



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 EAST NUSA TENGGARA)

DECEMBER 2002

FINAL REPORT

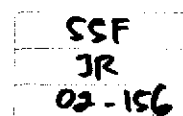


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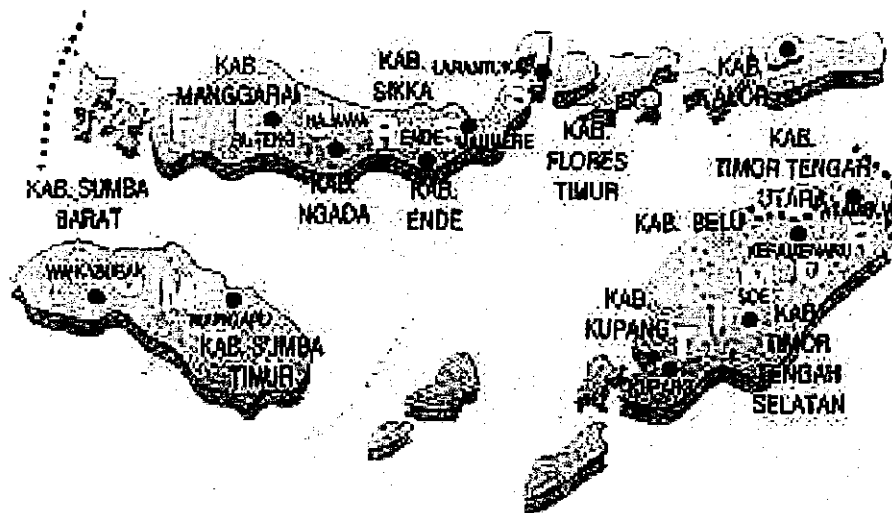


EAST NUSA TENGGARA PROVINCE (NTT)

INTRODUCTION

Geography

- 1) Province of East Nusa Tenggara is located in 8 - 12 Paralel South and 118 - 125 Longitude East, broadly the continent equal to 47.349,9 km², spreading over at 3 big continents namely Timor, Flores, and Sumba from a total of 566 island in NTT and is divided in 15 Sub-Province/town. Formally this province is created on 1958 consisting of three big island, that is Flores, Sumba and some of Islands of Timor.



- 2) This region have hilly nature with dry climate. Island of Flores represent region of volcanoes with many precipitous area. It can be seen from its water which has high condensed brimstone rate. Even in some places there are sources of hot water which coming from the belly of the earth.
- 3) Generally countryside and towns are located in coastal edge or in precipitous bevel. Middle side of Island of Flores represents the mountain area. Lowland and narrow area exist in north and south coastal area. Volcanoes are relatively easy to find. Mount of Lewotobi Laki (1.704 metre), Lewotobi Perempuan (1.703



metre) reside in the Island of Flores. Most Island of East and Central part of Flores is representing grassland (stepa) and only some small portion of which in the form of bush forest.

- 4) Island of Timor is hilly and mountainous of precipitous limestone, unfolding from South-West to northeast. Kupang is located in a hilly area, so that many road and street which is steep-up to almost 60 degree. More than half of the town reside in an slanting area.
- 5) In the Island of Timor there are a lot of rivers but most of them are small like Nanga Benain, Nanga Mina, Noel Tramanu etc. These Rivers quickly run dry at dry season, and during the rainy season the current is very rapid.
- 6) In general the condition of nature in most of East Nusa Tenggara province can be said to be critical. From the total wide of East Nusa Tenggara province, 70 % among others is a typical dry farming of grassland (sabana) and only 10 % is a wet farm region. This Province also represent archipelago area in which lay the volcanic band. Condition of mountainous topographic archipelago with steep areas causing only relatively small agrarian farm area. Adding to that, the amount of rainfall which is relatively small and has a short time period also to be uncertain (3-4 months for one year) also represent the general phenomenon or situation of nature in this province. Geographical position and situation of nature and also climate causing various disaster type often arising like : long drought, forest fire, landslide, volcanic eruption, and earthquake.

Social and Economy

- 7) One of the population problem of in the Province of East Nusa Tenggara is the high proportion of its resident at young age group among/between 0-14 years (44,6 %) compared to the amount of resident at the group aging above 15 years (young structure). Level of the amount of resident residing at this young group indicate that the amount of fertile age coupled will increased in the future. Growth of resident for the period of 1990-2000 is equal to 1,94 % (based on Population Cencus 2000), where the growth of resident in the future is projected to be increasing if no intervention program is to be applied.
- 8) Pursuant to the result of population census 2000, amount of resident in the Province of East Nusa Tenggara is equal to 3.937.602 persons equal to 1,94 % growth from the total amount of resident of NTT in the year 1990 counted at 3.268.644 persons. Density as a whole in the province of NTT is equal to 83 peraon/km². Looking from the density, it seems to be some relatively uneven level of density among sub-province. There is sub-province which has relatively high density level like: Kupang, Sikka, Belu, East Flores, and Sumba, while on the other hand there are sub-province which its density level is relatively lower.

Most of the resident of Province of NTT believed in Catholic, followed by Christian, Islam, Hindu, and Budha. Most resident make a living out of cultivation.



- 9) All island, even almost every sub-province, owning its own different custom, cultural art and Language. Locals residing in Island of Timor, for example, have different language with the resident populating island of Flores and of Sumba.
- 10) Dialect as a whole in this province is divided into 12 big group; Sumba, Sabu or of Hawu, Manggari Riung, Ngada Lio, Sikka, Krowe Muhang, Bajo Buton, Lamahalot, Alor Pantar, Kedang, Labala, Timor, and Malay Mussel.
- 11) Besides language, the customs also have different manner and pattern also. Some of the resident of Flores in Sub-Province of Ngada have caste formation which is similar as in India. Caste system which is still safeguarded by certain tribes is Caste of Gae, (the level of Brahma), Extract (the level of Chevalier), Steel (the level of Waisya), Peku (the level of Sudra) and Soa (the level of Pariah).
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Province East Nusa Tenggara

Name Of Sub-Province/Kabupaten	Number of Population (person)	Area Wide (Km ²)	Population's density (person/Km ²)
SUMBA BARAT	344,823	4,051	85
SUMBA TIMUR	178,965	7,001	26
KUPANG	391,417	7,042	56
TIMOR TENGAH SELATAN	395,711	3,947	100
TIMOR TENGAH UTARA	183,483	2,625	70
BELU	262,252	2,446	107
ALOR	168,268	2,843	59
FLORES TIMUR	279,252	3,074	91
SIKKA	255,595	1,732	148
ENDE	231,572	2,010	115
NGADA	218.992	2.600	84
MANGGARAI	599.034	6.953	86
KUPANG	221.110	183	1.207

Sumber : BPS, Podes 2000



West Sumba

Name Of Sub-Province/Kabupaten	Number of Population (person)	Area Wide (Km ²)	Population's density (person/Km ²)
KODI	81,332	575	142
WALAKAKA	30,423	421	72
WEWEWA BARAT	52,046	348	149
WEWEWA TIMUR	54,204	313	173
LOLI	19,512	132	147
KOTA WAIKABUBAK	21,992	45	492
LARATAMA	47,418	708	67
KATIKUTANA	37,896	1,510	25

Sumber : BPS, Podes 2000

Sumba Timur

Name Of Sub-Province/Kabupaten	Number of Population (person)	Area Wide (Km ²)	Population's density (person/Km ²)
LEWA	25,762	1,210	21
TABUNDUNG	13,774	864	16
PABERIWAI	26,566	1,645	16
PAHUNGA LODU	16,525	734	23
RINDI UMALULU	21,960	725	30
PANDAWAI	18,857	779	24
KOTA WAINGAPU	44,811	99	455
HAHARU	10,710	944	11

Sumber : BPS, Podes 2000

Ngada

Name Of Sub-Province/Kabupaten	Number of Population (person)	Area Wide (Km ²)	Population's density (person/Km ²)
AIMERE	18,308	200	91
NGADA BAWA	18,227	29	618
GOLEWA	28,841	241	120
MAUPONGGO	26,014	127	205
NANGARORO	20,513	232	89
BOAWAE	27,357	276	99
BAJAWA	27,863	287	97
RIJUNG	19,275	590	33
AESESA	32,594	617	53

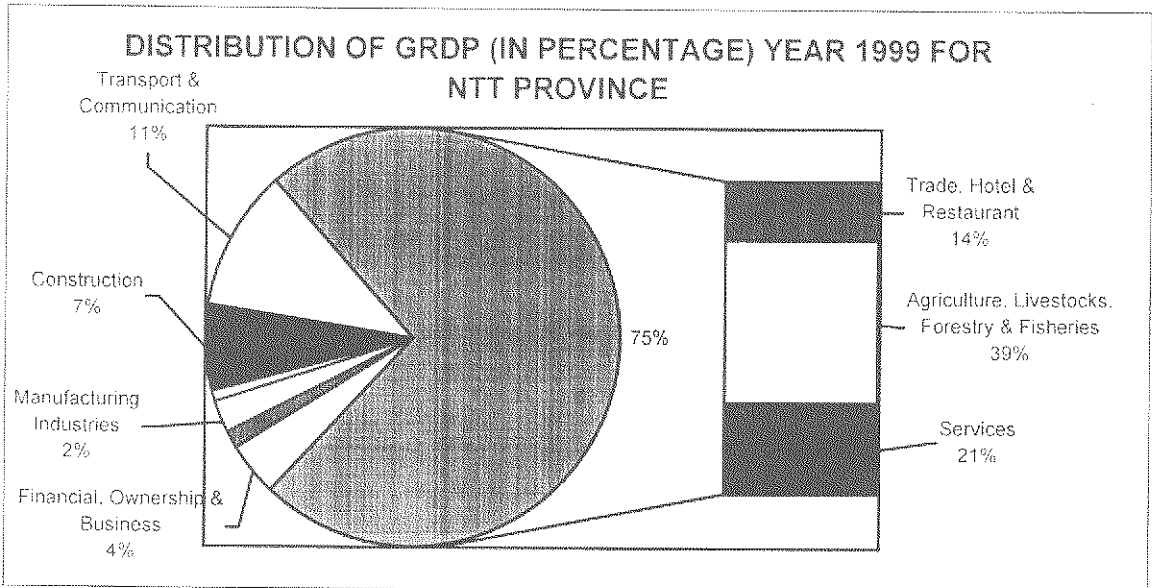
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Kodya Kupang

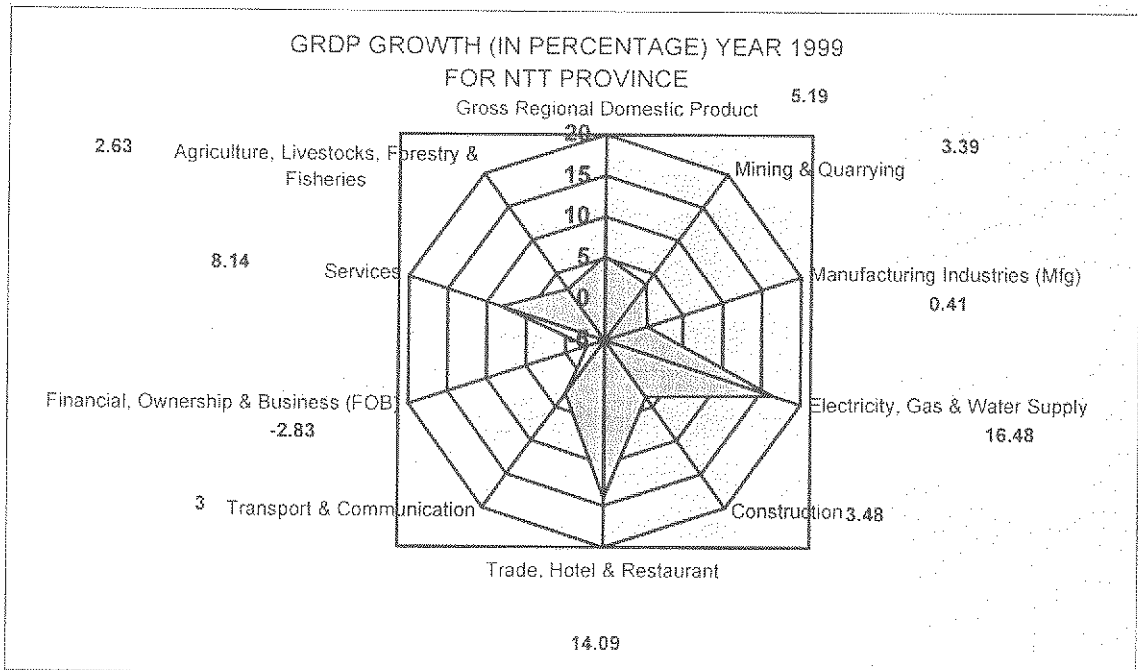
Name Of Sub-Province/Kabupaten	Number of Population (person)	Area Wide (Km ²)	Population's density (person/Km ²)
ALAK	35,138	87	404
MAULafa	41,180	58	713
OEBOBO	88,096	20	4,335
KELAPA LIMA	56,696	18	3,107

Sumber : BPS, Podes 2000

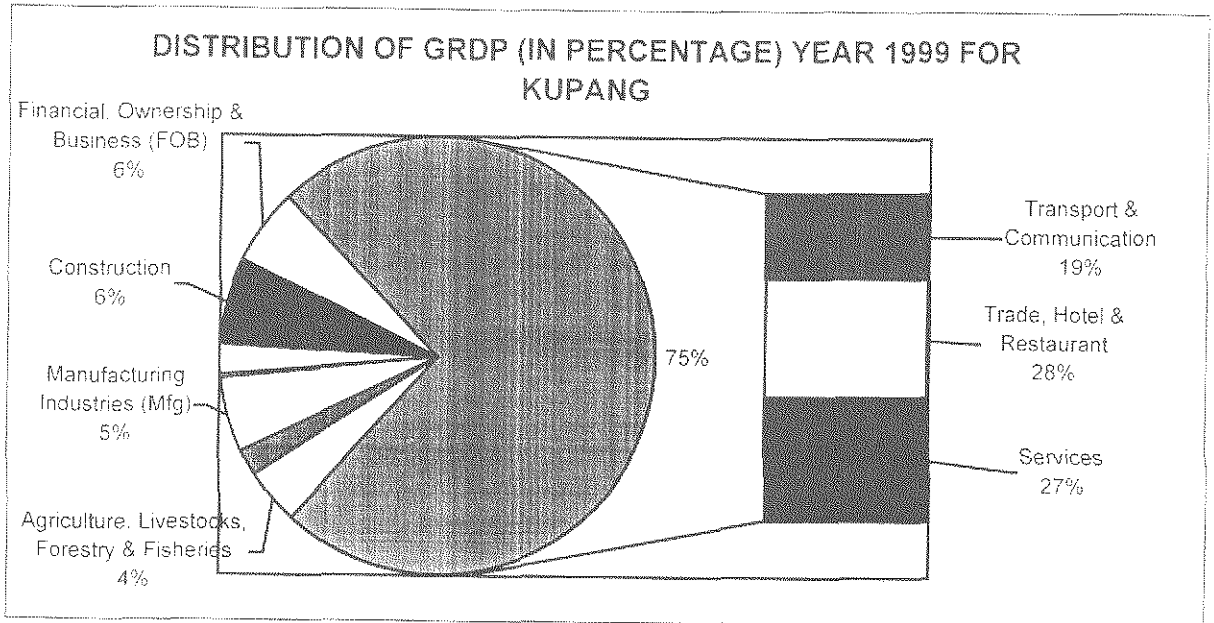
- 14) The economic structure of NTT Province is given in the graph below. The structure of NTT is more or less rural, with around 39% of its economic structure being contributed by agriculture. However the two largest sectors that followed. Trade and Services both comprised of 35% of GRDP, where both sectors are actually more dominant in an urban region.



