



Japan International Cooperation Agency



Directorat General of Regional Development
Ministry of Home Affairs

THE STUDY
ON
CURRENT STATUS AND NEEDS ASSESSMENT
OF
LOCAL GOVERNMENTS
FOR
IMPLEMENTING DECENTRALIZATION
AND
REGIONAL AUTONOMY
IN REPUBLIC OF INDONESIA
(STUDY CASE IN SOUTH SULAWESI)

DECEMBER 2002

FINAL REPORT

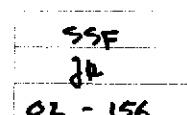


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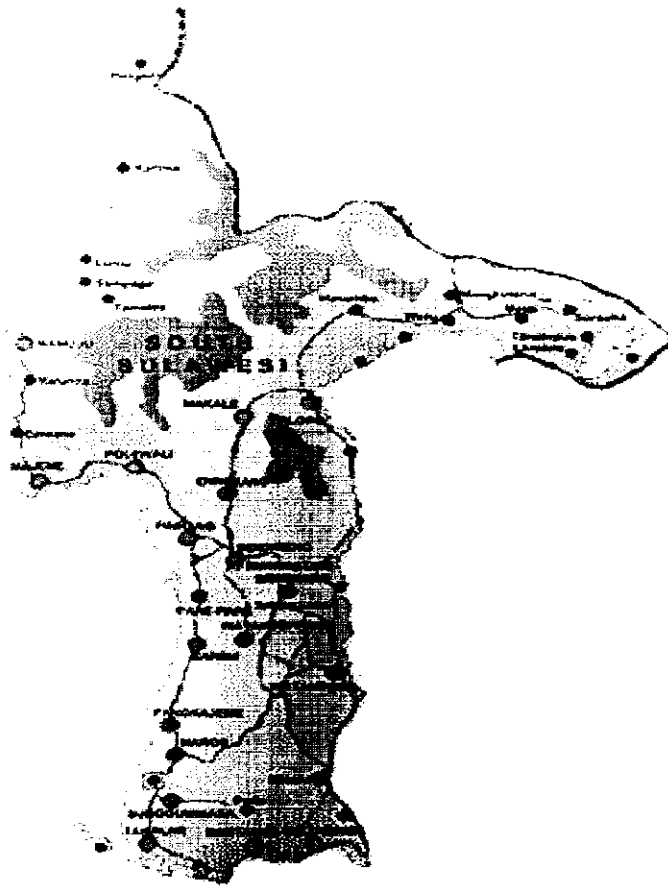


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SOUTH SULAWESI REGION

I. INTRODUCTION



Geography and Administration

1. South Sulawesi Region lies between 116° 48' - 122° 36' East Longitude and 0° 12' - 8° South Latitude. The province is bounded by Sulawesi Tengah in the north, Gulf of Bone and Sulawesi Tenggara in the east side, Makassar Strait in the west side, and Flores Sea in the south side. The total area area is 62 482.54 km, which is divided into 21 Regencies and 2 Municipalities, that consists of 275 Districts. The detail of the administration area in South Sulawesi can be seen in the table below:



Kabupaten/Kota Regency/Municipality	Ibu Kota/ Capitals	Kecamatan/ Districts	Villages and Wards		
			Villages	Wards	Total
Selayar	Benteng	9	65	7	72
Bulukumba	Bulukumba	10	101	24	125
Bantaeng	Bantaeng	6	45	21	66
Jeneponto	Bontosunggu	9	84	27	111
Takalar	Takalar	7	60	18	78
Gowa	Sungguminasa	12	115	36	151
Sinjai	Sinjai	8	54	14	68
Maros	Maros	12	80	23	103
Pangkep	Pangkajene	12	65	36	101
Barro	Barro	7	40	14	54
Bone	Watampone	27	333	39	372
Soppeng	Watansoppeng	6	46	21	67
Wajo	Sengkang	14	131	45	176
Sidrap	Sidenreng	11	65	38	103
Pinrang	Pinrang	12	67	36	103
Enrekang	Enrekang	9	96	12	108
Luwu	Palopo	16	200	16	216
Tana Toraja	Makale	15	238	52	290
Polmas	Polewali	18	229	24	253
Majene	Majene	4	21	14	35
Mamuju	Mamuju	15	133	8	141
Luwu Utara	Sabbang	19	270	-	271
Makassar	Makassar	14	-	142	142
Parepare	Parepare	3	-	21	21
Total		275	2.538	688	3.226

Source: Bureau of Village Government Establish, Governor Office of South Sulawesi
(www.sulsel.bps.go.id)

Social and Economy

- HDI for all regions increased their rank in the 1996-1999 both in individuals in four region and south sulawesi region as entity. Nevertheless, all regions, except Sinjai, decreased the value of their HDI index. The table below can explain more detail

REGIONS	HDI		HDI Rank	
	1996	1999	1996	1999
JENEPONTO	58.1	56.9	276	267
SINJAI	61.0	62.5	258	199
LUWU	68.8	68.0	92	56
MAKASSAR	73.3	71.4	28	13
PROVINCE	66.0	63.6	21	17

Source: data base LPEM FEUI

- Makassar City is the capital of South Sulawesi with the 6,566 population per km². Income percapita by the year 2001 is 1.5 million rupiah. The contribution of the agriculture, industri, and services are 40:21:39. It means that South Sulawesi still consider the agriculture as the leading sector. However, the services sector has also important role. In the more detail explanation of all four regions are: distribution of GRDP in the year 1999 for Jeneponto:



agriculture still have dominant role around 59.26% of the total GRDP while the services (15.98%) become the second part. Sinjai has the agricultural (61.33%) sector as the major of the production sector, followed by trade, hotel, and restoran (11.69%) and services (12.6%). North Luwu dominated by the agricultural (43.1%) and mining (40.25%). Makassar has trade, hotel, and restaurant (30.04%) and manufacturing (24%) as the major sectors. South Sulawesi province still dominated by agriculture (36.51%) and trade hotel and restaurant (16.8%)

- South Sulawesi is one of the major exporter for non oil and gas in Indonesia. It is shown that when the economic crises come, South Sulawesi has enjoyed the devaluation of rupiah with the export of agriculture commodities. Especially in Biji Coklat (Cocoa), South Sulawesi as one of the world price setter. The value of export can be seen in the table below:

Value Of Export

Commodities	Value Of Export (000 US\$)					
	1990	1995	1996	1997	2000	2001
01. Kopi Arabika	5 973	4 411	5 966	10 950	6.990	5.452
02. Kopi Robusta	3 685	1 460	364	1 648	821	244
03. U d a n g	41 830	86 912	96 781	59 125	101.359	94.239
04. G a p l e k	8 000	7 375	3 467	2 508	985	2.075
05. Biji Coklat	66 259	134 164	157 627	240 824	145.360	181.505
06. Ikan Laut Segar	-	4 920	3 542	4 871	6.456	7.998
07. Ikan Hidup	-	4 446	3 188	362	307	195
08. Telur Ikan Terbang	3 674	2 900	3 567	6 092	2.471	5.758
09. Sirip Ikan Hiu	-	1 959	1 907	5 006	179	158
10. Teripang	6 204	2 802	1 537	5 403	505	1085
11. Kepiting Hidup	-	7 110	6 040	2 823	2.007	1.247
12. Biji Mente	-	10 434	7 100	4 514	5.766	7.183
13. Biji Mente Kupas	-	2 242	2 708	3 266	-	-
14. Gum Copal (Damar)	628	1 186	806	801	1.285	1.142
15. Kayu Olahan Lain	4 325	13 576	14 826	18 040	14.363	14.302
16. Kayu Lapis	17 975	18 866	20 405	12 030	24.549	11.233
17. Kayu Gergajian	14 473	680	-	-	-	-
18. Barang Jadi Kayu	-	366	84	454	4.804	3.954
19. R o t a n	3 663	3 942	4 037	3 382	3.732	2.890
20. K a r e t	2 647	8 448	7 499	4 920	3.758	3.305
21. Dedak Gandum	3 322	8 448	11 376	3 875	2.756	3.921
22. Tetes Gula	-	2 713	4 111	2 196	937	417
23. Ferro nickel	-	4 789	11 242	5 600	-	-
24. Nickle Mate	-	284 993	195 921	174 931	401.307	324.639
25. Lainnya	-	19 024	12 247	18 113	70.217	71.135
T o t a l	193 372	638 148	576 384	592 012	800.914	744.077

Source : Regional of Trade Department of Sulawesi Selatan (www.sulsel.bps.go.id)

Vision, Mission, and Policy Strategy

- The Vision 2020 of South Sulawesi, based on Poldas, is " South Sulawesi as the most respected province in Indonesia through the local self sufficiency approach in the religius way". However, for the shorter vision (2001-2005): To enhance the best services through the local self sufficiency, which is supported by the professional apparatus.



6. Mission for 2001-2005. can be described: (1) Toward efficient and effective beaurocracy, (2) To enhance the bussines environment friendly for the development of the bussiness competition, and (3) To encourage the implementation of the law to reduce uncertainty.
7. The basic of the policy strategy for the best seVICES is the good governance with the basic priciples: accountability, transparancy, participation, law and order, consencus orientation, responsive, justice, effective and efficiency, and also strategic vision.

II. SOUTH SULAWESI PROVINCE

Development Planning

Guidelines for Planning Documents

8. Local government of South Sulawesi Province has made planning documents in accord with SE Bangda. The province has Poldas, which they called Garis-garis Besar Haluan Daerah (GBHD), Propeda, Renstrada, Repetada, and APBD. In coordination with local technical unit (dinas-dinas teknis), local planning agency (Bappeda) leads the process of making the draft these documents.
9. It seems that there is consistency among these documents, since they were made sequentially. Poldas (GBHD) contains the provinces' vision, mission and values, which is then manifested into Propeda, a five year strategic planning that involve all parties, including the local governments, public, business people and every element of the society. In addition Propeda also refer to Propenas. Propeda then becomes a guideline for making the Renstrada for local government and a guideline for making the Repetada.
10. There appears an interesting case about Repetada, where there is a slightly different interpretation about this particular document. Unlike as stated in SE Bangda, Repetada for South Sulawesi province is considered as a break down of Propeda instead of Renstrada. The main reason is the deconcentration fund in South Sulawesi province case is four times greater than the decentralization fund. Based on that, the local government needs an annual technical, operational and comprehensive document planning which not only include the local government budget (APBD) but also include a deconcentration fund as well as public fund.
11. Some of the local officials do not have clear understanding between Propeda and Renstrada.

Legal framework

12. All of these documents have been escaped from intensive debate with local parliament (DPRD) and then were decreed in local regulation (perda). Both Poldas and Propeda were decreed in 2000 in perda no. 1/2000 and perda no. 7/2000 respectively, while Renstrada, which is regarded as governors'



accountability report, was made one year later in perda no.45/2001. Local budget (APBD) was also decreed in perda. By contrast, Repetada is the only planning document made by the local government that is backed up with SK Governor instead of perda.

Degree of stakeholders involvement

13. In general, public participation in the development planning process can be found at the executive side as well as at the legislative side. At the executive side, public aspiration is absorbed through Forum Pembangunan Kecamatan (FPK) and Lembaga Pemberdayaan Masyarakat (LPM) and through Rakorbang. By contrast, public involvement at the legislative side is in the form of public hearing with the local NGO and community representatives. Frequently, the local government and parliament engaged in intensive debate about the priority list.
14. Although they have been invited to participate, local government sometimes neglects the suggestion/opinion from NGO.

