

2. ミニッツ (英文プロジェクトドキュメントを含む)

MINUTES OF MEETINGS  
BETWEEN  
THE JAPANESE IMPLEMENTATION STUDY TEAM  
AND  
THE AUTHORITIES CONCERNED OF THE GOVERNMENT OF  
THE REPUBLIC OF INDONESIA  
ON JAPANESE TECHNICAL COOPERATION FOR  
HUMAN RESOURCES DEVELOPMENT FOR LOCAL GOVERNANCE

The Japanese Implementation Study Team, organized by the Japan International Cooperation Agency (JICA) and headed by Mr. Masayoshi ENOMOTO (hereinafter referred to as "the Team"), visited the Republic of Indonesia from January 20, 2002, to January 26, 2002, for the purpose of working out the details of the technical cooperation program concerning the Project for Human Resources Development for Local Governance in the Republic of Indonesia.

During its stay in the Republic of Indonesia, the Team exchanged views and had a series of discussions with the Indonesian authorities concerned based on the Minutes of Meeting concluded on September 27, 2001, between the Secretary-General and the Third Preparatory Study Team for successful implementation of the above-mentioned Project.

As a result of these discussions, the Team and the Indonesian authorities concerned agreed to recommend to their respective governments the matters referred to in the document attached to hereto as a supplement to the Record of Discussions.

Jakarta, January 25, 2002



Mr. Masayoshi ENOMOTO  
Team Leader  
Japanese Implementation Study Team  
Japan International Cooperation Agency  
Japan



Dr. Ir. S. Nurbaya, MSc.  
Secretary-General  
Ministry of Home Affairs  
Republic of Indonesia

## ATTACHMENT

### 1. PROJECT DESIGN MATRIX

In order to manage and implement the Project efficiently and effectively, both sides approved the Project Design Matrix as shown in ANNEX I.

### 2. PLAN OF OPERATION

Both sides confirmed the Plan of Operation as shown in ANNEX II. In accordance with the progress and achievements of the Project, the Plan of Operation can be changed based on agreements reached between the Indonesian and Japanese sides.

### 3. PROJECT DOCUMENT

Both sides approved the Project Document as shown in ANNEX III, which provides rationalization and justification for Project implementation.

### 4. ORGANIZATION OF THE PROJECT

Both sides approved the Organizational Chart of the Project as shown in ANNEX IV.

### 5. COORDINATION STAFF

Both sides confirmed that the coordinating authority and executing and supporting organization will perform the following duties when the Project commences:

- (1) Two (2) staff members from the Planning Bureau of the Secretariat General of the Ministry of Home Affairs (MOHA) will be assigned as Coordination Staff members to plan and manage the Project effectively with the coordinating authority;
- (2) Two (2) staff members from each executing and supporting organization will be assigned as Coordination Staff members to manage the training courses smoothly.

## 6. PROVISION OF NECESSARY INFORMATION RELATED TO THE PROJECT

In accordance with the laws and regulations in force in the Republic of Indonesia, the Team requested that the Indonesian side provide information related to the following items for Project implementation:

- (1) Indonesian decentralization policies
- (2) Policies of Indonesian local governments regarding decentralization
- (3) Training courses in central and local governments
- (4) Other information for the Project

## 7. PROJECT OFFICE

Both sides confirmed that the Project office would be located at the Secretariat General of MOHA.

## 8. MODEL AREA

Both sides agreed that the model areas for implementing plans and activities of the Project would be in North Sumatra and South Sulawesi. The model areas can be changed or replaced based on agreements reached by the Indonesian and Japanese sides in accordance with the progress and achievements of the Project.

## 9. TRAINING OF INDONESIAN PERSONNEL IN JAPAN

Training in Japan is crucial for the success of the Project. Therefore, both sides agreed on the following items:

- (1) The number of trainees, organizations and training programs should be discussed and decided after consideration of the progress of the Project.
- (2) The priorities of selection of trainees for Country-Focused Group Training Course shall be placed mainly on the provinces where Japanese experts on Regional Development Policy are stationed and on Ministry of Home Affairs.
- (3) The Indonesian side will take responsibility to ensure that Indonesian personnel trained in Japan continue to work for the Project.

## 10. DISPATCH OF LONG-TERM EXPERTS

The Team reported that the Project leader and a long-term expert on the development and management of local public administration would be dispatched from April 2002.

#### 11. DISPATCH OF SHORT-TERM EXPERT

The Team reported that the short-term expert on management and development of new training courses would be dispatched to perform preparations for the Project from February 2002.

#### 12. ASSIGNMENT OF JAPANESE EXPERTS

Both sides confirmed that the Project Leader and Project Coordinator would be stationed at the Secretariat General of MOHA in Jakarta. The other two long-term experts will work in the model areas referred to in 8 above.

#### 13. SELECTION OF TRAINEES FOR DOMESTIC TRAINING COURSES OF THE PROJECT

Both the Indonesian and Japanese sides should agree on the selection of trainees for domestic training courses of the Project.