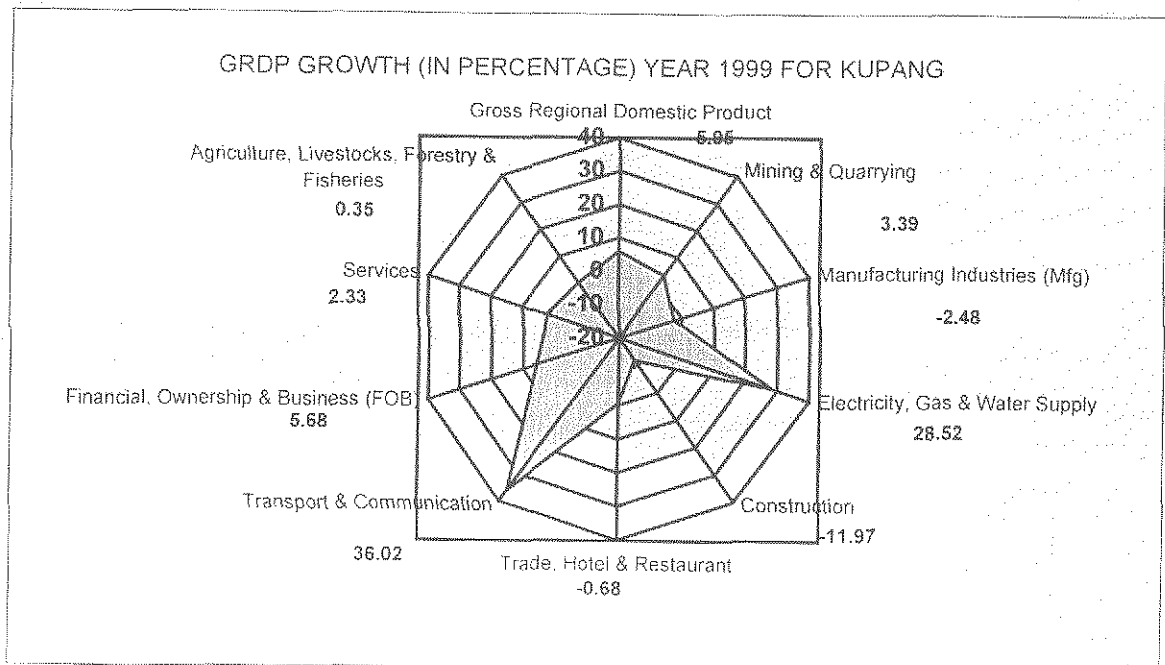
15) While looking at the growth of the economic sectors in NTT, the economic growth of 5.19% in 1999, is caused by the high growth of Services (8.14%) and Trade (14%) Sectors.



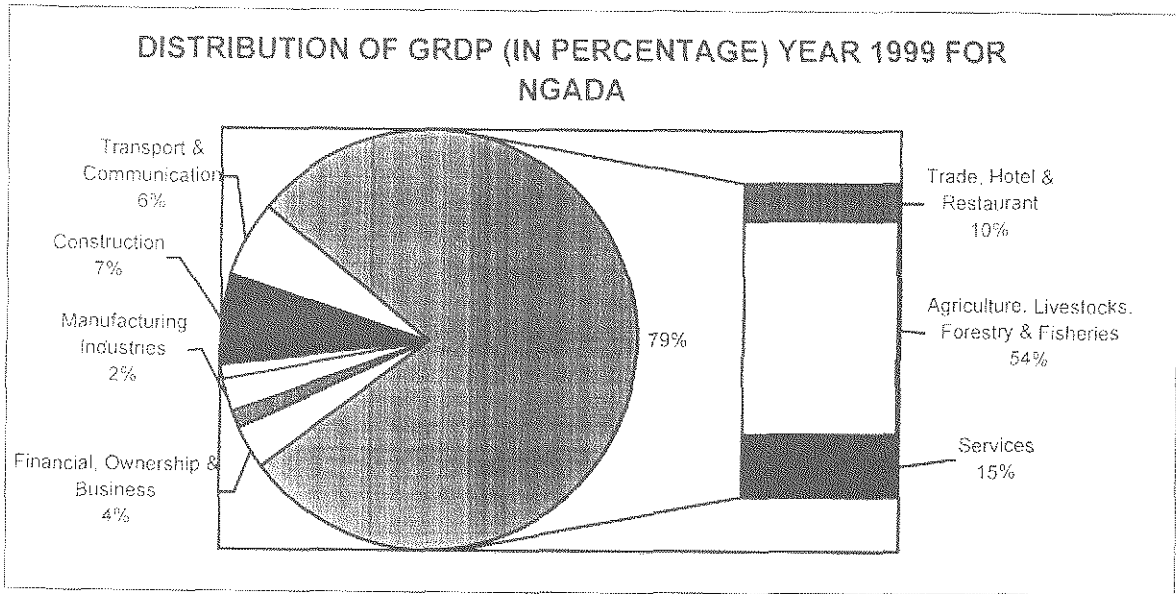
16) The economic structure of Kodya Kupang is given in the graph below. Obviously the structure of Kodya Kupang is dominantly urban, with around 75% of its economic structure being dominated by services-related or tertiary sectors.



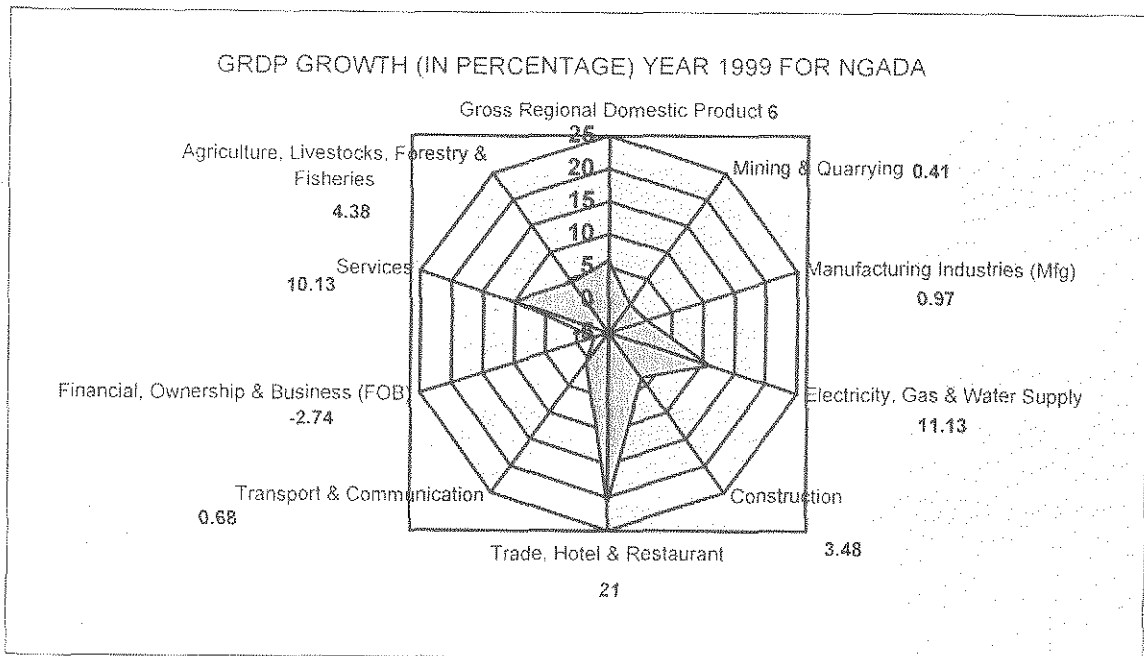
17) While looking at the growth of the economic sectors in Kupang, the economic growth of almost 6% in 1999, is contributed mostly by Transport and Communication and Services sectors. While the growth of Trade, Hotel and Restaurant Sector as the largest component of GRDP has actually experienced a decreased that could be caused by the East Timor problems.



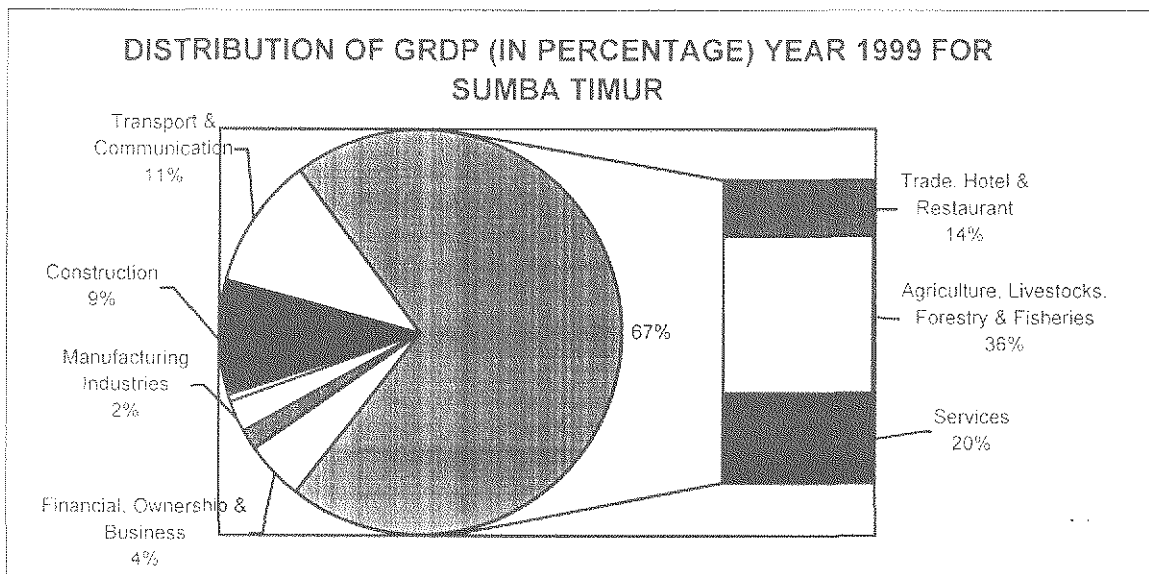
18) The economic structure of Ngada is given in the graph below. Obviously the structure of Ngada is dominantly rural, with around 54% of its economic structure being dominated by agriculture.



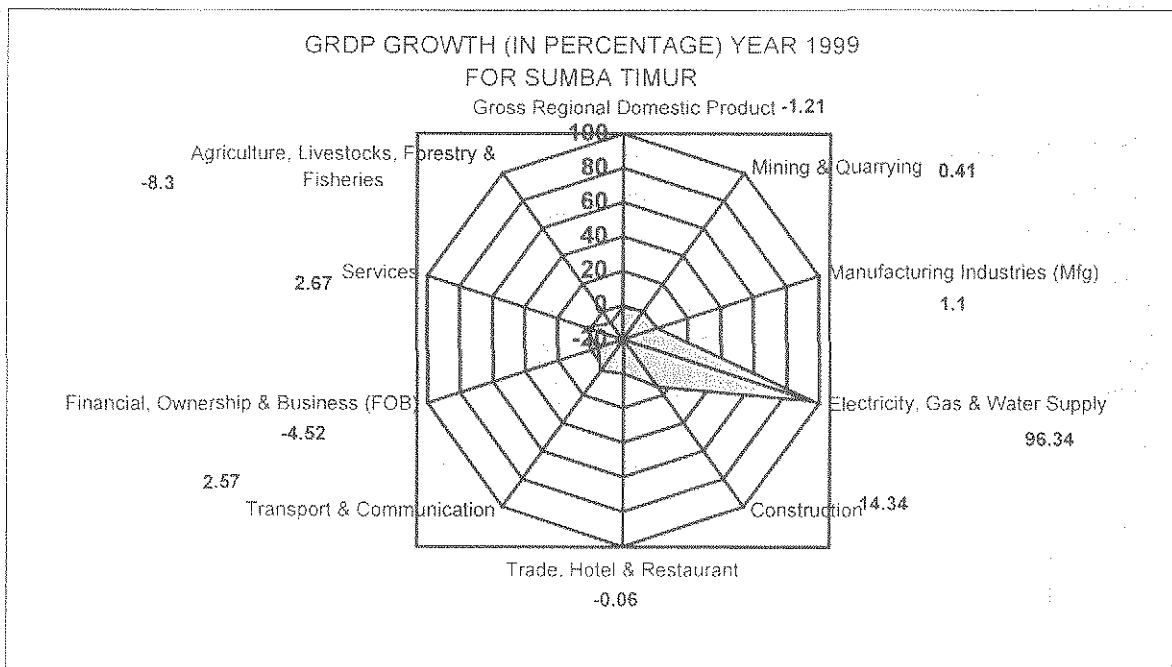
19) While looking at the growth of the economic sectors in Ngada, the economic growth of almost 6% in 1999, is contributed by Agriculture (6%), Trade, Hotel and Restaurant (21%) and Services (10%).



20) The economic structure of East Sumba is given in the graph below. The structure of East Sumba is more or less rural, with around 36% of its economic structure being contributed by agriculture. However the two largest sectors that followed, Trade and Services both comprised of 34% of GRDP, where both sectors are actually more dominant in an urban region.