Consistencies between document and realities

15. The local planner regards their planning documents as a realistic one since they have involved all the aspiration from society, university, business community, NGO and prominent figures.
16. Unfortunately, these planning documents are rarely accessible to the public, so that it is difficult to say that these documents have satisfied all the public needs. However, there are some efforts to publicize them through the media.

Planning infrastructure.

17. Local planning agency mostly uses BPS data as the main source of making these planning documents. To improve the quality of the documents, they often combine with the information from local office and also from the society. However, they often meet some difficulties in getting the real data from the local office. To overcome this obstacle, there is an effort to set up an interconnected computerized network for management and planning information system. Unfortunately, they have a funding problem.
18. To improve their capabilities and competencies, the local planning agency often receive some assistance from foreign agency such as JICA (Japan), USAID (United States), AUSAID (Australia), GTZ (German), CIDA (Canada) in the form of training, short courses as well as scholarship. However, there is still a need to improve the capacity of middle level planner through a technical training and formal education.



Local Finance

Strategy to increase local revenue (PAD)

19. According to the head of local revenue unit, strategy to increase the local revenue (PAD) for South Sulawesi province is quite limited. Effort to diversify or enlarge the tax base is very restricted since it is not in accord with the UU no.34/2000. Therefore, intensifying the existing tax base is the only way to increase the local revenue. Intensifying the tax base means: (i) improving the service and administration; (ii) increasing the tariff; (iii) engaging stricter law enforcement; (iv) training the officer.
20. Unlike the tax, the local revenue unit still has the room to increase the local revenue through the extensification of retribution. One of the extensification strategies is to collect the retribution, which was held by the central government. But once again, a very limited authorization from central government restrains this effort. Moreover, the unit is frequently facing not only the problem of PP or SK (the central governments' detailed regulation or guideline) that had not been issued yet, but also the problem of inconsistencies among PPs or between PP and SK.
14. Another strategy is by creating new retribution item. Since decentralization policy has been implemented, the South Sulawesi province had produced three new retribution items. There are, (i) the retribution for using the provinces' asset (retribusi penggunaan kekayaan daerah), decreed in perda no.39/2001; (ii) the retribution for using the governments' administrative services (retribusi pelayanan jasa ketatausahaan) decreed in perda no.40/2001; (iii) the retribution of jembatan timbang decreed in perda no.41/2001.

Performance Budgeting (PB) and Standard Spending Assessment (SSA)

15. Although it was clearly stated in the PP no.105/2000 to implement the Performance Budgeting, South Sulawesi province has not established this system yet. One of the main problems is how to measure the indicator. The local revenue unit does not have any knowledge to measure a sectoral minimum service standard (SPM). In addition, only some sectoral indicators that can be quantified by monetary value (by a unit cost measurement). According to the head of local revenue unit, even the technical office is still waiting for further guideline from central government about this matter.

Intergovernmental transfer

16. The local government raises a question about the consistency of decentralization policy. In fact, the deconcentration fund in South Sulawesi province is greater than the decentralization fund, with a proportion of 4 : 1 respectively. The amount and the allocated projects of the deconcentration fund are already determined by the central government, in this case by the technical



department. It is paradoxical with the basic nature of the policy. Thus, in line with the fiscal decentralization, they expect to get more decentralization funds rather than deconcentration fund.

17. Almost 80 percent of DAU are used to pay the salary expenditure. This expenditure is rapidly increasing since there is an employee transfer from the central government. In addition, the eselon for structural position is also expanding, causing for additional salary expenses.
18. In terms of specific grant (DAK), the local government wants this grant can be used to finance specific purposes such as post riots and natural disaster rehabilitation purpose, humanity purpose (the refugees). They also badly need a transparency in DAK allocation from the central government.

The estimation of local revenue potential

19. Based on Governors tactical and operational planning which is called EKSPAN in REPETADA, the local revenue unit tries to elaborate the strategy of collecting the revenue side. By working together with a local consultant, the unit has developed an econometrics model to estimate the potential local revenue. With this model, they can forecast the development of potential sector that can give a contribution to revenue collection.
20. The unit also takes into account the public willingness to pay in determining the level and the structure of tariff. The main consideration is that the tariff should not be a burdensome to public. The unit also strongly pays attention to the allocation strategy of expenditure side. They urge the local planning agency (Bappeda) to allocate the budget on potential sector, which has a multiplier effect to generate potential revenue in the future.
21. The local government requires more authorization to be transferred, so that they have more opportunity to earn potential revenue in the future, such as a radio permit, radio frequency retribution, etc. They also urge the central government to revise some of decentralization laws and regulations.

Local Regulation

22. The process of making a planning documents : having absorbed the stakeholders' aspiration, in coordination with local technical units (dinas-dinas teknis), local planning agency (Bappeda) leads the process of creating the draft of the documents. This draft is then brought into planning team, to be further examined, prioritized and socialized to the public. Having done this process, the planning team meets with its counterpart from legislative (pansus perencanaan) and discusses about the draft. The local parliament (DPRD) also invites public participation through a public hearing mechanism. The discussion between the executive and parliament is often very intensive and take some time. Having approved by local parliament (DPRD), the draft is then decreed into perda.
23. The process of making perda of tax/retribution: having made the concept draft, the local technical unit (dinas teknis) submits it to the local secretary (Sekda).



Bureau of law and organization under the Sekda then examines the draft. The draft is socialized first to the stakeholders before accepted by Sekda. Next, the draft is submitted to the local parliament (DPRD) to be evaluated and approved with the involvement of the stakeholders as well. Sometimes the local parliament suggests the executive to revise the perda.

24. So far, there is no problematic perda found in South Sulawesi province, reflecting the local government is very careful to issue a perda.

Institutional Restructuring

25. In post decentralization period, some institutions are liquidated, merged, changed in status or even extended. In general, the organizational structure at the local government is expanding. The comparison is as follows:

	Pre-decentr	Post-decentr
Local secretary (Sekda)	1	1
Parliament secretary	1	1
Governors assistant	5	-
Training organization	2	-
Irwil prop	1	-
Mawil Hansip	1	-
Korpri	1	1
Technical units (dinas)	15	18
Agency (badan)	3	14*
Offices (kantor)	4	2
Total unit	34	37

Note: * there is one agency that has been undecided yet, that is land agency (Badan Pertanahan).

26. It has been realized that the current structure is still inefficient. There still exists an overlapping among institutions either within the province (e.g. between manpower unit (dinas tenaga kerja) and education unit (dinas pendidikan) for training and courses supervision) or between the province and the city of Makassar (e.g. between manpower unit in province and city of Makassar). There also exists a problem of some institutions with unclear job description (e.g. deconcentration bureau, communication and information agency). The bureau of law and organization plans to evaluate the present structure next year.

HUMAN RESOURCES DEVELOPMENT

Number of employee and ideally needed

27. Some of the units experience an overstaffing problem, while some of them are not. It is quite difficult to say the ideal number of employee for each technical unit. The job analysis to determine the ideal number of employee is currently being examined.



Local employee competence and local needs

28. Most of the institutions have a problem at the technical implementation level. To enhance their competencies several technical training/courses are needed

Education and position

29. Compared to the pre-decentralization period, in general, there is not much difference in terms of local employee's qualification. However, motivation to increase their capacity either through formal education or through training and courses is flourishing.
30. BAPERJAKAT plays an important role in employee's career path. Formal education background, training/courses requirement as well as experience are among of the main factors in human resources management.

Training Conducted in The Region

31. Some training activities (structural, technical, functional, others) have been done. Some of them are in coordination with other institutions (e.g. LAN, universities, foreign agency, kabupaten/kota government) and some of them are provided by the local Apparatus and Human Resources Development Agency (BPSDMA, formerly Badan Diklat Propinsi).
32. The regular training is the structural one (adum, spama, spamen) in coordination with LAN, and the functional training for planner (TMPP) joint with the local universities (UNHAS) and with foreign agencies (short courses). The technical units, in coordination with BPSDMA usually provide technical training.

Transfer Staff Problems

33. The number of employee in province increases enormously after a transfer from central government employee. Moreover, the eselon of the employee also expand in line with PP no.84/2000. A combination of these problems have made the competition to fill in the structural position in the province becomes tighter.
34. The Governor has issued SK for bupati/walikota not to hire new employee, and take some of the provinces' employee instead. But so far only small number of provinces' employee has been transferred to kabupaten/kota.
35. Local employment agency (BKD) has lost control to the management of employee at kabupaten/kota level.

Indigenous employee issue

36. There is no issue of endogenous employee at the province level but there is one at the kabupaten level. The local kabupaten government prefers to choose the employee originally from their region otherwise hiring the employee on contractual basis.



III. MAKASSAR CITY

Development Planning

Guidelines for Planning Documents

37. Local government of City of Makassar has made planning documents in accord with Bangda letter (SE Bangda). The city has Poldas, Propeda, Renstrada, and Repetada. In coordination with local technical unit (dinas-dinas teknis) and consults with a team of adviser from local university, the local planning agency (Bappeda) leads the process of drafting these documents.
38. When drafting these documents, the local planning agency claims that they have referred to the existing regulation such as Law no.4/1999 for Poldas, Law no.25/1999 for Propeda and Government regulation 108/2000 for Renstrada.

Legal framework

39. All of these planning documents have been escaped from intensive debate with local parliament (DPRD) and were then decreed in local regulation (perda). The local parliament usually formed a special committee (Pansus) to deal with the local government regarding these documents.
40. The list below explain the legal framework of the planning documents

No.	Documents	Legal Framework
1.	POLDAS	No. 6/2000
2.	PROPERDA	No. 2/2002
3.	RENSTRA	No. 7/2002
4.	RAPETADA 98, 99, 00, 01, 02	Kep. Walkot 231/Kep 071/2002
5.	APBD 98, 99, 00, 01, 02	Data Terlampir Perda No. 2/1998; No. 2/1999; No. 8/2000, dan Perda No. 40/2001

Degree of stakeholders involvement

41. As in other region, public participation in the development planning process can be found at the executive side as well as at the legislative side. At the executive side, public aspiration is absorbed through Forum Pembangunan Kecamatan (FPK), Lembaga Pemberdayaan Masyarakat (LPM) and through Rakorbang. Meanwhile, public involvement at the legislative side is in the form of public hearing with the local NGO and community representatives. It seems that the local government still pursues the existing public participation process.
42. Local universities and local prominent figures play an important role in the process of creating the city's vision and mission. The local government also has a team of adviser, which consists of senior academician from local universities.



Consistencies between document and realities

43. The local planner regards their planning documents as consistent and realistic one since they have involved all the aspiration from society, university, business community, NGO and prominent figures and also have referred to the current economic condition. They however, realized that the barrier is in the implementation stage and insufficient fund is blamed to be the main reason behind.
44. It seems that there is a sequential problem between documents especially between Propeda and Renstrada. Some of the local officials do not have clear understanding between these two documents, so they made Renstrada before the Propeda.

