

面談者一覧

1. 第1回現地派遣調査時

April 25, 2011

Bappenas

- Mr. Taufiq Hidayat Putra (Regional and Urban Planner, Directorate for Regional Autonomy)
- Mr. Yudianto (Planner, Directorate for Regional Development)

April 26, 2011

Bappenas

- Ms. Vivi Yulaswati (Deputy Director for Poverty Program Development, Directorate for Poverty Reduction)
- Mr. Sidik Permana (Staff, Directorate for Poverty Reduction)

Directorate General for Fiscal Balance, Ministry of Finance

- Mr. Marwanto Harjowiryo (Director General)
- Mr. Pramudjo (Director for Balancing Fund)
- Mr. Yusrizal Ilyas (Director for Fund Evaluation and Regional Finance Information)
- Mr. Putut Hari Satyaka (Head of Evaluation of Decentralization Fund Sub-division, Directorate for Fund Evaluation and Regional Finance Information)
- Mr. Junaidi Rifai (Head of Evaluation of Deconcentration Fund Sub-division, Directorate for Fund Evaluation and Regional Finance Information)
- Mr. Sugiyarto (Head of Regional Borrowing Sub-division)
- Ms. Rita (Head of Regional Grant Sub-division)
- Mr. Rifa Surya (Staff, Evaluation of Deconcentration Fund Sub-division, Directorate for Fund Evaluation and Regional Finance Information)
- Mr. Andre Uli Manalu (Staff, Directorate for Balancing Fund)
- Ms. Dorlan Festiana (Staff, Directorate for Fund Evaluation and Regional Finance Information)

April 27, 2011

Bappenas

- Mr. Dadang Solihin (Director for Regional Development Performance Evaluation Decentralization Support Facility (DSF), The World Bank)
- Mr. Peter Blunt (Program Manager)

April 28, 2011

Directorate General for Regional Autonomy, Ministry of Home Affairs

- Mr. Herbert Siagian (Head of Planning Division)

Directorate General for Regional Finance, Ministry of Home Affairs

- Mr. Soetirto (Secretary)
- Mr. Wisnu Hidayat (Head of Planning Division)
- Mr. Subagyo (Head of Law Sub-division)
- Mr. Budi Santoso (Head of Deconcentration Fund Division)
- Mr. Syarifuddin (Head of Region IV Budget Sub-division)
- Ms. Dechi E. (Section Chief of Region IV Budget Sub-division)

PNPM Support Facility (PSF), The World Bank

- Mr. Jan Weetjens (Social Development Sector Coordinator)
- Mr. Hans Antlov (Consultant, Local Governance)

April 29, 2011

Directorate General for Village People's Empowerment, Ministry of Home Affairs

- Mr. Sartono (Head of People's Training Sub-Division)

Directorate General for Regional Development Guiding, Ministry of Home Affairs

- Ms. Fitri (Head of Data & Information Sub-Division)
- Mr. Abdul Aziz (Staff, Planning Division)

The National Team for the Acceleration of Poverty Reduction (TNP2K), Office of Vice President

- Mr. Elan Satriawan (Working Group of Monitoring and Evaluation)
- Mr. Ari A. Perdana (Working Group of Monitoring and Evaluation)

JICA Indonesia Office

- Ms. Dinur Krismasari (Deputy Representative)

May 02, 2011

Bappeda of South Kalimantan Province

- Mr. M. Djaseran (Chairman)
- Mr. Sugito (Secretary)
- Mr. Riza (Director for Economic Affairs)
- Mr. Ilyas (Director for Social and Cultural Affairs)
- Mr. A. Rifani (Director for Control)
- Mr. Bambang (Staff, Directorate for Economic Affairs)
- Mr. Rahmadi Rahman (Staff, Directorate for Social and Cultural Affairs)
- Mr. Hendra (Staff, Directorate for Control)

South Kalimantan Provincial Office of PNPM-PISEW [RISE]

- Mr. Budian Noor (Program Management Coordinator)

Finance Bureau, Regional Secretariat, South Kalimantan Province

- Mr. Abdul Halim (Head of Budget Division)
- Mr. Haitami (Staff, Accounting Division)

May 03, 2011

Bappeda of Banjar District

- Mr. A. Zuyadaimi (Secretary)
- Mr. Boyke W. Tristiyanto (Head of Cipta Karya Division, Dinas PU, Banjar District)
- Mr. Hamidhan N. (Staff, Cipta Karya Division, Dinas PU, Banjar District)
- Mr. Noon Zairina Warsita (Head of People's Economy and Business, People's Empowerment and Village Development Agency (BPMPD), Banjar District)
- Mr. Elok Yuli S. (Head of Water, Housing Communication and Environment Sub-division, Bappeda of Banjar District)
- Ms. Sitti (Consultant, PNPM-PISEW [RISE])
- Mr. Budian Noor (Provincial Management Consultant, PNPM-PISEW [RISE])
- Ms. Fatmawati (Management Consultant of Banjar District, PNPM-PISEW [RISE])

Gambut Sub-District Office, Banjar District

- Mr. H. Abdul Razak (Camat, Gambut Sub-District)

Kayu Bawang Village, Gambut Sub-District, Banjar District

- Mr. Ismid (Head of Kayu Bawang Village)
- Village People

May 04, 2011

Bappeda of Tanah Laut District

- Mr. Ibnu Ansyari (Director for Economic Affairs)
- Mr. Aliminullah (Head of Agriculture, Commerce, and Cooperatives Sub-division)
- Mr. Syakhril Hadrianadi (Staff)
- Mr. Gumarani (Management Consultant of Tanah Laut District, PNPM-PISEW [RISE])

Bumi Makmur Sub-District, Tanah Laut District

- Mr. Mukhtarraden (Camat, Bumi Makmur Sub-District)

Bumi Harapan Village, Bumi Makmur Sub-District, Tanah Laut District

- Mr. Ridwan Syahrani (Head of Bumi Harapan Village)
- Mr. Iriansyah (Head, Village People's Agency (LKD) and People's Empowerment Organization (LPM))
- Village People

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Bappeda of South Kalimantan Province

- Mr. M. Djaseran (Chairman)

PNPM-PISEW [RISE] Regional Management & Advisory Consultant Region II Kalimantan

- Mr. Majeriani
- Mr. M. Sauki, Sam
- Mr. Nanang Hanafiah
- Mr. Adi Barcon Sitohang
- Mr. Aji Prakosa
- Mr. Andi Akhmad Nur
- Mr. Heri Suyanto

May 06, 2011

JICA Study Local Consultant Team

- Mr. Ringoringo Achmadi (Researcher, LPEM FEUI)
- Ms. Niniek L. Gyat (Researcher, LPEM FE UI)

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- Mr. Kim Suk Rae (Team Leader)

2. 第2回現地派遣調査時

June 6, 2011

Vice President Office

- Mr. H. M. Lutfy Mutty (Special Staff for Vice President on Poverty Alleviation and Regional Autonomy)

June 7, 2011

Directorate General for Fiscal Balance, Ministry of Finance

- Mr. Junaidi Rifai (Head of Evaluation of Deconcentration Fund Sub-division, Directorate for Fund Evaluation and Regional Finance Information)
- Mr. Ardimansyah (Section Chief, Evaluation of Deconcentration Fund Sub-division, Directorate for Fund Evaluation and Regional Finance Information)

Office of Coordination Minister on Economic Affairs

- Mr. Totok Hari Wibowo (SME Development Special Team)

June 8, 2011

Directorate General for Village People's Empowerment, Ministry of Home Affairs

- Mr. Nuryanto (Director on Institution and People's Training)
- Mr. Sartono (Head of People's Training Sub-Division)

June 9, 2011

AusAID

- Mr. Petrarca Karetji (Director on Decentralization, Poverty Reduction and Rural Development Section, Australia Indonesia Partnership [AIP])

- Mr. Leonard Simanjuntak (Unit Manager, Decentralization and Poverty Reduction Section, Australia Indonesia Partnership [AIP])

June 10, 2011

Research and Development Board, Ministry of Home Affairs

- Mr. Muh. Marwan (Chairman)
- Mr. Sunaryo (Director on People's Empowerment)
- Mr. Herie Saksono (Research Staff)
- Mr. Ilham Hanudi (Research Staff)
- Mr. Subiyono (Research Staff)

GIZ

- Mr. Jörg-Werner Haas (Head, Good Governance / Decentralization Programme)
- Mr. Manfred Poppe (Senior Component Team Leader, Administrative Decentralization, Decentralization as Contribution to Good Governance [DeCGG])

BAPPENAS

- Mr. Budhi Santoso (Director, Regional Autonomy Development)
- Mr. Suprayoga Hadi (Director, Special Area Development)

June 13, 2011

University of Papua

- Mr. Musa Sombuk (Lecturer)

Bappeda of Papua Province

- Mr. Alex Rumaseb (Chairman)
- Mr. Fredrik H. Krey (Director on Data)
- Mr. Max W. Boekorsjom (Director on Research)
- Mr. John Boekorsjom (Sub-Director)
- Mr. Burhanuddin Bauw (Chief, Sub-Division on Economic Planning)
- Mr. Arius Safkaur (Section Chief)
- Mr. Edy Wp Utomo (Section Chief)
- Mr. Freddy Molle (Section Chief)

June 14, 2011

Bappeda of Papua Province

- Mr. Andrey (Sub-Director on Central-Regional Relationship)
- Mr. Fredrik H. Krey (Director on Data)
- Mr. John Boekorsjom (Sub-Director)

June 15, 2011

Bappeda of Papua Province

- Mr. Fredrik H. Krey (Director on Data)

- Mr. John Boekorsjom (Sub-Director)

Bappeda of Jayapura Regency

- Mr. Edison Muabuay (Chairman)

June 16, 2011

Bappeda of Papua Province

- Mr. Fredrik H. Krey (Director on Data)

Bappeda of Jayapura Regency

- Mr. Subandrio (Sub-Director on Report Handling)
- Ms. Elphyna Situmorang (Director on Social and Culture)

Sentani District Office

- Mr. Abdul Rahman Basri (District Head)

Kampung Ifar Besar

- Mr. Arnold Yokhu (Kampung Head)

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JICA Study Local Consultant Team

- Mr. Ringoringo Achmadi (Researcher, LPEM FEUI)
- Ms. Niniek L. Gyat (Researcher, LPEM FE UI)

Directorate General for Regional Development Guiding, Ministry of Home Affairs

- Mr. Zamzani B. Tjenreng (Sub-Director on Remote Area Development, Directorate of Regional Development)

入手資料リスト

	資料名	邦訳	入手場所	提出日	媒体
1	Informasi Perkembangan Kebijakan Daerah di Kabupaten Penerima PNPM-PISEW Tahun 2009	2009年RISEプロジェクト対象県の地域政策発展情報	BAPPENAS	2011.6.22	紙
2	Monitoring and Evaluation of PNPM Mandiri (PowerPoint Handout)		BAPPENAS	2011.6.22	紙
3	Rekomendasi Menteri Keuangan tentang Keseimbangan Pendanaan di Daerah dalam rangka Perencanaan Dekonsentrasi dan Tugas Pembantuan Tahun Anggaran 2012	2012年予算での分散・支援事務計画における地方での均衡資金に関する財務大臣提案	財務省	2011.6.22	紙
4	Peraturan Menteri Keuangan No. 66/PMK.07/2011 tentang Indeks Fiskal dan Kemiskinan Daerah dalam rangka Perencanaan Pendanaan Urusan Bersama Pusat dan Daerah untuk Penanggulangan Kemiskinan Tahun Anggaran 2012	2012年予算での貧困削減のための中央・地方合同資金計画における地方財務・貧困指標に関する財務大臣令2011年PMK07第66号	財務省	2011.6.22	紙
5	Peraturan Menteri Keuangan No. 126/PMK.07/2010 tentang Pelaksanaan dan Pertanggungjawaban Anggaran Transfer ke Daerah	地方への移転予算の実施と責任に関する財務大臣令2010年PMK07第126号	財務省	2011.6.22	紙
6	Informasi Seputar Otonomi Daerah Edisi 1/Januari-April 2011	地方自治関連情報、2011年1～4月号	内務省	2011.6.22	紙
7	Provinsi Kalimantan Selatan Dalam Angka 2010	南カリマンタン州統計年報2010年版	南カリマンタン州	2011.6.22	紙
8	RPJMD Provinsi Kalimantan Selatan 2011-2015	南カリマンタン州中期開発計画2011-2015	南カリマンタン州	2011.6.22	紙
9	Realisasi APBD 2008	南カリマンタン州予算実施額2008年度	南カリマンタン州	2011.6.22	紙
10	Realisasi APBD 2009	南カリマンタン州予算実施額2009年度	南カリマンタン州	2011.6.22	紙
11	Realisasi APBD 2010	南カリマンタン州予算実施額2010年度	南カリマンタン州	2011.6.22	紙
12	Kabupaten Banjar Dalam Angka 2010	南カリマンタン州バンジャール県統計年報2010年版	バンジャール県	2011.6.22	紙
13	RPJMD Kabupaten Banjar Tahun 2011-2015	南カリマンタン州バンジャール県中期開発計画2011-2015	バンジャール県	2011.6.22	紙
14	Laporan Realisasi APBD Kab Banjar 2009, 2010	南カリマンタン州バンジャール県予算実施額2009年度、2010年度	バンジャール県	2011.6.22	紙
15	Ringkasan APBD 2011	南カリマンタン州バンジャール県予算概要2011年度	バンジャール県	2011.6.22	紙

16	Keputusan Bupati Banjar No. 84/2011 tentang Bantuan Penyelenggaraan Pemerintah Desa / Kelurahan dalam Wilayah Kabupaten Banjar Tahun Anggaran 2011	2011年度南カリマンタン州バンジャール県予算での村落・区行政運営のための資金支援に関する県知事令2011年第84号	バンジャール県	2011.6.22	紙
17	Peraturan Desa Kayu Bawang No. 1/2011 tentang Anggaran Pendapatan dan Belanja Desa	村落予算に関するカユバワン村令2011年第1号	バンジャール県	2011.6.22	紙
18	Laporan Realisasi Anggaran 2008, Kab Tanah Laut	南カリマンタン州タナ・ラウト県2008年度予算実施額	タナ・ラウト県	2011.6.22	紙
19	Laporan Realisasi Anggaran 2009, Kab Tanah Laut	南カリマンタン州タナ・ラウト県2009年度予算実施額	タナ・ラウト県	2011.6.22	紙
20	Laporan Realisasi Anggaran 2010, Kab Tanah Laut	南カリマンタン州タナ・ラウト県2010年度予算実施額	タナ・ラウト県	2011.6.22	紙
21	Kabupaten Tanah Laut Dalam Angka 2010	南カリマンタン州タナ・ラウト県統計年報2010年版	タナ・ラウト県	2011.6.22	紙
22	Terms of References on Pilot Project for Collaboration between PNPM-PISEW with Sulawesi Capacity Development Project		RISE全国実施事務局	2011.6.22	紙
23	USAID/DRSP "Desentralisasi 2009: Membedah Reformasi Desentralisasi di Indonesia, Stock Taking Study Terkini (Ringkasan Utama)", Juli 2009	インドネシアの分権化改革の評価(中心部サマリー版) 2009年7月	JICA事務所 Dinur次長	2011.6.22	紙
24	Decentralization Support Facility Annual Report 2010		JICA事務所 Dinur次長	2011.6.22	紙
25	Daan Pattinasarany, "Local Government Performance Evaluation: PP 6/2008 and Beyond", October 14, 2010 (Powerpoint Handout)		JICA事務所 Dinur次長	2011.6.22	紙
26	"JMC Meeting PNPM Support Facility", Bappenas, February 10, 2011 (PowerPoint Handout)		JICA事務所 Dinur次長	2011.6.22	紙
27	Donor Working Group on Decentralization, AusAID office, June 9, 2010.		JICA事務所 Dinur次長	2011.6.22	紙
28	Donor Working Group on Decentralization, AusAID office, August 5, 2010.		JICA事務所 Dinur次長	2011.6.22	紙
29	Donor Working Group on Decentralization, AusAID office, October 14, 2010.		JICA事務所 Dinur次長	2011.6.22	紙
30	Discussion Document - PNPM Strategy: PNPM-Perdesaan Strategy Note		JICA事務所 Dinur次長	2011.6.22	紙
31	Made Suwandi, "The Progress of Indonesian Decentralization" (Powerpoint Handout)		JICA事務所 Dinur次長	2011.6.22	紙
32	Budhi Santoso, "Challenges of Decentralization and Regional Autonomy Agenda", Bappenas, January 20, 2011 (Powerpoint Handout)		JICA事務所 Dinur次長	2011.6.22	紙

33	Budhi Santoso, "Sistem Perencanaan dan Pengendalian Hibah di Kemendagri dalam rangka Perencanaan Pusat dan Daerah", April 13-15, 2011 (Powerpoint Handout)	中央・地方計画での内務省における計画システムと贈与管理	JICA事務所 Dinur次長	2011.6.22	紙
34	Overview of Development Partners' Support to Papua Provinces		JICA事務所 Dinur次長	2011.6.22	紙
35	List of Foreign Loan/Grant Funded Project in the Field of Decentralization and Regional Autonomy (2006-2008), Bappenas		JICA事務所 Dinur次長	2011.6.22	紙
36	"Bab V Kebijakan Desentralisasi Fiskal" dari Nota Keuangan dan APBN 2011	2011年度国家予算書 第5章 財政分権化政策	JICA事務所 Dinur次長	2011.6.22	紙
37	Tata Kelola Ekonomi Indonesia 2011: Survei Pelaku Usaha di 245 Kabupaten/Kota di Indonesia	2011年度地方経済運営秩序：245県・市におけるビジネス行動調査	AusAID	2011.6.22	紙
38	2010 PSF (PNPM Support Facility) Progress Report		AusAID	2011.6.22	紙
39	Challenge for Rural Development of East Indonesia		AusAID	2011.6.22	紙
40	Indonesia's Strategy and Policy for poverty Reduction		AusAID	2011.6.22	紙
41	Upaya Pemerintah dalam Menata Perimbangan Keuangan antara Pusat dan Daerah	中央・地方間の金融均衡秩序を保つための政府方策	AusAID	2011.6.22	紙
42	Next Phase Decentralization of Indonesia		AusAID	2011.6.22	紙
43	Kebijakan Pelayanan Administrasi Terpadu Kecamatan	郡統合行政サービス政策	AusAID	2011.6.22	紙
A-01	Peta Penanggulangan Kemiskinan (Email Attachment File)	貧困削減地図	BAPPENAS	2011.6.22	File
A-02	PNPM Info (Email Attachment File)	PNPM情報	BAPPENAS	2011.6.22	File
A-03	APBD-Kalsel	南カリマンタン州予算に関する各種データ	南カリマンタン州	2011.6.22	File
A-04	RPJMD Kabupaten Tanah Laut Tahun 2011-2015	南カリマンタン州タナ・ラウト県中期開発計画 2011-2015	タナ・ラウト県	2011.6.22	File
A-05	Alokasi DekonTP 2008_2011	国家予算における分散・支援事務資金配分2008～2011年度	財務省	2011.6.22	File
A-06	Agenda Donor Coordination Meeting on Tanah Papua		JICA事務所 Dinur次長	2011.6.22	File
A-07	AusAID AIPD-Rural (Rural Economic Dev in Eastern Indonesia)		JICA事務所 Dinur次長	2011.6.22	File
A-08	MDGs Target Profile		JICA事務所 Dinur次長	2011.6.22	File
A-09	Overview of Dev Partners' to Papua and West Papua		JICA事務所 Dinur次長	2011.6.22	File