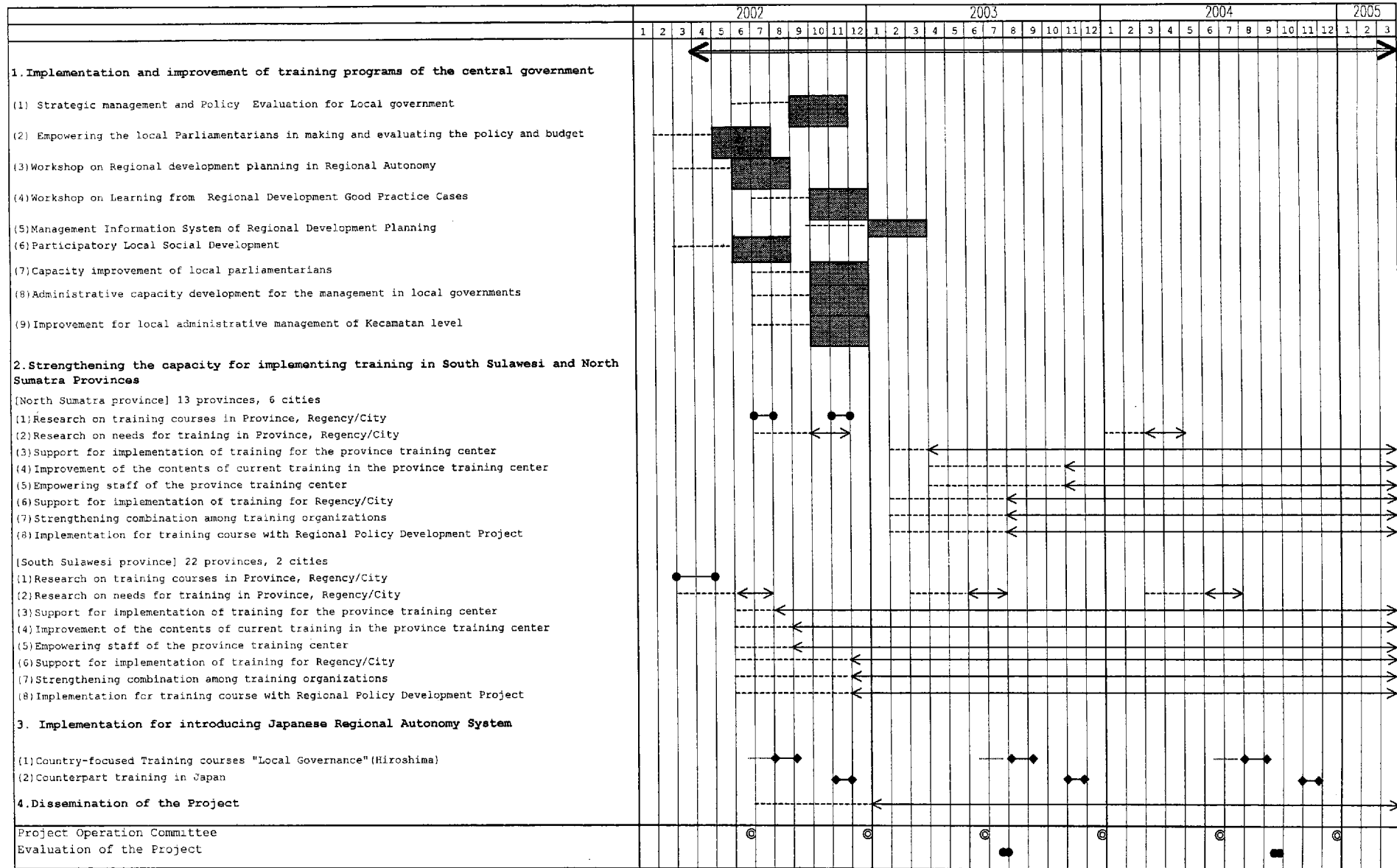
ANNEX I	Project Design Matrix
ANNEX II	Plan of Operation
ANNEX III	Project Document
ANNEX IV	Organizational Chart of the Project

ANNEX I Project Design Matrix (PDM)

Project title: Human Resources Development for Local Governance

Narrative summary	Objectively verifiable indicators	Means of verification	Important assumptions
<p>Super goal</p> <p>Capacity for local governance is improved.</p> <p>Overall goal</p> <p>Capacity of human resources for local governance, principally for administrative management and regional development, is improved.</p>	<p>Training courses are evaluated as useful for administrative management and regional development by institutions that sent trainees, after training completed.</p>	<p>Questionnaires and interviews</p>	<p>Efforts for capacity building, policy and regulation adjustments, institution reforms, and modification of working procedures and coordination mechanism continue.</p>
<p>Project purpose</p> <p>Training courses, principally for administrative management and regional development, are implemented responding to local needs.</p>	<p>4,600 local government officials and other related personnel to local governance participate in training courses by March 2005.</p>	<p>Records of training</p>	
<p>Output</p> <p>1. Training courses are improved to be more adapted to local conditions.</p> <p>2. Regional governments can implement training necessary for them.</p> <p>3. Partnership among stakeholders is enforced. (among central and regional governments, inter-regional governments, universities, NGOs and others)</p>	<p>Training courses are evaluated as adapted to local conditions by trainees.</p> <p>Number of training courses implemented in collaboration with central government agencies</p> <p>Number of training courses implemented in cooperation with regional governments</p> <p>Collaborated research and training among stakeholders</p>	<p>Questionnaires and interviews</p> <p>Records of training</p> <p>Records of training</p> <p>Records of research and training</p>	<p>Personnel and budget of training institutes do not reduce substantially.</p>