Planning infrastructure

45. The local planning agency mostly uses BPS data as the main source of making these planning documents. They often combine with the information from local units (dinas teknis) and from the society to improve the quality of documents.
46. To replace the manual system, they try to set up a management and development planning information system to help the coordination within the Bappeda. However, financial constraint and the lower and middle planner competencies are the main obstacles

LOCAL FINANCE

Strategy to increase local revenue (PAD)

47. According to the vice head of local revenue unit, strategy to increase the local revenue (PAD) for city of makassar is quite restricted. Effort to diversified or enlarge the tax base is very limited since it is in contrast with the UU no.34/2000. In addition, UU no.34/2000 is also considered narrowing the opportunity to increase local revenue through some potential retribution, like catering, port services, permit for foreign worker.
48. Moreover, the local revenue unit is frequently facing not only the problem of unpublished PP or SK (the central governments' guideline), but also the problem of inconsistencies among PP or between PP and SK. These problems hinder the local governments capacity to raise the local revenue (PAD)
49. The local government had produced five new retribution items, since decentralization policy has been implemented. They are, (i) the retribution for inspecting the fire extinguisher (retribusi pemeriksaan alat pemadam kebakaran), decreed in perda no.4/2002; (ii) the retribution for recreational and sport facility (retribusi tempat rekreasi dan olah raga) decreed in perda no.2/2002; (iii) the retribution of employment (retribusi ketenagakerjaan) decreed in perda no.5/2002; (iv) the retribution of trade and industry (retribusi usaha dibidang perdagangan dan industri) decreed in perda no. 3/2002; and lastly, (v) the retribution of information and communication (retribusi pemberian



izin operasional usaha perfilman, pameran, percetakan/grafika) decreed in perda no. 6/2002. By contrast, there are no new perda on local tax has been issued.

Performance Budgeting (PB) and Standard Spending Assessment (SSA)

50. Although it was clearly stated in the PP no.105/2000 to implement the Performance Budgeting, City of Makassar has not established this system yet. One of the major problems is to find the appropriate indicator to assess the spending. The local government is still waiting for further guideline from central government about this matter

Intergovernmental transfer

51. The local government regard the decentralization fund, which comprised of natural resources and tax revenue sharing, general purpose grant (DAU), and specific grant (DAK) is not sufficient to finance the development in the region.
52. Almost 100 percent of DAU is used to finance routine expenditure, particularly local employee salary expenditure. According to the head of bureau of finance, in 2002, the city of Makassar government receives DAU for about 275 billion rupiahs from the central government, but 273.5 billion is used only to pay for the salary expenditure (belanja gaji pegawai), excluding other expenses (tunjangan). This expenditure enormously rises relative to the previous year since there is an increasing salary policy from the central government as well as the expansion of eselon for structural position in the local government referring to PP no.84/2000
53. The local government supported by the local NGO suggests not making DAU formula uniform between regions. The formula should take into account the different characteristics of each region. For instance, the formula for the archipelago region should be different with the non-archipelago region. The formula for the rich natural resources region should also differ with the poor one.
54. In terms of specific grant (DAK), the local government wants this grant can be used to finance specific purposes such as post riots and natural disaster rehabilitation purpose, humanity purpose (the refugees). They also badly need a transparency in DAK allocation from the central government. Disbursement is also another problem arises in this matter

The estimation of local revenue potential

55. The local government does not have any ability to estimate the revenue potential and still use simple calculation method.
57. The local business community suggests to implement tax differentiation policy and one stop services policy to attract more investor. These investors could be a source for potential tax/retribution revenue



58. The local government requires more authorization to be transferred, so that they have more opportunity to earn potential revenue in the future, such as a radio permit, radio frequency retribution, etc. They also urge the central government to revise some of decentralization laws and regulations.

LOCAL REGULATION

59. As in other region, the city of Makassar also carries out a similar process in making a local regulation (perda). Basically, the related units prepare the draft then send to the bureau of law. Having examined the proposal the bureau then sends to local parliament (DPRD) to be evaluated and approved. Sometimes the local parliament suggests the executive to revise the perda.
60. So far, there is no problematic perda found in City of Makassar according to central government's point of view. Nevertheless, there is still some disagreement about the parking and fire extinguisher retribution between the local government and business community.

INSTITUTIONAL RESTRUCTURING

61. Some institutions are liquidated, merged, changed in status or even extended in post decentralization period. In general, the organizational structure at the local government is expanding. The comparison is as follows:

	Pre-decent	Post-decentr
Assistant to local secretary (setda)	3	4
Technical units (dinas)	19	20*
Agency (badan)	2	5
Offices (kantor)	6	5

Note: one technical units, that is land use unit has not operated yet due to Keppres

62. The expanding organizational structure is followed by the increasing eselon. The comparison is shown in table below.

Eselon	Pre-decentr	Post-decentr	(+/-)
II.a	-	1	+ 1
II.b	1	29	+ 28
III.a	6	166	+ 100
III.b	24	14	- 10
IV.a	102	712	+ 610
IV.b	103	572	+ 469
V.a*	387	-	-
V.b	935	-	-

*: Note that, the eselon V has been eliminated in post decentralization.

63. As in the province problems, it has been realized that the current organizational structure is still inefficient. There still exists an overlapping between institution either within the city (e.g. between manpower unit (dinas tenaga kerja) and education unit (dinas pendidikan) for training and courses supervision) or between the South Sulawesi province and the city of Makassar (e.g. between



manpower unit in province and city of Makassar regarding the foreign worker supervision).

HUMAN RESOURCES DEVELOPMENT

Number of Employee and Ideally Needed

64. Some units experience an overstaffing problem like health unit (dinas kesehatan) and education unit (dinas pendidikan). By contrast, other unit such as dinas Bina Marga suffers lack of staff. So, it is quite difficult to say the ideal number of employee for each unit. The employment bureau is currently forming a "job mapping" for all the technical units to determine the ideal number.
65. So far, only labor unit (dinas tenaga kerja) that has made an analysis of employee needs by using Micro Manpower Planning (MMP) method. Nevertheless, how to find the adequate person to fill in the position, is still a big question mark.

Local employee competence and local needs

66. Most of the institutions have a problem at the technical *vis a vis* implementation level. To enhance their competencies several technical training/courses are needed

Education and position

67. Relative to the pre-decentralization period, generally, there is not much difference in terms of local employee's education qualification. There is no special allocated fund to enhance their qualification as well. However, motivation to increase their qualification through self-financing is flourishing
68. Ideally, formal education background, training/courses requirement as well as experience are among of the main factors in human resources management. However, this has not been done so far due to lack of qualified person.
69. There is no mechanism to measure the employee's performance yet. The only thing to do is just to monitor the employee's discipline.

Training conducted in the region

70. Some training activities (structural, technical, functional, others) have been conducted in the region. Badan Diklat, in coordination with other institutions (e.g. LAN, universities, foreign agency, and provincial government) provides some of them while others are provided by local training center (Badan Diklat) itself.
71. The regular training is the structural one (adum, spama, spamen) in coordination with LAN, and the functional training for planner (TMPP) joint with the local universities (UNHAS) and with foreign agencies (short courses). The technical units, in coordination with local training center usually provide technical training, though it depends on the technical units need.



72. Health unit (dinas kesehatan) and education unit (dinas pendidikan) is the only unit that has cooperation with foreign agency to enhance their staff educational qualification through short training and scholarship.

Transfer staff problems

73. The number of local employee increases more than two folds, from 6000 to almost 15000 personnel in post decentralization period due to a staff transfer from central government. This transfer, according to head of finance bureau, creates lots of disadvantages rather than advantage. Moreover, the eselon of the employee also expand in line with PP no.84/2000. A combination of these problems have made the competition to fill in the structural position in the city becomes tighter.

Indigenous employee issue

74. There is no such issue of endogenous employee at the city of Makassar, since the city is relatively heterogeneous. It is supported by the fact that several heads of technical units are not originally from the area.

IV. JENEPONTO REGENCY

DEVELOPMENT PLANNING

Guidelines for Planning Documents

75. Local Government of Jeneponto has already followed the basic guideline of the central government law for Poldas, Propeda, Renstrada, Repetada and RAPBD. Poldas has been approved in the Perda No 25 the year 2000, Propeda on 2000 without Perda, Renstrada with Perda No 2 the year 2002, Repetada without Perda and RAPBD on 1998, 1999, 2000, 2001, dan 2002. Renstrada approved by 2001-2003 because the assignment periode of Bupati will end in 2003 (a common practice, Renstrada approved in five years). Renstrada set by local government in cooperating with BPKP.

Legal framework

76. The planning document, especially Renstrada, Repetada, and RAPBD, have been approved by the local parliament (DPRD) with local regulation (Perda). But not for Propeda and Repetada.

Degree of stakeholders involvement

77. The involvement of the most stakeholders in the planning process have been allowed and implemented. As the increasing demand for publik participation, the local government has asked all the stakeholders to participate. In the desa level, there is a Musyawarah Pembangunan, which involve the planners of the desa. At the kecamatan level, there is Unit Daerah Kerja Pembangunan that



involve the planners of kecamatan, technical unit of kecamatan, and kades (chief of desa). For the kabupaten level, there is a Rapat Koordinasi Pembangunan/Rakorbang of Local Development Meeting that involve Bappeda, local technical government units (Dina), and local parliament, other local stakeholders. Rakorbang integrated all the aspiration of publik to the local government units. The next steps is Rakorbang listed of priority program and to be harmonized by the budget from the central government.

78. The quantity of the formal involvement of the stakeholder in the planning process is still low, and the quality of the participant in understanding planning process and document of planning is also low. For example, Kantor Perhubungan or The Communication office (in the Kabupaten level) should increased the revenue 30% in RAPBD, but they had been not involved in the planning process.
79. Bappeda (local planner) has a big role in the planning process from Poldas, Propeda, Renstra, Repetada, and RAPBD. There is also involvement of the consultant from Hasanuddin University, both as individual and organization to enhance the quality of the planning document
80. Renstrada accepted as the "Bupati Promises" of Bupati strategic planning, which is implemented in APBD that can be criticized, aksed, and evaluated (as progress report).

Consistencies between document and realities

81. The Bappeda (local planner) adjust the reality of the document with the real economic condition (program priority), human resources capabilities. The Bappeda regards the formal planning document—Poldas until RAPBD—as common agreement, that to be adjusted in the real condition. For example, 70% of Jeneponto population is farmer so that the priority program should be agriculture, but in the implementing there is shifting to the other sector.
82. It is admitted that eventhough the basic guideline of the documents used in the documents, the consistency among documents still need adjustment.
83. The harmonization with the national planning maintained by the local planners with the contact with Bangda / Depdagri

Planning infrastructure.

84. The basic of planning infrastructure use the basic economic and demographic data. However, due the the low of the quality data (accuracy), the Bappeda (local planner agency/biro) develop cooperation with the BPS (local statistical biro). The Bappeda has contributed in financing of the planning proces. Eventhough, the quality of data (accuracy) still low. It caused of the low of capability of human resources.
85. The local parliament (DPRD) does not have enough capability in evaluating the proposed planning document, especially the technical document. It is the



human resources in the local parliament need supporting from consultant or researcher, especially in the technical documents.

86. The capability of local planners, especially in the leader level, needs many training for increasing their technical skill.