A-10	People-centered Dev Programme in Papua and West Papua		JICA事務所 Dinur次長	2011.6.22	File
A-11	Policy Framework for Accelerated Dev of Papua and West Papua (Suprayoga)		JICA事務所 Dinur次長	2011.6.22	File
A-12	Papua Dalam Angka 2006	パプア州統計年報2006年版	パプア州	2011.6.22	File
A-13	Papua Dalam Angka 2008	パプア州統計年報2008年版	パプア州	2011.6.22	File
A-14	Papua Dalam Angka 2009	パプア州統計年報2009年版	パプア州	2011.6.22	File
A-15	Papua Dalam Angka 2010	パプア州統計年報2010年版	パプア州	2011.6.22	File
A-16	PDRB Provinsi Papua 2008	パプア州州内総生産2008年	パプア州	2011.6.22	File
A-17	PDRB Provinsi Papua 2009	パプア州州内総生産2009年	パプア州	2011.6.22	File
A-18	PDRB Provinsi Papua 2010	パプア州州内総生産2010年	パプア州	2011.6.22	File
A-19	BUPATI RAKER 2011	ジャヤプラ県政府プレゼン資料	パプア州ジャヤプラ県	2011.6.22	File
A-20	Alokasi Dana Kampung dan Kelurahan, Jayapura	ジャヤプラ県村落向け配分金統計	パプア州ジャヤプラ県	2011.6.22	File
A-21	perbub 26 tahun 2010	村落エンパワーメントに関するジャヤプラ県知事令2010年第26号	パプア州ジャヤプラ県	2011.6.22	File
A-22	Profil Kab Jayapura 2010	2010年ジャヤプラ県のプロフィール	パプア州ジャヤプラ県	2011.6.22	File
A-23	RPJMK TABLANUSU	ジャヤプラ県タブラヌス村の中期開発計画	パプア州ジャヤプラ県	2011.6.22	File

Final Study Report

Data Collection Survey on Regional Development and Decentralization in Indonesia

GLOSSARY

ABSANO	<i>Aksara Buta Menuju Nol</i> (Illiterate Ratio to Zero)
ACCESS	Australian Community Development and Civil Society Strengthening Scheme
ADB	Asian Development Bank
ADD	<i>Alokasi Dana Desa</i> (Village Fund Allocation)
ADONO	Angka Drop Out Menuju Nol (Drop-out ratio to Nol)
AKINO	<i>Angka Kematian Ibu Menuju Nol</i> (Zero Mother Mortality Death)
APBD	Anggaran Pendapatan dan Belanja Daerah (Provincial or District Budget)
APBDes	<i>Anggaran Pendapatan dan Belanja Desa</i> (Village Budget)
APBN	<i>Anggaran Pendapatan dan Belanja Negara</i> (State Budget)
Arisan	A regular informal gathering with revolving fund
ASEAN	Association of South East Asia Nation
ASKESKIN	<i>Asuransi Kesehatan untuk Orang Miskin</i> (Health Insurance for the Poor)
AusAID	Australian Government Overseas Aid Program
Badan Arsip dan Perpustakaan	Documents and Library Board
Bantuan Kejar Paket	Education Acceleration Package Program
Bapeko	<i>Badan Perencanaan Pembangunan Kota</i> (Development Planning Agency in City District)
Bappeda	<i>Badan Perencanaan Pembangunan Daerah</i> (Development Planning Agency at Sub-National Level)
Bappenas	<i>Badan Perencanaan Pembangunan Nasional</i> (National Development Planning Board)
Bawasda	<i>Badan Pengawas Daerah</i> (District Internal Audit Office)
BIMAS	<i>Bimbingan Massal</i> (Mass Counseling)
Bina Desa	Village Health Quality Improvement Program
BJKAD	<i>Badan Jaminan Asuransi Kesehatan Daerah</i> (Regional Health Insurance Coordination Board)
BKD	<i>Badan Kredit Desa</i> (Village-Owned Financial Institution)
BKK	<i>Badan Kredit Kecamatan</i> (Sub District Credit Institution)
BKM	<i>Badan Keswadayaan Masyarakat</i> (Community Group Trustee)
BKN	<i>Badan Kepegawaian Negara</i> (National Civil Servant Agency)
BKPM	<i>Badan Koordinasi Penanaman Modal</i> (Coordinating Investment Board)
BMT	<i>Baitul Maal Wa'atamwil</i> (Shariah Microfinance Institution)
BOK	<i>Bantuan Operasional Kesehatan</i> (Subsidy for Health Operational Cost)
BOPDA	<i>Bantuan Operasional Pendidikan Daerah</i> (Sub national education subsidy)
BOS	<i>Bantuan Operasional Sekolah</i> (Subsidy for School Operational Cost)
BOSDA	BOS at district level
BPD	<i>Badan Permusyawaratan Desa</i> (Village Consultative Board)
BPD	<i>Bank Pembangunan Daerah</i> (Regional Development Bank)
BPHTB	<i>Bea Perolehan Hak Tanah dan Bangunan</i> (Tax of Land and Building Acquisition)
BPKP	<i>Badan Pengawasan Keuangan dan Pembangunan</i> (Development and Audit Board)
BPM	<i>Badan Pemberdayaan Masyarakat</i> (Community Development Agency)

BPMKB	<i>Badan Pemberdayaan Masyarakat dan Keluarga Berencana</i> (is also Bapenas KB Family Planning and Public Empowering Board)
BPR	<i>Bank Perkreditan Rakyat</i> (People's Credit Bank)
BPS	<i>Badan Pusat Statistik</i> (Statistics Indonesia)
BUMD	<i>Badan Usaha Milik Daerah</i> (District Owned Company)
BUMDes	<i>Badan Usaha Milik Desa</i> (Village Owned Company)
BUMN	<i>Badan Usaha Milik Negara</i> (State Owned Company)
Bupati	Head of district
CGAP	Consultative Group to Assist the Poor
CSR	Corporate Social Responsibility
DAK	<i>Dana Alokasi Khusus</i> (Special Allocation Fund/Specific Grant)
Dana	Deconcentration Fund
Dekonsentrasi Dana	
Dekonsentrasi- Tugas	Deconcentration and Co-administrative Task Fund
Pembantuan (TP)	
DAU	<i>Dana Alokasi Umum</i> (Balance funds/Fiscal Equalization Funds/General Allocation Fund)
DBH	<i>Dana Bagi Hasil</i> (Revenue Sharing Fund)
DBHNR	<i>Dana Bagi Hasil Sumber Daya Alam</i> (Revenue Sharing Fund from Natural Resources)
DBHTax	<i>Dana Bagi Hasil Pajak</i> (Revenue Sharing Fund from Tax)
DDUB	<i>Dana Daerah untuk Urusan Bersama</i> (District fund for concurrent function)
DecGZ	Decentralization as Contribution to Good Governance
Desa	Rural Village
Desa Siaga	A nationally initiated program before it becomes part of MSS
Dinas	Office of province or district for executing decentralized services
Dinas Kesehatan	Health Office
Dinas Koperasi dan UMKM	Cooperation and Micro Small Business Unit Office
Dinas Pendidikan	Education Office
Dinas Pengairan	Head of Irrigation Office
Dinas Pertanian	Agriculture Office
Dinas Sosial	Social Office
DIPA	<i>Daftar Isian Proyek Anggaran</i> (Issuance of spending authority)
Disnaker	Labor Force Office
Disperindag	Industrial and Trade Office
DitjenPK	<i>Direktorat Jenderal Perimbangan Keuangan</i> (Directorate General of Financial Balance)
DP	Developing Partner
DPPKAD	<i>Dinas Pendapatan Pengelolaan Keuangan dan Aset Daerah</i> (Revenue, Financial and Asset Management Office)
DPRD	<i>Dewan Perwakilan Rakyat Daerah</i> (Local Assembly)
DR	<i>Dana Reboisasi</i> (Reforestation Fund)
DSF	Decentralization Support to Finance
EFA	Education for All
GerduTaskin	<i>Gerakan Terpadu Pengentasan Kemiskinan Propinsi Jawa Timur</i> (Poverty Alleviation Integrated Program in East Java)
GOI	Government of Indonesia
GRDP	Gross Regional Domestic Product

GTZ	GIZ - Deutsche Gesellschaft für Internationale Zusammenarbeit
Gubernur	Head of a province
HIVOS	Humanist Institute for Development Cooperation (Humanistisch Instituut voor Ontwikkelingssamenwerking)
IDR	Indonesian Rupiah
IDT	<i>Inpres Desa Tertinggal</i> (President Instruction for Less Developed Village)
IHPH	<i>Izin Hak Pengusahaan Hutan</i> (Forest Concession Fees)
Indonesia Bersatu II	The name of cabinet of president in period 2010-2014
INMAS	<i>Intensifikasi Massal</i> (Massal Intensification)
INPRES	<i>Instruksi Presiden</i> (President Instruction)
IT & IP	<i>Iuran Tetap dan Iuran Produksi</i> (Fixed and Production Contribution)
Jamkesda	<i>Jaminan Kesehatan Masyarakat Daerah</i> (Local Health Assurance Scheme)
Jamkesma non-quota	Jamkesda in district of Surabaya
Jamkesmas	<i>Health Assurance Scheme</i> (Jaminan Kesehatan Masyarakat)
Jamkesmasda	<i>Jaminan Kesehatan Masyarakat Daerah</i> is similar with Jamkesda (Local Health Assurance Scheme)
Jampersal	<i>Jaminan Persalinan</i> (Child Birth Insurance Scheme)
JASMAS	<i>Jaringan Aspirasi Masyarakat</i> (Public Aspiration Network)
JBIC	Japan Bank for International Cooperation
JICA	Japan International Cooperation Agency
Juknis	<i>Petunjuk Teknis</i> (Technical Guideline)
K/L	<i>Kementrian/Lembaga</i> (Institution/Ministry)
Kampung Unggulan	Competition on sub-village level program
Kantor Ketahanan Pangan	Food Security Office
KAPET	<i>Kawasan Pengembangan Ekonomi Terpadu</i> (Integrated Economic Growth Zone)
Kecamatan	Sub-District
KEK	<i>Kawasan Ekonomi Khusus</i> (Special Economic Zone)
Kelurahan	Urban Village
KNVC	Royal Netherlands Tuberculosis Association
Kota	City District
KPPBPB	<i>Kawasan Perdagangan Bebas dan Pelabuhan Bebas</i> (Free Trade and Special Economic Zone)
KPPN	<i>Kantor Pelayanan Perbendaharaan Negara</i> (State Treasury Offices)
KSK	<i>Kawasan Strategis Kecamatan</i> (District Strategic Zone)
KSM	<i>Kelompok Swadaya Masyarakat</i> (Community Self-Helped Group)
KUA	<i>Kebijakan Umum Anggaran</i> (General Draft Budget)
KUR	<i>Kredit Usaha Rakyat</i> (Community Credit)
LAKIP	<i>Laporan Akuntabilitas Kinerja Instansi Pemerintah</i> (Government Performance and Accountability Report)
LDKP	<i>Lembaga Dana dan Kredit Perdesaan</i> (Rural Credit and Fund Institution)
LKD	<i>Lembaga Keuangan Desa</i> (Village Financial Institution)
LPD	<i>Lembaga Perkreditan Desa</i> (Village Credit Institution)
LPEM	<i>Lembaga Penyelidikan Ekonomi dan Sosial Masyarakat</i> (Institute for Economic and Social Research)

LTD	<i>Lembaga Teknis Daerah</i> (Local Technical Unit)
MDG	Millennium Development Goal
MOE	Ministry of Environment
MOF	Ministry of Finance
MOHA	Ministry of Home Affairs
MONE	Ministry of National Education
MORA	Ministry of Religious Affairs
MOU	Memorandum of Understanding
MPW	Ministry of Public Works
MSME	Micro Small Medium Enterprise
MSS	<i>Standar Pelayanan Minimal/SPM</i> (Minimum Service Standard)
MTEF	Medium-term Expenditure Framework
Musrenbang	Development Planning Meeting
NGO	Non Governmental Organization
NPWP	<i>Nomor Pokok Wajib Pajak</i> (Tax payer number)
PAD	<i>Pendapatan Asli Daerah</i> (Local Owned Revenue)
PAMSIMAS	<i>Penyediaan Air Minum Berbasis Masyarakat</i> (Community Participation Water Supply)
PAUD	<i>Pendidikan Anak Usia Dini</i> (Pre Kindergarten Education)
PBB	<i>Pajak Bumi dan Bangunan</i> (Property tax on estate, forestry and mining)
PDAM	<i>Perusahaan Daerah Air Minum</i> (Regional Company of Drinking Water)
Perda	<i>Peraturan Daerah</i> (Local Regulation)
Pergub	<i>Peraturan Gubernur</i> (Governor Regulation)
Permendagri	Regulation by Ministry of Home Affairs
Permenkes	Regulation by Ministry of Health
Perpres	<i>Peraturan Presiden</i> (Presidential Regulation)
Perpu	<i>Peraturan Pemerintah Pengganti Undang Undang</i> (Regulation in Lieu of Law)
Perum Pegadaian	Pawned State Owned Enterprise
PFM	Public Financial Management
PGRI	<i>Persatuan Guru Republik Indonesia</i> (National Teacher Association)
PhD	Philosophical Degree
PHP	<i>Pungutan Hasil Produksi Perikanan</i> (Fishery Charges)
PIK	<i>Pengembangan Investasi Kecamatan</i> (Sub District Investment Development)
PISEW	<i>Program Infrastruktur Sosial Ekonomi Wilayah</i> (Regional Infrastructure Social and Economic Program)
PKH	<i>Program Keluarga Harapan</i> (Integrated Social Assistance)
PKPR	<i>Pelayanan Kesehatan Peduli Remaja</i> (Health service and care for youth)
PMK	<i>Peraturan Menteri Keuangan</i> (Ministry of Finance Regulation)
PN	<i>Perusahaan Negara</i> (State Owned Company)
PNPM	<i>Program Nasional Pemberdayaan Masyarakat</i> (National Program for Community Empowerment)
PNPMND	PNPM Neighborhood Development
PNS	<i>Pegawai Negeri Sipil</i> (Civil servant)
Podes	<i>Potensi Desa</i> (Village Potential)
Polindes	<i>Pondok Persalinan Desa</i> (Village Birth Delivery Center)
Pos Obat Desa	Village Medicine Center
Poskesdes	<i>Pondok Kesehatan Desa</i> (Village Health Center)

Posyandu	<i>Pos Pelayanan Terpadu</i> (Village Integrated Health Centre)
PPH	<i>Pajak Penghasilan</i> (Income taxes)
PPK	<i>Pemberi Pelayanan Kesehatan</i> (Health Service Provider)
PPLS	<i>Pendataan Program Perlindungan Sosial</i> (Data Collection Program of Social Protection)
PPP	<i>Pungutan Pengusahaan Perikanan</i> (Fishery Exploitation Fees)
PSDH	<i>Pengusahaan Sumber Daya Hutan</i> (Provision Forest Resources)
Puskesmas	<i>Pusat Kesehatan Masyarakat</i> (Community Health Service Centre)
Pusling	<i>Mobile Health Centre</i> (Puskesmas Keliling)
Pustu	<i>Puskesmas Pembantu</i> (Sub Health Center)
RAPBN	<i>Rencana Anggaran Pendapatan dan Belanja Negara</i> (Draft budget presented to the parliament)
Raperda/Ranperda	<i>Rancangan Peraturan Daerah</i> (Draft of Perda)
Raskin	<i>Raskin/Beras Miskin</i> (Free Rice for The Poor)
Renja	Ministry/Institution Annual Work Plans
RenjaKL	<i>Daftar Isian Proyek Anggaran</i> (Issuance of spending authority)
Renstra	<i>Rencana Strategis</i> (Strategic Planning)
RenstraKL	<i>Rencana Strategis Kementerian/Lembaga</i> (Ministry and Agency Medium Term Strategic Plan)
Rentenir	Money lender
RKAKL	<i>Rencana Kerja dan Anggaran Kementerian/Lembaga</i> (Ministry Work Plan and Budget)
RKP	<i>Rencana Kerja Pemerintah</i> (Government Work Plan)
RKPD	<i>Rencana Kerja Pemerintah Daerah</i> (Local Government Work Plan)
RPJM	<i>Rencana Pembangunan Jangka Menengah</i> (Medium Term Development Planning)
RPJMD	<i>Rencana Pembangunan Jangka Menengah Daerah</i> (Local Medium Term Development Planning)
RPJMDes	<i>Rencana Pembangunan Jangka Menengah Desa</i> (Village Medium Term Development Planning)
RPJMN	<i>Rencana Pembangunan Jangka Menengah Nasional</i> (National Medium Term Development Planning)
RPJP	<i>Rencana Pembangunan Jangka Panjang</i> (Long Term Development Planning)
RW	<i>Rukun Warga</i> (Community Neighborhood)
SPPD	<i>Sistem Perencanaan Pembangunan Daerah</i> (Local Development Planning System)
TNP2K	National Team for Poverty Alleviation Acceleration (Tim Nasional Percepatan Penanggulangan Kemiskinan)
TP	Co-administrative Task (Tugas Pembantuan)
UKBM	Community Based Health Effort (Upaya Kesehatan Berbasis Masyarakat)
UKK	Work Health Unit (Unit Kesehatan Kerja)
UPK	Sub District Management Unit (Unit Pengembangan Kecamatan)
USP	Saving Lending Unit (Unit Simpan Pinjam)
UU	Law (Undang-undang)
Walikota	Head of a city
Wirausaha baru	New business

PREFACE

This report is the Final Study Report about “Data Collection Survey on Regional Development and Decentralization in Indonesia”. The study is conducted by the Institute for Economic and Social Research Faculty of Economics University of Indonesia (LPEM FEUI) in cooperation with Japan International Cooperation Agency (JICA), as per arrangement in the Service of Agreement : No. 1003782-003.

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On behalf Institute for Economic and Social Research Faculty of Economics University of Indonesia (LPEM FEUI) and all the staff, we would like to express our sincere gratitude to JICA, for giving us the opportunity to conduct this study. Finally, the Institute bears the sole responsibility for all opinions expressed in this study.

Jakarta, July 2011



Dr. Arianto A. Patunru
Director

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I. BACKGROUND AND RESEARCH APPROACH

A. Background

A decade long of decentralization implementation in Indonesia since 2001 is still looking for an equilibrium position. The second revision of decentralization laws in 2004 have to be complemented yet with some derivative regulatory. MSS (minimum service standard), for example, that is pivot in district government planning and budgeting is only halfway to be completed. Only 15 functions out of 31 government functions that have been decentralized is already finalized by June 2011, six year after the law demands revamping of all MSS in accordance with 2004 decentralization laws. In the meantime, the government starts to further review 2004's decentralization law.

One of decentralization problem that has to be solved is dispute over the gap between fiscal capacity and fiscal needs that arose from the transfer of government functions. Previous provision of taxing capacity to district government, with Law No. 34 year 2000¹, to ease district government financial distress was proved to be in-effective and prone to abuse². It takes several years before central government responses to this abuse by issuing a regulation that provides close list on local tax and levies that local governments could collect. Unfortunately, this regulation reinforces the dependence of local district government finance from central government grant. This is more profound than before because many newly created local governments are proved financially weak³.

Decentralization that is based on functional assignment has its own problem. Despite more focus and clear what should be done by local government, functional assignment fail to address important cross-cutting issues. A case in point is on poverty issues. The functions that are stipulated in the regulation⁴ do not say anything on poverty alleviation. So it is up to the individual local government, or even individual district head/province to address this issue. Correspondingly, when the government launches a poverty alleviation program, most of local government sees it as a central government role or function. This perception creates

¹ Coincidentally with the start of decentralization, government issued Law No. 34 year 2000 on Local Tax and Levies as a revision to the one enacted three years previously: Law No. 18 year 1997 on Local Tax and Levies. This revision was intended to realign the local government taxation regime to a newly initiated decentralization policy.