Activities	Input		
	<u>Indonesia</u>	<u>Japan</u>	
<p>1. Implementation of training in accordance with local needs in Jakarta and regions</p> <p>1-1. Improve administration and management of training by central government agencies</p> <p>1-1-1. Research on local conditions before implementation of training</p> <p>1-1-2. Study on methods for trainees selection, training evaluation and others</p> <p>1-2. Improve training courses</p> <p>1-2-1. Contract consultants and other resource personnel to improve training courses</p> <p>1-3. Prepare training materials</p> <p>1-4. Implement training courses</p> <p>1-4-1. Implement training courses on administrative management</p> <p>1-4-2. Implement training courses on regional development</p> <p>1-4-2-1. Implement training courses in collaboration with the Regional Development Policy Project</p> <p>1-5. Implement training needs survey for regional governments in regions</p>	<p>Coordination Staff:</p> <p>2 persons from Planning Bureau of the Secretariat of the MOHA</p> <p>2 persons from implementing agencies</p>	<p>Long-term experts</p> <p>1 Leader</p> <p>1 Coordinator</p> <p>2 Experts</p> <p>local public administration training for public management</p> <p>Short-term experts</p> <p>lecturer of training courses</p> <p>Introducing Japanese autonomy</p> <p>Equipment</p> <p>Equipment necessary for implementation of training</p>	<p>Substantial institutional changes do not prevent implementation of the project.</p>
<p>2. Support for regional governments' activities</p> <p>2-1. Increase capacity of human resources in regional governments of model sites</p> <p>2-1-1. Implement trainers' training (TOT)</p> <p>2-1-2. Regional governments work together in training needs survey</p> <p>2-1-3. Implement training in cooperation with regional governments</p> <p>2-2. Introduce Japan's regional autonomy system</p> <p>2-2-1. Implement Country-focused Training Courses</p> <p>2-2-2. Implement counter part training</p>			<p>Precondition</p>
<p>3. Promotion of partnership among stakeholders in training in regions</p> <p>3-1. Implement training courses with cooperation between central government agencies and regional governments</p> <p>3-2. Implement training courses with cooperation between regional governments (provincial government and district/city governments, inter-district or city governments)</p> <p>3-3. Promote partnership between regional governments, universities and NGOs</p> <p>3-3-1. Contract resources from universities and others for training needs survey</p> <p>3-4. Publicize and extend training activities of the project to other regions</p>			



ANNEX III

PROJECT DOCUMENT

PROJECT  
FOR  
HUMAN RESOURCES DEVELOPMENT  
FOR LOCAL GOVERNANCE

January 2002

THE SECRETARIAT GENERAL OF  
THE MINISTRY OF HOME AFFAIRS  
&  
JAPAN INTERNATIONAL COOPERATION AGENCY



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## **1. Introduction**

In 1998, with the beginning of the "Reformasi" era to reform the old system, the Indonesian Government changed its policy of local public administration from central control towards regional autonomy. The legal framework for this decentralization, namely Law 22 on Regional Administration and Law 25 on Fiscal Balance between the Central and the Regional Governments, was enacted in 1999 and then officially implemented from January 2001. Under these laws the power of the central government was greatly devolved to regional governments and also more than 2 million personnel were transferred to these regions. The regional governments now have to train and prepare these human resources to a standard high enough to meet its greater needs and take on its expanded functions. With these needs in mind, the Japanese government has, since 2000, dispatched four teams to prepare and do research for "Human Resources Development for Local Governance Project" (hereafter simply referred to as "the Project").

## **2. Background**

### **2.1 Socio-economic context**

Indonesia is a country rich in ethnic varieties, where more than 200 languages are spoken in a large archipelago ranging over 4,000 kilometers in length. Although a wide variety of socio-economic conditions exist in its regions, the Government maintained a centralized system until 1998. After several years of demands for political reforms and an economic crisis that hit Indonesia in 1997, the 32 years of centralist administration came to an end. In 1998, the People's Consultative Assembly (MPR) adopted a decentralizing policy, which continues to be supported by President Megawati's current government. In 2000, the economy showed signs of recovery, achieving growth of more than 4% of GDP and the rate of inflation slowed. However, recovery was still weak and a difficult fiscal situation continued throughout 2001. In spite of the limitation of the current economic situation, the Indonesian government is maintaining its efforts to promote local public administration reforms, which are expected to lead more efficient and effective government's services that correspond to local needs.

### **2.2 Local Governance**

By September 2001, Indonesia was divided into 30 Provincial governments including Special Districts and 341 Regency/City governments. Over the last few years, the number of these regional governments has increased due to requests from the regions for the establishment of new regional governments. In accordance with the 1999 Law 22, the regional authority now have authority over all areas of government, except in the fields of foreign policy, defense and security, justice, monetary and fiscal affairs, and religious affairs. In addition to this negative list of authorities, the Ministry of Home Affairs (MOHA) has also formulated a positive list of the functions of Regency/City governments in 2000, and it retains authority to verify that their activities are in accordance with the functions delineated by the various local regulations (Perda).

Heads of regional governments are now elected by the regional parliaments and many government functions have been devolved to the city and regency authorities, rather than to the provincial governments who have a more deconcentrated role. Governors of provincial governments are accountable not only to provincial parliaments, but also to

the central government, and the central government can remove them without consulting provincial parliaments. Meanwhile, heads of city and regency governments are mostly accountable only to their local parliaments.

With the implementation of decentralization, most central government offices at provincial, city and regency levels were handed over to the regional governments. In March 2001, central government personnel were officially transferred to the regional governments. This process of personnel transfer was to be completed by the end of 2001. The number of civil servants employed by the regional governments had increased from 485,902 in 1999 to 3,002,164 by September 2001.

With the implementation in 2001 of Law 25 on Fiscal Balance between the Central and the Regional Governments, regional governments began to receive funding from the central governments in the form of block grants (DAU) basically allocated according to a set formula which has greatly improved transparency of the transfer of financial resources from the central government to regions. Furthermore, regional governments now have full control over the use of these funds.

To support the development of regional autonomy, two inter-ministerial arrangements were created in 2000 and are currently in operation; these are the Advisory Council for Regional Autonomy (DPOD) and Presidential Decree 157 Team. To encourage inter-regional cooperation, independent associations of regional governments were formed and have become active, namely the association of provinces (APPSI), the association of regencies (APKASI), and the association of municipalities (APEKSI). Associations of regional parliaments are also being established. These associations for inter-regional cooperation represent the interests of the regional governments and formulate recommendations to the central government.