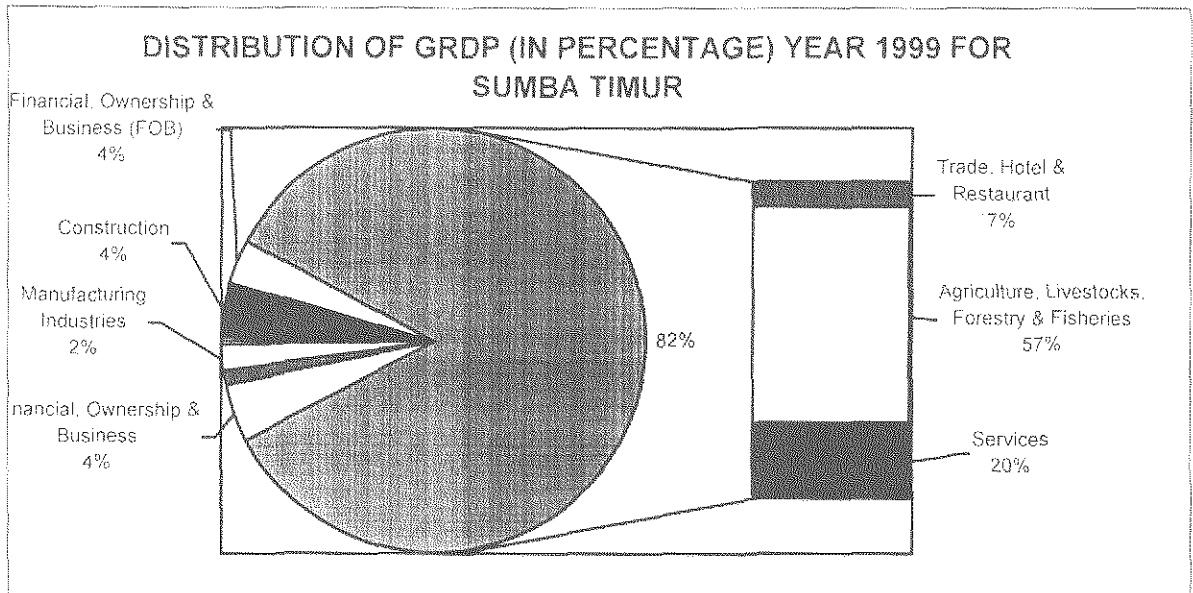
21) While looking at the growth of the economic sectors in East Sumba, the economic growth of negative -1.2% in 1999, is caused by the dropped in Agriculture of -8.3% . While the tremendous growth of Electricity Sector did not bring about significant change in economic growth since the share of Electricity is only less than one percent of GRDP.



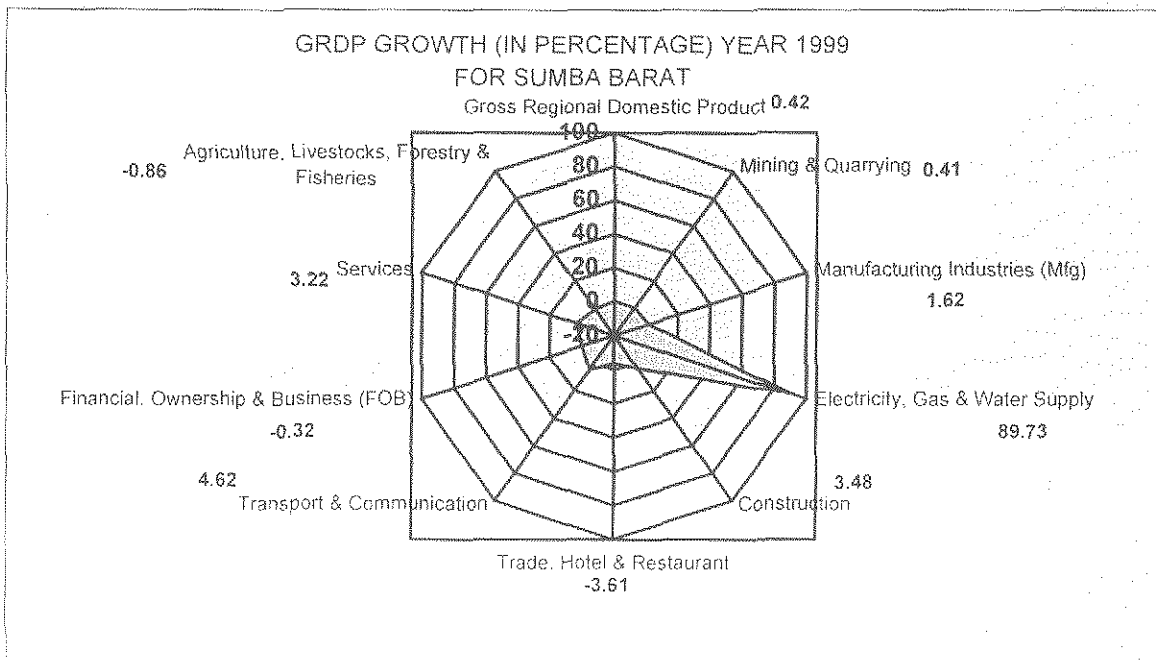
22) The economic structure of West Sumba is given in the graph below. The structure of West Sumba is dominantly rural, with around 57% of its economic structure being contributed by agriculture. However the two largest sectors that



followed, Trade and Services both comprised of 27% of GRDP, where both sectors are actually more dominant in an urban region.



23) While looking at the growth of the economic sectors in Sumba Barat, the economic growth of only 0.42% in 1999, is caused by the dropped in Agriculture of -0.86%. While the tremendous growth of Electricity Sector did not bring about significant change in economic growth since the share of Electricity is only less than one percent of GRDP.





NTT PROVINCE

Development Planning

- 24) The guidance for regional development planning before the regional autonomy is published as the Ministry of Home Affairs Decree (PERMENDAGRI) No 9/1982 containing the Guidance for Regional Planning and Controlling (known as P5D). Even though the regulation has been issued for 20 years, there are still many planners and/or related government officials that still do not understand the regulation thoroughly. Whereas for those seeking to develop or to increase the quality of regional development should be familiar with the current and running development planning process, especially in the municipal level where the focus of decentralization is.
- 25) The main activities for development planning in the municipal level usually relate with the construction of:
 - a. Pola Dasar,
 - b. REPELITADA,
 - c. Rencana Tata Ruang (RUTR/RDTR),
 - d. REPETADA (Rencana Pembangunan Tahunan Daerah)
 - e. Monitoring/Evaluation (controlling).
- 26) The sequence for constructing REPETADA that is being routinely applied in the municipal level before regional autonomy are¹:
 - (a) The Village Development Discussion (Musbang Desa) in the village level. This activity usually is guide by the Office of Village Society Development (PMD), previously known as the Bangdes Office. Besides Musbang Desa, in several villages a lower level discussion usually precedes. The approach for this two activities is more to participatory planning than technical planning.
 - (b) Temukarya LKMD or UDKP Discussion (Unit Daerah Kerja Pembangunan) in the Kecamatan level. This meeting is usually held in one working day for each kecamatan. The guidance for this activity is coordinated by Municipal level Bappeda with the office of PMD. Before this activity, Municipal Level Bappeda is supposed to have give the yearly development planning guidance to Camat/UDKP in the form of Regional Yearly Development Plan/RUPTD (Rencana Umum Pembangunan Tahunan Daerah) document as the basic framework.
 - (c) Development Coordination Meeting/Rapat Koordinasi Pembangunan (RAKORBANG) for the municipal region. In this activity the role of

¹ Taken from "Selayang Pandang Tentang Perencanaan Pembangunan Di Daerah Tingkat II" (A Snapshot of Development Planning in the Municipal Level), by Syahrani and GTZ-SiDM Team, October 1994.

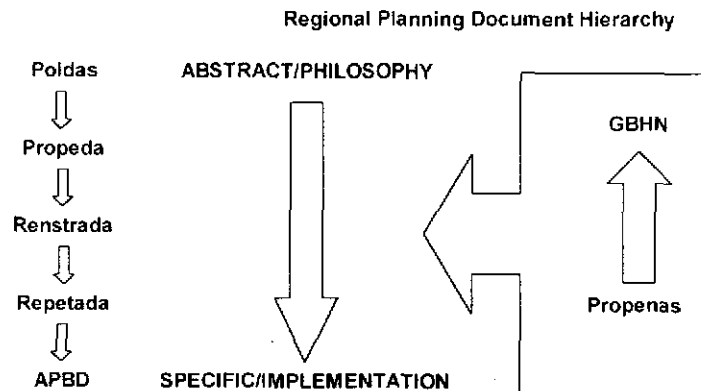


Municipal Bappeda is to directly manage and organize the RAKORBANG. In this RAKORBANG the Camats present the project proposal list from the respective Kecamatan/UDKP as a result of the Temukarya LKMD/UDKP Discussion which is known as Kecamatan Yearly Development Plan /Rencana Pembangunan Tahunan Kecamatan (RPTK), and is responded by related parties in the Kabupaten level, especially unit (dinas) or sectoral agency.

- (d) The construction of Project Proposal List (DUP) by Unit/Dinas. Usually for this activity, after RAKORBANG in the municipal level, Bappeda and Units held consultative meetings to respond the proposals from Camat/UDKP and to generate DUP, also to compile DUP based on the funding sources proposed. The role of Bappeda in this matter is quite significant, taking the role as a coordinator and sometimes as a decision maker. The result from this event would also become an important material for Bappeda to prepare for the RAKORBANG in the provincial level.
- (e) RAKORBANG in the Provincial level. RAKORBANG is held in the Provincial Capital and is an extension of the previous steps in bottom-up planning. Eventhough RAKORBANG take place in the provincial level, the preparation of it is an important panning activities for Kabupaten level as well. For the purpose of RAKORBANG, the Kabupaten Bappeda must be prepared for the needed substance, which includes compiling DUPs that is being proposed to be funded by the development fund source.
- (f) The construction and stipulation of Municipal Budget R/APBD (Rencana/Anggaran Pendapatan dan Belanja Daerah). Usually the estimated municipal budget is being prepared coincide with the UDP composition consultation and coordination with unit/agency preceding the RAKORBANG, especially for those funded only by municipal budget alone. In this activity Municipal Bappeda is working together with the Finance Unit of Setwilda, under the coordination of Municipal Secretary /Sekretaris Wilayah/Daerah (Sekwilda). Eventhough under the coordination of Sekwilda, the role of Municipal Bappeda is still crucial, especially related with the discussion with DPRD.
- (g) The formation of Working Sheet/Lembaran Kerja (LK), Project Proposal List/DIPDA (Daftar Isian Proyek Daerah) and SOP/PO (Petunjuk Operasional). Many people treat DIPDA not as a planning document. But because it still needs approval from Bappeda and require detailed implentation plan in SOP, also management system and needed indicators for monitoring and evauation purpose then this activity should also be considered as one of planning activities.
- (h) Monitoring and Evaluation (Controlling). This activity is very important because it includes the controlling activity towards the implementation of the stipulated development plan. The activities usually still limited to

three-monthly regular meetings under the coordination of Bappeda. In the reports and meetings held the focus is still on physical and financial aspect; less focus is given towards purpose and goals evaluation.

- 27) The construction of planning documents has been done by involving DPRD for more than 3 times in a seminar-type discussion. Each commission in DPRD also has its own counterpart in the Provincial Government to discuss selected issues on the budget.



- 28) According to DPRD, the commission is actually being given enough material to discuss all of the proposed bill given. But with the very limited time available to discuss the drafts, it is difficult to do a thorough evaluation.
- 29) Also even though DPRD has done a number of visits to the community, it is still considered to be insufficient. The media and NGOs actually help the DPRD in giving inputs and suggestions.
- 30) In the future, DPRD has thought about to do a more open public participation mechanism in discussing the proposed bill. Even though there are technical difficulties, a work plan has been set up next year.
- 31) So far, there are no expert staffs assisting DPRD to evaluate the planning documents. DPRD should be provided with enough resources in technical experts, especially experts in land legal framework and financial matters. While most of the trainings provided by NGOs or foreign assistance still focus mainly on democratization theme.
- 32) Several important matters to be fixed:
- a. The Perda should use a legal language to avoid misinterpretation and to avoid conflict.
 - b. Regional autonomy regulation only give very short time for transition, it is very premature such that triggers even more conflict among regions.
 - c. The regional autonomy should be done in stages.
 - d. The current planning documents are still too philosophical and too theoretical. The propeda as a planning document should already usable in order to translate it into specific work plans.



- 33) While to evaluate the performance of the governor it is difficult to do it in an objective manner. Mainly because the supporting rules and regulations are not clear enough, i.e. the indicators and SOP for evaluation. This is actually understandable, remembering the transitional period of decentralization.
- 34) The planning drafts are being exposed to local universities and the society to obtain inputs and suggestions.
- 35) The crucial tasks in the current transitional period are:
 - a. To restructure the organizational arrangement based on the new function after decentralization => based on PP 84.
 - b. The new organizational structure should reflect the authority given and the real needs of the Provincial Government.
 - c. A team has been appointed by the Governor to do a Job Analysis by involving local universities and NGOs. The result is to recommend a leaner organizational structure for NTT province.
- 36) The type of services that the NTT society need is:
 - a. Education
 - b. Health
 - c. Economy
- 37) As for the regulation, the NTT provinces stated that the current regional autonomy law should be revised considerably, because the MPR have done several amendments towards the UUD that is the basics for the autonomy law. Also the fact that the central government must fully understand the meaning of decentralization and to give up the drive to remain centralized.

Regional Finance

- 38) While for SSA, the NTT province still waits the SOP regulations to be issued by the central government, because it is very difficult for the local government to set up its own SSA.
- 39) For development expenditures, it is still not enough, the priority is still for routine expenditures (i.e. salary). Before NTT could get around more than Rp 100 billion for development fund, while now it is only Rp 66 billion. To cope with the insufficient development funds, a request for additional funds is being proposed to the central government and the result is to get Rp. 118 billion from contingency fund and another Rp 20 billion for balancing fund.