² Despite clear guidance on how to create new local taxes, the local governments appetite to just create taxes without further evaluation on the impact of newly created taxes to local economy as is demanded by law has created criticism from all sides, community, business, academics and also central governments.

³ There were 319 local governments in Indonesia (26 Provinces and 293 districts) in 1999. This figure exploded by 205 newly created local governments reaching 524 local governments (33 provinces and 491 districts) in 2011. At the same time the growth of government income is not as fast as the increase in new local governments,

⁴ Law No. 38 Year 2007 on Responsibility of Government, Provincial Government and District Government.

problem when central government ask local governments to address poverty issues on which the government already sign an agreement an included as one of MDGs target.

This perception does not come about without reasons. As long as the new order reign, the initiatives to address poverty issues is always come from central government. There are some reasons why the initiative came from central government, to mention but two. The first is the centralistic nature of the new order left the initiatives only to central government. The low initiative from local government was aggravated by low fiscal capacity of local government.

During the course of time, the government's approach toward poverty alleviation has changed, from general economic development policies in the past to more targeted policies. Under the new order, most efforts were mainly non-targeted. Some examples include general price subsidies, rural development (BIMAS, INMAS, KUK)⁵ and subsidy to lag behind villages - *Inpres Desa Tertinggal* (IDT). The new government that reign after the collapse of the new order promises to provide a better way of delivering public service to the community. This promise is translated into a new way of poverty alleviation that is to use a more targeted policies i.e. Raskin, health-card, scholarship.

In the same spirit, decentralization of government services is introduced to bring the government service deliveries closer to its community. By moving the service closer to the community it is expected that local government initiatives will mimic the needs of the community. But after ten years of decentralization, the promise of a better government service delivery through decentralization is hardly realized. The poverty number (absolute and relative) is hardly better (Usman et al. 2008) despite more money has been transferred to finance local governments responsibility. The latest poverty figures from BPS show that in 2010 poverty rate is at 14.15 percent, slightly better from 2004 figure at 16.66 percent but is still worse than pre crisis (1996) figure at 13.67 percent.

B. Objectives

There are three main objectives of this survey. The first is to review the implementation of decentralization and how the existing regulations, both at central and local level, affect it. The second objective is to review programs related to regional/community development both from public and private initiatives. The third is to review regulations related to infrastructure development acceleration, mainly on land acquisition, resettlement and environmental assessment at local governments.

⁵

BIMAS (Bimbingan Massal – Mass Counseling) was related to agriculture program where farmer receive counseling from facilitators to increase agriculture productivity. INMAS (Intensifikasi Massal – Mass Intensification) was also related to agriculture production. This program introduced new ways of farming by providing fortified seed and mass use of fertilizer which aims is to increase agricultural production. KUK (kredit Usaha Kecil) is similar with present day KUR (kredit usaha rakyat).

The decentralization policy in Indonesia is encompassing a wide area of government services. In fact under the new law, Central Government services have been limited into 6 functions while the rest of the functions are shared among Central Government and Local Governments⁶. In essence, Local Governments could create new (optional) services that are not explicitly stipulated in the law, while the Central Government could not. For this reason, this survey collects data pertinent to regional/community development. Additional focus is given to poverty reduction and whenever possible to economic disparity adjustments.

C. Research Approach

As far as possible, quantitative data will be provided in addition to policy issues that mainly qualitative. Several key tasks have been identified in order to review the implementation of decentralization policy vis-à-vis its regulations. For this purpose, a field survey on related government agencies, both in central and local levels, is conducted to obtain primary data to be used as the inputs for making analysis.

Researchers from LPEM assigned for this project collected detailed information on decentralization implementation in Indonesia. For consistency, LPEM researchers collected point-in-time fiscal data from fiscal year 2008 to the most recent year for which actual expenditure data was available. Some data for 2010 may not always be available, in this case we will leave the data void.

LPEM interviewed government officials, community leaders and individuals in community to better understand the role government in a decentralized era. While this report largely provides factual information about implementation of decentralization and its funding sources in the region, the report have provided insights, suggestions and considerations for government officials.

LPEM staff also interviewed a select non-governmental organization (NGOs) leaders and consultants to PNPM program. This is to ensure a better understanding on the role of the provision of direct funds to the community and how its role in supporting village developments. By design, PNPM fund provides funding to local communities to enable them participate in local developments.

1. Qualitative measure

Qualitative measure is effective in analyzing the law and regulation related to decentralization. In addition, there are issues of cooperation among government agencies both vertical and horizontal, that affect the implementation of decentralization and of cooperation between government agencies vis-à-vis donors and other NGO's. Qualitative

⁶ The central government still has a national wide policy making role for all government functions that has been decentralized. This assignment is clearly stipulated in Government Regulation No. 38 Year 2007.

analysis is also relevant in area of strategy and systems.

The qualitative approach is used to analyze and review issues at hand. List of the issues are: 1. Decentralization policy and laws, and its issues, 2. Comparison between decentralization system and actual implementation, 3. Assistance strategy for decentralization by other donors, 4. Policy, systems and current situations of regional/community development, 5. Good practice of regional/community development projects, 6. Assistance strategy for regional/community development by other donors, and 7. Relation with local governments in JICA assisted project.

2. Quantitative measure

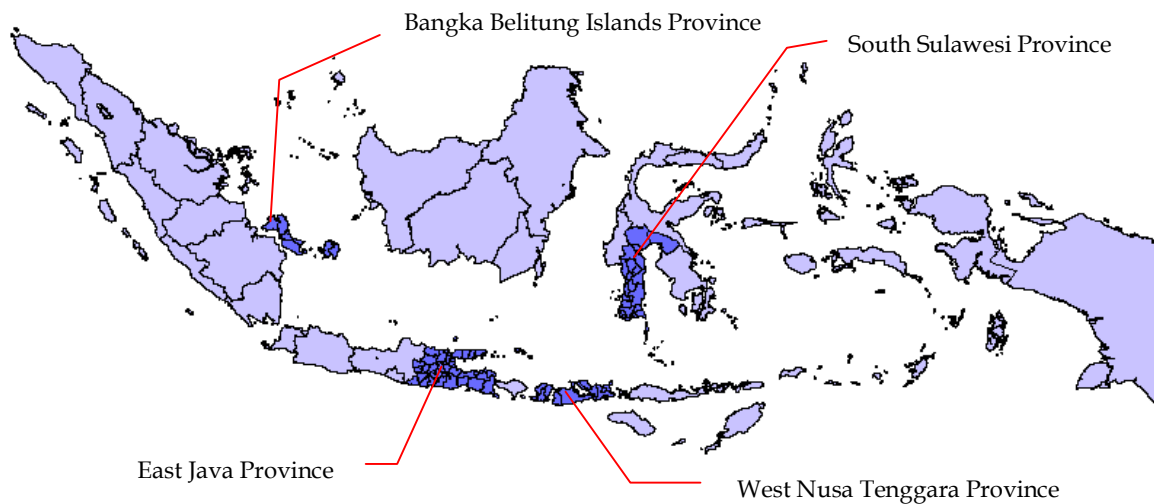
The use of quantitative measure is limited in the analysis. Some information collected includes quantitative data however, and whenever possible analysis will be carried out quantitatively. This quantitative approach would be used when comparing between decentralization system and actual implementation. A similar approach but at a smaller scale may relevant on Assistance strategy for decentralization by other donors and on Good practice of regional/community development projects.

3. Study area

The nature of the work necessitates the team to visit central government, provincial governments and district governments. Below are the relevant agencies that have been visited by the team:

- a. Central government: Ministry of Home Affair, Ministry of National Education, Ministry of Finance, Bappenas, TNP2K at the Office of Vice President.
- b. Provincial governments: Provincial governments of Bangka Belitung Islands, East Java, West Nusa Tenggara and South Sulawesi. The location of each province visited is shown in Figure 1.

Figure 1: Four Provinces Visited during the Survey



Source: Re-graph by LPEM FEUI

- c. District governments: Bangka district and Belitung district in Bangka Belitung Islands Province; Surabaya district and Malang district in East Java Province; Lombok Barat district and Lombok Timur district in West Nusa Tenggara Province; and Makassar district and Jeneponto district in South Sulawesi Province. The Locations of each district within provinces are shown in Figure 2. Some key indicators of each district are provided in tables below.
- d. Private sectors: Local NGOs, Community level organizations, donors

4. Approaches to Good Practice of Community Development

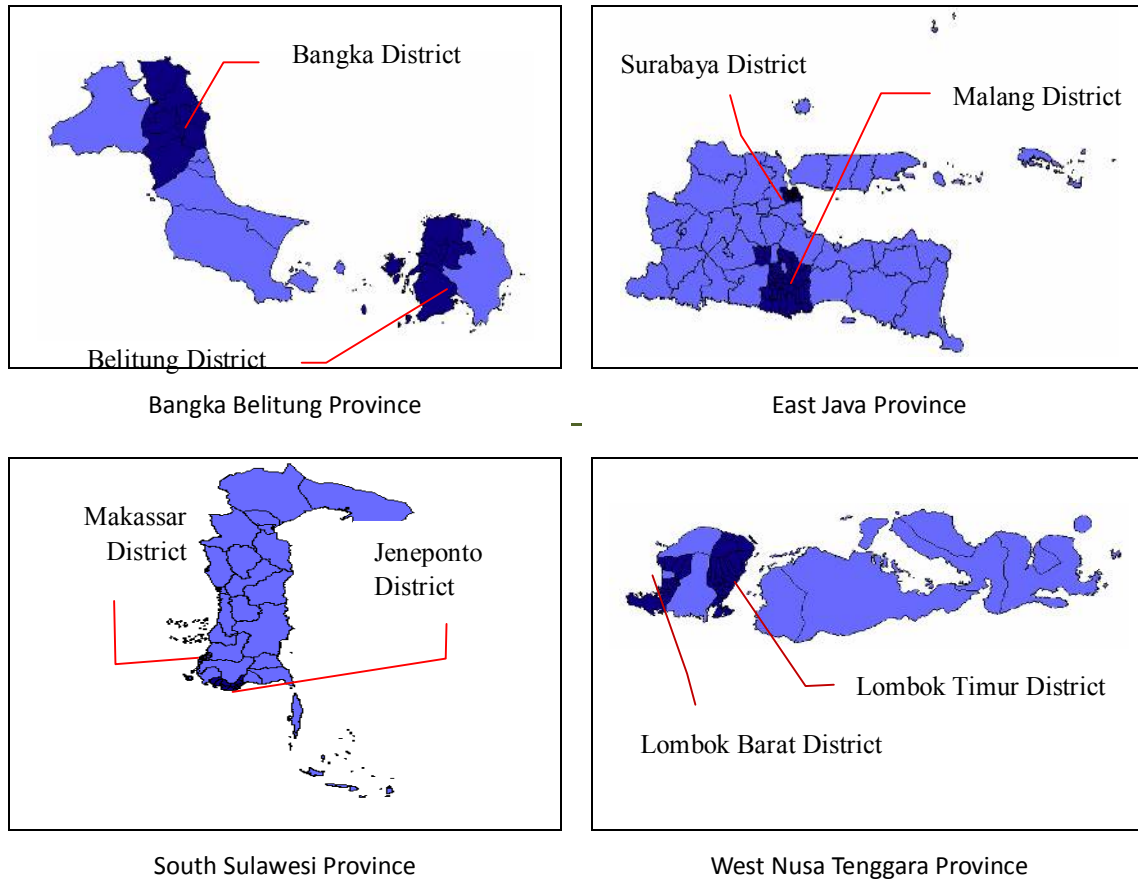
Community development project is one of the main pillars in the PNPM projects. While the manual should have delineated the way the program will be executed, only following the manual itself does not automatically classify a project as good. Our approaches then are:

- a. Asking local government officials to mention community development projects that worth of mention or are treated as an example for good practice
- b. Asking the PNPM/PISEW consultants to mention good community development project(s).

There is a risk, however, that no community development project is selected as an example of good practice in the survey area. In this case we ask the officials at the higher level of government that is at provincial level and eventually to national level. If there is an award on community development project, we will go for it. Our concern in the good practices is to search for factors and criteria in selecting the projects. Different evaluation

goals may arrive at different factors or criteria eventually. For this reasons the goals of the evaluation or aims of the award will be also taken into consideration.

Figure 2: Eight Districts Visited during the Survey



Notes: Figures are not to scale.

Source: Re-graph by LPEM-FEUI.

Table 1: Profile of Bangka District and Belitung District

Indicator	Bangka District			Belitung District		
	2008	2009	2010	2008	2009	2010
Population (thousand)	244.2	260.4	277.2	159.8	166.3	156.0
Area (thousand squared KM)	2.9	2.9	2.9	2.3	2.3	2.3
GDRP (Billion Rp)	3,879.1	4,135.6	4,369.3	2,311.3	2,472.1	2,608.8
Local Budget (Billion Rp)	222.4	262.6	390.5	464.9	493.7	472.8
Personnel Expenditure (Billion Rp)	34.2	37.5	40.4	32.5	37.3	50.7
No. of Government officials (thousand)*	1.6	2.2	n.a	0.5	0.5	n.a

* The figures for Bangka District do not include teachers.

Source: District of Bangka in Figures, and District of Belitung in Figures, various years, BPS.

Table 2: Profile of Malang District and Surabaya

Indicator	District of Malang			Surabaya		
	2008	2009	2010	2008	2009	2010
Population (thousand)	2,413.8	2,425.3	2,443.6	2,902.5	2,631.3	2,765.5
Area (thousand squared KM)	3.0	3.0	3.0	0.3	0.3	0.3
GDRP (Billion Rp)	24,520.2	27,730.3	31,573.9	149,792.0	166,868.0	176,440.0
Local Budget (Billion Rp)	1,337.9	1,375.5	1,425.0	2,317.9	2,599.8	3,245.0
Personnel Expenditure (Billion Rp)	49.8	52.2	56.9	229.8	286.3	335.7
No. of Government officials (thousand)*	17.9	18.1	n.a	21.3	18.2	n.a

*Number of Surabaya's officials consists of Government's officials (PNS) and part-time officials.

Source: District of Malang in Figures, and City of Surabaya in Figures, various years, BPS.

Table 3: Profile of Jeneponto District and Makassar

Indicator	District of Jeneponto			Makassar		
	2008	2009	2010	2008	2009	2010
Population (thousand)	332.3	334.2	342.8	1253.7	1,272.3	1,336.7
Area (thousand squared KM)	0.8	0.8	0.8	0.2	0.2	0.2
GDRP (Billion Rp)	1,560.0	1,872.8	2,136.5	26,068.2	27,058.0	27,430.0
Local Budget (Billion Rp)	469.0	483.5	443.6	1,010.0	1,117.0	1,293.0
Personnel Expenditure (Billion Rp)	39.8	40.3	46.5	94.7	131.4	145.7
No. of Government officials (thousand)	5.3	5.8	NA	12.5	14.8	NA

Source: District of Jeneponto in Figures, and City of Makassar in Figures, various years, BPS.

Table 4: Profile of Lombok Barat District and Lombok Timur District

Indicator	District of Lombok Barat			District of Lombok Timur		
	2008	2009	2010	2008	2009	2010
Population (thousand)	603.2	611.7	599.6	1081.6	1096.2	1105.7
Area (thousand squared KM)	1.6	1.6	1.6	1.6	1.6	1.6
GDRP (Billion Rp)	3,127.0	3,785.9	3,851.9	4,879.7	5,102.1	5,511.5
Local Budget (Billion Rp)	656.9	477.8	611.0	774.8	782.0	894.0
Personnel Expenditure (Billion Rp)	17.5	20.8	17.4	25.8	29.3	20.7
No. of Government officials (thousand)	5.9	6.2	NA	12.6	12.8	NA

Source: *District of Lombok Barat in Figures and District of Lombok Timur in Figures, various years, BPS.*

II. DECENTRALIZATION POLICY AND ITS IMPLEMENTATION IN INDONESIA

Summary

As a result of decentralization policy, some of government function has been transferred to local government. Six government functions are not shared with local government and are the absolute domain of central government. These six function are: 1) State security, 2) Defense, 3) Foreign policy, 4) Monetary and fiscal policy, 5) Religious issues and 6) Law. Thirty two functions are shared among governments, 31 are stipulated in government regulation no. 38 year 2007 and 1 function is stipulated in government regulation no. 25 year 2007. Twenty seven out of 32 functions are obligatory function, and the other five functions are optional.

Following the enactment of decentralization laws, the government issued the detail of scope and responsibility of government, provinces and districts. When the government revised the decentralization law no. 22 year 1999 with the new one law no. 32 year 2004, scope and responsibility of government also change. The new regulation, Government Regulation No. 38 year 2007, now has a more prescriptive list of the responsibility of local government compared to the previous one⁷.

The central government assigns itself a closed list of function that is not shared with other provincial and district governments. In total there are six functions that are exclusively assigned to central government: 1) State security, 2) Defense, 3) Foreign policy, 4) Monetary and fiscal policy, 5) Religious issues and 6) Law.⁸ In local government circle this six responsibilities are *absolute* responsibilities of central government. This responsibility is not

⁷

Previous regulation, Government Regulation No 25 year 2000, lists explicitly the scope and responsibility of provincial government, while there is no positive list for the district government. Consequently, we should draw inference from stipulation law 22 year 1999 that said the responsibility of district governments should not contradict with the responsibility of central government and that of provincial governments.

⁸

The stipulation is in article 10 para 3 of Law No.33 Year 2004 on Local Government.

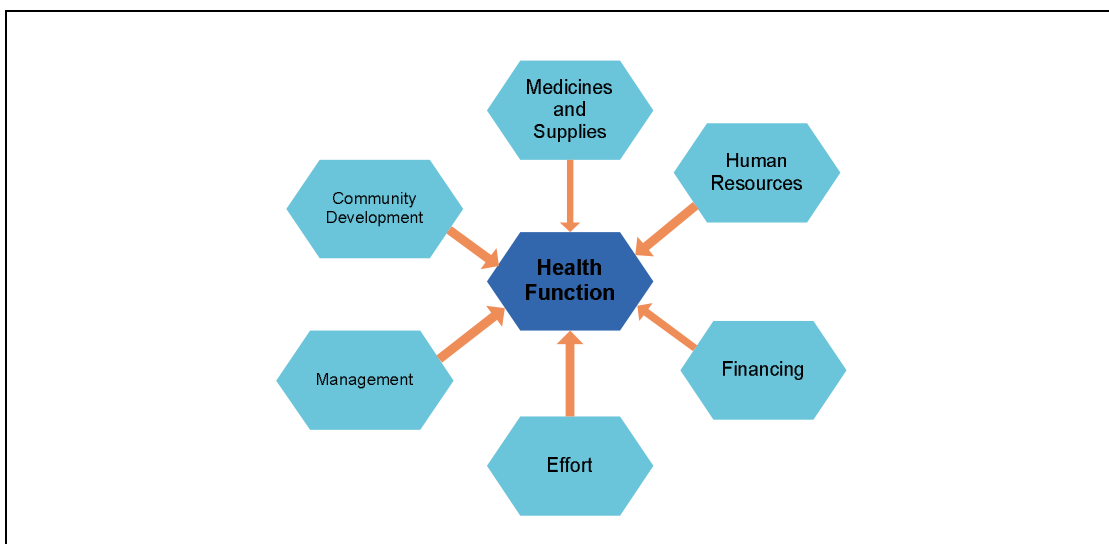
shared with other level of governments.

The shared functions that are stipulated in Government Regulation No. 38 Year 2007 in total accounted to 31. In contrast to the one assigned to central government, all functions listed in this regulation are shared among level of governments. As the main locus of decentralization is in district governments, this government regulation stipulates the role played by local government in a more detail way. In addition there another function, investment, that is also shared among level of government but beyond the scope of this regulation⁹. The list of all 31 functions that is shared among level of governments is provided in appendix A-7.