LOCAL FINANCE

Strategy to increase local revenue (PAD)

87. The strategies in raising local revenue base on UU No.34/2000, which replaced UU No.18/1997. It gives advantages for local government. According to the local government staff, UU No.34/2000 is enough for them to be implemented for local economic development. But, they asked the detailed rule from the central government should be more flexible to the need of the local government. It is caused each local government has its a unique characteristic.
88. The policy to enlarge taxes revenue base and retributions: local taxes potential identification and updating of tax and retribution data.
89. The policy to increase supervision of taxes and retribution collection: inspection dan fixing financial system. Administrative sanction has been not imposed caused the business activity here is low.
90. The policy to enhance the administration of taxes and retribution collections: simplification of collection administration, fixing the financial system avoiding the linkage of financial (Manual Pendapatan Daerah/ MAPAPDA), efficiency of the collection cost, and staff training.
91. The policy to increase the capability of revenue planning and estimation: coordination with local government units and Bappeda (local planner).

Performance Budgeting (PB) and Standard Spending Assessment (SSA)

92. Local government vision focuses on the development on education, social-culture, health, agriculture, and infrastructure.
93. The budget expenditure for development is lower than routine proportion (67% (Rp93 miliar) in routine and 33% (Rp45 miliar) in development from the total budget (Rp138 miliar). Consequently, the public services of the health descreasing caused of the limited budget and the low public awarness. For example, budget for medicines on years 2000 is Rp900 juta, but 2001 lower become Rp600 juta, and then on this year (2002) Rp550 juta.
94. Especially Standard Spending Assessment (SSA) is not yet implemented because the human resource still need some help, however, the training of SSA need to be implemented. But, currently they are still in the socialization process.



Intergovernmental transfer

95. Central government transfer such as General Purpose Grant (DAU) and Specific Purpose Grant (DAK) base on UU No.22/1999 and PP 2000. Kabupaten Jeneponto think DAU is quite fair, but not for DAK. They suggest the central government transfer DAK directly to the province government. Then, the each Kabupaten propose get their portion of DAK in the province government level. Currently, Kabupaten propose DAK directly to the central government.
96. Nevertheless, for DAU, they suggest to increase 25% from the previous year for each kabupaten' s DAU, not 25% of the total central government revenue or 50% of the total.
97. DAU mostly use for routine expenditures. The flow of the transfer has not a problem.
98. The local government suggests some flexible indicators in setting of the formula of DAU. The formula DAU should be adjusted to the local government condition.

The estimation of local revenue potential

99. The estimation of the local revenue based on rational estimation.
100. Local government has a problem with province government in collecting (loading and unloading levy in harbors dan vehicles examination tax/ KIR). Kabupaten Jeneponto thinks the two taxes should be under local government. In contrast, the province government claims those thing is collected by the province government.

LOCAL REGULATION

Local government regulation establishment process

101. The process of the establishment of Perda (local government regulations): Task force (unit kerja) set draft of Perda, then submitted to the local government secretary to be review, then, if approved, it submitted to the law division and return to the local government secretary as draft document. It is socialized first before finance proposal admitted by Bupati. The next step is the proposal submitted to the DPR to be evaluated and approved with the involvement of the stakeholders. After approved by Parliament, Perda will be put in the local government file.
102. Perda are made to fulfill the need of the region. The existing Perdas still prevail, not revised. Most of the Perdas are for local finance (retribution). In year 2001, 16 Perda's has been implemented and (2002) 7 the draft of Perdas undergoing review process in



Distorting and problematic regulations

103. So far most of the Perdas of Kabupaten Jeneponto has not been a problem with the central government. All Perdas submitted to the central government. But, the criteria and indicators of the distorted Perdas has been not instructed. In setting of draft of Perda, the local government always refers to the higher regulation and the other region interest.
104. The year 2001, there was a complaint from the salt businessmen again to the salt retribution. Actually, all the businessmen already had been involved in regulation setting, before it implemented Rp7.5 per kg. But finally, the retribution has been revised being Rp5 per kg.

INSTITUTIONAL RESTRUCTURING

105. Kabupaten Jeneponto had change the organization structure once since the establishment. The idea of restructuring had been done following implementation of regional autonomy, year 2000. Please see the Perda about organization

HUMAN RESOURCES DEVELOPMENT

Number of employee and ideally needed

106. Kabupaten Jeneponto still needs more employees to run the local government administration. To anticipate the problem, the local government adopts some strategies such as optimize the employee performance, accept the vertical-horizontal employee transfers, and recruits the new employee.

Local employee competence and local needs

107. The capabilities of the local government employees are not sufficient for all level. The weakness not only found in the concept level but also in the implementation levels.

Education and position

108. The recruitment and the position placement, education background has been used as major criteria to enhance professionalism. Nevertheless, due to lack of the employee for certain position, the educational background could not be used as the criteria. For example, Magister in finance posted in secretary of Bappeda (local planner).
109. Local parliament (DPRD) has lower average level of education compared to local government employee. As consequences, there is a gap between the capabilities of the DPRD and Pemda. To minimize the gap, local government and parliament to cooperate in solving the problem. The gap of capabilities between and DPRD and Pemda caused by the reformation, which assignments of member of DPRD pointed by politically rather than their capability.



Training conducted in the region

110. In order to enhance the local government employees, some effort has been done: send some staff to be trained in province (such TMPPD in Makassar), send employee to take higher degree (S2 in UNHAS and UGM). There are also comparative studies to some city in order to enhance the local government employees, some effort has been done: send some staff to be trained in province (such TMPPD in Makassar), send employee to take higher degree (S2 in UNHAS and UGM). There are also comparative studies to some city in Java. In Addition, there are in house training (such Audit Maternal Perinatal /AMP for Health Technical Unit), seminar JPKM (Public Health Insurance/ Jaminan Pemeliharaan Kesehatan Masyarakat), structural training (ADUM dan SPAMA), and technical and finance management (by using the province expert).
111. The institution that has relation with Kabupaten Jeneponto for human resource development: Hasanuddin University, Lembaga Administrasi Negara (LAN), dan Badan Pengembangan Sumber Daya Manusia Aparatur (BPSDMA).

Transfer staff problems

112. Kabupaten Jeneponto still need more employees. The strategies to fulfill the employee are recruiting the new ones. In the year 2002, only 1.00 staffs already recruited, which Jeneponto totally need 1.400 new employees. Unfortunately, in recruiting process of employees, the local government did not refer to educational background priority (such as doctor, paramedic, and teacher). Most of employees had been already recruited from lowest level (SLTP) until the highest level (Magister) and from the various educational background.
113. Structural change cause improvement of on echelon staff automatically (vertical transfer) or horizontal transfer to fulfill the vacant position.

Indigenous employee issue

114. Kabupaten Jeneponto has a different characteristic than other kabupaten in South Sulawesi. It has various ethnics both in community and in the local government employees, such as Java, Bali, Buginess, and Toraja. The problem of indigenous people does not matter for the time being.

V. SINJAI REGENCY

DEVELOPMENT PLANNING

Guidelines for Planning Documents

115. Local Government of Sinjai has already followed the basic guideline of the central government law for Poldas with Perda 16 year 2000, Propeda Perda 30 the year 2001. Renstrada without Perda, Repetada without Perda and APBD with Perda. Kabupaten Sinjai has already had Poldas, Propeda, and also Repetada. However, Renstrada still is not made explicitly, because Bupati



should be changed soon in this year (the end of the Bupati period for two terms). The local government tried to use "hidden Renstrada" which become the guidance for Repetada

Legal framework

116. All of the local government regulation through Perda, except Renstrada and Repetada as appeared above

Degree of stakeholders involvement

117. Local government does not have resistance in the stakeholders' involvement. In addition, the local government encourages the local people to participate. For example, Pemda use the Bulan Ramadhan (holy month for Islamic Community who become the majority in this region) even to discuss the problems and solutions of the local community and also to socialize the program or planning of the local government.

118. Bappeda (local planner) has a dominant role in the making process of the planning document. Mechanism of the process from desa, kecamatan, then to Kabupaten always involves local community, NGO, and other stakeholders. In addition, to increase the quality of the document, the local government creates seminar to discuss about the document.

119. Local parliament can be the aspiration messenger of the local people, however, sometimes there is a conflict between the district needs and the local party policy (the DPRD was elected through party in the general election).

Consistencies between document and realities

120. The planning document in Kabupaten Sinjai has matched with the economic condition and the capability of human resource to implement. Vision of this region is to increase the average peasant income to be the same as the average income of peasant in the South Sulawesi province. However the problems that exist in implementing the planning documents are: the data accuracy, human resource capabilities, natural environment barriers, and the inefficiency of the local government institution.

121. The local government contacts and interact between local government with Bangda and Depdagri to maintain the information of the regional autonomy for planning

Planning infrastructure

122. Planning information system still does not exist. Nevertheless, the planning always uses the statistics data both social-economic and demographic.

123. The local planner has been preparing to implement GIS, which can help to increase the capability of the accuracy of the planning. The training for the using of the software has been done. However, the software and hardware are still waited



LOCAL FINANCE

Strategy to increase local revenue (PAD)

124. Local government thinks that UU No 34/2000 is better than the detail plan from central government. It will reduce the region flexibility
125. After UU No 34/2000 exist, the local government increase some local taxes. As information, when the UU No 18/1997 existed, the local government lost 700 million rupiah each year.
126. Local revenue increases each year without any complaints from the local community. The strategy to increase the revenue is to adapt the economic condition. If the economic society increases, the local taxes or retribution increased.
127. The most potential of the Kabupaten Sinjai's revenue from the fisheries, because there are two big TPI (the center of the fish market)

Performance Budgeting (PB) and Standard Spending Assessment (SSA)

128. The way to increase efficiency of routine expenditures: reduce the frequency for "perjalanan dinas" to Jakarta by coordinating many jobs each traveling
129. There is price and wage standardization in each local government units. There are differences among kabupaten or kecamatan. However, the mechanism of the standardization through the meeting among the chief of local government units, leader of the project, and supervisor. The result of the meeting sent to the Bupati to be approved.

Intergovernmental transfer

130. Central government transfers are quite fair for the local government because the local government think that they enjoy cross subsidy from other kabupaten who has big natural resource potential.
131. The financial problem did not exist in this region, especially the transfer from the central government. However, some central government's policy such as the increasing wage level of the teachers that make the local government need another financial source, such as local government saving and contingency fund from the central government.
132. The allocation 25% of the total central government revenue as DAU is quite fair, however, the local government still need additional for the increasing the local development. Because most of the DAU is used for routine expenditure.

The estimation of local revenue potential

133. There is no special methodology but the rational estimation based on the last year realization



LOCAL REGULATION

Local government regulation establishment process

134. The process of the making Perda always involves stakeholders and socialization

Distorting and problematic regulations

135. There is no government regulation that becomes distortion and problematic until nowadays in Kabupaten Sinjai

INSTITUTIONAL RESTRUCTURING

136. There is no organization restructuring until now, however, the local government is planning to restructure the organization for efficiency. From otonomi daerah there are only merger among former kandep into dinas.

137. After regional autonomy, the local units become 26, the total before was 32. The mechanism of the merger among units based on the efficiency and affectivity

138. The local government complains on the central government regulation which always late and create confusion for local government. For example the planning of the central government to restructure the local government organization.

HUMAN RESOURCES DEVELOPMENT

Number of employee and ideally needed

139. The need for the local government employee is enough. Since the regional autonomy, there is no recruitment. There is an indication that the local government employee will face minus growth.

Local employee competence and local needs

140. Human resource of the local government still need improvement in technical level

Education and position

141. The capabilities of the human resource in local government and DPRD are almost the same. There is a good recruitment in the local party member, which is different with what happened in Java. However, the training for Local government and DPRD still has to be done.