### **2.3 Indonesian country strategy**

The improvement of regional development is one of the five priority issues of the Indonesian government's National Development Program (PROPENAS), which was enacted in 2000 and will be effective until 2004. PROPENAS states that stability of regional autonomy is a purpose of regional development. This stability is to be achieved "through the higher capacity of regions to ensure the good operation of government, effective efficient performance of general services, and encouragement of the growth of initiatives from, and the participation of, local communities". PROPENAS indicates that the following activities are being implemented in order to upgrade the capacity of regional government organizations, (1) Standardization of competence for employment positions in regional organizations; (2) Analysis of the requirements needed to upgrade human resources in regional organizations; (3) Improvement of the evaluation, reward and punishment system of civil servants; and (4) the provision of education and training for civil servants.

Achievement of good governance is also a national policy of the Indonesian government, which issued the 1999 Law 28 to ensure good governance and a government free from corruption, collusion and nepotism (KKN). Capacity building in local public administration is considered to be a means to achieving good governance in the regions.

#### **2.4 Prior and ongoing activities of donors**

With regard to donors' cooperation in the capacity building for local governance, GTZ, USAID and UNDP are all active, and offer policy advice and strong support for urban management. Australia's Indonesia Australia Specialized Program (IASTP II) offers support for training provision for civil servants. GTZ has been working together with the Indonesian government on the Support for Decentralization Measures Project since 1994 and its related Capacity Building Needs Assessment for Local Governments and Legislatures, which has analyzed the basic framework of capacity building. Since 2001, GTZ has also been running a project for urban management (Urban Quality). USAID worked with local public administration on the CLEAN-Urban project and now it has initiated the Performance-Oriented Regional Management Decentralization Policy (PERFORM) for development planning, as well as the Building Institutions for Good Governance (BIGG) for policy advice. UNDP supports city management with its BUILD project.

### **3. Human resource development, the current situation**

#### **3.1 Institutional framework**

In 1999, the National Civil Service Agency (BKN) was established by Law 43 to assume the functional responsibility of managing and supervising job standards and competencies at the national level at the regional level. At the regional level Regional Personnel Agencies (BKD) are being formed as a unit of provincial and Regency/City governments to ensure the smooth execution of civil service management. The heads of regional governments currently have the authority to manage human resources in regional governments.

The National Administration Agency (LAN) is the managing agency responsible for the regulation, coordination and implementation of training and education for civil servants. However most of the actual implementation of this training and education is being conducted by a variety of organizations, for example, central government agencies possess their own training institutes or units at Jakarta and regions (PusDiklat, Badan Diklat). Regional governments, in accordance with the 1999 Law 22, have the authority to conduct human resource management, as well as education and training, within national laws and regulations. Most provincial governments have a training unit (Propinsi Diklat) in charge of training both provincial and Regency/City civil servants. The number of city and regency governments which possess their own training units is still small, but seems to be growing according to findings by JICA team's research visits.

Officials in management positions, personnel in planning divisions and members of local parliaments (DPRD) are important human resources in regional governments. There are currently 12,000 civil servants in regional governments' management positions from echelon I to III and these play a key role in local public administration. Personnel in planning divisions such as BAPPEDA are also important human resources for regional development. The number of BAPPEDA staff in each of the provincial and Regency/City governments are some 150 and 30, respectively. DPRD members are not elected directly, but are appointed by their parties from their lists of candidates in proportion to the number of votes obtained. In spite of this, the more

than 10,000 representatives in the regional parliaments are regarded as being elected with a more democratic mechanism than before. The reforms that have given rise to these new democratic procedures have also given the DPRD members increased responsibility to oversee the performance of the local governments.

### 3.2 Issues to be addressed

Human resource management is one of the key issues in the capacity building of local public administration. Regional governments are expected to ensure that the quality of local personnel is good enough to assume the expanded governmental functions brought about by decentralization. To this end, newly created Regional Personnel Units (BKD) are expected to develop human resources in regional governments, and training and education institutes, working together with BKD, must offer training services that respond to local needs.

In-house training is divided into four groups: (1) Leadership training for appointments to management (structural) positions; (2) Functional training for the holders of professional (functional) positions; (3) Technical training for a wide variety of training needs; and (4) Pre-service training for candidates for civil service. Generally, there is a strong demand for leadership training, as this training is a prerequisite for management positions in local governments. On the other hand, the technical and functional training courses are less popular. Personnel in charge of training in provincial training units indicated to the JICA mission that it is sometimes difficult to fill the number of places previously allocated for those courses. The provincial training institutes concentrate their activities on pre-service and structural training, giving less time to technical training, functional training and training of trainers.

In order to reduce the mismatch between the real demand for human resource development and the supply of training courses, more training needs analysis may be necessary. The enhancement of the quality of trainers is another important issue regarding the improvement of training provided by local governments. Currently, in accordance with Government Regulation No.101 of 2000, the in-house trainers for training and education are Widyaaiswara, who are qualified by LAN. Improvement in the quality of these trainers may be needed in order to offer training services that correspond more closely with local needs. Furthermore, increasing training opportunities for local parliamentarians is a critical issue to be addressed immediately. In some regions, the political parties are still underdeveloped and more training is needed for those representatives in DPRD. In other regions, the uncompromising attitude of some DPRD members in rejecting the annual accountability speech (LPJ) by the head of regional governments without explicit reasons is leading to instability in the administration of local governments.