Among the 31 functions, three district offices or *dinas* manage four functions that absorbs the majority of local government funds. These three *dinas* are Education, Health and Public Works. Public Work Dinas responsible for two functions namely Public Works and Spatial Planning¹⁰.

There are six groups of sub-function in health that the central government shares its responsibility with provincial and district government. These groups of function are: 1) Health effort, 2) health financing, 3) human resources, 4) Medicine and supplies, 5) Community participation in health, and 6) Health management. The summary of health function is given in Figure 3.

Figure 3: Health Functions Shared to Local Governments



Source: Government Regulation No. 38 Year 2007.

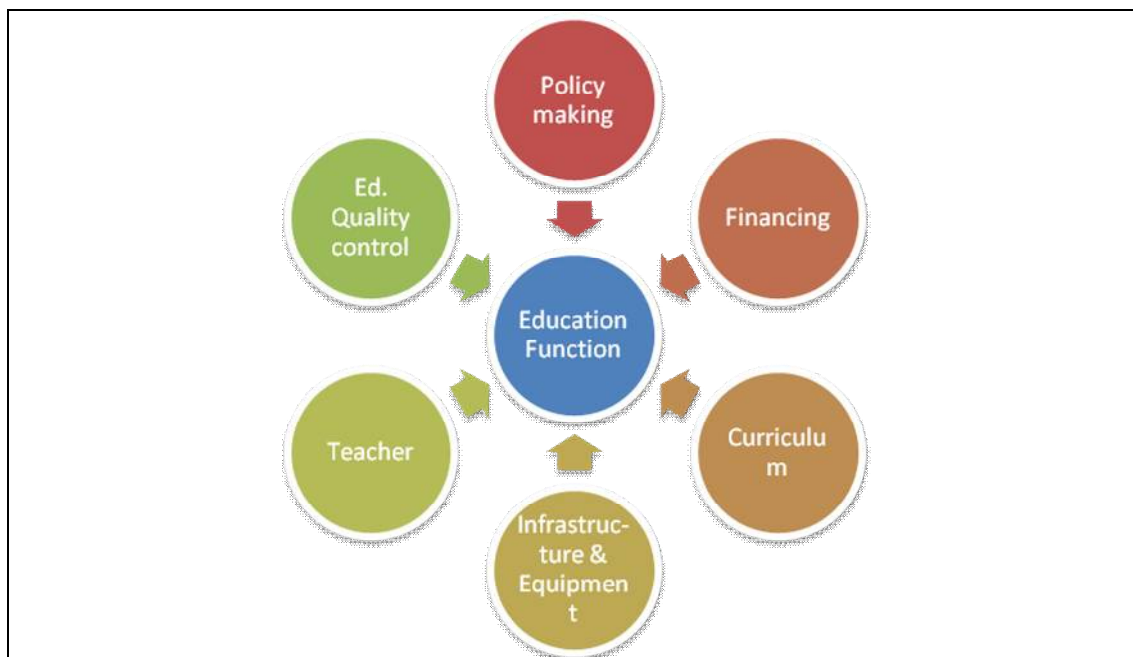
⁹ Investment function is stipulated in Law no. 25 year 2007 on Investment.

¹⁰ Even if the *dinas* that responsible for these two function may vary from district to district, Public Work Dinas is the most common one.

There are also six groups of sub-function in education that the central government shares its responsibility with provincial and district government. These groups of function are: 1) Policy making, 2) Financing, 3) Curriculum, 4) Education infrastructure and equipment, 5) Teacher and education staff, and 6) Education quality control.

There are again six groups of sub-function in infrastructure development that the central government shares its responsibility with provincial and district government. These groups of function are: 1) water resources, 2) Highway construction and maintenance, 3) Urban and rural village, 4) Drinking water, 5) Waste water, and 6) Waste management. If we look in a more detail way the sub-functions assigned for public work encompassing the policy making to implementation and evaluation. The structure of group of sub-function is in sharp contrast with the one in health or education.

Figure 4: Education Functions Shared to Local Governments



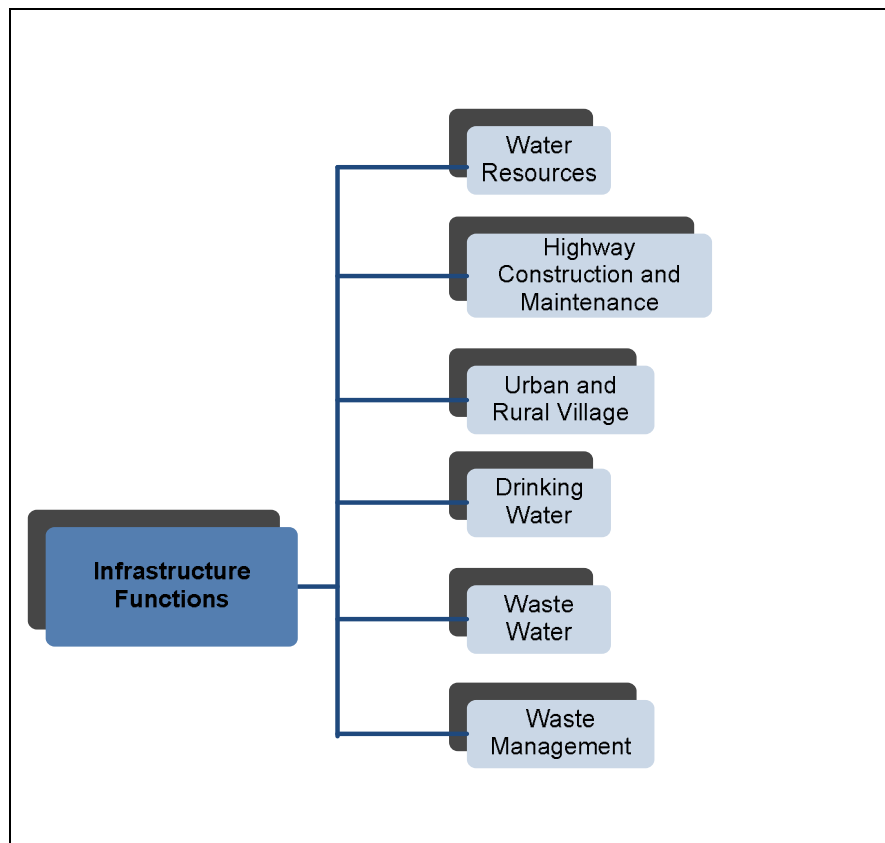
Source: Government Regulation No. 38 Year 2007

Among the six sub-function in in the domain of infrastructure, only Highway construction and maintenance and Urban and rural village development that are in the domain of public work. In the domain of water resources district government usually engage in licensing scheme. Drinking water business goes to PDAM or District Water Company. Waste water and waste management is usually managed by a special unit within district government apart from Public Work Dinas.

If we look on the detail of function and sub-function, the transfer of responsibility is based on sectoral division of labor of government. This way, the poverty issue is implicit in the task as a receivers or actors within the function. In case for Health for example, we could say

that poverty issues arise when the poor have to access the health facility. The poor here are the receiver of the service. In the case of spatial planning for example, does the city provide special lot where the poor could do business without worry of harassment from *Polisi Pamong Praja*¹¹.

Figure 5: Infrastructure Functions Shared to Local Governments



Source: Government Regulation No. 38 Year 2007.

Twenty six out of 31 functions that are shared to local governments, both provincial and district, are called **obligatory functions**¹². In addition there is investment function that is also part of obligatory function. So in total there are 27 government functions that are considered obligatory function. The rest of functions are called optional function. The government regulates that for all obligatory functions the central government will provide minimum service standard (MSS).

¹¹ A special force within district government that has role to enforce district regulation.

¹² Five functions that are optional to local governments to engage in are kelautan dan perikanan (fishery); pertanian (agriculture); kehutanan (Forestry); energi dan sumber daya mineral (Energy and natural resources); pariwisata (tourism);

A. Minimum Service Standard

Summary

Four MSS functions that absorb the most of district government funds have been issued by the responsible ministries: MOH, MONE and MPW. In addition there are 11 other functions for which MSS have been created. All these MSS but two, public work and spatial planning, have not been systematically included in the planning documents (RPJMD) as is required by law. Though, the respondents say that they are already included in annual planning process that lead to district budget. Further inquiries revealed that there is no systematic cost calculation has been done to reveal the cost of meeting each MSS in districts visited. This revelation shows that MSS is actually is not fully integrated even in annual planning.

According to Law no. 32 year 2004 and its derivative regulation Government Regulation no. 65 year 2005, every obligatory function will be accompanied by MSS. The stipulation clearly stated that MSS is a minimum level of obligatory services/functions provided by local government that every individual should get. Provision of services below this standard is unacceptable. The government coins a new term for this minimum level obligatory function as *pelayanan dasar* or basic services.

This core services is designed by ministry that responsible for the decentralized function. So, the design of health function MSS is the responsibility of Ministry of Health. Similarly for education function by Ministry of National Education (MONE). This MSS is dynamic and subject to regular revisions/updating. Graphical representation of all relevant services is provided in Figure 9.

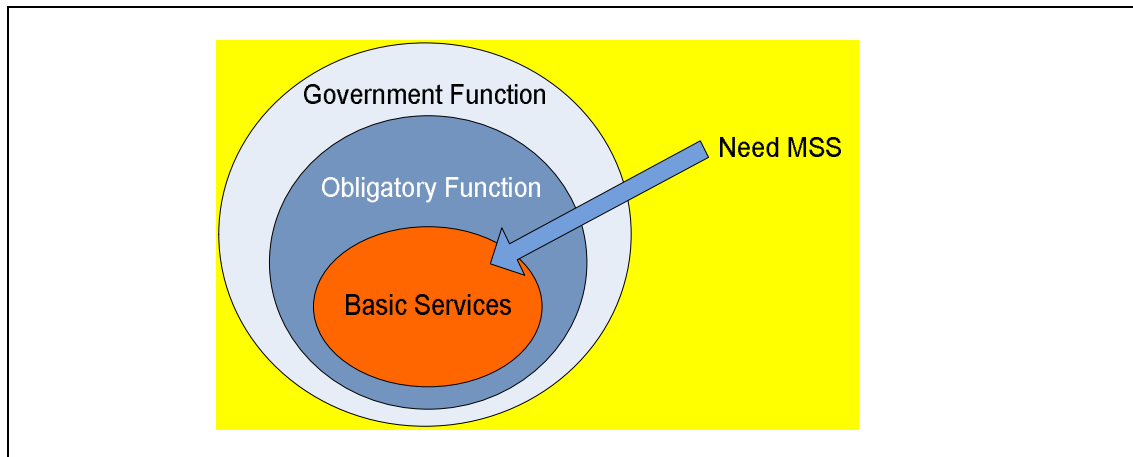
Central government issues Minimum Service Standard (MSS) for core local government services as part of “contract arrangement” on decentralization with local governments.¹³

Essentially the core services from all obligatory function that has been decentralized should have MSS. But, out of 27 functions¹⁴ of district government that are listed in Government Regulation No. 38 Year 2007, only 15 functions that already has its MSS been finalized. Four functions that absorb the majority of local government funds, Education, Health, Public Works and Spatial Planning, its MSS are already updated in accordance with Government Regulation No.38 Year 2007. List of 15 functions that has been finalized is provided in Table 5.

¹³ In article 11 paragraph 4 the government stipulated that obligatory function will be accompanied with Minimum Service Standard. This is implicitly saying that: you will responsible for delivering obligatory function and at minimum level you have to meet MSS.

¹⁴ We use the word function as a translation for *Urusan* that is used in the regulation.

Figure 6: Decentralized Government Function, Obligatory Function and Basic Function



Source: Government Regulation No. 65 Year 2005 on SPM Design

As for education, the Government of Indonesia (GOI) has issued a new set of minimum service standard (MSS) for primary education in July 2010 through Ministry of National Education Regulation. This new regulation supersedes previous regulation on minimum service standard dated 2004, albeit only for primary education. Minimum service standard for senior secondary school still uses the 2004 ministerial regulation¹⁵. Presently, Ministry of National Education (MONE) is revising the minimum service standard for senior secondary schools.

Table 5: List of Finalized MSS for Decentralized Government Function as of June 2011

Function	Function
1. Education	10. Social
2. Health	11. Manpower and Transmigration
3. Public Work	12. Culture and Tourism
4. Housing	13. Regional Autonomy, Government, Local Finance Administration, Local units, officials, and codes.
5. Spatial Planning	14. Communication and Information System
6. Environment	15. Agriculture and Food Security
7. Population and Civil Registration	
8. Women and Empowerment and Children Protection	
9. Family Planning	

Source: *Himpunan Produk Hukum Standar Pelayanan Minimum (SPM), Book 1 & 2, MOHA, 2011.*

¹⁵ Prior to 2010, Ministry of Education has released its Decree No. 129a Year 2004 on Minimum Service Standard for Education. Issuance of a new decree in 2010 applies only to primary education, so MSS for senior secondary schools still follow the old version.

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Many districts still use the 2004 education minimum service standard regulation in planning the budget 2011. Despite the positive answer for complying with minimum service standard in education, a more in-depth inquiry reveals that they use the old version of MSS for education. While, actually the central government have already issued a new MSS for education in 2010¹⁷. Of eight districts visited, all of them still use the old version education MSS for planning and budgeting purpose even for primary education. This means that the new regulation does not yet implemented a year after its enactment.

Ministry of Health has issued a new MSS in 2008 through Ministerial Regulation No. 741 Year 2008¹⁸. There are some significant changes in the new regulation from the previous one¹⁹. One notable change that directly visible is the massive reduction of items included in the MSS from 54 indicators in the old MSS down to 18 indicators in the new one. This reduction is mainly due to redefinition of communicable diseases. The new MSS introduces *Desa Siaga* as one of the responsibility of local government²⁰. Most of health MSS target is similar to *Renstra* target. All District Health Office (*dinas*) visited, four in total, has indicated that they already comply with the latest health MSS.

Ministry of Public Work has issued a new MSS covering two functions that has been decentralized through Ministerial Regulation No. 14 Year 2010. This regulation is for public

¹⁶ Prior to 2010, Ministry of Education has released its Decree No. 129a Year 2004 on Minimum Service Standard for Education. Issuance of a new decree in 2010 applies only to primary education, so MSS for senior secondary schools still follow the old version.

¹⁷ Ministry of Education Decree No. 15 Year 2010 on Minimum Service Standard for Primary Education in Districts.

¹⁸ Ministry of Health Regulation No. 741/MENKES/PER/VII/2008 on Minimum Service Standard on Health for District Government.

¹⁹ Ministry of Health Regulation No. 1457/MENKES/PER/X/2003 on Minimum Service Standard on Health for District Government.

²⁰ *Desa Siaga* is a nationally initiated program before it becomes part of MSS. The main concept in *Desa Siaga* is the high participation of community in the health related intervention, especially in helping people in community to get treatment. For example if there is a pregnant woman that need emergency treatment, people in the community, *desa* or *RW* (community neighborhood) in urban areas, knows who should be contacted. The action includes for example as simple as providing contact number of the nearest midwives to the provision of private car that could be used by community in case of emergency situation arrives. This is a community driven action for their own benefit. No government participation in this effort.

works and for spatial planning, a separate function stipulated in Government Regulation No. 38 Year 2007. The enactment of this ministerial regulation was already at the end of 2010 (December), so the inclusion of this MSS in 2011 budget is almost impossible. This is because in December, budget for the coming year is usually already finalized. The only action needed to execute the new budget proposal is the approval from local council.

Compliance with MSS does not mean that local government has already link its target with budget preparation. One out of four districts explicitly said that they do not use MSS for calculating of budget needs²¹. This is problematic because without knowing the cost consequence of MSS, its target is difficult to achieve.

Province government could create standard that applicable only in its region. We found that only West Nusa Tenggara Province has created a MSS derivative regulation at provincial level that is MSS regulation in health. This regulation is enacted as *Pergub* (Governor Regulation) No. 6 Year 2009²².

B. Health Related Decentralization Issues

Summary

Health services are one of most demanded services of district government. Steady price increase has also impacted the cost of health services. In effect, the tension of costly health service for the majority of people has seep into policy. Central government, back-up by local government creates various policy action and programs to reduce the burden of the poor from health related issues. The central government initiatives of Jamkesmas, Jampersal and BOK fund is elaborated. In addition some local initiatives to complement central government's one is explained.

Central government runs several initiatives to handle health issues for the poor. One of the initiatives is Jamkesmas (*Jaminan Kesehatan Masyarakat* – Health Insurance Scheme for the poor). This program is the latest development of the government initiative to provide free health service to the poor. The fund is managed by a special committee set up by Ministry of

²¹ The four districts visited for health issues are districts of Lombok Barat and Lombok Timur in West Nusa Tenggara Province and districts of Surabaya and Malang in East Java Province. The only district that positively said no MSS cost calculation in budget preparation is District of Lombok Timur.

²² West Nusa Tenggara Province develops its regulation based on district level health MSS that has been set by Ministry of Health. According to the Law No. 32 Year 2004 and Government Regulation No.65 Year 2005, MSS is set by central government. Provincial government could create its own standard that has a limited implementation area within own province. But it cannot label it as MSS, because MSS belong to central government. Even if the regulation is a minimum standard applied to a province, the name should not use the term minimum. Instead province could use, in this instance, Health standard of West Nusa Tenggara Province. This stipulation is made to prevent, as in previous MSS regulation, that provincial governments and district governments have to create various version of MSS in order to be implemented in district. The regulation do demand district government set an action plan to achieve the MSS within the limit set in the MSS regulation.

Health. The government allocated a certain amount of fund for every Community Health Service Center (Puskesmas) based on the number of poor people enlisted in the Puskesmas captive area.²³

Jamkesmas is a national scheme of health service for the poor. In general, the program aims to improve optimal health service access and quality effectively and efficiently. Specifically, the program aims to widen the coverage of health service for the poor, to increase the quality of health service for the poor, and to implement an accountable and transparent financial management.

The Ministry of Health establishes the number of the poor based on the social protection program survey in 2008 (*Pendataan Program Perlindungan Sosial/ 2008*).²⁴ The number of target is 76.4 million of the poor or 19.1 million poor households in Indonesia. The number has not changed since the establishment of the program. However, the criterion of participants has changed as in Table 6.

Table 6: The Jamkesmas Participants

2008	2009	2010	2011
The poor according to PPLS 2008	<ul style="list-style-type: none"> Existing Jamkesmas participants listed in the database Pregnant women, pre and post natal women, babies, and infant Family Centered Integrated Social Assistance (Program <i>Keluarga Harapan/PKH</i>), beggars, homeless and abandoned children recommended by <i>Social Office</i> or similar institutions in the districts 	<ul style="list-style-type: none"> Existing Jamkesmas participants from previous year Babies born by spouse whose participants of Jamkesmas The poor being prisoned or jailed with recommendation from the head of the institution The poor in social rehabilitation center with the decree of the head of institution/ Head of Social Office 	<ul style="list-style-type: none"> <i>Jamkesmas</i> participants <i>Jampersal</i> participants Major Thalassemia participants

Source: *Guidances on Jamkesmas Implementation various years, Ministry of Health.*

The participant of Jamkesmas is entitled to health services such as inpatient, outpatient, and emergency health service. The service is provided following level of reference from the

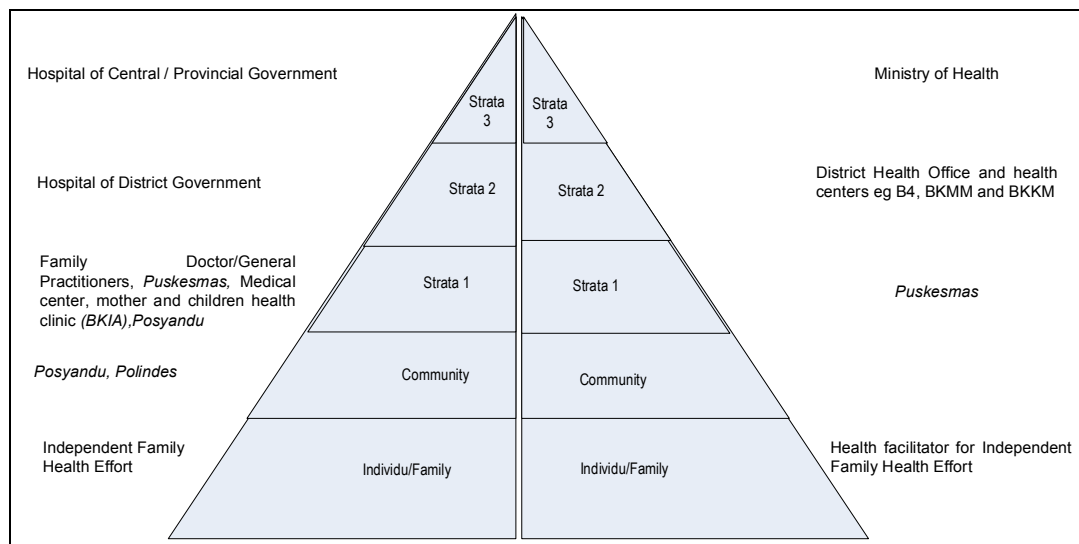
²³ Per capita allocation is used until 2010. Starting in 2011, Jamkesmas will use a reimbursemant plan.