Training conducted in the region

142. In the autonomy era, the training system for structural is changed. The participant should be in the structure first before he/she given training. The policy to make the training become effective

Transfer staff problems

143. The most problems come from central government, which do not consistent with eselonisasi or other. Some UU and PP contradict each other and create confusion for the local government.

Indigenous employee issue

144. The problems of the indigenous people in this local government do not matter. For example, some head of the local government units comes from other region/province.

VI. LUWU UTARA REGENCY

LOCAL DEVELOPMENT PLANNING

Guideline for Planning Documents

145. Local government of Lutra (Luwu Utara) has already followed the basic guideline of the central government law for Poldas, Propeda, Renstrada, Repetada, and RAPBD. Even though the whole documents did not fit all the guideline from central government, the local government of Lutra has already matched the basic guideline of the documents. Poldas has been approved in the 2001, Propeda on 2000, Rentrada on 2001, and Repetada and RAPBD on 2000, 2001, and 2002.

146. It is admitted that even though the basic guideline of the documents used in the documents, the consistency among documents still need adjustments. It is caused by the short period of the establishment of the Luwu Utara (Lutra), which only 3 (three) years. For example, the Renstrada established in 2001 while APBD has already been made the years before. However, the APBD and Renstrada have been harmonized.

147. The harmonization with the national planning maintained by the local planners with the contacts with Bangda/Depdagri.

Legal framework

148. The planning documents have been approved by the local parliament (DPRD) with local regulation (Perda). The local government has maintained a planning mechanism from the lowest level of the local government (desa), kecamatan, and finally will be in the kabupaten level. The next step is local government



propose the draft planning document to the local parliament to be approved as local regulation. The entire planning document has been the same procedure.

Stakeholders involvement

149. The involvement of the most stakeholders in the planning process have been allowed and implemented. As the increasing demand for public participation, the local government has asked all the stakeholders to participate. In the desa level, there is a Forum Perencanaan Desa, which involve the planners of the desa, NGO, and local community who has interested in planning. At the kecamatan level, there is Forum temu Karya Pembangunan Kecamatan that involve the planners of kecamatan, technical unit of kecamatan, kades (chief of the desa), local parliament member (DPRD), NGO, and others who interested. For the kabupaten level, there is a Rapat Konsultasi Bangda (Rakorbang) or Local Development Meeting that involve Bappeda, Local government units, local parliament, NGO, and other local stakeholders. The Bupati (head of the local government) always enhance the increasing of participation of the public in the planning process.

150. The Bupati intensively involve in the making of the planning document process. In the meeting, the Bupati involve physically and asking the local government to involve the whole component of the stakeholders (NGO, DPRD, and other local community prominent figures).

151. Although the quantity of the formal involvement of the stakeholders in the planning process is high, the quality of the participant in understanding planning process and documents of planning is low. For example, when the planning implemented into the operational action, the stakeholders sometimes did not agree. According to an NGO, it is caused by the incapability of the local community that involve in the planning process. Most of them are the silent chosen people in the community.

152. Bappeda (local planner) has a big role in the planning process from Poldas, Propeda, Renstra, Repetada, and RAPBD. There is also involvement of the consultant from Hasanuddin University, both as individual and organization to enhance the quality of the planning document, especially in Poldas.

153. Renstrada accepted as the "Bupati Promises" or Bupati strategic planning which is implemented in APBD that can be criticized, asked, and evaluated.

154. In the making of the document planning, The Bupati noted two important things that should be remembered. First, vision and mission of the Kabupaten. Second, which the perspectives tools that used: economy, social, or strategic.

Consistencies between documents and realities

155. The BAPPEDA (local planner) ensure the reality of the document with the real economic condition and human resource capabilities. The reason is they use many ways in making the planning documents: the involvement of the



consultant, participation of the community, economic condition and the use of the statistical data.

156. The commitment of the Bupati is human development in Luwu Utara, including the local government employee, which refer to the HDI (Human Development Index). The weakest part of the region is the weakness of the human resource both the local community and the local government employee is the reason of the development of the human resource. The last two years, the local government allocate 15% of the local budget for education, 7-8% for health sector, and 5-6% for agriculture and infrastructure.

Planning infrastructure

157. The basic of planning infrastructure use the basic economic and demographic data. However, due to the low of the quality data (accuracy), the Bappeda (local planner) develop cooperation with the BPS (local statistical biro). The Bappeda will use GIS (geographic information system) for planning. The use of the GIS will increase the accuracy of the planning.

158. Pemda (local government) and Bappeda (local planner) have a major role in the planning with the supporting of the consultant or researcher. However, the local parliament (DPRD) does not have enough capability in evaluating the proposed planning document, especially the technical document. It is admitted that the human resource in the local parliament need supporting from consultant or researcher, especially in the technical documents.

159. The competency of the local planners is enough for leader level, however, the technical level still needs many training for the increasing of their capabilities

LOCAL FINANCE

PAD (Local Revenue) raising strategies

160. The strategies in raising local revenue base on UU No 34/2000, which replaced UU No 18/1997. It gives advantages for local government. The local government policies always concern on economic distortion. According to the local government staff, UU No 34/2000 is enough for them to be implemented. The detailed rule from central government will lower the flexibility of the local government.

161. The policy to enlarge taxes revenue base and retributions: local taxes potential identification and updating of tax and retribution data.

162. The policy to increase supervision of taxes and retributions collection: inspection, administrative sanction, and fixing the financial system.

163. The policy to enhance the administration of taxes and retributions collections: simplification of collection administration, efficiency of the collection cost, and staff training

164. The policy to increase the capability of revenue planning and estimation: coordination with local government units and BAPPEDA (local planner)



Standard Spending Assessment

165. Local government vision focuses on the development on education, health, agriculture, and infrastructure.
166. The budget expenditure for development is lower than routine in proportion (70%-80% in routine and 30-20% in development). It does not mean that the public services are poor. As information, Kabupaten Lutra is a new kabupaten (around 3-4 years), it needs to build new infrastructures.
167. Performance Budgeting, especially Standard Spending Assessment (SSA) is not yet implemented because the human resource still need some help, however, the training of SSA will be held with the cooperation Gajah Mada University.

The estimation of local revenue potential

168. The estimation of the local revenue based on rational estimation, however, the local parliament (DPRD) sometimes overestimates. For example, DPRD estimate 3-4 billion rupiahs higher than Pemda proposal. The reason of the DPRD base on their partial estimation, which doesn't have a detail calculation. It forces Pemda to increase local taxes and retribution, which raise the burden of the society.
169. The local government has a problem with the province government in collecting water levy taxes, a water resource for PT INCO. The local government think that the river is only in the Kabupaten Lutra and it does not pass through another kabupaten, so it should be under the local government. In contrast, the province government claims that the surface water is under the rule of the province government.

Intergovernmental transfer issues

170. Central government transfers such as General Purpose Grant (DAU) and Specific Purpose Grant (DAK) base on UU No 22/199 and PP 2000 are quite fair for Kabupaten Lutra.
171. Nevertheless, for DAU, they suggest to increase 25% from the previous year for each kabupaten's DAU.
172. DAU mostly use for routine expenditures. In addition, the flow of the transfers did not as good as expected. For example, some of the projects were suspended because they should wait for the fund. The local government should contact several times with the central government both with letter and going to Jakarta. However, the local government got the same amount that is stated.
173. The Local government understood the formula of the DAU that use fiscal gap
174. Kabupaten Lutra has already asked for DAK in order to help the refugee from Poso and flood victims
175. It is also suggested that the DAU should consider the new kabupaten, because they need more infrastructures than the old.



LOCAL REGULATION

Local government regulation establishment process

176. The process of the establishment of Perda (local government regulation): It is proposed by local technical units (dinas), then submitted to the Bupati (Law section). It is socialized first before final proposal admitted by Bupati. The next step is the proposal submitted to the DPRD to be evaluated and approved with the involvement of the stakeholders.

177. Perdas are made to fulfill the need of the region. Most of the Perdas are for organization/institutions, local finance, and transportation.

Distorting and problematic regulations

178. Even though the local government stated that they really concern on the local regulation which distorted, some of the Perdas identified as problematic regulations. The local government still hold the Perda and not to be implemented.

179. According to letter of Finance Minister (Mekeu) No S-70/MK 07/2002. Kabupaten Lutra was given warning for the problematic regulation: Perda No 39/2001 about "Retribusi Pemakaian dan Perlengkapan Jalan" (Retribution on the use and the fulfillment of the road) and Perda No 40/2001 about "Pengaturan dan Pengendalian Kendaraan Tidak Bermotor" (Regulation and Controlling of the non-machine vehicle). In addition, it is also found that Perda about Miras (alcoholic beverage) was protested by the local kecamatan which is given permission for sale the Miras.

INSTITUTIONAL RESTRUCTURING

180. Kabupaten Lutra had change the organization structure twice since the establishment. The idea of the restructuring is "poor structure, rich function". Please see the Perda about organization.

181. In the future, Kecamatan (the lower level of the local government) will be given more power because Kecamatan is the first front for the local community services. The branch of the kabupaten units will be cut in the Kecamatan level.

HUMAN RESOURCE DEVELOPMENT

Number of employee and ideally needed

182. Kabupaten Luwu Utara still needs more employees to run the local government administration. To anticipate the problem, the local government adopts three strategies: optimize the employee performance, recruits the contracts employee, and accept the vertical-horizontal employee transfers.



Local employee competence and local needs

183. The capabilities of the local government employee are not sufficient for all level. However, the lowest capability is in the technical level. Most of the cases are found that the concept levels are fine, however, the implementation levels are weak. At the technical level, the capabilities of them could not interpret and implement the leader concepts.

Education and position

184. In the recruitment and the position placement, education background has been used as major criteria to enhance professionalism. Nevertheless, due to lack of the employee for certain position, the educational background could not be used as the criteria.

185. The local parliament (DPRD) has lower average level of education compared to local government employee. As consequences, there is a gap between the capabilities of the DPRD and Pemda.

Training conducted in the region

186. In order to enhance the local government employee, some efforts has been done: send some staff to be trained in province (such as TMPPD in Makasar), send employee to take higher degree (S2 in UNHAS and UGM). There are also comparative studies. In addition, there are in house training: structural training (such as LATPIM and ADUM) and technical and finance management (by using the province expert).

187. The institution that has relation with Kabupaten Lutra for human resource development: Gajah Mada University, Institute Ilmu Pemerintahan (IIP), Hasanuddin University, Lembaga Administrasi Negara (LAN), Badan SDM.

188. The way to increase the local government's employee is the training. Each year, the fund allocation for the employee development about two bilyun rupiah. For example, the local government invite the lecturer(instructure) from Jakarta to educate Camat (head lower local government in Kecamatan).

Transfer staff problems

189. As a new kabupaten, Lutra still need employee. The strategies to fulfill the employee are accepting the vertical (province and central government level) and horizontal transfer (from former kandep) and also recruit contract employee. The local government recruited around 1000 contract based employee. For the time being the problems of the transfer employee does not matter. Some of the local staff and local parliaments warned about the danger for the future of this Kabupaten from the policy.



Indigenous employee issue

190. Kabupaten Lutra has a different characteristic than other kabupaten in South Sulawesi. It has various ethnics both in community and in the local government employee, such as Java, Bali, Bugines, Toraja, etc. The problem of indigenous people does not matter for the time being.

