial and district levels, mainly in Eastern Indonesia.

IASTP III provides specialised and capacity building training to create a strongly integrated training model unique to Indonesia. Action plans are the key mechanism used to align training with organisational planning and organisational change. Mentors provide a vital link between the project and Indonesian Government agencies, and are actively involved in each stage of the training cycle. Capacity building training is designed to enhance the skills and abilities of mentors.

Courses cover subjects as diverse as district and provincial planning, district and provincial economic planning, small enterprise trade and export promotion, economic governance, public accountability, human rights, women's empowerment and mainstreaming, environmental law, local parliamentary procedures drafting, journalism, legal development, IAINS teacher development, HIV/AIDS with a focus on drug abuse prevention/intervention, basic health service management, basic education services and the training cycle.

Partnerships between sub-contracted Australian and Indonesian training providers are strongly encouraged, and the project designs and delivers training courses that specialise in gender awareness, mainstreaming and analysis. Indonesian Government partners, other stakeholders and provincial decision makers are involved in development, delivery and monitoring.

- Upgrading the knowledge and skills of mid-career, middle-level professionals in the public, non-government and private sectors through the provision of over 1000 training courses and 200,000 total participant training days in Indonesia or Australia from July 2004 to December 2008.
- Incorporating good governance, gender and change management into all training programs, and making the modules publicly available.
- Assisting other projects as well as providing one-off courses to meet emerging training needs.
- Assisting the Province of Bali's medical, health and emergency services to better coordinate disaster and emergency relief, which helped improve the response to the second Bali bombing.
- Training 240 government officials in Aceh to help them develop strategic plans and budgets to meet local and central reporting and financial requirements.
- Assisting 22 Aceh land mappers refine and improve land mapping skills and graduate with formally accredited train-the-trainer skills, thus broadening the land mapping skill base within Aceh communities.
- Working in collaboration with Provincial Diklats in selected Eastern Province locations to better support decentralisation and strengthen capacity.
- Undertaking a training provider survey, to better inform and improve tendering opportunities and processes with resultant information made available to assist other AusAID-funded projects.
- Participants from Indonesia’s Ministry of Finance and Bappenas, China’s Ministry of Finance and National Development and Reform Commission and Australia’s Treasury attended a fiscal management training course. The course had the dual purpose of teaching fiscal management skills and establishing relationships between the personnel of agencies responsible for fiscal management in Australia, Indonesia and China.
- Ministry of Women’s Empowerment personnel have received gender mainstreaming training both in Indonesia and in Australia through IASTP. This training has enabled the Ministry to fulfill its mandate as the agency responsible for reporting to the President on the progress of gender mainstreaming across the GoI.
In cooperation with the AusAID-funded Indonesia-Australia Specialised Training Program (IASTP), DG Tax has been able to introduce and educate over 800 staff members in regional offices throughout Indonesia about the existence and operation of a Code of Conduct for DG Tax staff.

WORLD BANK/ILGR

Initiatives for Local Governance Reform Project (ILGR) seeks to improve local governance and service delivery at the Kabupaten level, and boost investment in needed rural infrastructure. The ILGRP project-wide reforms is intended to build local support and ownership for the governance reform agenda through improved transparency, accountability, civic participation, and local level poverty analysis. The project leveraged better use of the Kabupaten budget through complementary investment support for poverty programs. ILGRP also supports a series of district level poverty reduction strategies, which are currently being piloted in proposed ILGRP Kabupaten. These strategies are being developed using participatory poverty assessment (PPAs) techniques to encourage broad local partnerships and ownership of the local poverty agenda.

The development objective of the proposed Initiatives for Local Governance Reform Project is to support governance reform in 40 district (Kabupaten) governments selected on a competitive basis. The project would support a series of graduated reforms in public disclosure and civic participation in local budget planning, and execution, development of enhanced local poverty alleviation strategies, improvements in financial management and procurement and improvements in local revenue generation. Investment support would also be provided to finance priority rural infrastructure identified through participatory local government poverty alleviation strategies. Through improved governance and capacity building interventions, the project supports the overarching goal of poverty reduction in Indonesia.

There are five major areas where the Bank adds value through this project:

- The cross sectoral approach builds on strong sectoral and CDD expertise: The Bank program in Indonesia has for the past few years worked in a decentralized environment through a number of sectoral programs (basic education, provincial health project, water and sanitation for low income communities) that have helped develop relationships, capacity and some reform (albeit sectoral) at the local level;
- Mobilizing substantial grant and investment funds: The Bank is able to mobilize substantial grant and investment funds to help finance Kabupaten capacity building and development budgets
- Building on our analytical work: The Bank has invested in substantial Economic and Sector Work throughout work on local institutions (LLI study), decentralization (Regional Public Expenditure’s, GDS surveys, on-going work on local government platforms, monitoring impact of user fees (SMERU, ASEM), and poverty (Poverty Reduction in Indonesia: Constructing a New Strategy.)
- Complementing activities in the urban sector: The Urban governance APL being proposed provides an excellent counterpart experiment for the city governments not covered by ILGRP and provides an important area for cross-fertilization and exchange of experience;
- Building on our global knowledge base: The project builds on the lessons learned from our global knowledge base on decentralization, good governance, CDD, and anti-corruption. Information on on-going operations in Uganda, Ethiopia, Mexico, Brazil, India provide valuable inputs and opportunities for cross-country knowledge exchange.