²⁴ Previous survey by BPS is in 2006 and is used prior 2008. The 2008 survey is used to update the poor from 2006.

determined health service provider (*Pemberi Pelayanan Kesehatan* -PPK) or hospitals.²⁵ The health service by Jamkesmas is divided into basic health service and referral health services in hospitals and health treatment center (*balai kesehatan*).²⁶ The map of health referral system in Indonesia is provided in **Figure 4**.

Basic health service in Indonesia is delivered in puskesmas (*Pusat Kesehatan Masyarakat* - community health center). Puskesmas is located in sub district with approximately 30,000 people. It is possible to have more than one puskesmas in 1 sub-district after considering population density, size of area, geographical condition, and infrastructures. Within Puskesmas responsibility we may find sub-health center (*Puskesmas Pembantu/Pustu*), mobile health center (*Puskesmas Keliling/Pusling*), and village mid wife (*Bidan Desa/Komunitas*).

Figure 7: Community Referral Hierarchy



Source: Decree of Ministry of Health No.128 Year 2004.

In addition, Puskesmas also provides personnel back up for community. It acts as an escort to the unit of community based health effort unit (*Upaya Kesehatan Berbasis Masyarakat/ UKBM*) such as *Posyandu*, *Polindes*, *Poskesdes*, *Pos Obat Desa*, dan UKK. The existence of UKBM in a village is needed for a village classified as *Desa Siaga*²⁷. *Desa Siaga* moves to a

²⁵ The health service providers are Puskesmas and hospitals or other treatment center.

²⁶ Regulation of Ministry of Health No.340/2010 about Hospital Classifications classifies hospitals into A, B, C and D. The classification is based on the facilities and service capability.

²⁷ According to Ministry of Health Regulation No.564 Year 2006, a village classified as *Desa Siaga* indicates that the people have resources, get ready and willing to avoid and solve health problems, disasters, and emergency condition independently.

higher level called active *Desa Siaga* when a village has ADD.²⁸ Comparison between *Desa Siaga* and active *Desa Siaga* is provided in **Table 7**.

Table 7: Criteria for Standby village and Active Standby Village

<i>Desa Siaga</i>	<i>Active Desa Siaga</i>
<ul style="list-style-type: none"> • Availability of minimum one <i>Poskesdes</i> 	<ul style="list-style-type: none"> • Availability of active Village/Urban Village Forum (Forum Desa/Kelurahan) • Availability of community empowerment trainee • Ease access to basic health service for community • Availability of UKBM for surveillance, health disaster and emergency, environment well being • Active <i>Desa Siaga</i> development fund allocation in Village/Urban Village Development Budget (<i>Anggaran Pembangunan Desa/Kelurahan</i>) • Active participation of community and public organization in health sector • Regulation in village/urban village level in developing <i>Active Desa Siaga</i> • Impartation of health and clean living behavior (<i>Perilaku Hidup Bersih dan Sehat</i>)
	The levels of <i>Active Desa Siaga</i> are First Liner (Pratama), Medium (Madya), Independent (Mandiri)

Notes: *Desa Siaga* in DKI Jakarta Province is known as RW *Siaga* (community neighborhood).

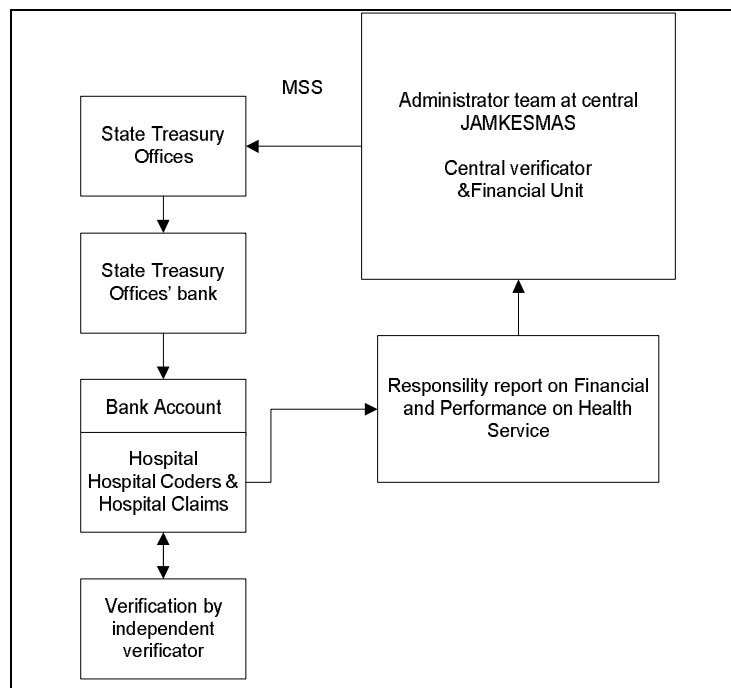
Jamkesmas is financed by central government budget for social assistance. The fund is directly transferred to the bank account of state treasury office KPPN (*Kantor Pelayanan dan Perbendaharaan Negara*) to the account of health service provider for hospitals or post office to Puskesmas. See Figure 5 for reference.

The district government contributes to the Jamkesmas through regional health service for the poor (*Jaminan Kesehatan Masyarakat Daerah/Jamkesmasda*). In this scheme, the government is responsible for health service for the poor uncovered by Jamkesmas. Thus, both province and district government share responsibilities to pay the claim out of Jamkesmas package, transportation for the patients and companion, accommodation, and shortage on Puskesmas operating cost.²⁹

²⁸ Ministry of Health Decree No.1546 Year 2010 about General Guidance on Development of Active Village and Urban Village.

²⁹ Is mentioned in Guidance of Jamkesmas Implementation

Figure 8: Flow of Claim procedure on Jamkesmas



Source: www.depkes.go.id, accessed on July 12, 2011.

Another Central Government initiative is Jampersal (*Jaminan Persalinan* – Child birth insurance scheme). This scheme provides free delivery in Puskesmas, for the community without any income level restriction. It also provides free delivery in class C hospital as long as the mother obtains referral from Puskesmas. Usually referral is issued by Puskesmas for pregnancy with complication. Child Birth Insurance Scheme (*Jaminan Persalinan*/Jampersal) is integrated with Jamkesmas.

The program is financed by central budget and managed in part of basic health provision in Jamkesmas. Budget allocation per district is calculated using an estimator of pregnant woman provided by district times the unit cost of first level maternity service.³⁰ However, the Jamkesmas management team in central level can adjust the budget by reallocating budget among districts.

Another policy that handles health issues is the creation of BOK (*Bantuan Operasional Kesehatan*) that starts in 2010³¹. This is a central government fund allocated by MOH to assist local government in the provision of health service at MSS level to achieve MDG's target. The BOK fund is provided directly to Puskemas for health promotion and preventive

³⁰ There are two levels of maternity service. The first level covering normal (low risk) delivery. The second level covering high risk delivery.

³¹ Ministry of Health Decree No. 551 Year 2010 on BOK Fund Receiver in District Government for 2010 Financial Year.

health service³². In 2010, the BOK fund allocated to *Puskesmas* is part of social assistance expenditure in the central government budget.

BOK fund is dedicated to finance health preventive activities. The activities are part of health effort in Posyandu and Poskesdes. The fund is provided to fasten a district in obtaining the SPM target.³³ Table 8 provides a summary of activities that can use BOK fund.

The amount of BOK for a Puskesmas is estimated from the number of population, size of area, geographic condition, program coverage, number of health officers in Puskesmas, and specific condition by District Health Office.³⁴

Table 8: Activities Funded by BOK

No	Health Effort	Activities
1	Health effort in Puskesmas	• Mother and Children health (including family planning)
		• Immunization
		• Community health improvement
		• Health promotion
		• Environmental health
		• Disease control
2	Health Service Supporting	• Communication materials
		• Health facilitator refreshment
		• Cross sector coordination/community prominent figures/religious figures/health facilitators
		• Posyandu and Poskesdes operation
3	Puskesmas managerial conduct	• Planning in Puskesmas level
		• Mini workshop of Puskesmas
		• Evaluation of Puskesmas activities performance
4	Minor maintenance	• To increase the services by Puskesmas and its network

Source: ¹ Ministry of Health Decree No. 210 Year 2011 on Technical Guidance on Health Support.

Jamkesda is a similar scheme of Jamkesmas but funded by Provincial Governments and/or District Governments³⁵. This is a complementary fund to Jamkesmas. In all districts and provinces visited, this fund is provided to persons that do not entitle to Jamkesmas. In principles, if all level of governments provides the fund, every individual could only tap one source.

³² Puskesmas includes Pustu, Posyandu and Poskesdes that is in the responsibility of pukesmas.

³³ Ministry of Health Decree No. 210 Year 2011 on Technical Guidances on Health Support.

³⁴ Ministry of Health Regulation No.210/2011 about Technical Guidance of Health Operational Assistance (*Bantuan Operasional Kesehatan/BOK*)

³⁵ The title of the program in local government is not necessarily Jamkesmasda. In East Java and Nusa Tenggara barat provinces the name of the fund originated from provincial district is Jamkesmasda. But the same fund in district of Surabaya is named *Jamkesmas Non Quota*. In Malang District the name is *Jamkesda*. In Lombok Barat the name is *Jaminan Kesehatan Lombok Barat*.

In addition to poor people, East Java Province prepares additional fund for near poor people. While it is true that all four provinces provide fund for the poor, only East Java Province goes a step further by also covering non poor people. This non poor people are known as *Sadikin (Sakit Sedikit Jadi Miskin)* or the person becoming poor because of sickness. A large number of Sadikin cases causes increasing budget required for the program. In total the number of people that is estimated to receive Jamkesmas non quota is approximately 1.4 million in 2010 funded by 170 trillion rupiah. However, by increasing number of claim until April 2010, it is estimated that the claim will reach 190 trillion rupiah in 2011.

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The province and district government share the financing of Jamkesda, Jamkesda non-quota and other financial assistances through regional budget. Thus, the scheme of these programs is quite similar with DAK in a sense limited discretion is applied to the fund.

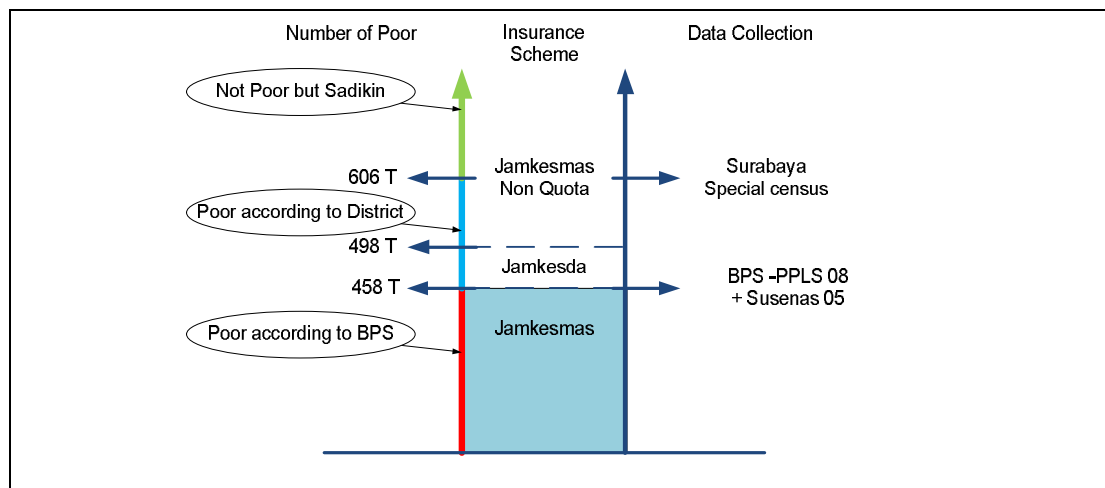
Initiated in East Java a special program that benefits for poor people is the provision of financial assistance for programs specific to the Governor's icon in health sector, i.e. to increase the number of Polindes to Ponkesdes up to 8,000 units during 2010-2013. The province provides money to the regency/municipality to buy medical equipment and pay half of the nurses' wage needed to upgrade Polindes to Poskesdes. Other financial assistance is to upgrade Puskesmas into standard Puskesmas and Puskesmas Plus. Financial assistance is provided to buy medical equipment and pay at least one child specialist, obstetrician and genealogist assigned in a Puskesmas.

BOX 2

Surabaya: JAMKESMAS Vs JAMKESMASDA

Since 2008 GOI has implemented a new insurance scheme for the poor called JAMKESMAS. This policy is continuation of previous scheme called ASKESKIN (*Asuransi Kesehatan untuk Orang Miskin* – Health Insurance for the Poor). Following the data collection of the poor by BPS - PPLS 08 (*Pendataan Program Perlindungan Sosial* 2008) GOI have a data base of the poor. MOH, based on the same database, allocates the number of poor entitle to jamkesmas. But the database was problematic, because many people that should get jamkesmas are not listed, and the other way round. As a complementary measure, Surabaya district government initiated a new data collection, but with more poverty indicators included. This measure produces two things, the number of poor is increase and the data is local, though East Java Province acknowledges it.

Figure 6: Classification of Poor and Entitlement of Health Insurance Scheme in Surabaya, 2011



Source: LPEM, Based on Data from PowerPoint presentation of Bappeda Head of District Surabaya, 2011.

Despite much dissatisfaction on data quality, Central government uses the BPS data as a basis for district Jamkesmas allocation nationwide. On top of that, the Surabaya district government allocate additional fund to cover the increase in the number of poor. Commonly called Jamkesmasda in other districts, in Surabaya it has a unique name called *Jamkesmas Non Quota*. In addition province allocate fund (*Jamkesda*) to District of Surabaya to partially cover the poor according to district. The number of poor entitled for Jamkesmas is 458 thousands; for Jamkesda is 40 thousands (based on MOU between Province and districts, and for jamkesmas non quota is practically unlimited. But the number of poor according to district, own data collection, is 606 thousands.

Table 9 : Jamkesmas Entitlement and Health Facility they could access

Type of Jamkesmas	Type of Health Facility	Notes
Jamkesmas	Puskesmas, Hospital class A-D	
Jamkesda	Hospital class A-B	Puskesmas and Hospital class C-D will be paid by district of Surabaya using Jamkesmas non quota.
Jamkesmas Non Quota	Puskesmas, Hospital class A-D	See notes above, and Including SADIKIN

Source: Interview with Surabaya District Health official, 2011.

Health insurance scheme for the poor use various financing scheme depending on poor classification. If the poor are registered in the national database, they entitle Jamkesmas paid from APBN. If the poor are registered in the province database, they entitle Jamkesda and paid from Province APBD for hospital reference in class A and B only. Jamkesda card holder still have to go to Puskesmas and class C and D hospital on reference and paid from District APBD. If the poor are registered in the District database, they entitle Jamkesmas Non Quota and paid from district APBD. *Sadikin* is a special kind of poor. Person with near poor, when circumstances happened and they cannot afford to pay the hospital bill, they could apply poor certificate. This certificate is issued by village head. As long as they got this certificate, they entitled *Jjamkesmas non quota* even if they are not listed as poor person. The summary of Jamkesmas entitlement is given in the table above.

The East Java government expects to establish an institution for health service coordination in all regency/municipality in East Java namely *Badan Jaminan Asuransi Kesehatan Daerah* (BJKAD). The board will serve function to provide minimum quality standard and kinds of health services despite various conditions of regional finance and regulation among regions after decentralization. This plan is still in early discussion.

Transformation of *Desa Siaga* into a higher level of Active *Desa Siaga* includes the disbursement of ADD fund to village.³⁶ This new requirement create problem in local government. Some villages that already classified Active *Desa Siaga* now fail to meet the new requirement. To cope with this problem East Java government has established a new way of classification village called *Program Bina Desa* and is aimed to improve the health level condition in villages. The level is categorized into *Desa Bina*, *Desa Tumbuh*, *Desa Kembang*, *Desa Mandiri*. The program is a synergy with *Desa Siaga* program from Ministry of Health started in 2007. Of 8,000 villages in East Java in 2011, about 99% is *Desa Siaga* and 70% is classified as Active *Desa Siaga*.

³⁶ MOU between MOH and MOHA.

The number of the poor in City of Surabaya is 13.39% of total population or 362,908 persons according to BPS. The number is one and half times higher according to *Badan Pemberdayaan Masyarakat dan Keluarga Berencana* (BPMKB) survey. It is 606 thousand persons consisting of 6% of the very poor; 52% of the poor and 42% of the almost poor. Poverty alleviation programs in City of Surabaya can be seen in Appendix A-2.

The proportion of health financing for the poor in City of Surabaya by Jamkesmas has always been lower than that of non-quota Jamkesmas since 2008 (Table 3.1). In 2008, the Jamkesmas paid for 433.26 million rupiah. The amount increases by less than one percent in 2010. On the other hand, non-quota Jamkesmas paid for 627.12 million rupiah. The contribution increases more than actual in 2010.

Table 10: Contribution of Jamkesmas and Jamkesmas Non Quota for the Poor in Surabaya (Million Rupiah)

Realization	2008	2009	2010
Jamkesmas	433.26	4,521.75	3,825.39
Jamkesda	n.a	n.a	n.a
Jamkesmas Non Quota	627.12	20,005.87	22,349.26

Source: Health Officials, City of Surabaya.

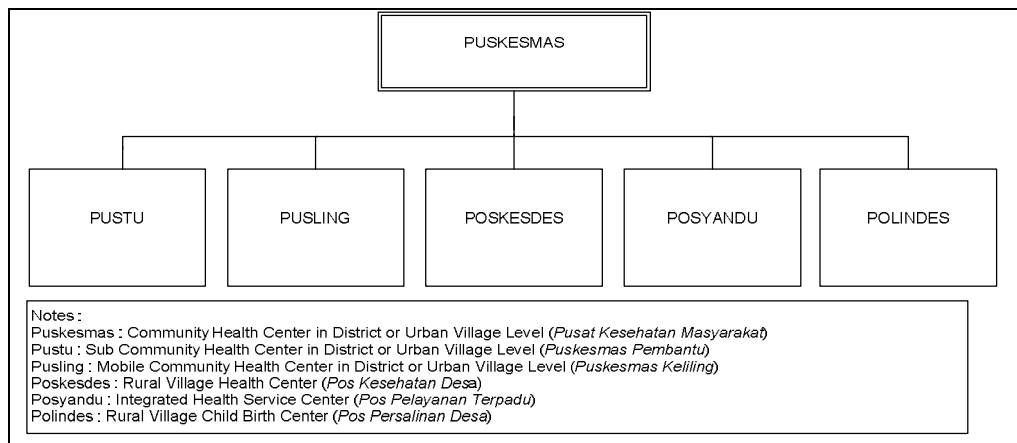
The City of Surabaya has improvement in its overall performance of minimal service standard of health sector in 2010. Its performance in obtaining the standard, together with other cities such as Madiun and Malang, is the highest in East Java (see Appendix A-3).