- 40) However, the NTT province is also given additional fund (from deconcentration fund) of Rp 500-600 billion (twice as the APBD of NTT) which is not included in DPRD and supposed to be used for financing regional decentralization at the Kabupaten level.
- 41) NTT need more funds relate with its infrastructure needs and remembering its situation with neighbouring countries such as Timor Leste and Australia.
- 42) Some efficiency measures is done in routine expenditures as follows:
 - a. To reduce on travel expenditures
 - b. reduce on maintenance expenditures
 - c. reducing temporary staffs
- 43) While for the DAU scheme some critics are:
 - a. DAU should consider the number of islands=> affecting transportation cost
 - b. Boundaries with foreign countries
 - c. The sea area
 - d. The sharing from fisheries is being done on a flat base, it should be based on the yielding area.

Institutional Restructuring and HR Development

- 44) Province of NTT does not have any difficulties relating to HR, both quality and quantity. Even though Baperjakat could give its opinion and recommendations related to staffing, the Governor has the final decision.
- 45) *To fully understand the anatomy of Public Officials in NTT, the following must be kept in mind:*
 - a. Public officials are recruited for two main reasons:
 - i. To do the public works for the local government
 - ii. As a means of reducing unemployment
 - b. As such it is understandable the local government of NTT is overstaff (for instance, in Provincial Training Agency, the staffs needed is actually 25, compared with the current staffs of 62).
- 46) In the business sector, usually the employees record is nicely kept and updated. As such it is possible to do a thorough performance evaluation. While in the local government the record of the employee is usually scattered or outdated.
- 47) The posting of an official is not based on:
 - a. Need assessment
 - b. Need analysis



- 48) The government is more keen in adapting a generalize expertise=> every officials must be ready to be posted anywhere.
- 49) To cope with the above weaknesses, the Head of Training agency suggests:
 - a. Increase transparency in terms of carrier enhancement
 - b. Use a fit and proper test for structural position.
- 50) There is a misunderstanding about the function of training. Training is a means to increase performance and qualifications, not just a perquisite to enter a certain position. Also the training agency only has the function to train officials, not to select which one is eligible to receive training.
- 51) The kinds of skills that NTT needs are:
 - a. Agriculture
 - b. Fishery
 - c. Animal husbandry.
 - d. Mining
- 52) The curriculum is being set from the central government, but there are local contents such as the module for Indonesian language, English and logical thinking (all made up to around 20% of overall training module). The head of training agency expect that LAN should give more liberty for local government in designing their own training module.
- 53) According to HR Bureau, the setting of institutional aspect during regional autonomy is heavily influenced by politics (based on PP84) rather than the real needs assessment of province. After the beginning of regional autonomy an institutional analysis is being carried out by the Bureau of Organization.
- 54) Another assessment relate to HR situation in NTT is an overstaffing in certain areas while lacking skills in the following:
 - a. Medics
 - b. Fisheries
 - c. Forestry
 - d. Engineering
 - e. Transportation

NTT also views that PNS (Govt Official) should be treated as a nation bonding agent, such that no special preference (at least not too much) is being given to local people.

local regulation

- 55) There are no difference in procedure for NTT province in establishing Perdas. NTT however has the duty to help in filtering erroneous Perdas (as the representative of the Central Government). As NTT province does not possess any territory, no Perdas that is seen as conflicting, both in terms of sector and



regions. What is difficult is when some Kabupatens have a dispute, the Province should have the mediator role, however some Kabupaten opt to go directly to the central government.

KUPANG

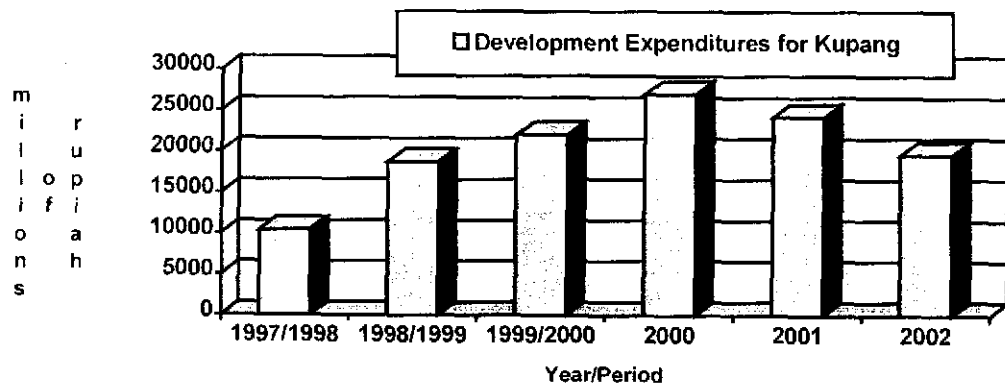
Development Planning

- 56) The Poldas document for Kodya Kupang is still in progress. While the Propeda is also still in the draft stage, working together with Local University for technical assistance. For Repetada is consistently made for each year. The reason that Repetada is always 'on schedule' relatively to other planning documents is because it is the base for Local Government Budget (APBD) which is obviously must exist each year in order for the Local Government (Pemda) to operate. As now the Head of Kodya Kupang (Walikota) is awaiting a new definitive figure, the Renstra is also still in progress.
- 57) Bappeda understand that their local planning documents should be consistent with Proenas, as they said that they have adopted the main principles of Proenas in their documents.² Bappeda also stated that they have consult the Bappenas also for their planning documents, unfortunately with inadequate response. In addition, Sekda also stated that they have also consult with the Provincial Government as it is required by Government Regulation No. 20 (PP 20/2001).³
- 58) Proenas is a development plan of national scale and represents the consensus and commitment of the Indonesian people to the vision and mission of the nation. As such, the function of Proenas is to formulate the common grounds of perceptions and movements of all layers of society in the implementation of development priorities for the next five years.
- 59) According to Proenas, each high level state institutions, departments and non departmental government agencies are to formulate their respective Strategic Plans (Renstra, Rencana Strategis), while the regional governments will formulate their respective Regional Development Programs (Propeda, Program Pembangunan Daerah). The Renstra and the Propeda must be based on the Proenas. With respect to the Propeda, it is possible to give different emphases of priorities in the formulation of development programs, in line with the different needs of the respective regions.

² In accordance with GBHN 1999-2004, the said policy directions for governmental operations are to be accommodated in the five year National Development Program (Proenas, Program Pembangunan Nasional), that is determined by the President and the National Parliament (DPR, Dewan Perwakilan Rakyat). The Proenas is then to be elaborated into Annual Development Plans (Repetada, Rencana Pembangunan Tahunan), which respectively contain the National Government Budget (APBN, Anggaran Pendapatan dan Belanja Negara) that is determined by the President together with the DPR.

³ In PP 20/2001 (article 4, 7 and 9) it is stated that the President of GOI could opt to give the authority of *controlling for Fiscal Government (Kabupaten)* to the Governor *head of province*.

- 60) The source of data for planning is the BPS data for macro planning. However, for a more detailed or micro-planning, data from each technical department is used, it is because Bappeda sees the data provided by BPS is still insufficient for constructing detailed planning.
- 61) Even though Bappeda uses local university as their partner in constructing the planning documents, they are still afraid that the result would be biased, because the Local University is considered to be focusing more on the macro level.
- 62) Bappeda is also faced with shrinking budgets for development expenditures. From the total of Rp 300 billions proposed, the realization is only Rp 19 billions. The small development funds available has actually shrink starting from the year 2001.



- 63) Kupang is planning to develop a new planning mechanism (P5D – Proses Perencanaan, Pelaksanaan dan Pengendalian Pembangunan daerah/Kota based on Peraturan Menteri Dalam Negeri No. 9/1982.) While to develop stakeholders participation involving society at large is conducted using the available mechanism of Musbangkel. Now the Musbangkel is used to socialize the Kecamatan and Kelurahan that they are no longer exist as rural areas, but more to urban areas; with the implication that their role is more to provide public services to society at large.
- 64) According to the Regional Secretary (Sekda), the Musbangkel has already sufficient for absorbing the aspirations of the people. Sekda also stated that the People Empowerment Agency /Lembaga Pemberdayaan Masyarakat (LPM) has been constructed more broadly than before through the PMD offices.
- 65) Sekda also stated that once they have tried to involve people in constructing the Perdas for planning. However, according to Sekda, the result is unsatisfactory due to the degree of 'noises' that they consider to be irrelevant in constructing the planning documents.
- 66) The kind of services that the society needs is (according to Bappeda):
- Clean water
 - Health services
 - Infrastructure for low-income society

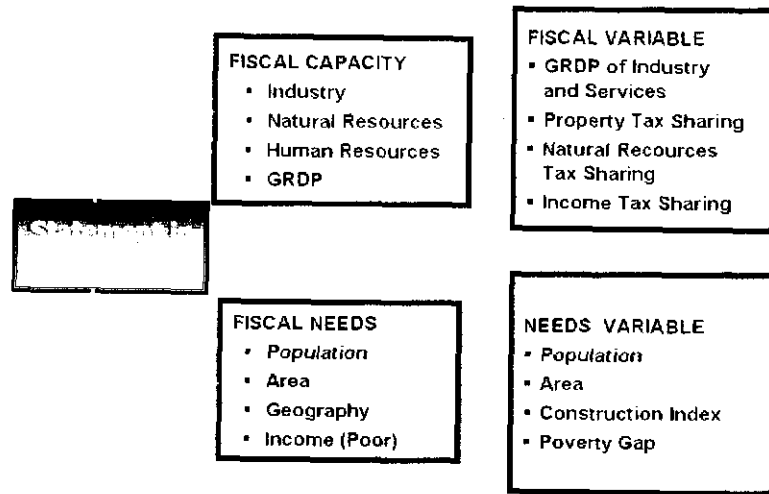


- 67) Bappeda is also responsible to maintain a relationship with DPRD in accordance of the Development Budget explanation. In turn DPRD stated that they do not know whether the information given by Pemda is complete and accurate but they say that Pemda has always share the needed data with DPRD. To assess the performance of Walikota, the DPRD used the Renstra and Propeda (based on PP 105 and PP 108).
- 68) For one year, DPRD conducted 6 plenary meeting. One month before each meeting, the needed supporting documents from Pemda have to be already available.

Regional Finance

- 69) The main sources of PAD in Kupang is:
- Demography Agency (Dinas kependudukan) ⇨ Rp 372 million
 - City Planning Agency (Dinas tata kota/IMB) ⇨ Rp 310 million
 - Health Agency (Dinas kesehatan) ⇨ Rp 200 million
 - Transportation Agency (Dinas perhubungan) ⇨ 317 million
- 70) Last year Kupang is faced with financial difficulties, it is because the misreported numbers of teachers that has to be paid by Kupang. For DAU 2002, the Rp 117 billions received also includes the transfers for Teachers' Salary.
- 71) DAU is cut to pay for 2,507 people for the year 2000 that has increased to 5,155. The increased in the number of staffs is mainly in the Health and Education Agency. To solve the financial problems, Kupang uses the contingency fund, the surplus funds from last year, funds from the provincial government and to cut on development expenditures. In deed, the development expenditures have to absorb severe slump, from the usual amount of more than Rp 30 billion to less than Rp 20 billion.
- 72) Both the Sekda and Kadispenda thought that the formula for DAU must also include the number of staffs for salary purposes as one of the variable. Or, to put it simply, to pay the staffs salaries directly from central government budget. In addition they also stated the need to differentiate between Kabupaten (municipal) and Kodya (city), because Kodya usually has a more sophisticated needs of infrastructure compared with a Municipal due to its urban characteristics and the increasing demands of its citizen.

Chart 1.
DAU Scheme based on UU no 25/1999



- 73) Even though Kodya Kupang has to cut some part of its budget, the PAD of Rp 6 billions (in 2001) is still the largest in NTT Province. The Kadispenda stated that the PAD should be at least more than Rp 20 billions if it to function properly. Kupang actually have some potential levies that could be applied, but due to the PP 66/2001 the levies has to be cancelled:
- Wood truck transporters
 - Television levy
 - Telephone usage levy
- 74) All Perdas related to tax and levy has been constructed to match the PP 65/66 2001. However, according to Kadispenda, it should be stated more clearly why some taxes/levies is considered to be inefficient/burden. Also some potential taxes/levies that is previously given to Kodya is now being transferred to the Provincial level:
- Tax on the Exploitation and Utilization of Underground Water and Surface Water
 - Tax on the Exploitation of Minerals of Category C
- 75) In order to increase the PAD, these measures have been taken:
- To increase the tax rate
 - To identify the available tax payers (every 3 months)
 - To look for other sources of income, like 3rd party donations from SIUPP, and donations from liquor distributors.
- 76) However, the detailed calculation about the real tax potential is still not done due to lack of human resources to do the calculation.
- 77) When asked about the SSA, Kodya Kupang said that they are still waiting for the needed regulation infrastructure from the central government. It seems that



with shrinking budget for development expenditures, the incentive to do an SSA is low.

Institutional Restructuring and HR Development

- 78) Almost all respondents stated that the decision for staffing is heavily concentrated on Baperjakat/Badan Pertimbangan Jabatan dan Kepangkatan (based on PP100/2000).
- 79) Kadispenda stated that the strategy for improving HR in his agency is to look for Universities that provide trainings in regional tax issues. Some trainings that is usually provided by the MOF is not available (such as Pendidikan Juru Sita), so they are still looking for some alternatives.
- 80) Several trainings that have been pursued:
- a. Trainings from MOHA (Badan Diklat DDN) and LSM (mainly self-funding)
 - b. Trainings from universities are still rare, except from UI dan UGM ⇒ regarding Regional Tax.
- 81) There is a total budget of Rp 1 billion for staffs training and human resource development in Kodya Kupang.
- 82) While the issue of 'Putera Daerah' is also common in Kodya Kupang, they exist for different reason. According the HRD, the reason for Kodya Kupang for not accepting transferred officers from other regions is because they have difficulties in transferring the salary of the transferred employee from their location of origin.
- 83) While the organizational structure of kodya Kupang has also change due to regional autonomy, the current structure is not yet final.⁴ The shortage of budget happening across the agencies seem to have forced some of the agencies to do their own efficient restructuring to fit the available budget (the case Education Agency).
- 84) To cope with the inadequate human resource capabilities in DPRD, various trainings have been conducted, with the supports from various LSM. Even then, the training modules seem to fail in considering the education background of the DPRD so the absorption of training materials seems to be unsatisfactory.
- 85) According to Biro Ortaga the process of staffing is done by considering the following:
- a. promotion
 - b. experience
 - c. echelon
 - d. skills
- 86) The difficulties for staffing is again because of inadequate HR due to the limited fund available and the already high percentage of budget that goes to salary

⁴ Three Perda has been legalized to support the changes in regional infrastructure. Perda 15, 16 and 18.



expenditures. Also, because of its geographic nature, the cost of training is relatively high for NTT regions since the available trainings usually is held outside the region.