VII. COMPILATION REPORT FOR SOUTH SULAWESI REGION

DEVELOPMENT PLANNING PROCESS

Guidelines for Planning Documents

191. The respondent regions in South Sulawesi province have made planning documents in accord with SE Bangda. However, there are some implementation problems, such as:

- a) *Incomplete planning documents.* This problem occurs in kabupaten Sinjai, which only has Poldas, Propeda and Repetada. Surprisingly, the local government uses "hidden" Renstrada as guidance for Repetada. The reason for this policy is the Renstrada and Propeda contains almost the same thing, except one chapter. It is wasting time to do the repetition. It is better to use the time for implementation of the planning rather than just make many repetition documents. It is also added by a local expert in the workshop that the disputes about the planning documents started from Jakarta, between Home Affairs Department and Bappenas (National Planning Bureau)
- b) *Sequence of the planning documents.* This problem turns up in North Luwu kabupaten, where the Poldas (GBHD) was made one year after the Propeda. It is inconsistent with SE Bangda since Propeda should refer to Poldas, not the other way around. This information based on the interview in the first time. However, in the workshop, the person in charge in the workshop argues that the sequence of the document is the same as the normal sequences. In addition, refer to the sequence of the year of the Perda, it is true that Poldas older than Propeda. In addition, the RAPBD which is made before Renstrada in the first year of Renstrada.
- c) *Different interpretation of the planning documents.* This appears in the South Sulawesi Province. The South Sulawesi's local government considers Repetada as a break down of Propeda instead of Renstrada. They also complained about the inconsistencies between the Document Planning, which are instructed by Central Government and the RUTR (Spatial Planning). In the workshop, the participants proposed that the Poldas and the other documents should refer to RUTR, because RUTR has long term perspectives (around 10 years) than Poldas (only five years?)



192. Generally, in coordination with the local technical units (dinas teknis), the planning agency (Bappeda) leads the process of making the planning documents. It is generally known that Bappeda become the center for the development planning in the local government nowadays.

Legal framework

193. All of these documents in the respondent region have been escaped from intensive debate with local parliament (DPRD) and have been decreed in local regulation (perda), except for REPETADA in all regions, which are backed up by SK Governor or Keputusan Bupati, and also Propeda in Jeneponto and Renstrada in Sinjai.

Degree of stakeholders involvement

194. For the most part, public participation in the development planning process can be found at the executive side as well as at the legislative side. At the executive side, public aspiration is absorbed through Forum Pembangunan Kecamatan (FPK), Lembaga Pemberdayaan Masyarakat (LPM) and Rakorbang. Meanwhile, public involvement at the legislative side is in the form of public hearing. For the time being, at least for the moment, the process of the public participation in the document-planning making is almost the same with the standard procedure in the New Order era.

195. However, there also exist a problem of public participation's quality. For instance, sometimes the invited local community representatives do not attend the meeting. Another instance, most of the public representatives are close-mouthed. However, the involvement of the public participation during the regional autonomy is better than before. Probably the society still need time adjustment for the changing from the authoritarian regime into the democracy.

Consistencies between document and realities

196. The local government regards their planning documents as consistent and realistic since they have included all the aspiration from society, university, business community, NGO and local prominent figures.

197. The local government has socialized the documents to the stakeholders in public seminar before approved by the local parliament.

Planning infrastructure.

198. All the regions realized that they need capacity improvement for lower level planner, either through technical training or through formal education. The technical level is the most crucial for the local government.

199. All of the regions are heavily depend on BPS as the main data source for planning purposes. Data accuracy is one of the principal barriers in all regions, especially for North Luwu kabupaten, which has been established for only three



years. It is also found that the fund for the local statistic bureau is far from expected.

110. Effort to improve planning accuracy has been made in several regions. North Luwu and Sinjai kabupaten plans to adopt GIS (Geographical Information System), while the province tries to set up an interconnected computerized network for management and planning information system. Unfortunately, they have a funding problem.

111. Only the province government has opportunity to cooperate and receive assistance from foreign agency through training, short courses as well as scholarship.

LOCAL FINANCE

Strategy to increase local own revenue (PAD)

112. The local government of North Luwu and Sinjai kabupaten regards the UU 34/2000 is favorable because the law enables them to increase the local own revenue (PAD). Both local governments increase their local own revenue through the extensification of local taxes as well as retribution.

113. On the contrary, the province and city of Makassar local government consider UU 34/2000 restricts their capabilities to raise their local own revenue. They both argued that they have lost some potential revenues. They also strongly urge the central government to revise the UU 34/2000.

114. In addition, the province and city of Makassar local government often meet a problem of delaying PP or SK, as well as the inconsistencies among the PP or between PP and SK.

Performance Budgeting (PB) and Standard Spending Assessment (SSA)

115. Although it was clearly stated in the PP no.105/2000 to implement the Performance Budgeting, all the regions have not established this system yet. One of the main problems is how to measure the indicator. In addition, only some sectoral indicators that can be quantified by monetary value (by a unit cost measurement).

Intergovernmental transfer

116. Once again, there is an opposite argument regarding the intergovernmental transfer. Both North Luwu and Sinjai kabupaten regard the general-purpose grant (DAU) they received is reasonable, while the province and city of Makassar insist it is not sufficient.

117. Both the province and city of Makassar local government strongly recommend increasing the amount of DAU for their regions. The city of Makassar local government even proposes to revise the formula of DAU. They suggest DAU formula should be different among regions. The formula should take into



account the different characteristics of each region. For instance, the DAU formula for the archipelago region should be different with the land region. The formula for the rich natural resources region should be different with the poor one.

118. Most of the DAU in all regions is used to finance the routine expenditure, in particular the local government employee's salary expenses.
119. All the regions have asked for the specific grant (DAK) from central government for various purposes. There is a tendency in the province and the city of Makassar to use DAK for infrastructure purpose. By contrast, North Luwu kabupaten has asked for the grant for humanity purposes (to help the refugees and flood victims).
120. All the regions also badly need the DAK allocation transparency from the central government. They experienced the amount of DAK requested never been fully given by the central government.

The estimates of local revenue potential

121. The local government of all regions has made the estimates of local revenue potential in various ways. The sophisticated one is made by the province, which developed an econometric model in coordination with local consultant. The province local government also takes into account the public capacity to pay in determining the level and the structure of tariff. The main concern is that the tariff should not be a burden to public. They also strongly pay attention to the allocation strategy of expenditure side. They urge the local planning agency (Bappeda) to allocate the budget on potential sector, which has a multiplier effect to generate potential revenue in the future.
122. In North Luwu kabupaten, neither the local government nor the local parliament (DPRD) has a tool to estimate the local revenue potential. Thus, it is based only rational estimation, which doesn't have detail calculation. In addition, DPRD's estimate sometimes overestimates, and hence forces the local government to increase local taxes and retribution.
123. The province and city of Makassar local government requires more authorization to be transferred, so that they have more opportunity to earn potential revenue in the future. They also urge the central government to revise some of decentralization laws and regulations.

Local Regulation

124. All the regions experience the similar process in creating the local regulation (perda). The process always involves stakeholders at the executive as well as at the legislative side. Basically, the process is as follows: having proposed by the technical units (dinas), the draft is then submitted to local secretary (Sekda), in this case bureau of law and organization, to be examined. Next, the draft is socialized to the stakeholders before admitted by the local parliament (DPRD). Having approved by the local parliament, the draft is then decreed into perda.



125. So far, only North Luwu kabupaten has problematic perda. According to SK Menkeu No S-70/MK 07/2002 North Luwu kabupaten was given a warning for the problematic local regulation: perda No 39/2001 about "Retribusi Pemakaian dan Perlengkapan Jalan" and perda No 40/2001 about "Pengaturan dan Pengendalian Kendaraan Tidak Bermotor".

INSTITUTIONAL RESTRUCTURING

126. In post decentralization period, the structure of organization of local government in all regions has been restructured. Some institutions are liquidated, merged, changed in status or even extended. However, it has been realized that the current structure is still considered inefficient. The structure of organization in the province can be seen at the appendix Report for Sulsel.

127. At North Luwu kabupaten, the organizational structure has been restructured twice. The idea of restructuring is to create a "*slim structure with a rich function*". By contrast, at Sinjai kabupaten, there are only mergers among kandep and technical units (dinas)

HUMAN RESOURCES DEVELOPMENT

Number of employee and ideally needed

128. Only the province and city of Makassar local government experience an overstaffing problem. On the contrary, North Luwu still needs more employees to run the administration, while Sinjai does not need additional employee (zero growth).

Local employee competence and local needs

129. Most of the regions have a problem at the implementation *vis a vis* technical level. To enhance the local employee's competencies several technical training/courses are required. In coordination with the local Apparatus and Human Resources Development Agency (BPSDMA), the technical units usually provide technical training. Though, it is not regularly carried out.

Education and position

130. Compared to the pre-decentralization period, in general, there is not much difference in terms of local employee's qualification. However, motivation to increase their capacity either through formal education or through training and courses is flourishing. Even some employees are self-financed. This case is found at the province and city of Makassar local government.

131. The other two kabupatens (North Luwu and Sinjai) have a mismatch between position and education. Employee at certain position often is not supported by required qualification.



132. BAPERJAKAT plays an important role in employee's career path. Formal education background, training/courses requirement as well as experience are among of the main factors in human resources management.

Training conducted in the region

133. Some training activities (structural, technical, functional, others) have been done. Some of them are in coordination with other institutions (e.g. LAN, universities, foreign agency, kabupaten/city government) and some of them are provided by the local BPSDMA, formerly Badan Diklat.

134. The regular training is the structural one (adum, spama, spamen) in coordination with LAN, and the functional training for planner (TMPP) joint with the local universities (UNHAS) and with foreign agencies (short courses).

Transfer staff problems

135. The number of employee in province and city of Makassar increases enormously after a transfer from central government employee. Moreover, the eselon of the employee also expand in line with PP no.84/2000. It is quite difficult to determine the ideal number of employee for each technical unit. The job analysis to determine the ideal number of employee is currently being examined in these two regions.

136. The Governor has issued SK for bupati/walikota not to hire new employee, and ask some of the provinces' employee instead. But so far only 300 person has been transferred to kabupaten/city.

137. The province employment agency (BKD) has lost control to the management of employee at kabupaten/city level. On the other hand, BKD at kabupaten/city level enjoys a dominant position at the region.

Indigenous employee issue

138. According to kabupaten/city level, there is no issue of indigenous employee at their region. However, according to province level such issue came out at kabupaten level. The local kabupaten government prefers to choose the employee originally from their region otherwise hiring the local employee on contractual basis.