In West Nusa Tenggara province Jamkesmas from central government is not covered all targeted households (RTS/ *Rumah Tangga Sasaran*). There are three kinds of Jamskesmas in NTB, i.e. Jamkesmas, Jamkesmasda dan Jamkesmas Kabupaten/Kota. Province government provides Jamkesmasda for RTS who are not covered by Jamkesmas and District of Lombok Barat government provides Jamkesmas Lombok Barat for RTS who are not covered by Jamkesmas and Jamkesmasda. Budget for Jamkesmasda are from APBD Provinsi and Jamkesmas Kabupaten Lombok Barat are from APBD Kabupaten. Jamkesmas is not covered all RTS because quota and data collecting problem. There is a difference service between Jamkesmas and District Jamkesmasda/Jamkesmas, Jamkesmas can make recommendation to Jakarta, while District Jamkesmasda just can make recommendation to RS (hospital) Sanglah in Denpasar Bali due to there is no RS Type A in NTB. RS Sanglah in Denpasar Bali is Type A hospital. Local government has to make contract with this RS.

Some people in Lombok Barat do not know that Jampersal (*jaminan persalinan*) does not cover cost for normal childbirth in hospital. Jampersal is implemented in Puskesmas. This service is given in hospital with referral from Community Health Center. For childbirth with problem, the mother can get Jampersal service in recommended hospital. However due to lack information, some asked Jampersal service in hospital for normal childbirth. Jampersal

is designed to help poor people who have some degree of complication during pregnancy and need extra care during childbirth. While normal childbirth could be executed in community health service, occasionally the pregnant women with normal pregnancy directly go to hospital, for normal childbirth. This normal childbirth is not covered by Jampersal.

Figure 9: The Hierarchy of Local Public Health Facilities



Source: *Indonesia's Health Profile, 2009*.

The preoccupation of local government with the provision of health service for the poor is clear. This is true because district government responsible to manage puskesmas and class C and D hospital. All this facilities, mainly used by the poor that could not pay for the facility, have to be managed and financed. Jamkesmas, jampersal, BOK and their local initiatives are the source of fund to cater the poor. The better of community usually do not use public facilities, but go to private provider.

Table 11: Number of Health Facilities in Bangka-Belitung Province and East Java Province

Indicator	Bangka District				Belitung District				Malang District				Surabaya District			
	2007	2008	2009	2010	2007	2008	2009	2010	2007	2008	2009	2010	2007	2008	2009	2010
Polindes	46	34	68	68	32	40	40	33	293	293	683	683	120	120	120	120
Posyandu	193	198	n.a	n.a	165	165	n.a	n.a	2,740	2,750	n.a	n.a	2,835	2,807	n.a	n.a
Puskesmas	11	11	11	11	9	9	9	9	38	39	39	39	54	50	54	53
Pustu	37	37	38	38	28	28	31	31	94	94	100	98	70	70	70	69

Source: www.bankdata.depkes.go.id, downloaded on July 10, 2011.

Table 12: Number of Health Facilities in West Nusa Tenggara Province and South Sulawesi Province

Indicator	Lombok Timur District				Lombok Barat District				Makassar District				Jeneponto District			
	2007	2008	2009	2010	2007	2008	2009	2010	2007	2008	2009	2010	2007	2008	2009	2010
Polindes	85	32	215	215	77	42	89	71	4	4	10	37	36	36	41	52
Posyandu	1,279	1,315	n.a	n.a	926	956	n.a	n.a	907	1,625	n.a	n.a	382	408	n.a	n.a
Puskesmas	29	29	29	29	19	19	14	15	36	37	37	37	16	17	17	17
Pustu	76	77	78	46	75	77	77	57	41	42	31	42	55	53	53	55

Source: www.bankdata.depkes.go.id, downloaded on July 10, 2011.

C. Education Related Decentralization Issues

Summary

District governments are responsible for the provision of primary and secondary education. Along with this responsibility, district governments have to bear the consequences of high proportion of its budget to pay salary for teacher. As a result local budget allocated to pay for infrastructure development and school operational cost is limited. The provision of BOS by central government to subsidy school operational cost reduces some of these burdens. Starting 2011 BOS fund is part of district budget (APBD) that is earmarked for school operational cost.

Lack of local government money has urged central government to finance the operational cost of school³⁷. This fund called *Bantuan Operasional Sekolah* (BOS) or subsidy for school operational cost. Starting 2011 financial year, GOI decides to put BOS fund as part of district budget. The intention is to make the distribution quicker and more responsive to change in local education situation. Previously, BOS fund was managed by MONE and distributed to school as a deconcentration fund through province.

Starting 2011 financial year, GOI decides to put BOS fund as part of district budget. The intention is to make the distribution quicker and more responsive to change in local education situation. Previously, BOS fund was managed by MONE and distributed to school as a deconcentration fund through province. This move is in line with the Grand Design of Decentralization in Indonesia that is to move away deconcentration fund that actually paying for services that already decentralized.

The distribution of BOS fund from district to schools is not as smooth as is expected. The delay may be due to learning curve, because of the first time BOS distributed through APBD. District of Surabaya blames the delay of BOS technical guidance as the culprit. Despite some irregularities district of Makassar manages to distribute BOS fund for the first quarter of 2011 by March.³⁸ The second installment already distributed on late April 2011. The delay in the first installment was due to administrative matters, because the city government has to make sure that the transfer to school is in line with Ministry of Home Affair (MOHA) regulation on budget disbursement.

District of Makassar manages to distribute BOS fund for the first quarter of 2011 by March. The second installment already distributed on late April 2011. The delay in the first installment was due to administrative matters, because the city government has to make

³⁷ This effort started as a scheme to reduce the impact of fuel price increase in 2004. It was managed directly by MONE.

³⁸ The distribution of BOS fund to school is on a quarterly basis.

sure that the transfer to school is in line with Ministry of Home Affair (MOHA) regulation on budget disbursement.

Since 2007 Makassar district government provides free education for the poor. All students in primary education have been freed from tuition fee. This is done by introducing BOSDA as part of free EFA Makassar district government. The BOSDA allocations for 2011 are IDR 48,000/student/year for SD, IDR 211,200/student/year. A separate fund also allocated for teachers and school personnel. In addition, for the poor the district government provides personal cost to poor students. The items provided to poor students include, for example, shoes, school uniform, text books, writing notes, ball point, and pencils.

Makassar district government provides goods to poor student through school instead of money. For this purpose the district provides list of schools where the poor could register and tap the goods provided by government. Until 2011, Makassar list 151 SD, 8 SMP and 2 SMA as the school that provides free education for the poor. The location of schools is at the poor concentration area to minimize transportation cost. The city government does not provide free school bus yet.

BOX 1

Education for All in South Sulawesi

South Sulawesi Province provides “free” education for its primary and secondary education. This policy is a fulfillment of the promise of the present South Sulawesi Governor during his election campaign to provide “*pendidikan gratis*”. As a result, public primary school in Makassar has been free from tuition fee since 2008. To realize its promise the provincial government has made an MOU with all district government in South Sulawesi to back-up its plan. As part of the MOU, the provincial government finance 40percent of the budget needed to provide access to school, the rest 60 percent is financed by district budget.

As a result, enrolment rate for primary education in the district of Makassar has exceeded 95 percent figure in 2010. Net enrolment rate for SD increase from 95.89 percent in 2007 and reach 98.27 percent in 2009. At the same period, net enrolment rate for SMP that was only 75.11 percent in 2007 rose to 93.2 percent in 2009. This figures show that universal education for primary education has been achieved in Makassar.

Table 13. Gross and Net Enrolment Rate for SD and SMP in Makassar District, 2007 – 2010

	2007	2008	2009	2010
SD Net enrolment rate	95.89	96.37	98.27	97.29
Gross enrolment rate	101.58	105.44	106.73	119.27
MP Net enrolment rate	75.11	78.52	93.20	94.16
Gross enrolment rate	76.64	80.12	98.80	99.07

Source: City of Makassar (2011), LAKIPPendidikan 2010; Enrolment rate data from www.psp.mendiknas.go.id, downloaded on July 12, 2011.

The gap between net enrolment rate and gross enrolment rate is widening during 2007 to 2009 in Makassar. The gross enrolment rate in education is the total enrolment at that education level, regardless of age, as a percentage of the official school age (7-12) population for that level. The ideal rate is a 100 percent, but rate greater than 100 can occur when there are high numbers of students in a level that does not officially correspond with the education level's age group. A high (greater than 100) gross enrolment rate may indicate that there is a spill-over of student from surrounding districts. But in this case the explanation may be due to free education for all (EFA). The net enrolment rate is the total enrolment of students of the required age group and as a percentage of total number of students in that age group. It was 6 percent difference in 2007 to 8.5 percent in 2009 for SD. A similar performance is also present in SMP when it was only 1.5 percent difference in 2007 and increase to 5.6 percent in 2009. While at the same period only a small fraction of student that did not pass the class exam, this increase in gap could only attributed to an increase in new school entrants due to free education.

In contrast, gross enrolment rate is stable both for SMA and SMK during 2007 – 2009 in Makassar, while Net enrolment rate is increasing. In 2007 gross enrolment rate for SMA was at 61.2 while in 2009 it was 61.23. A similar figure for SMK was 17.8 and 17.81 respectively for 2007 and 2009. Net enrolment rate for SMA in 2007 was at 53.9 and by 2009 it was already at 58.04, and for SMK the number are 15.68 and 16.88 respectively. In total both for SMA and SMK in 2009, gross enrolment rate stood at 79.04 percent and net enrolment rate at 74.92. This means around 25 percent of SMA cohort is still not in school.

Table 14: Gross and Net Enrolment Rate for SMA and SMK in Makassar District, 2007 – 2010

	2007	2008	2009	2010
SMA Net enrolment rate	53.90	54.05	58.04	58.17
Gross enrolment rate	61.20	61.22	61.23	61.69
SMK Net enrolment rate	15.68	15.72	16.88	16.92
Gross enrolment rate	17.80	17.80	17.81	17.93
Total Net enrolment rate	69.58	69.77	74.92	75.09
Gross enrolment rate	79.00	79.02	79.04	79.57

Source: City of Makassar (2011), LAKIP Pendidikan 2010 ; Enrolment rate data from www.psp.mendiknas.go.id

This figures show that the success of free basic education is most profound in primary education. Junior secondary school shows a striking increase in enrolment rate, while the figure for primary school and senior secondary school is not as good. Nevertheless, the figure for primary school is interesting as universal education may have been achieved. Moderate increase in senior secondary school needs a further observation.

The cost of running school operation is central during the discussion of education issues. BOS as part of district budget 2011 is mostly discussed. Even if they acknowledge infrastructure problems, all districts, including Surabaya prefer to allocate the school infrastructure development fund from DAK. Consequently the allocation for school construction is minimal. Some local governments supplement BOS with BOSDA even if starting 2011 BOS is part of district government.

D. Infrastructure Related Decentralization Issues

Three major services in district government that absorb local government budget the most are highly correlated to infrastructure development. In primary and secondary education, many school building needs renovations in various degrees, from minor to major in scale. Some schools even need to be demolished altogether and the construction should be built from scratch³⁹.

The responsibility to restore school to an acceptable condition or quality is on district government. This responsibility is clearly stipulated in Government Regulation No. 38 Year 2007. But the reality in the field is not as clear-cut as the one stipulated in the regulation. District government may allocate fund for this purpose from various sources, including DAU. In addition, the central government provides DAK, special earmarked fund and part of district budget that is dedicated for education infrastructure development.

Apart from district budget allocation, education infrastructure development fund is also coming from central government and provincial government. Central government provides funds for education infrastructure through Dekon fund.

In several districts, education infrastructure development also benefits from major corporations that install their offices or plants. Usually private corporations provide infrastructure development fund using Corporate Social Responsibility (CSR) channeling. For example in District of Bangka, PN Timah, a big state owned company constructs a boarding facility for an SMAN Pemali, a public school classified as RSBI⁴⁰.

Head of Irrigation Office (*Dinas Pengairan*) East Java Province admitted that infrastructure development growth could not catch up with the growth of population and economic growth in general. Local executives and legislative most of the time are busy with political issues and put more emphasize on how to be reelected. On the other hand there is no clear commitment to speed up the development of infrastructure such as increase the length of road, to increase the number and the capacity of irrigation, or to provide a better public facilities that is needed by the people.

³⁹ Schools that usually classified as *Rusak Total*(almost collapsed building)

⁴⁰ *Rintisan Sekolah Berstandar Internasional* – School in process of obtaining an International Standard.

Irrigation infrastructure in East Java is managed with average budget of Rp 54 billion per year. Its capacity is 19.2 million M3 per year and its supply reach to 930 thousand hectare of paddy land. This irrigation is one of the biggest irrigation for agriculture in Indonesia.

Law No. 7 Year 2004 on Water Resources restricts the management of water by level of government. District or city government does not necessarily have to report all water management issues to the higher level of government such as provincial or central government. While district/city government has been delegated the water management authority, but they do not have enough budget to be allocated if unexpected trouble exist such as flooding, long drought or any other natural disaster.

In East Java in general, the conversion of agriculture land is persistently and extensively taken place. However, according to Law No 41/2009 on The Sustainability Protection for Food Agriculture Land, the conversion of agriculture land for other economic activity such as building home, apartment, office building or mall is restricted. But due to the high tax income potential from land conversion, the move is difficult to stop at district level.

Land acquisition for public use is often a difficult issue for local government. In Malang district for example Individuals buy the land in bulk and resell the land to government higher than market price. The same situation presents in Bangka Districts. The regulation demands that lands should be valued at market price. But delays in land executions will increase the market value over time.

E. Assistance Strategies by Donors

The Ministry of Finance has mapped all other donors/developing partners (DP) which have assisted the development of fiscal decentralization in Indonesia. The purposes of mapping are as follow:

1. To avoid the overlapping activities to increase output/outcome/benefit/ impact of every money spent;
2. To ensure all the support funding is registered in APBD in accordance with PMK No. 420/2009; and
3. To incorporate all the activities to strengthening the fiscal decentralization in Indonesia.

Based on the data, there are several DP which have been supporting the process of fiscal decentralization. The list below shows the current DPs, areas, nature of funding and the amount:

Table 15: List of Developing Partners on Fiscal Decentralization in Indonesia, 2010

No.	Developing Partner	Area of Fiscal Decentralization	Type of activity	Nature of Funding	Amount
1	Asian Development Bank (ADB)	<ul style="list-style-type: none"> - Grand Design Fiscal Decentralization - Local Revenue Mobilization - Regional Financial Information System - Capacity Building for National and Local Staff - Public Financial Management: (i) PFM Capacity Building, (ii) Design of Forward Estimates, (iii) Strengthening Design and Monitoring of DAK, and (iv) Pilot Incentives/Sanction Based Transfers 	<ul style="list-style-type: none"> - Research - Research - System - Capacity Building - Research 	Grant	US \$ 2.5 M
2	Decentralization Support Facility (DSF)	<ul style="list-style-type: none"> - Grand Design for Fiscal Decentralization - Monitoring and Evaluation of the Special Autonomous Fund - Piloting for Regional Bond - Regional Financial Information System - Training Design and Implementation 	<ul style="list-style-type: none"> - Research - Research - Research - System - Capacity Building 	Grant	US \$ 2.25 M
3	World Bank	Local Government and Decentralization Project (DAK Reimbursement Project)	- Research	Loan	na.
4	Decentralization as Contribution to Good Governance (Dec GG) – GIZ	Technical Cooperation for Fiscal Decentralization	- Research	Grant	Euro 8.5 M
5	AusAID	Government Partnership Fund (short course, internship)	- Capacity Building	Grant	na.

Source: Directorate General Fiscal Balance, 2010.

F. Human Resources Development

Capacity Needs of Financial Management and Budget Implementation at Provincial and Local Governments.

After more than 10 years of implementing decentralization, it is acknowledged that there is a gap of adequate human resource at local levels, especially in planning and management of regional finance. By enacting the Government Regulation No. 24 Year 2005 on Governmental Accounting Standard (which is revised recently by Government Regulation No. 71 Year 2010), and the Ministerial Decree of Home Affairs No. 13 Year 2006 on Regional Finance Management Guidelines⁴¹ (which is revised by the Ministerial Decree of Home Affairs No. 59 Year 2007), local apparatus are provided the guidelines in managing their local finance management in a good manner.

One focus of the Ministerial Decree is the application and administration of all stages of regional finance accounting. Understanding stages of regional finance accounting is very

⁴¹ The Ministerial Decree of Home Affairs No. 13 Year 2005 and Ministerial Decree of Home Affairs No. 59 Year 2007 are elaborating the Government Regulation No. 58 Year 2005 on Regional Finance Management.

important because it will determine outputs of the process, which are financial reports (i.e. balance sheet, budget realization report, and notes to the financial statements). These financial reports will be needed by *Bupati/Walikota*/Governor as well as Head of *Dinas* as their Accountability Reports. Understanding the stages of implementation and administration is also important so that appropriate staff can apply the system correctly.

Unfortunately, there are many local governments which are not being able to utilize the system and the whole procedure of administration, accounting, reporting and responsibility correctly. Furthermore, they cannot apply the report system based on the standard which could keep the results accountable and transparent, as well. Based on BPK (National Audit Board)'s results, there are many local governments which still receive disclaimers, or even, adverse opinions. This indicates that the need of capacity building, especially in local finance management, is still very crucial.

To answer the demand, the Ministry of Finance has organized a regular capacity building on regional finance management. Supporting by 7 (seven) national university centers, capacity buildings are focused to boost the ability of government staff on regional finance area. The capacity buildings, which are known as Regional Finance Course and Regional Finance Course especially on Accounting (which has been introduced recently), have been started since 1980s - long before the decentralization process took place.

The demand on highly trained government staff is still high and cannot be fulfilled by MoF's trainings only. There are several reasons lay behind this. First, proliferation is hot issue and become trend among local governments. New districts or province will need staff to implement the tasks and services; hence they will hire new staffs. As consequences, the number of staffs who need capacity building will never lessen. Second, based on the Ministerial Decree of Home Affair No. 13 Year 2005, not only Head of Local Government but all *Dinas* should provide Accountability Report. In average, every district in Indonesia has more than 40 *Dinas* as their agent of development. If each *Dinas* is required to provide financial statement, then demand on highly trained staff will always increase.

Capacity and competency of local government personnel has been the concern of local government. In education offices for example, the requirement for teachers according to Law No. 14 Year 2005 on teacher⁴² is to hold at least bachelor degree (Sarjana S1). Out of 2.6 million teachers, only 1.1 million teachers that already hold a bachelor degree. The rest or 1.5 million hold various degrees less than a bachelor one. A similar figure for primary school (SD) and junior secondary school (SMP) is worse. Only 16 percent of its teachers hold a bachelor degree. This is a problem, even though the requirement of MSS for SD is for

⁴² Actually Law No. 14 Year 2005 is on Guru, teacher for up to senior secondary school (SMA) level, and Dosen or teacher in universities. But because the responsibility of local government is limited to education level up to senior secondary school, the teacher here is for primary and secondary education.

example only 2 out of 6 teachers of school with six classes required to hold a bachelor degree.

Teacher certification also poses a big problem for Indonesia. Until 2010 only 800 thousand teachers hold a teacher certificate. The rest 1.8 million teachers need to be certified. In addition, every teacher certified will benefit, according to the same law on teachers, a full one month basic salary, or its basic salary doubled. This requirement will surely have an impact to government budget.