- 87) To give an anecdotal evidence, during the Suharto era where the central government is still dominant, the cost of Governor of NTT to travel to Jakarta back and forth since Repelita I could be used to build 100 elementary school, 50 Junior High School and 25 Senior High School in NTT. ⁵

Local Regulation

- 88) From 60 Perda in 1999, 59 of them comes from Pemda. This could mean that the DPRD has some constraints on technical capabilities. From the total of 60 members of DPRD, only 6 of them receiving university education 9 (6=S1, 3=D3). All of the Perdas, according to DPRD, has been thoroughly researched by Pemda, but even then some reluctance from society still exist.
- 89) While in order to support the PAD, all tax and levy have been legitimized by Perda. There are also five new Perda that support the licensing of industry to be handled by Kodya Kupang, from previously handled by Province/Central Government.
- 90) The process of drafting a Perda:
- Socialization is given to the Head of Commission in DPRD.
 - Head of Commission then socialize the Perda draft to its members.
 - DPRD invite local community to discuss the drafts.
 - Then the discussion between Pemda (i.e. Bappeda) and DPRD continues to make necessary changes and if it is approved, the Perda is officially acknowledge.
 - Socialization is done by DPRD.

Some problems, according to Pemda, is that sometimes the DPRD wanted the technical issues to be also added to Perda.

NGADA

Development Planning

- 91) Kabupaten Ngada has followed strictly the SE Bangda for the making of planning documents. Currently all of the planning documents such as Poldas, Propeda and Renstra are still in the draft stage and still waiting the formal legalization by DPRD. While the Repetada is in the discussion stage and the RAPBD has been formally legalized. For the time being, the main reference for planning is the 4 main ideas of the Bupati formally said during the candidature process.

Kompas, Senin, 12 Maret 2001, Diskusi Panel Otonomi Daerah, Kesiapan NTT Masih Retorika.



- 92) Looking at the sequencing of the planning documents is not done in an orderly manner. That is because the architect of the planning documents is mainly outsiders (external consultant) with low level of participation from the Local Office and/or Local Community. Now the available planning documents is to be reviewed by Pemda with involving local community by using Bappeda as the main actor.
- 93) The low level of participation from Pemda and Society in making the planning documents indicates that the planning documents would be unable to satisfy both Pemda and Society as the main stakeholders of the planning process. It is because the decision to appoint the consultant is coming from the Bupati.
- 94) Due to the minimum involvement of its main stakeholders, Bappeda is planning to rearrange the planning documents with a more participatory approach from the local community. Bappeda also feels that they are not being trusted by Bupati to plan what is suitable for Ngada.
- 95) The planning information system seems to be weak. Bappeda, however, has planned to build an integrated data information system and administration. The problem facing ahead is the 'ego' from each technical agency that hindered data supporting activities from another agency.

Regional Finance

- 96) Generally the Local Budget revenue is dominated by transfers from the central government (DAU). Low level of investment and low level of private sector economic activity seems to cause the undersized level of PAD.
- 97) The main contributor of PAD is the revenue from Mining (category C) that has been quite potential due to Ngada's geographic nature of mountains.
- 98) Dispenda is trying to re-identify the tax basis for intensification. While the extensification approach is done by applying billboard tax for convenient stores. While Ngada has huge potential in tourism, the supporting infrastructures are quite limited so the development of the tourism sector is slow.
- 99) In managing the regional finance, Pemda has not yet applied the SSA due to lack of human resource capabilities and also lack of supporting regulations to apply the SSA. However in term of Bupati's Performance Appraisal, since 1992 Pemda has use the LAKIP (Laporan Akuntabilitas Kinerja Instansi Pemerintah) system.
- 100) Based on Inpres No 7/1999, every units in the government is required to construct the Laporan Akuntabilitas Kinerja Instansi Pemerintah (LAKIP) for every year.
- 101) The purpose of LAKIP is to apply the good governance principle and as a means of public accountability to stakeholders, i.e. society and DPRD.
- 102) In the LAKIP manual, it is stated that a strategic planning is the first step in trying to measure the performance of government units. This of course



requires an integration between the human resources and other resources available.

- 103) Ideally, the strategic planning made by the government must include:
- Explanations about vision, mission, strategy and key factors for organizational success;
 - Explanations about goals, target and organizational activity;
 - Explanations on how to achieve the stated goals and target by considering the main duties of the respective unit/agency.
- 104) Transfer from the central government in the form of DAU is relatively large compared with other nearby regions. However, looking at the current minimal condition of infrastructure, the DAU available is still far from enough to support an adequate development expenditure. Currently only around 30% of DAU is available for development expenditures.
- 105) The usage of DAK is hoped to be a breakthrough in obtaining funds for building infrastructures.

Institutional Restructuring and HR Development

- 106) Generally, the HR condition of Ngada is quite dim in terms of educations and trainings received. Many information related to trainings and educations does not reach the related agencies.
- 107) The process of recruitment has been considered fair, however in terms of staffing for structural positions the final word is still in the hands of Bupati. As such the role of Baperjakat is considered to be small.
- 108) From around 750 structural posting available almost 400 positions are left vacant due to the echelon problems. This in turn lower the performance and coordination effort among units and agencies and later on creates a bottleneck for development implementation process and governance in Ngada.
- 109) Actually the numbers of staffs needed by the local government is plenty, however due to the low educational background and quality the needs are unmatched by the supply available. The highest education qualification in Ngada is generally only high-school graduates.
- 110) Another issue is the fact that for some employees that already have qualifications they are still left unaccommodated in the organizational structure of Kabupaten Ngada. In terms of staffing, there are many employees that do not have suitable educational background with the current job assignment because of the KKN problem.
- 111) The trainings available locally is limited to structural trainings, whereas functional trainings still depends on the central or provincial government. However there thoughts to conduct functional trainings in flores island.
- 112) The trainings needed are for agriculture, plantation and development project planning.



The issue of 'putra daerah', though only rarely happened, there are some KKN on the process of recruitments and staffing.

Local Regulation

- 113) Almost all initiatives in making Perdas come from the Executives (Pemda/Bupati). This is because of the relatively lack of human resource capabilities in DPRD compared with its counterpart in Pemda.
- 114) All of the Perdas legalized are having no violations with the guidelines set up by the central government.
- 115) Some problems are more related to the inconsistency and late regulations from the central government such that the local regulations that followed has to be changed frequently.

KABUPATEN EAST SUMBA

Development Planning

- 116) The planning documents available at East Sumba are Pola dasar (POLDAS), Propeda, Propetada, Renstra dan APBD. All of the local planning documents based itself on Propenas and the Provincial Propeda. In addition the document also match with the SE from the MOHA. In addition, the documents also depend on the vision and mission of selected Bupati.
- 117) The planning documents made by Pemda are constructed using hierarchical stages. Firstly it is discussed in the Musbangdes at the village level, then at UDKP in the Kecamatan level, and finally at Rakorbang in Kabupaten level.
- 118) In each of the stages, people together with the officials planned the program activities that are needed by society. Considering the variety and numbers of the proposed programs, a priority scale is constructed. In the final decision of the programs to be executed, the voice from Bupati as the Head of the region is usually more dominant.
- 119) The institution responsible for making the planning documents is Bappeda, with the help of Regional Secretary and other agencies/units. The team responsible for the planning documents is based on an official decision (SK) by Bupati. However, Bappeda also collaborate with local university and the provincial government due to the lack of HR available.
- 120) The Propeda made by the local government consist of Development Programs for the next five years. In this document is also stated the vision and mission of the respective region in implementing the regional development based on the Bupati's promised during election. To translate the Propeda into yearly plan, a Propetada is designed to set clearer priorities for one year of activities.
- 121) The resulting Propetada is then used as a reference for agencies/units in making their strategic planning (renstra). However because of the financial



barrier faced by East Sumba, the formal construction of Renstra usually awaits the exact funds available for each and respective units/agencies.

- 122) The APBD document describes the activities/programs funding for a period of one year. This document is important as it concerns with the costs that has to be borne by the regional government. Even though there are increases in revenues from year to year, the Bupati's policy for efficiency remains strong in order to obtain some budget saving in the end of budget year.
- 123) The savings from previous year's budget is used for preventive measures against natural disasters and also to safeguard for next year's activity should there be a deficit.
- 124) In general, the planning documents refer to the Four Program (catur Program) laid out by the Bupati as follows:
- a. Empowerment of the People's Economy
 - b. Increasing the quality of HR
 - c. Increasing the people's participation
 - d. Increasing the supporting programs
- 125) From the four above programs there are no scales of priorities but each programs support each other in congruence.
- 126) To support the implementation of the planning documents, Pemda has endorsed Perda no. 29/2000 about Poldas whereas for Propeda it is based on SK Bupati No. 126/ 2000.
- 127) The planning documents also seek approval from the local community. It is reflected from the involvement of the society during the making process. However it is unfortunate that the legal planning documents have not yet being socialized to the people such that the local community does not know which programs are approved and which are rejected. The lack of socialization sometimes causing the society to be antipathy towards local government's programs.
- 128) DPRD as the people's representatives seems to be not taking the active role in trying to explain to its constituents about the programs to be implemented and approved. It is mainly because the insufficient resources of the DPRD to do a thorough socialization.
- 129) Despite the lack of funds available, some sectors do received prioritizing compared with others, such as the Public Projects (PU) because it concerns with public necessities⁶. While the development funds from dana dekonsentrasi from the provincial level is still allocated for certain sectors only.
- 130) From the viewpoint of Bupati's accountability report, it receives approval because of the savings its generate for the regional government. The DPRD has approved the accountability report for this year. However, some regret the

⁶ This in turn could create some degree of jealousy from other units/agencies.



approval because according to them DPRD have failed to assess the accomplishment of each government programs. Until now, the indicators for program's performance it is still limited to 'output' term rather than outcome term. The outcome and impact assessment have not been measured clearly. It seems that DPRD tend to follow the indicators provided by executives while failed to provide their own assessment. In the future it is hoped that the DPRD could critically reviewed the indicators given by the executive more scrupulously.

- 131) The data used by the Regional Government as indicators in making the planning documents mainly come from BPS. However the accuracy of BPS data are still in question due to the difference with the data available at the respective units/agencies. As such in constructing a program, the BPS data has to be further clarified with the data from the each units/agencies.
- 132) Besides utilizing the BPS data, society also gives some contribution to the accuracy of the data, which in turn, later also is being pass on to the DPRD.
- 133) For monitoring it is by involving the Monitoring Council and BPKP from the NTT Province. In addition DPRD and community also help to monitor the government programs.

Regional Finance

- 134) The main revenue components for East Sumba is DAU, DAK, taxes and levies, natural resource sharing and SOE's profit. The level of dependence towards DAU remains high, while PAD from taxes and levies amounting to Rp 3 billion (FY 2001)
- 135) From the financial management point of view by Dispenda, looking at the increasing rate of PAD mainly comes from the policy to reconsider the tax rate and levies contribution. In addition there is more control being imposed by Dispenda to reduce the amount of leakages by Kabupaten or Kecamatan officials.
- 136) In the end of budget year, Pemda is still able to contribute some savings into the Local Government Cash due to the Bupati's policy to be more efficient in terms of regional expenditures.
- 137) In carrying on with the public service function by officials in Kabupaten the stipulation still refer to the stipulation at the central or provincial level. However due to fund limitations then the stipulation is adapted by the local condition.
- 138) To increase the official's capacity in managing the regional finance several policies has been adopted such as providing tax trainings, advanced financial trainings either in the Kabupaten or Provincial level and also to conduct comparative study.
- 139) Besides the above a recruitment for new officers with financial or accounting background is held. Still, looking at the current financial staffs, Pemda is still lacking for trained financial officers.



Institutional Restructuring and HR Development

- 140) The organizational structure that exist in East Sumba after the regional autonomy has underwent some changes. The changes occurs because of the changes in duties and functions of some working units. The changes also occur because the Bupati's policy to optimize the role and function of each working units. To sum up, the current structure has more working units, offices and agencies in Pemda (foe example the Unit of Youth and Sports).
- 141) The changes in structure brought about the necessary changes in the number of staffs on the structural post. The problem is that currently Pemda does not have adequate staffs (in terms of appropriate echelon) to fill up all the available structural posts. Even there transfers of employees from the provincial level, the numbers are still inadequate because most of the transferred staffs are teachers.
- 142) To solve the problem, Pemda has the policy to bypass the regulation by appointing Temporary Official (Plt) to some of the available posts by considering the applicants' qualification in other aspects. The temporary officials then follow the staging process in order to achieve the required echelon such that the regulation still stand.
- 143) From some units it seems that the performance has not reach the expected performance, in the long-term there will be an evaluation concerning the existence of the current units.
- 144) The number of officers available in Kabupaten East Sumba is not adequate, in terms of quantity or quality. To cover the lack in numbers and qualifications several measures have been taken such as conducting a recruitment for new officers (and even giving scholarships for students with job and by giving scholarships for current officers to pursue graduate degrees or to involve in related trainings.
- 145) *In addition to adhere with the officer regulation about the prerequisite for a structural post, for every year Pemda is scheduling an echelon training both in the Kabupaten level (for PIM IV/ adum) and the Provincial level (for PIM II dan III/adumla). While the same applies for training at the Central Government for the Head of Unit (Spamen).*
- 146) The lack of officers is mostly felt in the level of implementers and planners. For sectoral deficiencies, the units facing the lack of employees are in the Health Unit (numbers of physician) and Education Unit (Junior/Senior High School teachers). Even if there are transfers from the province Pemda still must provide the necessary infrastructure for the transferred staffs.
- 147) Some problems remains that even though each year there is a recruitment for mew officials that has to be approved by the central government; and sometimes the number of new officers expected are still inadequate to the real needs of Pemda.
- 148) For career enhancement besides the direct assessment by corresponding supervisor (DP-3) it also done through Baperjakat in the Kabupaten level.



Members of Baperjakat includes Sekda, Head of Unit, and Head of HRD. Kabupaten East Sumba has also developed its own Badan Kepegawaian Daerah (BKD).