### 3.3 JICA's assistance to Indonesia

Japan's support for local governance is one of its priority areas of cooperation. Basically, this support is to strengthen human resource development and institutions with regard to the regional development policies, which are formed and implemented by regional governments under their own initiative. For this purpose, JICA initiated the Regional Development Policy Project in cooperation with the General Directorate for Regional Development of MOHA in 2001. The Regional Development Policy Project forms a part

of the Program on Capacity Building Development for Local Governance together with this project. Since 2000, seminars and workshops for regional governments have been offered by the In-Country Training Program, in collaboration with LAN, Training and Education Agency of MOHA as well as other Indonesian institutions. These workshops include such programs as the Learning for Regional Development Good Practice Cases. Other important project that JICA is cooperating with local governments are the Project on Strengthening Sulawesi Rural Community Development to Support Poverty Alleviation Program, the Study on Regional Educational Development and Improvement Project in the Republic of Indonesia, and the Technical Cooperation Project for the Improvement of District Health Services in South Sulawesi.

#### **4. Project strategy**

##### **4.1 Project strategy**

The Project is to support human resource development for local governance by providing training that corresponds to local needs. With the implementation of decentralization policies, central government power has been greatly devolved to the regional governments, which now urgently need the capacity to assume their newly expanded functions. Capacity building for local governance is needed at system, institution and individual levels, and human resource development is an effective measure to facilitate this.

The Project will support training especially in the fields of administrative management and regional development, but not in the form of structural and pre-service training. The Project intends to enhance the capacity of human resources that play an important role in the administration of regional governments, dealing with cross-sectoral issues rather than sectoral issues, and also to enhance inter-sectoral management and planning capacity. Support for training of a specific sector may be offered under particular circumstances, when deemed necessary due to specific local conditions. The target of the training assisted by the project will be principally middle and high ranking local civil servants in management and planning positions.<sup>1</sup> In order to reinforce its impact, the Project will also support the training of DPRD members, university professors, NGO staff and personnel in charge of human resource development.

Training activities will be provided principally in Jakarta, South Sulawesi Province and North Sumatra Province. In Jakarta, the planning and implementation of the training will be executed in cooperation with the Training and Education Agency and other related Directorate Generals of MOHA. Coordination with other government agencies such as LAN will be also managed in Jakarta. In South Sulawesi and North Sumatra Provinces, project activities will focus on the development and supply of training on administrative management. Implementation of training on regional development will be done in coordination with the Regional Development Policy Project. The Project may utilize JICA's previous experience from their work on the Project for

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<sup>1</sup>The numbers of middle and high rank civil servants in regional governments are approximately 600 in South Sulawesi Province and 700 in North Sumatra Province. The numbers of personnel in planning section (BAPPEDA) are around 1,000 in South Sulawesi Province and 700 in North Sumatra Province.

Strengthening Sulawesi Rural Community Development to Support Poverty Alleviation Program in South Sulawesi Province. The Project will hopefully also take advantage of experience in past cooperative activities with local universities, such as Hasanuddin University in South Sulawesi which conducted various seminars and North Sumatra University that collaborated in a project on higher education.

JICA experts for the Project will be located in regional governments to conduct a training needs research and to implement training. They will also study the current training situations in the regions and the institutes that support training such as universities. Based upon the research results, the experts will make recommendations for training improvements. Improvement efforts will be made not only on official training and education courses, but also on short-term workshops and seminars for extensions. These will be able to be easily implemented by regional governments even after completion of the Project and even in difficult fiscal conditions.

Strengthening of local governance can be achieved not only by human resource development in civil servants, but also by increasing civil society participation in local governance. Taking this into consideration, the Project will try to promote cooperative relationship among important actors in local governance, such as DPRD representatives, local universities staff, and NGO members. Training for local parliamentarians will be helped by the Project, and universities and NGOs may also participate in project activities as consultants or trainers. The Project may be able to support implementation of training more adapted to local needs, by supporting horizontal and voluntary cooperative activities by those stakeholders in local governance. Paying attention to the stakeholders, the Project will be able to facilitate provision of training on a more demand-driven basis. JICA experts will also be located at the MOHA office in Jakarta, so that the Project can take advantage of the vertical information flow from the center to the regions. The strategy adopted by the Project will be to make good use of both vertical and horizontal coordination between stakeholders in local governance.

#### **4.2 Program on Capacity Development for Local Governance**

The Program on Capacity Development for Local Governance will be composed of two projects; one for Regional Development Policy and the other one for this Project for Human Resources Development for Local Governance. The objective of Regional Development Policy Project is to improve the capacity of local governments in the management of regional development. Each Project is expected benefit from synergic effects in collaboration with the other project.

#### **4.3 Implementation structure**

##### **4.3.1 Capacity of the counterpart organization**

##### **4.3.1.1 Appropriateness of the counterpart organization**

The Ministry of Home Affairs (MOHA) is the government agency that plays the principal role in supervising and supporting local public administration in Indonesia. Other MOHA functions include the research and implementation of training to back policies for the central government's internal affairs and as well as for regional autonomy. The Secretariat General of MOHA functions as a coordinator between the Directorate Generals and Agencies within MOHA, and with other government

organizations outside of MOHA which may be related to human resource development issues. Within MOHA, the Training and Education Agency (Badan Diklat) is the agency in charge of training and education, and the Directorate General for Community Empowerment executes training for community development. Other Directorate Generals of MOHA, such as the ones for Regional Development (Bangda) and for Regional Autonomy (Otodana) also support training and education activities.

On some issues, the provincial governments offer support to the city and regency governments. For example, provincial training and education units (Diklat Propinsi) provide training services not only for provincial civil servants, but also for those in the city and regency governments. Provincial governments units, such as for those for planning and development (BAPPEDA) and for community development (PMD), also support training and education activities at the provincial level. In the Project, South Sulawesi Province and North Sumatra Province will be selected as model areas, partly to assist with such cooperation, as well as other Project activities.