Human resources in provincial offices or district offices are better in competency and qualification. This needs is magnified due to bureaucratic issues where some of position in local government could not be filled unless the person having a master degree. So in addition of by using own resources, some local governments provide subsidy to their staffs to pursue a higher degree. Province of Bangka Belitung, for example, already has twenty of its officials been sent to Malaysia to pursue Master's degree. Even it plans to offer scholarships for PhD.

Table 16: District of Lombok Timur's budget for human resource quality improvement

Indicator	Unit	2009	2010
Training and Education for youth 's health service and care	Million Rp	11.74	10.98
Improvement of health staffs for Puskesmas through training	Million Rp	27.68	23.18

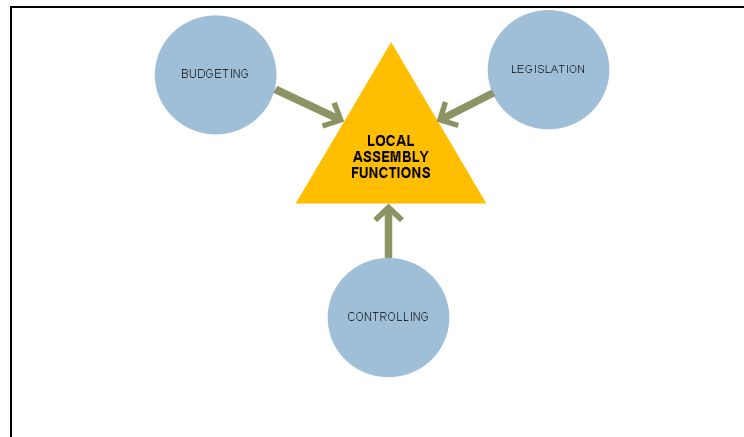
Source: LAKIP Health Unit, Lombok Timur, 2009 and 2010.

G. Local Councils

The local assembly (DPRD) has three functions: legislation, budgeting, and controlling. According to article 46 Law No. 32 Year 2004, and is further elaborated in Government Regulation No. 25 Year 2005 those functions are with support of commission, forum committee (*panitia musyawarah*), budgeting committee, committee of honor, and other supporting committees.

Regarding legislation function, DPRD through commission has initiative right and right to amend draft of local government regulation (Raperda) and works together with local government. According to Law No. 10 Year 2004 (then stated in Law No. 32 Year 2004), the role of executive on the process of creating Perda can be found on every stage from preparation, discussion, stipulation, and enactment. Raperda then discussed between DPRD with the related Dinas appointed by Head of District to be finalized and agreed. Figure 17 below shows the function of local councils at local levels.

Figure 10: Local Council (DPRD) Functions at Local Level



Source: Law No. 22 Year 1999.

Therefore, the capacity of local assemblies has to be high enough to fulfill the legislative tasks. In some cases the lack of human resources could be an obstacle for the decentralization process to run smoothly. For instance, in District of Sungai Liat, there was an absence of local regulation to back up BUM Desa program. But in fact, the villagers were ready and have run the similar program but with different name instead of BUM Desa. Although DPRD has minimum capacity to run the process, moral responsibility cannot be neglected.

In some cases the lack of human resources could be an obstacle for the decentralization process to run smoothly. For instance, in District of Sungai Liat, there was an absence of local regulation to back up BUMDesa program. But in fact, the villagers were ready and have run the similar program but with different name instead of BUMDesa. Although DPRD has minimum capacity to run the process, moral responsibility cannot be neglected. Therefore, the capacity of local assemblies has to be high enough to fulfill the legislative tasks.

In other cases can be found that self-interest and political agenda of a legislator's party rules out the common interest of the region and might affect the existing system. In District of Malang, some council members were trying to intervene in the distribution of poverty alleviation program. This behavior of the council member may be the consequence of their promises during campaign period and must they must pay back after she/he was elected. In a village of Bangka District, a council member chooses which village to be prioritized in development program.

Local parliament interventions sometimes against the decentralization intention of check and balance role of parliament. For example, in Bangka District, local parliament is very powerful that it could intervene in new civil servant selection process. Recruitment of new civil servants is actually a responsibility of district governments, the executives, but member

of district parliament intervene in the process by giving different names to the list. The same parliament proposed the inclusion of around 20-30% of the value of APBD. The problem is the project that is proposed by parliament usually will be in close “control” of the parliament. Moreover, district parliament when proposing the “budget items” bring their own agenda and not necessarily in line with and disrupting district plan. District may reject their proposal, but the district parliament in return may not approve the executive budget proposal and potentially jeopardizing budget execution. By rule, district budget could only be executed after district parliament provides its approval⁴³.

H. The Organizational Structure of Local Government

Government regulates the structure of local government⁴⁴. This regulation intention is to limit the tendencies of local government to prefer a big local government⁴⁵. According to this regulation, the organization size of local government depends on three factors, 1) population size, 2) area size, and 3) size of local budget. Using a different weight for each factor⁴⁶, every local government will be classified as having minimum, average or maximum organizational size. According to the regulation, every local government should comply with this regulation by mid-2008.

The smaller the classification of local government the smaller the number of unit government that could be set up. Minimum size local government could at maximum create 1 Sekda, 3 Executive Assistant, 12 Dinas and 8 LTD (Lembaga Teknis Daerah – Local Technical unit)⁴⁷. Average size local government could at maximum create 1 Sekda, 3 Executive Assistant, 15 Dinas and 10 LTD. Maximum size local government could, at maximum, create 1 Sekda, 4 Executive Assistant, 18 Dinas and 12 LTD in Table 27. Meanwhile the number of unit government at our field visit areas is shown in Table 28.

43 In rare case when there is no agreement between district government and district parliament over a particular budget proposal, previous year budget is used by regulation.

44 Government Regulation No. 41 Year 2007 on Organization of Local Government.

45 There is a tendency to create a separate sub-unit within local government for every decentralized function of government. There are in total 31 functions of government that has been decentralized.

46 The weights for each factor are 40% for Population Size, 35% for Area Size, and 25% for Size of Local Budget.

47 Lembaga Teknis Daerah (LTDs) are units within local government apart from Dinas. Some well-known LTD includes, for example, Bappeda (*Badan Perencanaan Pembangunan Daerah* – District Development Planning Board), Bawasda (*Badan Pengawas Daerah*-District Internal Audit Office), BPMD (*Badan Pemberdayaan Masyarakat Desa*-Village Community Empowerment Board).

Table 17: Maximum Numbers of Sub Unit within Local Government According to Government Regulation No. 41 Year 2007.

	Local Government Unit	Minimum	Average	Maximum
		(Cut-off value)		
		<40	40-70	>70
1	Region Secretary (Sekda)	1	1	1
2	Executive Assistant	3	3	4
3	Unit (<i>Dinas</i>)	12	15	18
4	Local Technical Unit (<i>Lembaga Teknis Daerah</i> (LTD))	8	10	12

Source: Government Regulation No. 41 Year 2007 on Organization of Local Government.

Table 18: Number of Sub Unit within Local Government

Category	Bangka Belitung		East Java		West Nusa Tenggara		South Sulawesi	
	Bangka	Belitung	Surabaya	Malang	Lombok Barat	Lombok Timur	Makassar	Jeneponto
<i>Classification</i>	27 min	20 min	100 max	63 avg	28 min	41 avg	64 avg	25 min
<i>Sekda</i>	1	1	1	1	1	1	1	1
Assistant	3	3	4	3	3	3	3	3
Unit (<i>Dinas</i>)	14	14	18	18	16	14	17	12
LTD	10	9	8	14	12	9	9	8

Source: *Districts in Figures*, 2010.

While MOHA already creates a limit to organizational size of local government, other sectorial ministries could intervene in the creation of bigger local government size. This tendency is more profound because sectorial ministries try to “match” the responsible organization at local level to its own standard. This is true, even when the local government considers that there is no need for the creation of a separate office. A case in point is the requirement to create a local level family planning agency run by local government using local budget. Another example at provincial level is the need to create a Regional Research Council because the law on National Research Council demands a creation of such an organization at provincial level.

I. Other Decentralization Issues

The present DAU allocation system there is no difference in allocation between island province and mainland province. The officer in Bangka Belitung province said that it should be different. He contends that it is considered more expensive to manage the same area of land in islands region compare to the one in mainland.

There is lack of coordination between PNPM facilitators and Puskesmas to build health

facility at village. Sometimes a PNPM project in village is a pustu development. Pustu is *Puskemas Pembantu* or sub-community health center. Sometimes the community asks PNPM to build PUSTU. But for PUSTU to operate as pustu, it should have a dedicated Health worker based in that Pustu. The problem arises when the pustu is build and no health worker could stay at that pustu. PNPM facilitator should gave consult Puskesmas to see if there is a health worker installed in the pustu to be. This development did not consider that a Pustu should be supported by health facility availability (medical devices and paramedic). Coordination with Health Office or Puskesmas should be taken in place. Puskesmas is Community health center.

III. LOCAL GOVERNMENT PLANNING AND BUDGETING

A. Development Planning in a District

Summary

In general, the development planning process at local level follows the National Development Planning System (SPPD) as mandated by Law No. 25 Year 2004. Accordingly, planning of development programs at local level should not be contrasted with the national programs decided by broad consensus at central government level either for long-term, medium term or short-term plan. However, in the implementation, since there are so many parties involve with various background and interests and the different capacity of local government to guide the planning process, the local planning is not always in line with national planning. Besides, the excessive intervention from local parliament members can also be a source of the incompatibility of local planning and national planning.

According to National Development Planning System (SPPN), provincial and district / city government is expected to align the direction of development in their respective regions with the direction of national development⁴⁸. With reference to the vision of mission that has been established, each region makes the direction of development policy as stated in the Long-Term Regional Development Plan, Medium Term Regional Development Plan and annual Local Government Work Plan. As the closest level of government with communities, development plans which will be implemented by the District / City Government should has adopted the potentials and needs of the community. Development will be implemented successfully with full strong coordination and cooperation from all levels of government as well as any elements of the stakeholders in each area.

Various regulations concerning the same object are not always in accord or consistent. Take for example on RPJMD Approval between Law No. 25 Year 2004 and Law No. 32 Year 2004. Both laws ask for the preparation of RPJMD (a five year plan). But in the first law,

⁴⁸ This is in accordance with Law No. 25 Year 2004 on National Development Planning System.

RPJMD is enacted through District Head Decree, While, in the second law, the same RPJMD have to be enacted through Local regulation⁴⁹. While district Head Decree does not need an approval from local parliament, Local Regulation needs one. To make it contradictory, the first regulation is considered lower in rank compare to the second regulation.

The inability of village to express their needs present a problem during musrenbang process. Village usually produces a "wish list" of what the people needs, and during its process aggregating the lists from all villages in the sub-district. Shortening this wish list is normal in the sub-district, the revised short listed of "needs" from all sub-district again is submitted to the district to have the second selection process. Unfortunately many the so called village needs has been dumped in the process.

The difference in priority of communities and district dinas poses another problem in project selections process in *musrenbang*. Unit in the district, health office or dinas for example, may have a different plan based on the district needs. This need may come from strategic plan of the dinas. While, for a particular village, what the village need in the form of project may not necessarily compatible with the project that actually implemented by the district. *Musrenbang* is intended to facilitate the top-down planning and Bottom-Up planning. The conflict arises because the need of district offices do not necessarily coincides with the need of village. When the money becomes a constraint for the district, the district project is a priority to be financed because it is written in the planning documents.

Members of political party are often intervenes in the budget process. This intervention becomes a problem when the parliament proposals are different from the possible project initiated in local government medium plan (RPJMD).

Musrenbang were not very effective since more people tend to propose programs through legislative member when they visit their hometown during recess period (JASMAS – *Jaringan Aspirasi Masyarakat*).⁵⁰ Annual programs proposed by local government (RKPD) after such a long development planning process was not easily approved since legislative members also have others program in which may not the same as proposed by local government office (SKPD). The role of SKPD can be seen in Appendix A-8.

Development Planning In Indonesia

According to Law 25/2004 on National Development Planning System, development planning system in Indonesia is an amalgamation of development planning made by line ministries (K/L) and development planning made by local government based on its own authorities. The results from this system are Long Term Development Plan (RPJP), Medium Term

⁴⁹ See Law 25/2004 Article 19 (3) of Law 32/2004 and Article 150 (3) e.

⁵⁰ During a year period individual council member go back to their election region. This is a time to communicate with their constituents and collect same people wish and needs (*aspirasi masyarakat*).

Development Plan (RPJM), and annual development plan (RKP). In order to obtain a comprehensive system, there are four approaches that are simultaneously used in formulating development planning, 1) technocratic approach 2) participatory approach, 3) political approach, and 4) top-down and bottom-up approach. In addition, process of formulating development planning also involve numerous and various stakeholders from government at different level, legislative members at different level of government, local representative in each location, business sectors, academicians and other parties. Consequently, the planning system become such a complex and time consuming process that is repeated periodically.

At district level, all various community groups from village, sub-district and district involve in the development process through several musrenbang forum. These groups comprise of local executives, local legislatures, prominent figures, women representatives, vulnerable group representatives and other stakeholder related to local development at district level. With different planning approaches mentioned earlier, the development planning process can start earlier simultaneously between technocratic and top-down approach done by local executives and participatory and bottom-up approach done by local communities. The detail flow chart of annual development planning at district level is shown in Figure 18 Planning and Budgeting Process at Local Government Level

The technocratic and top-down approach is started by forming a team, which works with Bappeda, to prepare the local government development plan (RKPD). Team member may come from local SKPD executives and staffs who has adequate competency and capacity in planning and budgeting as well as have enough time to focus on formulating RKPD. The team is authorized by head of local government and the minimum structure of the panel is as follow:

- Person in Charge : Local Government Secretary
- Chairman : Head of Bappeda
- Vice Chairman : Head of Finance Office
- Secretary : Secretary of Bappeda
- Member : Head of other SKPDs

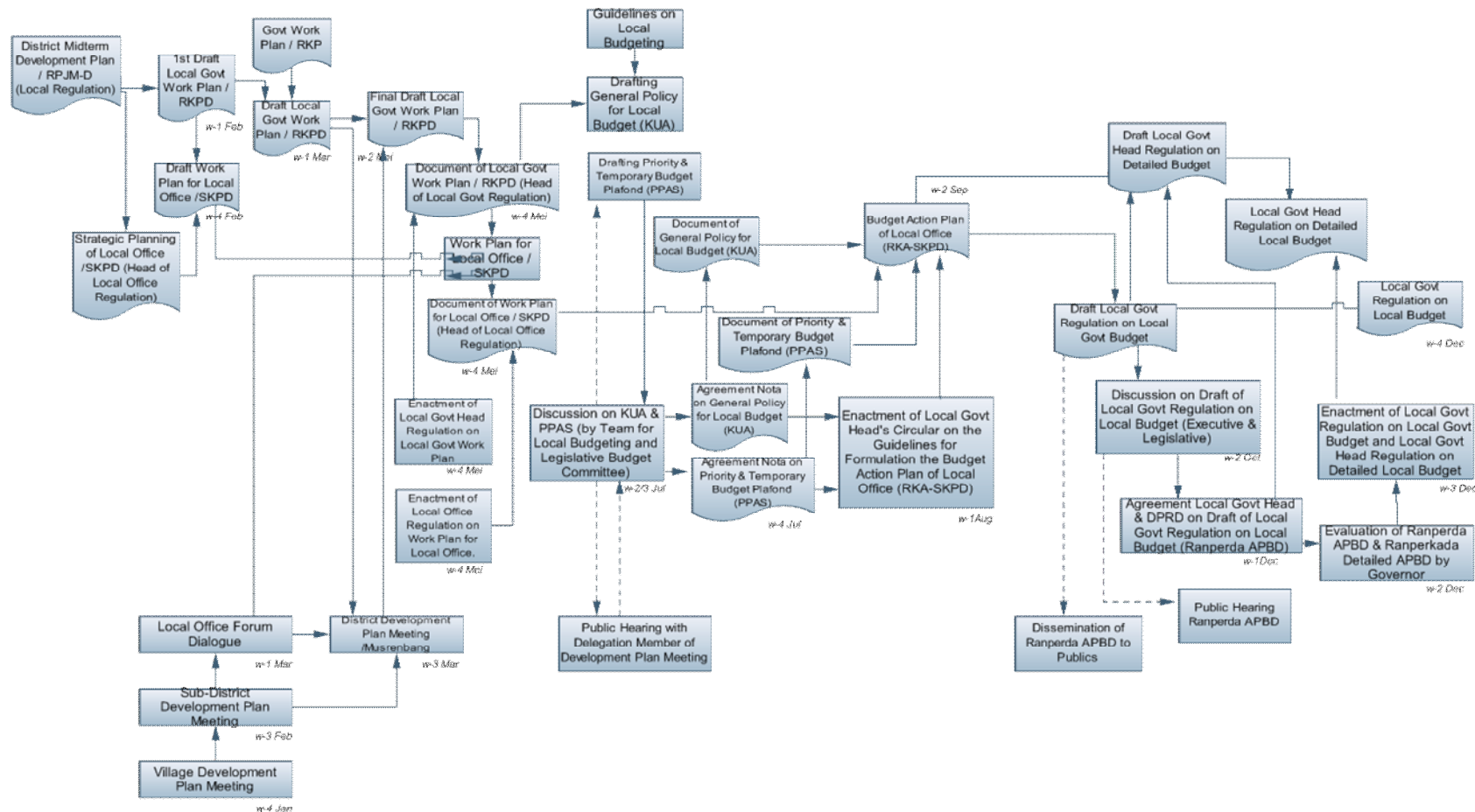
The first task of the panel is to prepare preliminary draft of local government work plan (RKPD) which is based on the medium-term local development plan (RPJM-D). The preliminary draft of RKPD is a reference document for all SKPDs at district level to prepare their own draft of work plan (*Renja* SKPD).

To facilitate the participatory approach in planning process, before being discussed in Musrenbang for RKPD at district level, the preliminary draft of RKPD is also reviewed in

Musrenbang at sub-district level and in Musrenbang at village level. In addition, it is also a reference for the meetings in SKPD Forum to prepare SKPD work plan (Renja SKPD).

Because of the very limited time available and considering the link between one activity and others in the stages of preparing RKPD and Renja SKPD, the preparation of preliminary draft of RKPD is started in December.

Figure 11: Planning and Budgeting Process at Local Government Level



***Musrenbang Kabupaten* (Development Plan Meeting at District Level)**

Development Plan Meeting (*musrenbang*) for RKPD at district level is a discussion forum for stakeholders who directly and indirectly benefit from local development programs as a manifestation of participatory approach in development planning process. Its objectives are: a) to synchronize district development goals and priorities with provincial policy direction, priorities and development goals; b) to clarify programs and activities proposed by community in *musrenbang* at sub-district level; c) to sharpen the performance indicators of programs and priority activities; d) to get the consensus on priority of local development including local programs and local priority activities. *Musrenbang* RKPD should be held at the last week of March.

Parties involved in *musrenbang* at district level are as follow:

- Participants: District's head, district's vice head, legislative members, central government's representatives, provincial government's representatives, district governmental offices' representatives, sub-district heads, sub-district *musrenbang's* delegations, academicians, NGOs, community representatives, business sectors, women's representatives, near-poor representatives and other related stakeholders
- Resource person: Head or members of District's DPRD, representatives from line ministries, high level representative from Provincial Government or high level representative from district government.
- Facilitator: experienced or well-trained person who has competency to guide the discussion and decision making process in *musrenbang*.