- 149) Considering the limitation of quality in HR, to be appointed to a certain post formal education (S1/S2) is not a necessity. What important is the echelon has surpass the required level and has followed the echelon training. In many ways the career of officials is heavily influenced by the relations with the policy maker and the politics at local level.
- 150) The coordination with Provincial Training Agency could run smoothly, especially for the echelon training. Whereas for central government trainings, due to the limitation of funds, even though the information has been received by Kabupaten many could not attend (except for Head of Unit).

local regulation

- 151) Local regulation (perda) is made through the following step :
- a. Compilation of draft by the executives (sekda and related agencies)
 - b. The Draft then on is discussed by DPRD by requiring inputs from the society
 - c. Perda that has been ratified by DPRD is socialized to the people.
 - d. The legalized Perda actually has no negative impact to the society, however the lack of socialization creates suspicion from the people about the Perda. In constructing the Perda, Perda still uses provincial or central government regulation as a guideline and reference. Also for some central/provincial regulations that is sees fit, the local government also still adopt it.

KABUPATEN WEST SUMBA

Development Planning

- 152) Document of Development Planning in the regency of West Sumba cover the Propeda, Propetada And APBD. To support the planning documents each agencies (dinas) make their own strategic plan document (Renstra) which have the duration of 1 budget year. In the document there is a priority scale done by each executing agencies (dinas) in order to adapt for the available fund.
- 153) Planning documents made by Local government is constructed through some stages, musbangdes in rural level, UDKP in kecamatan and finally rakorbang in Kabupaten level. In each of the stage society with government officials compile the programs that is by society. Proposals submitted by society in the forum is later then adapt programs proposed by each executing agencies (dinas). Considering the proposals emerge is varied and plenty the local government must construct a priority scale to choose which programs to be



- implemented. However, usually an input from Bupati as the regional authority is more dominant.
- 154) In making the Planning documents, Bappeda is in charge assisted by Sekda and other executing agencies (dinas). The formal assignment of the planning team is legalized by an SK Bupati.
 - 155) The planning documents is said to refer to Propenas and Province's Propeda. In turn, the planning documents are being used as a reference by executing agencies (dinas) to construct their own strategic plan (Renstra).
 - 156) The planning documents cover the Propeda containing the Development Program to be implemented in the next five year. Propeda also include vision and mission of Bupati during election. While to translate the Propeda in the form of annual activity a Propetada is made which clearly described the priority scale for one budget year.
 - 157) The APBD depict the funding of program executed in 1 budget year. This document is important because it describes the costs of operating the local government. Considering the limited financial condition hence the finance policy stance taken by Bupati tend to economize on expenditure in order to generate savings in the year-end budget.
 - 158) To support the implementation of the planning documents, local government legalized them by passing Perda no 4/2001 for Propeda of while for the Propetada by using SK Bupati No. 25/SKEP/HK/2001 and the APBD by Perda No 1/2002.
 - 159) The planning documents have tried to accommodate the aspirations that exist in the society by involving local community in the process of constructing the planning documents. The weak point is in the socialization part, where the DPRD themselves have not yet provide a means of socialization towards their constituents.
 - 160) Fund limitation is likely to become the main constraint for each executing agencies (dinas) in optimizing their respective programs (the case on Dinas PU), even the priority scale constructed is unable to solve the problem. Even though there development fund from deconcentration fund exist in provincial level the disbursement of the fund remain difficult as it requires active lobbying.
 - 161) Even though from the Bupati's point of view the budget result is satisfactory, because it generates saving, in other viewpoint it hurt some agencies because they are unable to perform effectively such that the Bupati's policy of tight budget is not wholly supported by its executing agencies. It remains unclear whether the problems is caused by a high cost activity proposed by the agency or is it merely caused by an overly tight budget policy of the Bupati.
 - 162) Data for planning usually comes from BPS and is usually complemented by the micro data from executing agencies. The society also took part in providing feedback regarding the accuracy of data used by Bappeda.



Regional Finance

- 163) The total DAU received by West Sumba in the year 2001 is equal to Rp 136 billion while total regional revenues is a Rp 142 billion. Almost 50% of the total expenditure is spent on routine expenditure and about 41% is spent for development expenses, the rest of the budget goes for reserve fund.
- 164) For the year of 2002 DAU is equal to Rp 144 billion with the total local revenue amounting to Rp. 156 billion. Around 66% of total revenue is spent on routine expenditure, 33% for development expenditure and the rest goes for cash reserve.
- 165) Looking at the above numbers, the dependence of the region towards DAU is significant, while the PAD for 2000 is equal to Rp 2 billion and significantly doubled at 2001 (around Rp 4 billion).
- 166) The reason for increment in the PAD is due to the increasing rate of taxes and levies while maintaining tight control for supervision.
- 167) The priority is put on the four type of program specified in the planning documents which are:
- a. Education
 - b. Health
 - c. Empowerment of the People's Economy
 - d. Security and Order
- 168) The Capacity Building situation in West Sumba is similar to East Sumba, in which the lack of expertise in finance and accounting is common.

Institutional Restructuring and HR Development

- 169) Organizational structure in West Sumba has change naturally due to regional autonomy. The change is needed to adapt executing agencies (dinas) towards its new role and function. Though in general the structure still follows the Ministerial Decree of PAN on year 2000, the existing structure would be expected to change further. Revisions would be conducted in the year 2003 after a thorough job analysis is conducted for each position.
- 170) The change in structure is likely to bring consequence to the number of eligible officers required to occupy a certain structural position. During the time officer requirement will correspond to the existing structure. The problem is that there are not enough eligible officers to be posted on certain structural positions.
- 171) Though there are some officers transfer from the provincial level, the deficiency of officers in West Sumba remains, partly because most of the transferred officers are actually teachers. To cope with the problem, West Sumba tries to fill the position with temporary officials while waiting until their rank/echelon is high enough to be officially promoted.
- 172) The quality and quantity of officers in West Sumba is inadequate. To solve the problem a recruitment for new officials and retraining for the existing officials is



conducted. The skills lacking is mostly felt in the level of implementer and planners. A shortage is also felt by Health and Education Agency.

- 173) Career Determination of an officer and training conditions is similar with the case of East Sumba.

CONCLUSION

- 174) Decentralization is much more the result of a process, with determining influences which vary from country to country, according to the institutional and political configuration and economic circumstances. The methodological orientation given by Bird (1993: 79) is pertinent:

"Analysis of different practices in different countries is one of the few ways in which information on the effects and properties of different fiscal institutions may be obtained. In this regard, it is important to distinguish between decentralization and federation... Decentralization is being advocated (or at least discussed) as a possible cure for many of the ills afflicting the country in question. Moreover, in many instances, the economic literature on fiscal federalism is being drawn on for guidance in determining whether, and how, some variety of decentralist solution may work."

- 175) On the positive side, it is argued that decentralization can increase the efficiency and responsiveness of government (Oates 1972). According to this argument, devolving resource allocation decisions to locally elected leaders can improve the match between the mix of services produced by the public sector and the preferences of the local population.
- 176) Because local officials have better knowledge of local conditions and are more accessible to their constituents, they have the means and the incentive to be responsive. Decentralization, according to this argument, may also improve the management of public services since, through sheer proximity, local officials can be held more accountable for their performance (Ostrom, Schroeder, and Wynne 1993).
- 177) Where the population is mobile and citizens can "vote with their feet," decentralization may also result in local governments competing with each other to better satisfy the wishes of citizens (Tiebout 1956; Inman and Rubinfeld 1997).
- 178) There are downside risks to decentralization. First, of course, is the risk that service delivery could decline. Granting political autonomy to local governments does not guarantee an improvement in public services. There is, to start with, a risk of capture by local political elites. Transferring decision-making power from central government administrators to local elites may worsen the quality of services, at least for the majority of constituents. Questions have also been raised about the technical capabilities of local government staff.



- 179) While the evidence to date does not point definitively in either direction, it is clear that there has been an increase in the variance of public service performance. Centralized ministries were capable of delivering a fairly standardized level of services nationwide. Decentralization has improved services in some jurisdictions and worsened it in others.
- 180) Concern with these risks has prompted some Latin American and Caribbean countries to favor slow, incremental, or partial decentralization. This has taken the form of micromonitored earmarking (as for example, in the Mexican approach to sector decentralization or the Colombian government's requirement that provincial and local governments be "certified" before assuming responsibility for education or health). Programs geared to strengthening subnational government technical capacity have been implemented in practically every country in the region, although this has been more successful when organized as information sharing among peers than as top-down technical assistance directed at recalcitrant mayors.
- 181) The so-called "fiscal sloth" of governments which receive a large volume of transfers and are not interested in increasing their own collection, can lead to maintaining a certain amount of fiscal irresponsibility on the part of local government and their comfortable dependence on higher levels of government. In these circumstances, there is little encouragement to increase participation, since the decision on the origin of resources still remains centralized.⁷
- 182) In the case of NTT, even though there are insufficient budget, it seems to be difficult for this region to increase their PAD significantly because they do not have significant natural resource to depend on. As such the officials are left with the DAU as their main source of funding.
- 183) The question of participation in public decision-making may also be examined in more detail, in its most diverse forms and variety of agents. Already, in the initiation of the decentralization processes, it is common for ideas on participation to arise, which on the one hand seem sensible and have popular appeal but, on the other hand, err when occasioning extreme and simplistic attitudes. Such is the case with reasoning of the kind:
- a. "public services should always be provided by the government level closest to the beneficiaries of the service";
 - b. "all public revenue is collected in a determined locality and the greater part should go to or be spent by the government of that locality";
 - c. "a federal unit or provincial government that is truly autonomous does not have to worry about what goes on beyond its borders";
 - d. "there will only be democracy in the country, and a strong federation, when the central government is weak and restrained politically and financially";

⁷ José Roberto Rodríguez Alfonso and Thereza Lobo, *Fiscal Decentralization and Participation In Delayed Democratic Experiences*, December 1996.



- e. "the actions of a government only achieve legitimacy when submitted to screening by council and/or public referendum and approved by them."
- 184) Clearly, care must be taken with dangerous generalizations. Fiscal decentralization cannot be reduced to a simple question of social participation and control, though at the same time it can't be ignored. Questions of financing, cost, technology, scale and quality of public services must also be considered. There is no ready solution to finding a balance between such different and sometimes conflicting elements.
- 185) The search for efficiency and efficacy will not be a simple one - a process of decentralization impelled by essentially political factors does not have an ideal theoretical basis. Differences of interest between the three government levels - as between any debtors and creditors - will always exist. However, more and more, each one needs the other and negotiated solutions will be sought, and found.⁸ The important thing is like that in Brazil, fiscal decentralization (like other Government reforms) when intrinsically associated with the democratization of the country, becomes a more enduring conquest than when it is merely the result of a central government programme.
- 186) As to the idea of *comparative advantages*, mention has already been made of the caution which must be taken over generalizations of the kind: "the closer to the citizen, the better will be the service provided." In some cases, notably those of large infrastructure (transport, communications and energy), problems of scale, of financing and of a technological nature require that alternatives and diverse institutional arrangements must be found. If, on the one hand, in cases such as infrastructure, partnership with the private sector tends to be more advantageous than the transfer of responsibilities to lower tiers of government, on the other hand, it should bring to notice the issues of quality of provision of services, cost and range of cover.
- 187) Beside the simplistic and extreme view that every and any government activity is the responsibility of the unit closest to the population, citizen's participation is introduced in other studies of decentralization guidelines based on two alternatives for the implementation of their programmes: one would be the model of "local public election"; the other would be the "principal agent model." Aghón and Casas (1994: 29; 32; 32-33) summarize the analytical models thus:

⁸ According to Souza (1996: 551), for example: "The evidence of Brazil's experience in a decade of political and financial decentralization shows that, although decentralization fosters democracy, there are many political and economic factors influencing its outcome, exposing the many limits of decentralization: the limits of financial decentralization in countries affected by regional inequalities; the limits of political decentralization when old political coalitions live on; the limits of decentralization on policy results when there is a lack of social consensus on what is to be achieved by decentralization. The limitations help us to understand why decentralization has generally promised more than it has delivered, both in the political system and in policy results, emphasizing that decentralization is not the panacea promised by its advocates, and that its results are influenced by political and economic factors."



"The principal agent model... Characterizes the lesser units as being those that need incentives in order to behave as the higher level would expect them to. The [focal public election] model assumes the lower units have a higher degree of autonomy, and is centered on the criterion in which the citizens are the decision makers..."

"the [focal public election] model reinforces the local government's fiscal accountability, one of the implications of which being that electors will either reward or punish a certain authority by re-electing or dismissing them, according to the way they evaluate their attitude and efficiency in the administrative tasks conferred."

"in the case of the principal agent model, the subnational governments' lack of autonomy tends to be criticized... On the other hand, the local public election model provides such a degree of autonomy that it might become absolute and counter-productive to the achievement of the national objectives... There isn't an exact recipe for the way to accomplish the process. It will depend on the characteristics of each case..."

- 188) The theme of equity draws attention to the question of directing public spending. If it is a means to seek more effectiveness in the redefinition of responsibilities of spending, it also poses a difficult challenge : to identify and select those, among the population, who will have priority in receiving benefits. This is a task that becomes increasingly difficult the greater the portion, absolute and relative, of the population that lives below the poverty line - as in the case of NTT. In order to implement and gain from effective and wide-ranging redistributive policies, it is imperative to seek new financial and institutional arrangements.
- 189) The effectiveness of spending also draws attention to factors such as the distinction between production and provision of services: the responsibility for one or the other should not necessarily fall on the same entity. It is important to identify who produces better and at the lowest cost, and how one can control this spending, to keep it effective.
- 190) Alternative methods of supplying services may be used - contracting out, partnerships, cooperatives; administration contracts, consortia, etc. The ability to sustain the provision of the service is a defining factor in ensuring the effectiveness of the expenditure. For example, it is of no use transferring responsibility for spending if the impact of this transfer is detrimental to the financial health of the receiving agency. This also raises the question of the necessity of a minimum standard of working practice - that is, responsibility should only be transferred if there is a guarantee of a minimum performance in terms of the rendering of the public service.
- 191) In the search for efficiency in spending, one comes across aspects related to the feasibility of its constant monitoring, be it by the public authority that transferred the responsibility, or by those who benefit from the services. This brings us to the principles of political accountability and social control. The former introduces the possibility of the decision makers or executors being



made responsible for possible errors, omissions or negligence committed in the rendering of services. The principle of social control, closely linked to the former, calls for a systematic monitoring of performance in order to ensure a minimum of equity and effectiveness. Dillinger (1995: 118), for example, argues that:

"... Fundamental element in a successfully decentralized system of governance is an appropriate balance between central regulation and local political accountability... Even if local governments are assigned clearly defined functions and have the means to finance these functions, local political leadership will not necessarily respond to the interests of their constituents (or of the central government) unless a balanced system of accountability prevails.