#### 4.3.1.2 Budget allocation

Tables 1. and 2. show how the budget has been spent by the Training and Education Agency of MOHA (Badan Diklat) and by the Training and Education Units of the provincial governments of South Sulawesi and North Sumatra. The cost for personnel salaries necessary for the implementation of Badan Diklat's training is allocated from the budget for current expenditure of MOHA. Badan Diklat entrusts the execution of some of its training to Propinsi Diklats.

**Table 1. Budget spending by the Training and Education Agency of MOHA**

Year	Cost for Course Development	Personnel salaries	Purchasing of goods
1996/1997	4,265,613,000	4,271,133	3,838,573
1997/1998	5,171,509,000	4,134,314	5,116,979
1998/1999	6,450,000,000	4,906,684	6,223,476
1999/2000	8,498,143,000	2,405,000	

Source : Reports by the Training and Education of MOHA, Unit=1000Rp.

Propinsi Diklats' expenditure on training and education and other items is allocated by the provincial governments from the budget for current expenditure for these units. Since the implementation of decentralizing systems, the source of the budget is now the general allocation fund (DAU),.

**Table 2. Budget spending by the Training and Education Units of two provincial governments**

	Training and Education Unit of South Sulawesi	Training and Education Unit of North Sumatra
Cost for training and education	561,230	1,390,412
Current expenditure	1,062,398	1,279,588
(Personnel Salaries)	326,668	586,023
(Purchasing of goods)	612,318	483,873
(Maintenance)	16,500	162,767



(Traveling costs)	106,912	43,370
(Others)	-	3,555

Source : Reports by the Training and Education Unit of the governments of South Sulawesi and of North Sumatra, APBD only, Unit=1000Rp.

#### **4.3.1.3 Institutional arrangements**

The Project Director is the Director General of the Secretariat General of MOHA and the Project Manager is the Head of Planning bureau of Secretariat General of MOHA. A Project Operation Committee, which will be chaired by the Project Manager, will be held when considered necessary.

- a) The Project Director will bear overall responsibility for the administration and implementation of the Project.
- b) The Project Manager will be responsible for the managerial matters of the Project.
- c) For the effective and successful implementation of technical cooperation for the Project, a Project Operation Committee will be organized in order to oversee the Project implementation process. This Committee will be chaired by the Project Manager and constitute Secretaries of relevant Directorate Generals (Agencies) of MOHA, personnel in charge of training in the Governments of South Sulawesi and of North Sumatra, and Japanese experts.

#### **4.3.1.4 Capacity of counterpart organizations**

At the current time no substantial problems are foreseen in the management of the Project, since except for provincial training and educational units, almost all the training implementation agencies and supporting organizations mentioned above have previous experience in cooperative activities with JICA in various forms of training and seminars.

#### **4.3.1.5 Coordination staff**

For the smooth implementation of the project, staff from the Indonesian side will be allocated.

- a) Two (2) staff members from the Planning Bureau of the Secretariat General of MOHA will be assigned as Coordination Staff members to plan and manage the Project effectively with the coordinating authority.
- b) Two (2) staff members from each executing and supporting organization will be assigned as Coordination Staff members to manage the training courses smoothly.

#### **4.3.1.6 Implementation structure**

- a) The Planning Bureau of MOHA will request and receive four long-term JICA experts.
- b) Principal location of activities for the experts
  - The Leader and the Coordinator of the Project will also work as each in the Program on Capacity Development for Local governance. Both of them will be stationed at an office in the Planning Bureau of MOHA, which functions also as an office for the Program Management Unit for Capacity Development for Local Governance.
  - The expert for the development and management of local public administration will work both in Jakarta and in North Sumatra Province.

- The expert for the development and management of training for public management will work in South Sulawesi Province.

#### **4.4 Coordination arrangements**

The Project will conduct activities in coordination with MOHA and other government agencies such as LAN. In the regions, cooperation in activities will be expected between the Project and regional governments (provincial, city and regency governments), as well as with local universities and NGOs.

#### **4.5. Sustainability**

The Project is to help the implementation of training in accordance with local needs. Sustainability of project effects will be ensured when implementing and supporting agencies backed by the Project, incorporate a more demand-driven process into their cycle of training services.

Sustainability of the Project will be also increased by a continuing cooperative relationship among all the actors concerned with training for local governance. Project activities will try to strengthen cooperation between the central and regional governments, and inter-regional governments (provincial and Regency/City governments), as well as universities and NGOs. More cooperation among these stakeholders in local governance in the provision of training may contribute to the Project's sustainability. Publication and extension of training programs supported by the Project will also increase sustainable effects of the Project activities.

### **5. Project design**

#### **5.1 Super goal**

Super goals and overall goals are how the impact of the Project will appear after the Project is completed and its important assumptions have been fulfilled. Super goals are expected to be achieved, over a longer time and with more assumptions than overall goals. The super goal of the Project is that capacity for local governance is improved. This is also the objective of the Program for Capacity Development for Local Governance. Capacity development for local governance cannot be attained only with the development of human resources, but it can be achieved if accompanied with system and organization improvements. The implementation of training will be helpful for local governance in the case where improvements in laws, regulations, procedures, systems and coordination mechanisms are also implemented. The ultimate goal of the capacity building is to offer better services more efficiently and effectively to citizens in accordance with their needs.

#### **5.2 Overall goal**

The overall goal of the Project is that the capacity of human resources for local governance, principally for administrative management and regional development, is improved. Trainees will acquire knowledge and skills from participating in training programs in different fields related to human resources development.

#### **5.3 Project objective, outputs and activities**

##### **5.3.1 Project objective**

Due to the substantial reforms in regional public administration that are currently

being enacted, there is an imminent need for the provision of training of the human resources that are now playing important roles in this new system of local governance. Taking this situation into consideration, the project objective is that training courses, principally for administrative management and regional development, are implemented in accordance with local needs. In the three years of project period, approximately 4,600 trainees are expected to participate in training courses, for the purpose of facilitating local public administration.