APPENDIX



**Table of South Sulawesi Province Budget Realization 2000
and Table of South Sulawesi Province Intergovernmental Transfers 2001**

Total Revenue	292939194.2
Carry-Over	9242571.616
Total Local Own Revenue	35733815.19
Taxes	17437616.18
User Charges	14798775.19
Entreprise Revenue	987819.6704
Other Local Revenues	2509604.148
Transfer from Central/Province/Other	246162607.4
Shared Taxes	24569065.79
Shared Non-Taxes	8835676.586
Autonomy Regional Subsidy (SDO)	145524274.9
Development Assistance	65912225.5
Others	1321564.603
Local Borrowing	1800000
From Central Government	0
From Domestic Financial Institution	1800000
Unexplained	10657705.41
Routine Expenditure	191151756.7
1. Civil Servant Wages	135268263.8
2. Good Purchases	26218467.49
3. Improvement Costs	5352115.659
4. Running Cost	3156456.565
5. Other Cost	7883023.913
6. Principal&Debt Repayment	3761874.154
7. Financial Help	43485.5
8. Transfer to Village	4788409.368
9. Others	3485104.949
10. Unexpected	1194555.262
Development Expenditure	96172227.89
1. Industry	722973.125
2. Agriculture&Forest	4447498.038
3. Water&Irrigation	496550
4. Labor	120551.7125
5. Trade	5290520.05
6. Transportation	27250595.5
7. Mining&Enegegy	35000
8. Tourism%Reg.Communication	585461.0625
9. Regional Development&Settlement	11694522.86
10. Living Environment and Spatial	5868514.879
11. Education&Culture	4485190.624
12. Population%Welfare	5000
13. Health etc.	2447737.084
14. Housing&Welfare	10172876.57
15. Religion	256106.5
16. Technology	2611231.106
17. Law	142866.25
18. Government Apparatus	8693568.401
19. Politics, Inf., Commun.,&Media	67875
20. Security&General	119883.7125
21. Subsidy to lower region	0
22. Cash and Development Counting	10657705.41
Total Expenditure	276666279.2



Tax Sharing	53,035,941,456.00
Tax on Building and Land	31,169,447,719.00
Land and Building Property Fee	3,632,627,638.00
Income Taxes Sharing (PPH 21)	18,233,866,099.00
Revenue Non Natural Resource	24,601,350,892.38
Forest Exploitation	679,163,472.00
Forest Exploitation Licence Fee	0
Fixed Landrent Fee	649,851,800.21
Royalty	22,552,057,962.97
Mining Exploitation Fee	0
Fish Entrepreneur Charge	0
Fish Exploitation Charge	0
Oil	0
Gas	0
State Land Fee	720,277,657.20
	0
General Allocation Fund	246,255,014,000.00
Block Grant (DAU)	232,731,773,000.00
Contingency Fund	13,523,241,000.00
Others	0
Specific Allocation Fund	0
Re-Planting	0
Non Re-Planting	0



**Table of Budget Realization of Makassar City 2002
and Table of Intergovernmental Transfer of Makassar City, 2001**

Total Revenue	114095807.3
Carry-Over	5059622.331
Total Local Own Revenue	24551907.03
Taxes	15134925.18
User Charges	8199743.642
Enterprise Revenue	647819.6704
Other Local Revenues	589418.5325
Transfer from Central/Province/Other	84484277.99
Shared Taxes	13073378.96
Shared Non-Taxes	249176.5364
Autonomy Regional Subsidy (SDO)	60205326.27
Development Assistance	10202393.48
Others	754002.6923
Local Borrowing	0
From Central Government	0
From Domestic Financial Institution	0
Unexplained	10657705.41
Routine Expenditure	81576487.61
1. Civil Servant Wages	49470406.37
2. Good Purchases	15332363.58
3. Improvement Costs	3509961.819
4. Running Cost	1324481.565
5. Other Cost	7883023.913
6. Principal&Debt Repayment	2665395.325
7. Financial Help	10522.5
8. Transfer to Village	96326.5875
9. Others	1284005.949
10. Unexpected	0
Development Expenditure	26904110.14
1. Industry	342973.125
2. Agriculture&Forest	477956.4881
3. Water&Irrigation	0
4. Labor	115551.7125
5. Trade	339304.05
6. Transportation	4032139.536
7. Mining&Enegegy	0
8. Tourism%Reg.Communication	130466.0625
9. Regional Development&Settlement	4231367.299
10. Living Environment and Spatial	931482.8794
11. Education&Culture	149598.1238
12. Population%Welfare	0
13. Health etc.	271454.8838
14. Housing&Welfare	832646.3996
15. Religion	142312.5
16. Technology	1230072.056
17. Law	42866.25
18. Government Apparatus	2860454.651
19. Politics, Inf., Commun.,&Media	25875
20. Security&General	89883.7125
21. Subsidy to lower region	0
22. Cash and Development Counting	10657705.41
Total Expenditure	97822892.34



Total	299,724,545,546.83
Tax Sharing	42,046,355,847.00
Tax on Building and Land	18,275,112,733.00
Land and Building Property Fee	10,256,643,184.00
Income Taxes Sharing (PPh 21)	13,514,599,930.00
Revenue Non Natural Resource	635,791,699.83
Forest Exploitation	3,978,456.00
Forest Exploitation Licence Fee	0
Fixed Landrent Fee	0
Royalty	310,375,111.83
Mining Exploitation Fee	0
Fish Entrepreneur Charge	0
Fish Exploitation Charge	0
Oil	0
Gas	6,227,292.00
State Land Fee	315,210,840.00
	0
General Allocation Fund	257,042,398,000.00
Block Grand (DAU)	257,042,398,000.00
Contingency Fund	0
Others	0
Specific Allocation Fund	0
Re-Planting	0
Non Re-Planting	0
Others	0



**Table of Budget Realization of Jeneponto 2000
and Table of Intergovernmental Transfer of Jeneponto 2001**

Total Revenue	51382873.11
Carry-Over	1300472.882
Total Local Own Revenue	2087497.55
Taxes	620832
User Charges	1136665.55
Enterprise Revenue	40000
Other Local Revenues	290000
Transfer from Central/Province/Other	47994902.68
Shared Taxes	4009886.869
Shared Non-Taxes	60500
Autonomy Regional Subsidy (SDO)	19962643.64
Development Assistance	23696585.04
Others	265287.131
Local Borrowing	0
From Central Government	0
From Domestic Financial Institution	0
Unexplained	0
Routine Expenditure	25572100.32
1. Civil Servant Wages	20101752.24
2. Good Purchases	2196032.91
3. Improvement Costs	491507.34
4. Running Cost	412600
5. Other Cost	0
6. Principal&Debt Repayment	271815.8295
7. Financial Help	0
8. Transfer to Village	309531
9. Others	1388861
10. Unexpected	400000
Development Expenditure	25810772.79
1. Industry	210000
2. Agriculture&Forest	1500547.55
3. Water&Irrigation	340000
4. Labor	0
5. Trade	1977060.272
6. Transportation	8956844.39
7. Mining&Enegegy	0
8. Tourism%Reg.Communication	0
9. Regional Development&Settlement	1553323.476
10. Living Environment and Spatial	1100000
11. Education&Culture	1816020
12. Population%Welfare	0
13. Health etc.	899590.2
14. Housing&Welfare	5061592.9
15. Religion	88794
16. Technology	235000
17. Law	25000
18. Government Apparatus	2047000
19. Politics, Inf., Commun.,&Media	0
20. Security&General	0
21. Subsidy to lower region	0
22. Cash and Development Counting	0
Total Expenditure	51382873.11



Dana Perimbangan	98,506,385,105.00
<i>Pos Bagi Hasil Pajak</i>	7,638,958,673.00
Pajak Bumi dan Bangunan	4,742,489,013.00
Bea Perolehan Hak Atas Tanah dan Bangunan (BPHTB)	804,856,565.00
Bagi Hasil Pajak Penghasilan Pasal 21	369,805,075.00
<i>Pos Bagi Hasil Bukan Pajak Sumber Daya Alam</i>	387,623,617.00
Iuran Hasil Hutan (IHH)	3,978,456.00
Iuran Hak Pengusahaan Hutan (IHPH)	0
Iuran Tetap (Landrent)	0
Penerimaan dari Eksploitasi Iuran Eksploitasi/royalti	44,687,079.00
Iuran Kuasa Usaha Pertambangan	0
Pungutan Pengusaha Perikanan	0
Pungutan Hasil Perikanan	0
Minyak Bumi	6,227,292.00
Gas	0
Pemberian Hak atas Tanah Negara	547,790.00
Pos Cadangan	332,183,000.00
<i>Pos Dana Alokasi Umum</i>	87,403,372,000.00
Dana Alokasi Umum	87,403,372,000.00
Dana Kontinjensi	0
Pos Cadangan	0
<i>Pos Dana Alokasi Khusus</i>	3,076,430,815.00
Dana Alokasi Khusus Reboisasi	327,256,000.00
Dana Alokasi Khusus Non Reboisasi	0
Pos Cadangan	2,749,174,815.00



Table of Kabupaten Sinjai Budget Realization 2000 and Table of Intergovernmental Transfer of Kabupaten Sinjai, 2001

Total Revenue	50184305.24
Carry-Over	654256.4026
Total Local Own Revenue	2941507.115
Taxes	427800
User Charges	1738295
Entreprise Revenue	50000
Other Local Revenues	725412.115
Transfer from Central/Province/Other	46588541.72
Shared Taxes	3572993.96
Shared Non-Taxes	0
Autonomy Regional Subsidy (S00)	23740976
Development Assistance	19214310.98
Others	60260.78
Local Borrowing	0
From Central Government	0
From Domestic Financial Institution	0
Unexplained	0
Routine Expenditure	28018883.28
1. Civil Servant Wages	24181130.24
2. Good Purchases	2277234.5
3. Improvement Costs	529520
4. Running Cost	265175
5. Other Cost	0
6. Principal&Debt Repayment	12000
7. Financial Help	0
8. Transfer to Village	202628.78
9. Others	409250
10. Unexpected	141944.7616
Development Expenditure	22165421.96
1. Industry	20000
2. Agriculture&Forest	1371485
3. Water&Irrigation	140000
4. Labor	5000
5. Trade	724155.728
6. Transportation	10453377.88
7. Mining&Enegegy	0
8. Tourism%Reg.Communication	305000
9. Regional Development&Settlement	1166997.081
10. Living Environment and Spatial	1062500
11. Education&Culture	961872
12. Population%Welfare	5000
13. Health etc.	395397
14. Housing&Welfare	4278637.274
15. Religion	25000
16. Technology	129500
17. Law	25000
18. Government Apparatus	1039500
19. Politics, Inf., Commun. &Media	42000
20. Security&General	15000
21. Subsidy to lower region	0
22. Cash and Development Counting	0
Total Expenditure	50184305.24



Total	90,269,658,127.00
Tax Sharing	4,824,868,309.00
Tax on Building and Land	3,736,852,846.00
Land and Building Property Fee	793,032,825.00
Income Taxes Sharing (PPH 21)	295,182,738.00
Revenue Non Natural Resource	402,790,816.00
Forest Exploitation	3,978,456.00
Forest Exploitation Licence Fee	346,750.00
Fixed Landrent Fee	0
Royalty	0
Mining Exploitation Fee	0
Fish Entrepreneur Charge	0
Fish Exploitation Charge	0
Oil	0
Gas	0
State Land Fee	0
	398,465,612.00
General Allocation Fund	84,720,622,000.00
Block Grant (DAU)	80,973,078,000.00
Contingency Fund	3,747,544,000.00
Others	0
Specific Allocation Fund	321,377,000.00
Re-Planting	321,377,000.00
Non Re-Planting	0
Others	0



**Table of Budget Realization of Kabupaten Luwu 2000
and Table of Intergovernmental Transfers of Kabupaten Luwu Utara 2001**