Both forms of accountability, regulation and political participation, are complementary. With the recent proliferation of democracy, the role of local politics as the primary tool of accountability has received much attention. Nevertheless, as responsibilities are devolved to local government some central regulations must remain".

192) The growing participation of locally generated revenues, own or direct, in the financing of spending by subnational governments is one of the main factors, be it to encourage and foster public participation in the process, or be it to improve effectiveness and efficiency in the allocation of public resources. In simple terms, it is to be expected that participation and social control be directly proportional to the share of the budget of the intermediate and local governments, financed by revenue, from taxation or otherwise, decided or legislated, collected and administered by the local authorities themselves. This is the aspect most stressed by Duran (1995: 130) relating to the political participation in fiscal decentralization:

"In accordance with the thought that efficiency follows the source of financing, local citizens need to be involved in the local public exercise of deciding "who gets what, when, how and who pays for it". When own sources finance a large part of the local budget, political participation in its determination will tend to be high and the local authorities will be accountable for the results of their policies. This is not, however, the pattern in most jurisdictions in latin america. When transfers intervene, accountability is split in two: upward towards the national government and downward towards the local citizenry.

In the specific case of primary education and health, accountability could be enhanced by the utilization of user-fees, that is, charging the consumers for a portion of expenditures. This approach would strengthen the budget and help the authorities in the difficult reading of consumer preferences for public goods."

193) Such efforts, however, face a series of hurdles: the weakness of the tax collection base, normally the responsibility of the subnational governments; the debility of wealth and economic activity of the locality or region; the lack of



technical ability, of a culture geared to the collection of taxes and of a more organized financial administration.

- 194) A responsible attitude by the Legislative power is called for during all these reforms. In order to achieve the effectiveness and consolidation of the changes caused by the extension of the government self-financing schemes and by the rationalization of decentralized spending, the Legislative power must be present during all the phases of the process, at all three government levels. In other words, it is essential that the Legislative power play a part in this process, so that the desired changes can go ahead. Otherwise there is a high risk of creating a formidable adversary who will fight against such changes, with every chance of success. In order to ensure an alliance with the Legislative power, there will certainly be changes needed in its relationship with the Executive power and with society in general, by way of "making a deal." This would be the perfect moment for the Legislative power to restore discredited and forgotten functions such as supervision and the actual role of representing the interests of society.
- 195) Finally, the fundamental principle of decentralization (and of the other government programs) is to guarantee the sustainability of the process. The carrying out of political agreements and an active participation by organized society, through clear and un-obstructed channels, are essential conditions for the continuity and consolidation of the policy.
- 196) To conclude, what are crucial in decentralization are two things. It is the importance of accountability: the need to clearly demarcate who is responsible for what. But accountability is not enough. Those who are account-able must also have the authority to deliver results. This means not merely the legal authority to make decisions, but also the financial and human resources to carry them out.



APPENDIX



APBD of NTT Province

	1999/2000	2000	2001	2002
AMOUNT OF EARNINGS	192.86	183.27	354.38	291.98
PART OF REMAINS FROM THE CALCULATION OF LAST YEAR BUDGET	9.53	10.46	24.31	1.82
LOCAL OWNED REVENUES	20.49	20.06	43.03	42.64
Regional Tax Revenues	9.79	12.78	21.64	26.48
Regional Levies	8.17	5.27	6.36	10.55
Profit from Local SOEs	0.10	0.00	2.65	2.75
Other Earnings	2.43	2.01	10.37	2.86
PART OF EARNINGS WHICH COME FROM THE CENTRAL GOVERNMENT AND OR HIGHER LEVEL INSTITUTION	162.84	152.75	168.06	166.39
Equilibrium Fund / Development aid	116.86	101.93	-	-
Tax Sharing Revenues	8.66	8.82	15.91	13.34
Non Tax Sharing Revenues	2.54	3.79	1.21	2.12
Subsidize Otonomous Region/ General Allocation Fund	34.78	38.21	150.93	150.93
Special Allocation Fund	-	-	-	-
LOAN BY LOCAL GOVERNMENT	-	-	-	-
OTHER LEGITIMATE REVENUES	-	-	-	-
Revenues from the Central Government	-	-	118.99	81.12
Revenues from Province	-	-	118.99	-
Revenues from other Municipalities	-	-	-	-
Emergency fund	-	-	-	-
Others	-	-	-	81.12
Cash and Calculations	-	5.09	-	18.36
AMOUNT OF ROUTINE EXPENDITURE	62.09	61.56	154.72	225.63
Remains from Last Year	-	-	-	-
Employee Expenses	28.99	30.75	-	115.09
Goods Expenses	14.34	14.03	-	33.28
Maintenance Expense	2.60	1.75	-	4.62
Tour Of Duty Expenses	3.88	1.80	-	9.84
Other Expenses	6.54	10.91	-	44.08
Installment, Loans and Interest	-	-	-	-
Retirement and Aid Expenses	-	-	-	-
Subsidy and Contribution	2.14	0.42	-	11.18
Expenditures which are not classified	2.91	1.58	-	4.94
Unexpected Expenditures	0.69	0.32	-	2.60
CASH AND CALCULATION	-	5.09	-	-
DEVELOPMENT EXPENDITURES	120.31	97.41	56.99	66.35
INDUSTRIAL SECTOR	0.65	0.68	-	0.70
AGRICULTURAL SECTOR AND FORESTRY	2.68	3.45	-	9.00
IRRIGATION	2.48	3.41	-	3.46
MANPOWER SECTOR	0.37	0.85	-	0.40
COMMERCIAL SECTOR, DEVELOPMENT OF BUSINESS AREA, MONETARY AREA AND CO-OPERATIVES	2.50	2.20	-	2.20
TRANSPORTATION SECTOR	42.30	24.91	-	6.84
ENERGY and MINING SECTOR	1.15	0.53	-	0.75
TOURISM AND TELECOMMUNICATIONS SECTOR	0.70	0.85	-	0.90
REGIONAL AND SETTLEMENT DEVELOPMENT SECTOR	35.32	13.78	-	5.27
ENVIRONMENT AND PLANOLGY SECTOR	6.15	5.38	-	1.45
EDUCATION, CULTURE, YOUTH AND SPORT SECTOR	4.44	8.31	-	10.60
Demographic SECTOR	-	-	-	-
HEALTH, SOCIAL PROSPERITY, ROLE OF WOMAN, CHILD AND IS ADOLESCENT SECTOR	11.76	22.74	-	10.48
HOUSING AND SETTLEMENT SECTOR	0.69	0.77	-	1.05
RELIGION SECTOR	0.46	-	-	0.45
SCIENCE AND TECHNOLOGY SECTOR	1.04	1.20	-	1.05
LAW SECTOR	0.22	0.23	-	0.25
GOVERNMENTAL SATFFING AND CONTROLLING SECTOR	6.38	7.42	-	9.71
POLITICAL, COMMUNICATIONS & MASS MEDIA SECTOR	0.55	0.41	-	1.55
SECURITY AND PUBLIC ORDER SECTOR	0.25	0.30	-	0.25
DEVELOPMENT SUBSIDY TO SUBORDINATE AREA	0.23	-	-	-
REIMBURSEMENT OF LOAN	-	-	-	-
CASH AND CALCULATION	-	-	-	-
AMOUNT OF ROUTINE AND DEVELOPMENT EXPENDITURE	182.40	158.97	211.71	291.98



APBD of Kupang

	1999/2000	2000	2001
AMOUNT OF EARNINGS	48.87	47.23	117.59
PART OF REMAINS FROM THE CALCULATION OF LAST YEAR BUDGET	0.88	0.12	4.04
LOCAL OWNED REVENUES	3.58	2.94	6.73
Regional Tax Revenues	1.78	1.36	2.68
Regional Levies	1.74	1.53	2.71
Profit from Local SOEs	-	-	0.00
Other Earnings	0.07	0.06	1.34
PART OF EARNINGS WHICH COME FROM THE CENTRAL GOVERNMENT AND OR HIGHER LEVEL INSTITUTION	44.41	44.17	106.82
Equilibrium Fund / Development aid	-	1.45	104.72
Tax Sharing Revenues	3.94	0.02	6.76
Non Tax Sharing Revenues	0.03	15.87	0.03
Subsidize Otonomous Region/ General Allocation Fund	19.63	-	95.92
Special Allocation Fund	-	-	2.01
Development aid	20.80	26.83	0.00
Other revenues	-	-	0.00
LOAN BY LOCAL GOVERNMENT	-	-	0.00
Domestic Loans	-	-	0.00
Loans from the Central Government	-	-	0.00
Loans from Banking or Financial Institutions	-	-	0.00
Regional Bonds	-	-	0.00
Foreign Loans	-	-	0.00
OTHER LEGITIMATE REVENUES	-	-	2.10
Revenues from the Central Government	-	-	0.00
Revenues from Province	-	-	0.00
Revenues from other Municipalities	-	-	0.00
Emergency fund	-	-	2.10
Others	-	-	0.00
Cash and Calculations	3.44	-	8.51
AMOUNT OF ROUTINE EXPENDITURE	25.22	20.22	82.72
Remains from Last Year	19.55	-	0.00
Employee Expenses	2.45	16.26	0.00
Goods Expenses	0.45	1.80	0.00
Maintenance Expense	0.27	0.33	0.00
Tour Of Duty Expenses	1.54	0.19	0.00
Other Expenses	0.15	0.94	0.00
Installment, Loans and interest	-	-	0.00
Retirement and Aid Expenses	0.06	-	0.00
Subsidy and Contribution	0.46	0.06	0.00
Expenditures which are not classified	0.29	0.53	0.00
Unexpected Expenditures	-	0.11	0.00
CASH AND CALCULATION	-	-	0.00
DEVELOPMENT EXPENDITURES	22.04	27.01	23.97
INDUSTRIAL SECTOR	0.08	0.06	0.00
AGRICULTURAL SECTOR AND FORESTRY	0.52	0.32	0.00
IRRIGATION	0.10	0.03	0.00
MANPOWER SECTOR	-	-	0.00
COMMERCIAL SECTOR, DEVELOPMENT OF BUSINESS AREA, MONETARY AREA AND CO-OPERATIVES	1.39	3.30	0.00
TRANSPORTATION SECTOR	3.17	6.72	0.00
ENERGY and MINING SECTOR	0.32	0.45	0.00
TOURISM AND TELECOMMUNICATIONS SECTOR	0.06	0.08	0.00
REGIONAL AND SETTLEMENT DEVELOPMENT SECTOR	0.20	0.18	0.00
ENVIRONMENT AND PLANOLGY SECTOR	0.50	0.17	0.00
EDUCATION, CULTURE, YOUTH AND SPORT SECTOR	3.32	2.04	0.00
Demographic SECTOR	0.01	0.08	0.00
HEALTH, SOCIAL PROSPERITY, ROLE OF WOMAN, CHILD AND IS ADOLESCENT SECTOR	0.32	0.95	0.00
HOUSING AND SETTLEMENT SECTOR	10.53	10.66	0.00
RELIGION SECTOR	0.06	0.10	0.00
SCIENCE AND TECHNOLOGY SECTOR	-	-	0.00
LAW SECTOR	0.03	0.03	0.00
GOVERNMENTAL SATFFING AND CONTROLLING SECTOR	1.24	1.58	0.00
POLITICAL, COMMUNICATIONS & MASS MEDIA SECTOR	0.14	0.23	0.00
SECURITY AND PUBLIC ORDER SECTOR	0.05	0.07	0.00
DEVELOPMENT SUBSIDY TO SUBORDINATE AREA	-	-	0.00
REIMBURSEMENT OF LOAN	-	-	0.00
CASH AND CALCULATION	3.44	-	0.00
AMOUNT OF ROUTINE AND DEVELOPMENT EXPENDITURE	47.25	47.23	106.69



APBD of Ngada

	1999/2000	2000	2001
AMOUNT OF EARNINGS	40.36	57.61	161.17
PART OF REMAINS FROM THE CALCULATION OF LAST YEAR BUDGET	0.19	1.67	8.70
LOCAL OWNED REVENUES	1.47	1.31	3.69
Regional Tax Revenues	0.32	0.26	0.47
Regional Levies	0.65	0.81	1.91
Profit from Local SOEs	0.03	0.02	0.28
Other Earnings	0.27	0.22	1.03
PART OF EARNINGS WHICH COME FROM THE CENTRAL GOVERNMENT AND OR HIGHER LEVEL INSTITUTION	38.70	54.63	148.78
Equilibrium Fund / Development aid	-	4.07	149.75
Tax Sharing Revenues	3.63	-	6.48
Non Tax Sharing Revenues	0.15	28.78	0.02
Subsidize Otonomous Region/ General Allocation Fund	23.38	-	142.26
Special Allocation Fund	-	-	-
Development aid	11.54	21.78	-
Other revenues	-	-	-
LOAN BY LOCAL GOVERNMENT	-	-	-
Domestic Loans	-	-	-
Loans from the Central Government	-	-	-
Loans from Banking or Financial Institutions	-	-	-
Regional Bonds	-	-	-
Foreign Loans	-	-	-
OTHER LEGITIMATE REVENUES	-	-	0.03
Revenues from the Central Government	-	-	-
Revenues from Province	-	-	0.03
Revenues from other Municipalities	-	-	-
Emergency fund	-	-	-
Others	-	-	-
Cash and Calculations	-	4.62	11.65
AMOUNT OF ROUTINE EXPENDITURE	26.99	33.40	81.51
Remains from Last Year	22.89	-	-
Employee Expenses	1.70	27.68	-
Goods Expenses	0.27	2.98	-
Maintenance Expense	0.33	0.42	-
Tour Of Duty Expenses	0.83	0.82	-
Other Expenses	-	0.23	-
Installment, Loans and Interest	-	-	-
Retirement and Aid Expenses	0.37	-	-
Subsidy and Contribution	0.59	1.23	-
Expenditures which are not classified	0.01	-	-
Unexpected Expenditures	-	0.03	-
CASH AND CALCULATION	-	-	-
DEVELOPMENT EXPENDITURES	12.15	15.51	50.76
INDUSTRIAL SECTOR	0.14	0.06	-
AGRICULTURAL SECTOR AND FORESTRY	0.97	1.33	-
IRRIGATION	0.06	0.10	-
MANPOWER SECTOR	-	-	-
COMMERCIAL SECTOR, DEVELOPMENT OF BUSINESS AREA, MONETARY AREA AND CO-OPERATIVES	0.38	0.25	-
TRANSPORTATION SECTOR	5.66	1.89	-
ENERGY and MINING SECTOR	-	-	-
TOURISM AND TELECOMMUNICATIONS SECTOR	0.26	0.09	-
REGIONAL AND SETTLEMENT DEVELOPMENT SECTOR	0.21	0.36	-
ENVIRONMENT AND PLANOLGY SECTOR	0.24	0.41	-
EDUCATION, CULTURE, YOUTH AND SPORT SECTOR	1.91	1.35	-
Demographic SECTOR	-	-	-
HEALTH, SOCIAL PROSPERITY, ROLE OF WOMAN, CHILD AND IS ADOLESCENT SECTOR	0.55	0.92	-
HOUSING AND SETTLEMENT SECTOR	0.23	6.97	-
RELIGION SECTOR	-	-	-
SCIENCE AND TECHNOLOGY SECTOR	0.07	0.22	-
LAW SECTOR	0.03	0.09	-
GOVERNMENTAL SATFFING AND CONTROLLING SECTOR	0.39	1.38	-
POLITICAL, COMMUNICATIONS & MASS MEDIA SECTOR	0.03	0.08	-
SECURITY AND PUBLIC ORDER SECTOR	-	0.02	-
DEVELOPMENT SUBSIDY TO SUBORDINATE AREA	-	-	-
REIMBURSEMENT OF LOAN	-	-	-
CASH AND CALCULATION	-	-	-
AMOUNT OF ROUTINE AND DEVELOPMENT EXPENDITURE	39.14	48.91	132.27