### **5.3.2 Project outputs**

Outputs are products to be yielded by the Project in order to achieve the Project objective. The outputs of the Project are: 1) Adaptation of training programs to local needs, 2) Provision of training initiated at local levels, and 3) Strengthening of the partnership among stakeholders in training for local governance. In the Project Design Matrix, they are described such as follows.

1. Training courses, principally for administrative management and regional development, are implemented according to local needs.
2. Regional governments can implement training necessary for their need.
3. Partnership among stakeholders is reinforced. (between central and regional governments, inter-regional governments, universities, NGOs and others)

### **5.3.3 Activities**

Activities are specific actions intended to bring about the outputs of the Project by effective use of the inputs.

#### 1. Implementation of training in accordance with local needs in Jakarta and regions

1-1. Improve administration and management of training by central government agencies

1-1-1. Research on local conditions before implementation of training

1-1-2. Study on methods for trainee selection, training evaluation and others

1-2. Improve training courses

1-2-1. Contract consultants and other resource personnel to improve training courses

1-3. Prepare training materials

1-4. Implement training courses

1-4-1. Implement training courses on administrative management

1-4-2. Implement training courses on regional development

1-4-2-1. Implement training courses in collaboration with the Regional Development Policy Project

1-5. Implement a training needs survey for regional governments in regions

#### 2. Support for regional governments' activities

2-1. Increase capacity of human resources in regional governments of model areas

2-1-1. Implement trainers' training (TOT)

2-1-2. Regional governments work together on the training needs survey

2-1-3. Implement training in cooperation with regional governments

2-2. Lecture on Japan's regional autonomy system

2-2-1. Implement Country-Focused Group Training Courses by Hiroshima Prefecture

2-2-2. Implement counter part training

### 3. Promotion of partnership among stakeholders in training in regions

3-1. Implement training courses with the cooperation of central government agencies and regional governments

3-2. Implement training courses with the cooperation of regional governments (provincial government and district/city governments, inter-district or city governments)

3-3. Promote partnership between regional governments, universities and NGOs

3-3-1. Contract out resources from universities (such as professor, researchers etc.) and others for training needs survey

3-4. Publicize and disseminate information about the Project training activities to other regions

## **5. 4 Inputs**

### **5.4.1 Inputs from Japanese side**

#### **5.4.1.1 Experts**

##### 1) Long-term experts

The Japanese side will recruit and dispatch the following long-term experts for a term of service one year or longer. The Leader and the Coordinator of the Project will also work as each in the Program on Capacity Development for Local Governance.

##### a) Project Leader

- Overall management of activities in the Project
- Role of Leader of Program on Capacity Development for Local Governance

##### b) Project Coordinator

- Various and miscellaneous tasks for smooth implementation of the Project
- Role of Coordinator of Program on Capacity Development for Local Governance

##### c) Expert for the development and management of local public administration

- Give support for the provision and improvements of the training in Jakarta
- Provide support for increasing the implementation capacity of training by regional governments in North Sumatra Province
- Implementation of training in coordination with the Regional Development Policy Project in North Sumatra and West Kalimantan Provinces.

##### d) Expert for the development and management of training for public management

- Provide support for increasing the implementation capacity of training by regional governments in South Sulawesi Province.
- Implementation of training in coordination with the Regional Development Policy Project in South Sulawesi and other four Provinces in Sulawesi.

##### 2) Short-term Experts

The Japanese side will recruit and dispatch short-term experts for the following activities for the duration of less than one year.

- Lecture in training courses
- Introduction of Japanese regional autonomy
- Support other project activities

#### **5.4.1.2 Provision of equipment**

Necessary equipment to implement the training will be provided.

#### **5.4.1.3 Training in Japan**

The Indonesian counterparts may receive training in Japan, when considered necessary. After this training, the trainees are expected to practice and disseminate the knowledge, skills and technology acquired.

#### **5.4.2 Inputs from Indonesian side**

##### **5.4.2.1 Staff allocation**

The Secretariat General of the MOHA will allocate its staff as counterparts to the JICA experts, and other relevant organizations will also provide counterparts where training courses are to be implemented by the Project.

##### **5.4.2.2 Building, funding and equipment etc.**

The Indonesian side will allocate budget for the following items.

- a) Salary and other allowances for the Indonesian counterparts
- b) Expenses such as electricity, water, gas, fuel and other contingencies
- c) Operational expenses for customs clearance, storage and domestic transportation of equipment
- d) Expenses to operate equipment provided by the Japanese side

Office space will be allocated to Japanese experts in the Secretariat General of MOHA.

#### **5.5 Important assumptions and risk analysis**

Functions and organizations related to project activities may change from time to time, since government organizational reforms often take place and decentralization is still evolving. Another important consideration is the budget constraints of regional governments, which may reduce the allocation of funds for training provision and also reduce the subscription of training for their staff.

#### **5.6 Prior obligations or prerequisites**

It may be necessary to dispatch a short-term expert for project preparation prior to the beginning of the Project, since such preparatory activities in other previous experiences have been very useful in order to assure results in a Project's rather limited time of three years.

### **6. Project justification**

#### **6.1 Necessity**

In Indonesia, authorities of the central government have been greatly devolved to regional governments, which now have an immediate need for the capacity to assume their expanded functions. The Indonesian government's five-year program (PROPENAS) states the necessity to prepare "a number of professional personnel from the regional governments with qualifications adapted to needs, duties and responsibilities at provincial, Regency/City and village levels" in order to realize regional autonomy and to establish clean government. For these purposes, the project has reason enough to be implemented.

#### **6.2 Impacts**

The Government of Indonesia is currently undergoing policy reforms that intend to upgrade the capacity of regional governments by amending in systems and procedures, and changing laws and regulations. The Project activities may indirectly supports these policy reforms, in situations where the training backed by the Project is in

accordance with the Indonesian Government's efforts.