The proposed project will support advances in good governance initiatives at the district level through: (i) provision of specialized
packages of technical assistance, general facilitation and capacity building to help broaden and deepen the reforms already underway in the relatively more progressive districts in the 9 ILGR provinces, or facilitate implementation of minimal reforms in other reform minded districts participating in this project; (ii) the project rewards good governance at the district level by providing incremental investment funds to districts that complete a set of prescribed reforms in areas of public participation, transparency, financial management and procurement, as well as giving visible recognition of these reform initiatives; and (iii) the project will disseminate the best good governance practices emerging from the districts so that the lessons learned can help to influence reforms in other districts not participating directly in ILGR. The proposed project would provide support over a four year period (2004-2007), for the following three components:

- Component A – Local Governance Reform
- Component B – Pro-Poor Investment Funds
- Component C – Implementation Support and Monitoring

ADB/SCBD

In 1998, the Government of Indonesia requested assistance from ADB for support of decentralization. In response, ADB provided the Community and Local Government Support (CLGS) Sector Development Program aimed at reinforcing efforts towards decentralization. Three TAs were attached to the CLGS. In addition, ADB provided a stand-alone TA, designed to provide support to CLGS, but focusing on the urban sector. These four TAs were:

- Capacity Building to Support Decentralized Administrative Systems;
- Capacity Building for Setting Up District-Level Financial and Budgetary Systems;
- Capacity Building for Participatory Planning, Monitoring, and Evaluation; and
- Urban Sector Development in a Decentralized Environment.

Issues relating to decentralization are among the most important strategic challenges facing Indonesia. ADB has provided several TAs and loans concerning decentralization since these four TAs were approved. Although a number of these projects have been completed, the TPER findings are expected to provide useful lessons and recommendations for on-going and future ADB activities:

i. approximately 12 projects addressing decentralization issues in Indonesia currently under implementation,
ii. the Indonesia Country Assistance Program Evaluation (CAPE) currently under preparation,
iii. the Indonesia Country Strategy and Program (CSP) currently under preparation,
iv. the project completion report (PCR) for the CLGS,
v. the planned CLGS Phase II project; and
vi. other future decentralization projects in Indonesia.

5. OPTIONS FOR FUTURE SUPPORT

Making the Provincial Civil Service more effective and responsive will require time and multiple efforts including revising legal framework, capacity building of existing civil service agencies, the BKD and Staff Training Board. With new and enhanced roles and functions in regional zoning and regional economic development planning coordinator, provincial civil service processes and structures need further strengthening. To address this challenges, requires a national program focusing on the legal framework on provincial civil service as well as capacity of the Provincial Civil Service Agency (BKD) to formulate manpower policy and planning for the regional governments. A reform of the legal framework (Law 32/2004) is underway and the positions of main stakeholders are quite clear that is to strengthen the roles and functions of the provincial government in a decentralized governance framework. Within this existing opportunity set-up donor agencies should focus on providing technical assistance in the drafting of Law 32/2004 and the revision of Government Regulations.

A special Chapter on provincial civil service is in the revision of Law 32/2004 and is expected
to serve as a legal foundation for civil service reform at provincial level. UNDP and bilateral donor agencies have taken an active role in the revision of this Law.

As the new and enhanced roles and functions of the Province in the formulation of regional zoning policies and regional economic development planning in which the achievement of MDGs is a part, there is a pressing need to continue individual skills development of professional staff of local councils, planners of Bappeda, and job assessment specialists for regional civil service agencies. Future support activities should be drafted based on capacity needs assessment that some donor agencies have conducted in several provinces. Individual skill development support should be designed as a concerted effort by multi-lateral and bi-lateral donor agencies and shall be based on findings of these capacity assessment studies. Sharing of experiences is also important, it is recommended PGSP if realized should pursue the support of intermediaries like the regional government associations, civil society organizations, professional associations, and universities.

Future support has to take into account the fact that reforming the regional civil service system cannot be done without changes in the national system of civil service. For this reason, the plan to include a special chapter on provincial civil service should be done in close cooperation with revision of Law 43/1999. For this, there is a need for a forum for task-forces from various ministries, BKN and LAN to meet and share ideas concerning the directions and scope of decentralization of governance and the related civil service reform.
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