APBD of East Sumba

	1999/2000	2000	2001
AMOUNT OF EARNINGS	33.44	51.57	142.07
PART OF REMAINS FROM THE CALCULATION OF LAST YEAR BUDGET	0.78	4.42	3.16
LOCAL OWNED REVENUES	1.48	1.52	3.78
Regional Tax Revenues	0.39	0.60	0.71
Regional Levies	0.59	0.55	0.99
Profit from Local SOEs	0.07	0.02	0.13
Other Earnings	0.43	0.34	1.96
PART OF EARNINGS WHICH COME FROM THE CENTRAL GOVERNMENT AND OR HIGHER LEVEL INSTITUTION	21.55	45.63	135.13
Equilibrium Fund / Development aid	-	4.36	135.13
Tax Sharing Revenues	3.13	0.11	7.23
Non Tax Sharing Revenues	0.01	22.62	0.07
Subsidize Otonomous Region/ General Allocation Fund	18.40	-	126.71
Special Allocation Fund	-	-	1.13
Development aid	-	18.55	-
Other revenues	-	-	-
LOAN BY LOCAL GOVERNMENT	9.63	-	-
Domestic Loans	-	-	-
Loans from the Central Government	9.63	-	-
Loans from Banking or Financial Institutions	-	-	-
Regional Bonds	-	-	-
Foreign Loans	-	-	-
OTHER LEGITIMATE REVENUES	-	-	-
Revenues from the Central Government	-	-	-
Revenues from Province	-	-	-
Revenues from other Municipalities	-	-	-
Emergency fund	-	-	-
Others	-	-	-
Cash and Calculations	-	3.75	9.70
AMOUNT OF ROUTINE EXPENDITURE	22.23	26.92	70.13
Remains from Last Year	17.44	-	-
Employee Expenses	2.31	21.38	-
Goods Expenses	0.50	2.25	-
Maintenance Expense	0.62	0.66	-
Tour Of Duty Expenses	0.73	0.77	-
Other Expenses	0.11	1.14	-
Installment, Loans and Interest	-	-	-
Retirement and Aid Expenses	0.22	-	-
Subsidy and Contribution	0.26	0.16	-
Expenditures which are not classified	0.03	0.31	-
Unexpected Expenditures	-	0.24	-
CASH AND CALCULATION	-	-	-
DEVELOPMENT EXPENDITURES	7.52	21.49	47.25
INDUSTRIAL SECTOR	-	-	-
AGRICULTURAL SECTOR AND FORESTRY	0.34	1.71	-
IRRIGATION	-	0.14	-
MANPOWER SECTOR	-	-	-
COMMERCIAL SECTOR, DEVELOPMENT OF BUSINESS AREA, MONETARY AREA AND CO-OPERATIVES	0.06	0.19	-
TRANSPORTATION SECTOR	3.35	1.79	-
ENERGY and MINING SECTOR	0.03	-	-
TOURISM AND TELECOMMUNICATIONS SECTOR	0.02	0.09	-
REGIONAL AND SETTLEMENT DEVELOPMENT SECTOR	0.43	9.46	-
ENVIRONMENT AND PLANOLGY SECTOR	0.58	0.97	-
EDUCATION, CULTURE, YOUTH AND SPORT SECTOR	1.37	1.39	-
Demographic SECTOR	-	0.06	-
HEALTH, SOCIAL PROSPERITY, ROLE OF WOMAN, CHILD AND IS ADQLESCENT SECTOR	0.32	0.49	-
HOUSING AND SETTLEMENT SECTOR	0.48	3.33	-
RELIGION SECTOR	0.01	0.02	-
SCIENCE AND TECHNOLOGY SECTOR	0.02	0.19	-
LAW SECTOR	0.01	0.05	-
GOVERNMENTAL SATFFING AND CONTROLLING SECTOR	0.44	1.26	-
POLITICAL, COMMUNICATIONS & MASS MEDIA SECTOR	0.07	0.24	-
SECURITY AND PUBLIC ORDER SECTOR	-	0.06	-
DEVELOPMENT SUBSIDY TO SUBORDINATE AREA	-	0.05	-
REIMBURSEMENT OF LOAN	-	-	-
CASH AND CALCULATION	-	3.75	-
AMOUNT OF ROUTINE AND DEVELOPMENT EXPENDITURE	29.75	48.41	117.38



APBD for West Sumba

	1999/2000	2000	2001
AMOUNT OF EARNINGS	51.79	49.21	154.67
PART OF REMAINS FROM THE CALCULATION OF LAST YEAR BUDGET	1.58	1.11	1.80
LOCAL OWNED REVENUES	0.89	1.48	4.67
Regional Tax Revenues	0.43	0.45	0.64
Regional Levies	0.36	0.56	1.15
Profit from Local SOEs	-	-	0.19
Other Earnings	0.10	0.46	2.70
PART OF EARNINGS WHICH COME FROM THE CENTRAL GOVERNMENT AND OR HIGHER LEVEL INSTITUTION	49.33	46.62	148.19
Equilibrium Fund / Development aid	-	4.19	143.20
Tax Sharing Revenues	4.04	0.04	7.54
Non Tax Sharing Revenues	0.02	28.11	0.02
Subsidize Otonomous Region/ General Allocation Fund	29.46	-	135.64
Special Allocation Fund	-	-	-
Development aid	15.81	14.28	-
Other revenues	-	-	-
LOAN BY LOCAL GOVERNMENT	-	-	-
Domestic Loans	-	-	-
Loans from the Central Government	-	-	-
Loans from Banking or Financial Institutions	-	-	-
Regional Bonds	-	-	-
Foreign Loans	-	-	-
OTHER LEGITIMATE REVENUES	-	-	4.99
Revenues from the Central Government	-	-	3.86
Revenues from Province	-	-	1.13
Revenues from other Municipalities	-	-	-
Emergency fund	-	-	-
Others	-	-	-
Cash and Calculations	5.33	2.85	8.01
AMOUNT OF ROUTINE EXPENDITURE	34.27	33.12	77.88
Remains from Last Year	29.39	-	-
Employee Expenses	1.79	28.52	-
Goods Expenses	0.35	1.80	-
Maintenance Expense	0.54	0.37	-
Tour Of Duty Expenses	0.59	0.35	-
Other Expenses	0.02	0.92	-
Installment, Loans and Interest	-	0.01	-
Retirement and Aid Expenses	0.36	-	-
Subsidy and Contribution	1.17	0.36	-
Expenditures which are not classified	0.07	0.77	-
Unexpected Expenditures	-	0.02	-
CASH AND CALCULATION	-	-	-
DEVELOPMENT EXPENDITURES	16.41	14.30	58.77
INDUSTRIAL SECTOR	0.35	0.05	-
AGRICULTURAL SECTOR AND FORESTRY	2.23	1.11	-
IRRIGATION	0.63	0.62	-
MANPOWER SECTOR	-	0.26	-
COMMERCIAL SECTOR, DEVELOPMENT OF BUSINESS AREA, MONETARY AREA AND CO-OPERATIVES	0.30	0.31	-
TRANSPORTATION SECTOR	3.42	2.17	-
ENERGY and MINING SECTOR	-	-	-
TOURISM AND TELECOMMUNICATIONS SECTOR	0.10	0.06	-
REGIONAL AND SETTLEMENT DEVELOPMENT SECTOR	1.12	2.81	-
ENVIRONMENT AND PLANOLOGY SECTOR	2.53	0.98	-
EDUCATION, CULTURE, YOUTH AND SPORT SECTOR	2.31	1.16	-
Demographic SECTOR	0.04	0.04	-
HEALTH, SOCIAL PROSPERITY, ROLE OF WOMAN, CHILD AND IS ADOLESCENT SECTOR	0.24	0.75	-
HOUSING AND SETTLEMENT SECTOR	1.05	1.39	-
RELIGION SECTOR	-	-	-
SCIENCE AND TECHNOLOGY SECTOR	0.40	0.33	-
LAW SECTOR	0.06	0.09	-
GOVERNMENTAL SATFFING AND CONTROLLING SECTOR	1.61	2.12	-
POLITICAL, COMMUNICATIONS & MASS MEDIA SECTOR	0.04	0.04	-
SECURITY AND PUBLIC ORDER SECTOR	-	-	-
DEVELOPMENT SUBSIDY TO SUBORDINATE AREA	-	-	-
REIMBURSEMENT OF LOAN	-	-	-
CASH AND CALCULATION	5.33	2.85	-
AMOUNT OF ROUTINE AND DEVELOPMENT EXPENDITURE	50.69	47.41	136.66



MATRIX of findings for NTT

Aspects	Province of NTT	Kabupaten Ngada	Kodya Kupang	Kabupaten Sumba Timur	Kabupaten Sumba Barat
1. Planning Process					
- Guidelines	All planning documents are available.	Poldas, Propeda and Renstra are still in the draft stage. While the Repetada is in the discussion stage.	Not on time, except for Repetada. Waiting the new Walikota legal appointment.	All planning documents are available, except for Renstra due to financial reason.	Only Propeda, Propetada and APBD. Renstra is constructed on the unit (dinas) level.
- Legal framework			Not all is included in Perdas.	Not all is included in Perdas (some in SK Bupati).	n.a.
- Consistencies	Seem to be done in a proper sequence.	The sequencing of the planning documents is not done in an orderly manner.	Claim that their planning documents is consistent with Propenas	Seem to be done in a proper sequence.	Refer to Propenas and Province's Propeda.
- Stakeholders involvement	Using standard procedure + a public seminar.		Using standard procedure (Musbangkel, etc.)	Using standard procedure (Musbangkel, etc.)	Using standard procedure (Musbangkel, etc.)
- Planning infrastructure	Seem to have relatively good planning system, cooperate with BPS.	The planning information system seems to be weak.	No information system mechanism.	No information system mechanism.	No information system mechanism.
2. Local Finance					
- Strategy to increase PAD	Few, the reason is the weak base for PAD.	Dispenda is trying to re-identify the tax basis for intensification. Some efforts is being done to attract investment.	Has some ideas, but it is not allowed by PP 65/66 2001.	Increasing tax and levy's rate. Stronger control to prevent leakages.	Increasing tax and levy's rate. Stronger control to prevent leakages.
- Performance Budgeting	Not yet.	Not yet.	Not yet.	Not yet.	Not yet.
- Intergovernmental transfer	No complain.	The usage of DAK is hoped to be a breakthrough in obtaining funds for building infrastructures.	Received some transfers from the Province.	No complain.	No complain.
- Estimates the potential revenue	No.	Work in Progress.	No.	No.	No.
3. Local Regulation					
- Process	Standard Procedure	Standard Procedure	Standard Procedure	Standard Procedure	Standard Procedure
- Problematic perda	Relatively few	Relatively few	Some	Relatively few	Relatively few
4. Institutional Restructuring					
- Review the current structure	After the beginning of regional autonomy an institutional analysis is being carried out by the Bureau of Organization.	From around 750 structural posting available almost 400 positions are left vacant due to the echelon problems.	The current structure is not yet final. The shortage of budget happening across the agencies seem to have forced some of the agencies to do their own	The current structure has more working units, offices and agencies in Pemda	Revisions would be conducted in the year 2003 after a thorough job analysis is conducted for each



Aspects	Province of NTT	Kabupaten Ngada	Kodya Kupang	Kabupaten Sumba Timur	Kabupaten Sumba Barat
			efficient restructuring to fit the available budget (the case Education Agency).		position.
5. Human Resource Dev't					
- Number of employee	Fit the budget but seems to be overstaffs	Understaff	Overstaff	Understaff	Overstaff
- Competencies	Lack of skills in certain areas (finance)	Lack of skills in certain areas (agriculture, plantation and development project planning)	Lack of skills in certain areas (tax and finance)	The lack of officers is mostly felt in the level of implementers and planners.	The lack of officers is mostly felt in the level of implementers and planners.
- Education and position	Concern more on echelon requirement	Concern more on echelon requirement	Concern more on echelon requirement	Concern more on echelon requirement	Concern more on echelon requirement
- Training	Sufficient funds	The trainings available locally is limited to structural trainings, whereas functional trainings still depends on the central or provincial government.	Concern on costs due to geographical nature	Concern on costs due to geographical nature	Concern on costs due to geographical nature
- Transfer staff	No problem.	Mostly teachers are transferred.	Some miscalcuation on the numbers of teachers' transferred => the DAU is not sufficient	Mostly teachers are transferred.	Mostly teachers are transferred.
- Indigenous employee	Relatively no problem	Relatively no problem	the reason for Kodya Kupang for not accepting transferred officers from other regions is because they have difficulties in transferring the salary of the transferred employee from their location of origin.	Relatively no problem	Relatively no problem