In addition, the Project has the intention of benefiting not only local civil servants, but also a wide variety of social groups, such as DPRD members, local universities and NGOs. By increasing the cooperative relationships among these social groups and the regional government, the Project is expected to have an impact on the promotion of civil society participation in local governance. The Project will also try to bring about cooperation between local universities and NGOs in the different regions.

### **6.3 Effectiveness**

Since the Indonesian regional administration system is experiencing radical reforms, there exists a much greater demand for training to support these reforms. As the Project is to offer opportunities of timely training for personnel engaged in local public administration, it may contribute to the strengthening of local governance, collaborating with provision of training adapted to local training needs.

Although the duration of the Project is limited, its activities will be effective by making use of the results and achievements of JICA's previous cooperative experience and also by current coordination with the Regional Development Policy Project that is within the Program on Capacity Building Development for Local Governance. JICA's past experience which will be utilized in the current Project's activities include the Project on Strengthening Sulawesi Rural Community Development to Support Poverty Alleviation Program in South Sulawesi Province and Study on Regional Development Good Practice Cases. Good use of existing Indonesian training programs also should be made, modifying and executing them in an effort to satisfy immediate training needs.

## **7. Monitoring and evaluation of the project**

Monitoring and evaluation is important for good management and control of all projects. With a continuing process of monitoring, it is possible to keep track of the progress of a project and identify problems that might hinder its progress, thus allowing corrective action to be taken when necessary. In evaluating the Project, effectiveness in achieving its purposes, efficacy, impacts, relevance of the plan and sustainability will be measured. A mid-term evaluation is planned for July 2003 and the final evaluation is to be implemented in July 2004 before the Project finishes. Following are the indicators which may be used in the mid-term and final evaluations.

- Number of participants in training courses for which implementation is supported by the Project
- Number of training courses for which implementation is supported by the Project
- Number of training courses for which improvement is supported by the Project
- Number of training materials and their publication where production is supported by the Project
- Evaluation results from questionnaires to, and interviews with, training implementation agencies and trainees, as to whether the training courses are in accordance with local conditions
- Reports on training needs research
- Evaluation results from by questionnaires to, and interviews with, organizations which provide the trainees as to their capacity
- Evaluation results by questionnaires and interviews for organizations related to

training (provincial and Regency/City governments, universities etc.) as to the cooperative relationship among themselves

**Annex 1. Terms of Reference of Japanese long-term experts**

**1. Project Leader**

Period: Three years

Job Description:

- (1) Give guidance and advice related to Project management
- (2) Assure responsibility for the implementation of the Project
- (3) Make plan of the management of the project operation
- (4) Coordinate with the Indonesian side in monitoring and evaluation
- (5) Communicate and coordinate with other donors
- (6) Make public project activities in cooperation with the other experts of the Project

**2. Project Coordinator**

Period: Three years

Job Description:

- (1) Assist the Project Leader in his/her job
- (2) Administrate allocated budget to the Project activities
- (3) Assist the Expert No. 3 below in training implementation in Jakarta
- (4) Conduct other necessary works for the smooth implementation of the Project

**3. Expert in development and management of local public administration**

Period: Three years

Job Description:

- (1) Support implementation and improvements of training courses being stationed in Jakarta
  - (a) Manage training implementation in Jakarta
  - (b) Administer activities for improvements in the training courses
    - Coordination of training with the other supporting agencies of training
    - Administer the contracts with local consultants working with the Project, on training improvements and production of teaching materials
  - (c) Coordinate with training organizations for improvements in management of training implementation
    - Improve selection of trainees and training evaluation methods etc.
- (2) Implement training courses in coordination with Regional Development Policy Project
- (3) Identify training to be supported by the Project
- (4) Support training implementation capacity, principally in the regional governments in North Sumatra Province
  - (a) Administer contracts with local consultants to conduct the following research
    - Situation of training currently being offered in North Sumatra
    - Training needs for provincial, city and regency governments in North Sumatra
    - Needed improvements in training and training materials (for provincial, city or regency governments)



- Measures needed to strengthen capacity of personnel in charge of training (TOT etc.)
- How to promote collaborative relationships among the various training organizations (provincial, city and regency governments, local universities and NGOs)
- (b) Identify training to be supported by the Project in North Sumatra Province
- (c) Coordinate support for the implementation of training by the provincial training unit
- (d) Coordinate support for the implementation of training by some selected city and regency governments
- (5) Implement training courses in coordination with Regional Development Policy Project in North Sumatra Province
- (6) Implement training courses in coordination with Regional Development Policy Project in West Kalimantan

4. Expert in development and management of training for public management

Period: Three years

Job Description:

- (1) Support training implementation capacity principally in regional governments in South Sulawesi Province
  - (a) Administer contracts with local consultants to conduct the following research
    - Situation of training currently being offered in South Sulawesi
    - Training needs for provincial, city and regency governments in South Sulawesi
    - Needed improvements in training and training materials (for provincial, city or regency governments)
    - Measures needed to strengthen capacity of personnel in charge of training (TOT etc.)
    - How to promote collaborative relationships among the various training organizations (provincial, city and regency governments, local universities and NGOs)
  - (e) Identify training to be supported by the Project in North Sumatra Province
  - (f) Coordinate support for the implementation of training by the provincial training unit
  - (g) Coordinate support for the implementation of training by some selected city and regency governments
- (2) Implement training courses in coordination with Regional Development Policy Project in South Sulawesi Province
- (3) Implement training courses in coordination with Regional Development Policy Project in the four provinces in Sulawesi other than South Sulawesi Province

ANNEX IV

Project Organization Chart