Total Revenue	77276208.5
Carry-Over	2228220
Total Local Own Revenue	6152903.5
Taxes	1254059
User Charges	3724071
Entreprise Revenue	250000
Other Local Revenues	924773.5
Transfer from Central/Province/Other	67095085
Shared Taxes	3912806
Shared Non-Taxes	6526000
Autonomy Regional Subsidy (SDO)	41615329
Development Assistance	12798836
Others	242014
Local Borrowing	1800000
From Central Government	0
From Domestic Financial Institution	1800000
Unexplained	0
Routine Expenditure	55984285.5
1. Civil Servant Wages	41514975
2. Good Purchases	6412836.5
3. Improvement Costs	621126.5
4. Running Cost	1154200
5. Other Cost	0
6. Principal&Debt Repayment	812663
7. Financial Help	32963
8. Transfer to Village	4179923
9. Others	402988
10. Unexpected	652610.5
Development Expenditure	21291923
1. Industry	150000
2. Agriculture&Forest	1097509
3. Water&Irrigation	16550
4. Labor	0
5. Trade	2250000
6. Transportation	3808233.7
7. Mining&Enegegy	35000
8. Tourism%Reg.Communication	149995
9. Regional Development&Settlement	4742835
10. Living Environment and Spatial	2774532
11. Education&Culture	1557700.5
12. Population%Welfare	0
13. Health etc.	881295
14. Housing&Welfare	0
15. Religion	0
16. Technology	1016659.05
17. Law	50000
18. Government Apparatus	2746613.75
19. Politics, Inf., Commun.&Media	0
20. Security&General	15000
21. Subsidy to lower region	0
22. Cash and Development Counting	0
Total Expenditure	77276208.5



Total	145,525,672,641.25
Tax Sharing	11,207,816,379.00
Tax on Building and Land	5,877,066,964.00
Land and Building Property Fee	854,591,090.00
Income Taxes Sharing (PPH 21)	2,740,815,422.00
Revenue Non Natural Resource	30,179,327,262.25
Forest Exploitation	45,354,402.00
Forest Exploitation Licence Fee	0
Fixed Landrent Fee	142,500,000.00
Royalty	29,985,245,568.25
Mining Exploitation Fee	0
Fish Entrepreneur Charge	0
Fish Exploitation Charge	0
Oil	0
Gas	6,227,292.00
State Land Fee	0
	0
General Allocation Fund	103,397,015,000.00
Block Grand (DAU)	103,397,015,000.00
Contigency Fund	0
Others	0
Specific Allocation Fund	741,714,000.00
Re-Planting	741,714,000.00
Non Re-Planting	0
Others	0





MATRIX: FINDINGS IN SOUTH SULAWESI

Aspects	Jeneponto	Province	North Luwu	Sinjai	Makassar
1. Planning Process					
Guidelines	All	All	All	Incomplete	All
Legal framework	All perda, except propeda and repetada	All perda, except for Repetada	All perda, except repetada	All perda, except resntrada and repetada	All perda, except for Repetada
Consistencies	Uncertain	Yes	Yes	Yes	Confusion between Propeda and Renstrada
Stakeholders involvement	Similar process. Still exist quality problem. Involving local universities as a consultant/adviser				
Planning infrastructure	Data accuracy problem	Use BPS data. Try to set up computerized network	Data accuracy problem. Try to implement GIS	Data accuracy problem. Try to implement GIS	Use BPS data. Set up a mgt and dev't planning information system
2. Local Finance					
Strategy to increase PAD	UU 34/2000 is fair. Classical strategies	UU 34/200 is limited. Classical strategies	UU 34/200 is fair. Classical strategies	UU 34/200 is fair. Classical strategies	UU 34/200 is limited. Classical strategies
Performance Budgeting and Standard Spending Assessment	Not yet implemented. difficult to formulate an adequate indicator				
Intergovernmental transfer	DAU is fair Need transparency of DAK Improve revenue sharing mechanism	DAU is not sufficient Revise DAU formula Need transparency of DAK Improve revenue sharing mechanism	DAU is sufficient. Need transparency of DAK Improve revenue sharing mechanism	DAU is sufficient Need transparency of DAK Improve revenue sharing mechanism	DAU is not sufficient Revise DAU formula Need transparency of DAK Improve revenue sharing mechanism
Estimates the potentia revenue	Rational estimation Problem with province No coordination among agencies	Econometric model No coordination among agencies	Rational estimation Problem with province No coordination among agencies	Simple calculation No coordination among agencies	Simple calculation No coordination among agencies
Aspects	Jeneponto	Province	North Luwu	Sinjai	Makassar
3. Local Regulation					
Process	Similar process. Time length depends on the issue. For light issues such as tax, levies, organizational structures only take a while. By contrast, for hard issues like, spatial planning, local budget, development planning require intensive debate.				
Problematic perda	No	No	Yes, but not implemented	No	No, but there is a complaint from busines community
4. Institutional Restructuring					
Review of the current organization structure	Restructured once	Expanding Will be evaluated next year	Has been twice restructured	No restructuring.	Expanding



Continued...

Aspects	Jenepono	Province	North Luwu	Sinjai	Makassar
5. Human Resource Development					
Number of employee ideally need	Understaffing Optimize the current staff, & recruit new staff	Overstaffing	Understaffing Optimize the current staff & and hire contractual base employee	No recruitment	Overstaffing.
Competencies	Low at concept and implementation/ technical level	Mostly low at the implementation/technical level			
Education and position	Mismatch	Mismatch Currently evaluating job analysis	Mismatch	Mismatch	Mismatch Doing <i>job mapping</i>
Training	Local training center	BPSDMA in coordination with other institution	Local training center	Local training center	Local training center in cooperation with related institution
Transfer staff	Accept vertical and horizontal transfer	Small number to be transferred to other kabupaten/city	Accept vertical horizontal transfer	-	Some are relocated to other kabupaten
Indigenous employee	No	No, since it is relatively heterogeneous	No	No	No, because it is relatively heterogeneous

The table below shown the person who become the resource in the indepth interview and FGD in South Sulawesi Region in the first visit for the **first visit**. The FGD participants mostly come from the institution which were interviewed. Each FGD was attended 6-12 persons which was come from local government, local parliament, NGO, and local prominent figures. The FGD also used to cross-checked the indepth interview result. The next step is the **workshop** in Makassar that involved representative of all of the regions. The rest of the interviewed were done in the **second visit**.



A. Interview and FGD at South Sulawesi Province

Day	Date	Activity	Institution	Position	Interviewer
Monday	27/06/2002	Interview	Secretary of Province	Economic, Development and Finance Assistant to Secretary of Province	Zakir
		Interview	Secretary of Province	Administrative Assistant to Secretary of Province	Zakir
		Interview	Bureau of Finance	Head of the bureau	Rita
Tuesday	28/06/2002	Interview	Bureau of Regional Autonomy	Head of Regional Cooperation section	Zakir
		Interview	Local Employment Agency	Head of the agency	Zakir
Wednesday	29/06/2002	Interview	Bureau of Law and Organization	Head of the bureau	Zakir
		Interview	Local Planning Agency	Vice chairman	Zakir
		Interview	Local Revenue Office	Head of the office	Zakir
		Interview	Local Training Agency		Rita
Thursday	30/06/2002	FGD			
		FGD			
		Interview	Local Parliament	Member of Development Planning special committee and secretary to budget commission	Rita
Friday	31/06/2002	FGD			

B. Interview and FGD at City of Makassar

Day	Date	Activity	Institution	Position	Interviewer
Tuesday	28/06/2002	Interview	Local Health Unit	Vice head of the unit	Supratman
		Interview	Local Infrastructure unit (Binamarga)	Head of the Unit	Supratman
Wednesday	29/06/2002	Interview	Bureau of employment	Head of the bureau	Supratman
		Interview	Local Education Unit	Head of the Unit	Supratman
Thursday	30/06/2002	FGD			
		FGD			
		Interview	Local Planning Agency	Head of Development and Planning Division	Supratman
Friday	31/06/2002	FGD			



C. Interview and FGD at Jeneponto Regency

Day	Date	Activity	Institution	Position	Interviewer
Monday	3/7/02	Interview	Secretary of the region (kab)	Secretary of the region (kab)	Mujetahid
		Interview	Local Parliament	Member of finance commission	Mujetahid/Rita
		Interview	Infrastructure unit	Head of Binamarga division	Mujetahid
Tuesday	4/7/02	Interview	Transportation office	Head of the office	Mujetahid/Rita
		Interview	Education Unit	Head of basic and intermediate level education div.	Mujetahid/Rita
		Interview	Local revenue unit	All head of divisions	Mujetahid/Rita
Thursday	5/7/02	FGD			
		FGD			
Wednesday	6/7/02	FGD			

D. Interview and FGD at Sinjai Regency

Day	Date	Activity	Institution	Position	Interviewer
Thursday	6/6/02	Interview	Vice Head of Regency	Vice of Bupati	Madar/Dassir
		Interview	Secretary of Regency (SEKDA)	Secretary of Regency	Madar/Dassir
		Interview	Regency Finance Section (Kabag Keuangan)	Head of the Section	Madar/Dassir
		Interview	Alumny of TMPPD UNHAS	Employee at Bappeda	Madar/Dassir
Friday	7/6/02	Interview	Law Section	Head of the Section	Madar/Dassir
		Interview	Local Housing and Infrastructure (Kimprasda)	Head of the unit	Madar
		Interview	Local Staff Agency (BKD)	Head of the agency	Dassir
		Interview	Local Staff Agency (BKD)	Head of Sub Training Agency	Dassir
Saturday	8/6/02	Interview	Secretary of The Regency (SEKDA)	Head of The SEKDA	Madar
		Interview	Regional Planning Agency (BAPPEDA)	Head of The BAPPEDA	Madar
Monday	10/6/02	Interview	Local Parliament (DPRD)	Budget Section	Madar/Dassir
		FGD	Health Unit	Head of the unit	Madar/Dassir
Saturday	11/6/02	Interview	Local Revenue Unit (Dispenda)	Head of sub of the Unit	Madar
		Interview	Fishery Unit (Biggest Local Revenue)	Head of the Unit	Dassir
		FGD			



E. Interview and FGD at Luwu Utara Regency

Day	Date	Activity	Institution	Position	Interviewer
Tuesday	28/05/2002	Interview	Secretay of The Regency (SEKDA)	Head of the unit	Madar/Muslim
		Interview	Local Parliament (DPRD)-1	Vice head of the DPRD	Madar/Muslim
		Interview	Regional Planning Agency (BAPPEDA)	Head of the BAPPEDA	Madar/Muslim
		Interview	Alumny TMPPD UNHAS	Employee at BAPPEDA	Madar/Muslim
Wednesday	29/05/2002	Interview	Local Parliament (DPRD)-2	Vice head of the DPRD	Muslim
		Interview	Local Revenue Unit (Dispenda)-1	Head of sub of the Unit	Madar
		Interview	Local Staff Agency (BKD)	Head of Sub Development of the Agency	Muslim
		Interview			
Thursday	30/05/2002	Interview	Organization and Function (ORTALA) Section of SEKDA	Head of the ORTALA	Muslim
		Interview	Law Section of SEKDA	Head of the Law	Madar
		Interview	Education Unit	Head of The Devisions	Muslim
Friday	31/05/2002	interview	Regency Finance Section (Kabag Keuangan)	Head of the Section	
		FGD			
		Interview	Mining Unit (Biggest Local Revenue)	Head of the Unit	Madar
		Interview	Local Revenue Unit (Dispenda)-2	Head of the Unit	Madar
Monday	3/6/02	FGD			
		Interview	Bupati	Head of The Regency	Madar