***Musrenbang Kecamatan* (Development Plan Meeting at Sub-district level)**

Development planning meeting (*musrenbang*) for RKPD at sub-district level is a forum for stakeholders to discuss and to get consensus on how the prioritized activities in the proposal list of the village's development activity plan can be integrated with the district's development priorities for the sub-district. Sub-district head will organize the *musrenbang* at sub-district level in coordination with district's Bappeda. Its objectives are a) to discuss and to get consensus on the proposed village's development activity plan that will be the prioritized development activities in that sub-district, b) to discuss and to get consensus on the prioritized development activities in the sub-district that are not yet covered in the village's priority of development activities, c) to get consensus on grouping prioritized development activities for sub-district based on the role and function of each local government office (SKPD) at district level.

Parties involved in *musrenbang* at sub-district level are as follow:

1. Participants:

Village's head, delegation of *musrenbang* at village level, legislative member from the same sub-district, SKPD's representatives, prominent community representatives, women's representatives, near-poor representatives and other related stakeholders at sub-district level.

2. Resource person: Bappeda's representatives, DPRD representatives, sub-district head, SKPD's representatives, and others

3. Facilitator: experienced or well-trained person who has competency to guide the discussion and decision making process in *musrenbang*.

Musrenbang at sub-district level should be held in the second week of February at the latest. And its results will be used for references in drafting the SKPD's work plan (Renja SKPD).

Table 19 below shows all documents generated during the planning process. For more detail explanation on each planning document is available in Appendix A-11.

Table 19: Planning Document by Level of Government and Time Frame

No	Planning Document	Long-Term (20 Years)	Medium-Term (5 Years)	Short-Term (1 year)
	National Level			
	- Rencana Pembangunan Jangka Panjang Nasional (RPJPN) or Long-Term National Development Plan	√		
	- Rencana Pembangunan Jangka Menengah (RPJMN) or Medium-Term National Development Plan		√	
	- Rencana Kerja Pemerintah (RKP) or Government Work Plan			√
	Ministerial Level			
	- Rencana Strategis Kementerian/Lembaga (Renstra K/L) or Ministerial Strategic Plan		√	
	- Rencana Kerja Kementerian/Lembaga (Renja K/L) or Ministerial Work Plan			√
	Provincial Level			
	- Rencana Pembangunan Jangka Panjang Daerah Provinsi (RPJPD Prov) or Long-Term Provincial Development Plan	√		
	- Rencana Pembangunan Jangka Menengah Daerah Provinsi (RPJMD Prov) or Medium-Term Provincial Development Plan		√	
	- Rencana Kerja Pemerintah Daerah Provinsi (RKPD Prov) or Provincial Government Work Plan			√
	Provincial Office Level			
	- Rencana Strategis Satuan Kerja Perangkat Daerah Provinsi (Renstra SKPD Prov) or Provincial Office Strategic Plan		√	
	- Rencana Kerja Satuan Kerja Perangkat Daerah Provinsi			√

No	Planning Document	Long-Term (20 Years)	Medium-Term (5 Years)	Short-Term (1 year)
	(Renja SKPD Prov) or Provincial Office Work Plan			
	District Level			
	- <i>Rencana Pembangunan Jangka Panjang Daerah Kabupaten/Kota</i> (RPJPD Kab/Kota) or Long-Term District Development Plan	√		
	- <i>Rencana Pembangunan Jangka Menengah Daerah Kabupaten/Kota</i> (RPJMD Kab/Kota) or Medium-Term District Development Plan		√	
	- <i>Rencana Kerja Pemerintah Daerah Kabupaten/Kota</i> (RKPD Kab/Kota) or District Government Work Plan			√
	District Office Level			
	- <i>Rencana Strategis Satuan Kerja Perangkat Daerah Kabupaten/Kota</i> (Renstra SKPD Kab/Kota) or District Office Strategic Plan		√	
	- <i>Rencana Kerja Satuan Kerja Perangkat Daerah Kabupaten/Kota</i> (Renja SKPD Kab/Kota) or District Office Work Plan			√

Budgeting process at local level started by preparing the draft of general policies of budget (KUA draft) which is based on the budget preparation guideline issued by ministry of home affair (see figure 19). The preparation of KUA draft is based on the development program and activities stated in RKPD. The KUA draft consists of the policies on revenues, expenditures, source of financing and the assumptions used for that item for the next one year. The KUA draft is accompanied by draft of priorities and temporary plafond, which consist of program priorities and maximum budget, allocated to each SKPD's program for the basis in preparing the SKPD work plan and budget (RKA-SKPD). Both of KUA draft and PPAS draft are then discussed, in consultation with the musrenbang delegation, by local government and local assembly. The consensus from that meeting is declared in the agreement nota for KUA and for PPAS, signed by district head and local assembly head. Referring to both documents, district head prepare the guidelines for SKPD heads in preparing the RKA-SKPD.

RKA-SKPD is a planning and budget document, which comprises all SKPD's programs and activities and its required budget. Local finance authority examines all RKA-SKPDs and prepares the draft of local government regulation on local government budget (Ranperda APBD). Subsequently, local government executives and local assembly sit together to assess the Ranperda APBD and issue the mutual agreement on Ranperda APBD.

Based on that mutual agreement, district head prepares the draft of district head regulation on the detailed budget document (Ranperkada Penjabaran APBD). Both Ranperda APBD and *Ranperkada Penjabaran APBD* are forwarded to the Governor for an examination. After approval from the governor, district head authorize the local regulation of

APBD and district head regulation on Penjabaran APBD.

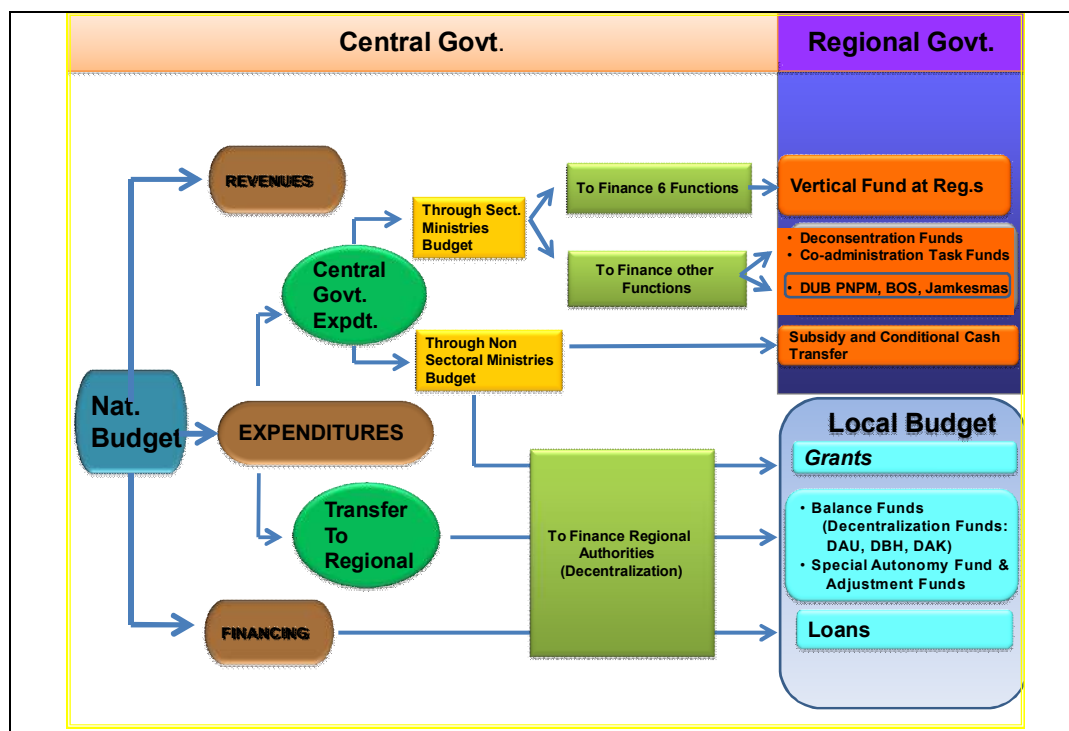
B. Budget Allocation

Summary

As “money follows functions” concept was introduced as the basis of decentralization, Central Government has to allocate funds to be transferred to local governments in accordance with the functions which are shared or shifted to lower level of governments. Today, there is more than 66% of Central Budget which is allocated to local levels in different types of principles: decentralization principles, deconcentration principles, as well as subsidies and grants. The role of local own revenues is limited for most of the districts.

In financing development at local levels, expenditures on the National Budget are classified into Central Expenditures and Transfer to Local levels. Central Government Expenditures are divided into (1) Financing through Sectorial Ministerial Budget (which should finance 6 Central Functions - devolution principles and other central functions at local level – deconcentration principles) and (2) Financing through non-Ministerial Budgets. Meanwhile, Transfers to locals are allocated to finance decentralized implementation. It can be divided into (1) Balance Funds/Fiscal Equalization Funds and (2) Special Autonomy and Adjustment Funds. Figure 9 below will show the flow of funds from Central to Local Governments.

Figure 12: Central - Local Financial Relationship



Source: Bappenas Handbook, 2011.

Those transfers from Central Government will become sources of funds for local governments to finance their responsibility. The most important source of fund for most local government is DAU or block grant. Other sources of financing are DAK or special grant, Revenue sharing and own revenue. Own revenue could be in the form of tax or levies. Latest regulation on this list of all possible revenue is in Law No. 28 Year 2009 on local taxes and levies. Simple representation of government revenue could be seen in figure 14 for provincial government, figure 15 for district government and figure 16 for village. See Appendix A-9 for details.

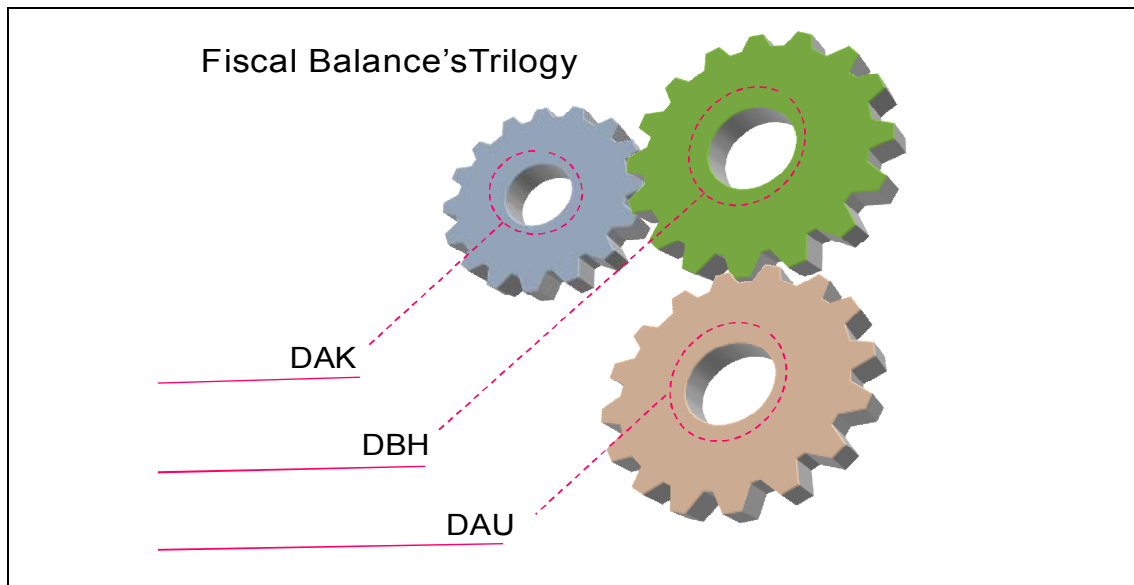
Provincial governments receive funds from central government. These funds are⁵¹: 1) DAU (*Dana Alokasi Umum* – General Allocation Fund), 2) DAK (*Dana Alokasi Khusus* – Special Allocation Fund), 3) Revenue Sharing from natural resources, 4) Tax sharing. All these revenues are part of provincial budget. In addition, provincial governments also receive two other funds from central government: Deconcentration fund (*Dana Dekonsentrasi* – Dekon) and co-administrative task fund (*Dana Tugas Pembantuan* – TP). These two funds are not part of provincial government budget. Instead, they are administered separately and reported directly to the ministry that provides the funds (see Appendix A-9).

Provincial governments also have their own sources of funds as stipulated in Law No. 28 Year 2009. The law legalized provincial government to collect taxes and levies. There are five taxes that could be collected by provincial governments and three groups of levies.

Decentralization transfer fund is also known as Fiscal Balance's trilogy. It shows three types of transfer funds which support each other types in functioning as grants to regional governments. Those three decentralization funds are block grant (DAU), specific grant (DAK) and revenue sharing (DBH).

⁵¹ Source of funds according to Law No 33 Year 2004 on Intergovernmental Fiscal Transfer.

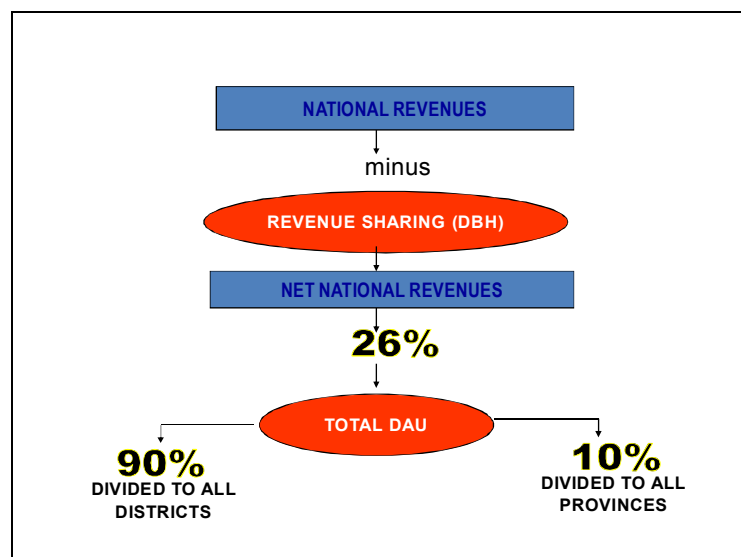
Figure 13: Fiscal Balance's Trilogy



Source: Directorate of Fiscal Balance, 2010.

Dana Alokasi Umum (DAU) is the largest transfer from Central to regional levels. As a Block Grant, DAU can be utilized to finance every type of activity of local government. DAU is served as an equalization grant to minimize horizontal imbalances, and is measured as follow:

Figure 14: Source of DAU



Source: Law No. 33 Year 2004.

Each region will receive DAU per region which is calculated as follow:

- $DAU = \text{Basic Allocation} - \text{Fiscal Gap}$
- $DAU = \text{Basic Allocation} - (\text{Fiscal Needs} + \text{Fiscal Capacity})$
- The indicators measured in calculating DAU can be shown below:

Table 20: Indicators for Calculating DAU

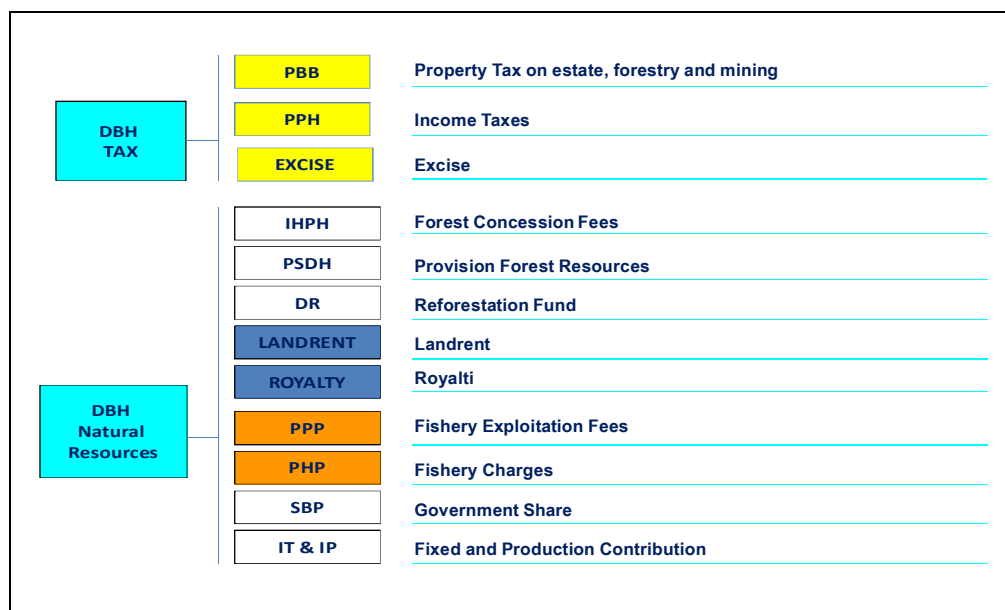
	Basis Regulation	Basic Allocation	Fiscal Gap:	
			Fiscal Needs	Fiscal Capacity
DAU	- Law No. 33 / 2004	Apparatus Honors	- Population index	- Local Owned Revenues
	- Law on National Budget, yearly		- Expensive Construction Index	- Revenue Sharing from Tax
			- HDI	- Revenue Sharing from Natural Resources
			- Income per capita	

Source: Law No. 33 Year 2004.

Another grant transferred from Central Government is Specific Grant - *Dana Alokasi Khusus* (DAK). DAK is transferred to finance specific activities based on Line Ministries' priority. The objective of disbursing DAK is to equalize horizontal imbalances, especially to assist specific disadvantaged areas to finance its local/basic functions based on national priority. To receive DAK, districts should pass several specific screenings (set by MoF, Bappenas and Line Ministry) such as (i) General Criteria to measure financial ability of local government, (ii) Specific Criteria to identify local characteristics and (iii) Technical Criteria to capture infrastructure condition of regional government. DAK needs sharing funds from local budget.

The third transfer in fiscal decentralization is Block Grant – *Dana Bagi Hasil* (Revenue Sharing). DBH is allocated from national budget to eliminate vertical imbalances. As block grant, DBH can be utilized to finance any local activity. Sources of DBH are natural resources (forestry, general mining, fishery, oil and gas, geothermal) and central tax (property tax, income tax and excise), as follow:

Figure 15: Types of Revenue Sharing



Source: Law No. 33 Year 2004.

Each DBH is shared based on specific calculation. A more detailed percentage provided for central, provincial and district levels are shown in Table 16.

Table 21: Percentage of Revenue Sharing per Level of Government

No.	Types	% For Central	% For Regional Level	Proportion			
				Prov.	Sourced District	Other Districts Within Prov.	Collection Fee
Revenue Sharing from Taxes							
1	Property Tax	10%	90%	16,2%	64,8%		9%
3	Income Tax	80%	20%	8%		12% *)	
4	Excise	98%	2%	0,6%	0,8%	0,6%	
Revenue Sharing from Natural Resources							
1	Forestry:						
	A. IHPH	20%	80%	16%	64%	-	
	B. PSDH	20%	80%	16%	32%	32%	
	C. Reforestation	60%	40%	-	40%	-	
2	General Mining:						
	A. Land rent of sourced district	20%	80%	16%	64%	-	
	B. Land rent of sourced province	20%	80%	80%	-	-	
	C. Royalty of sourced district	20%	80%	16%	32%	32%	
	D. Royalty of sourced province	20%	80%	26%	-	54%	
3	Fishery*)	20%	80%				
4	Oil:						
	Sourced District:	84.50%	15,5%				
			15%	3%	6%	6%	
	For education		0,5% **)	0,1%	0,2%	0,2%	
	B. Sourced Province	84.50%	15,5%				
			15%	5%	-	10%	
	For education		0,5% **)	0,17%	-	0,33%	
5	Gas:						
	A. Sourced District	69.50%	30,5%				
			30%	6%	12%	12%	
	For education		0,5% **)	0,1%	0,2%	0,2%	
	B. Sourced Province	69.50%	30,5%				
			30%	10%	-	20%	
	For education		0,5% **)	0,17%	-	0,33%	
6	Geo Thermal	20%	80%	16%	32%	32%	

Noted: *) equally shared to all districts in Indonesia

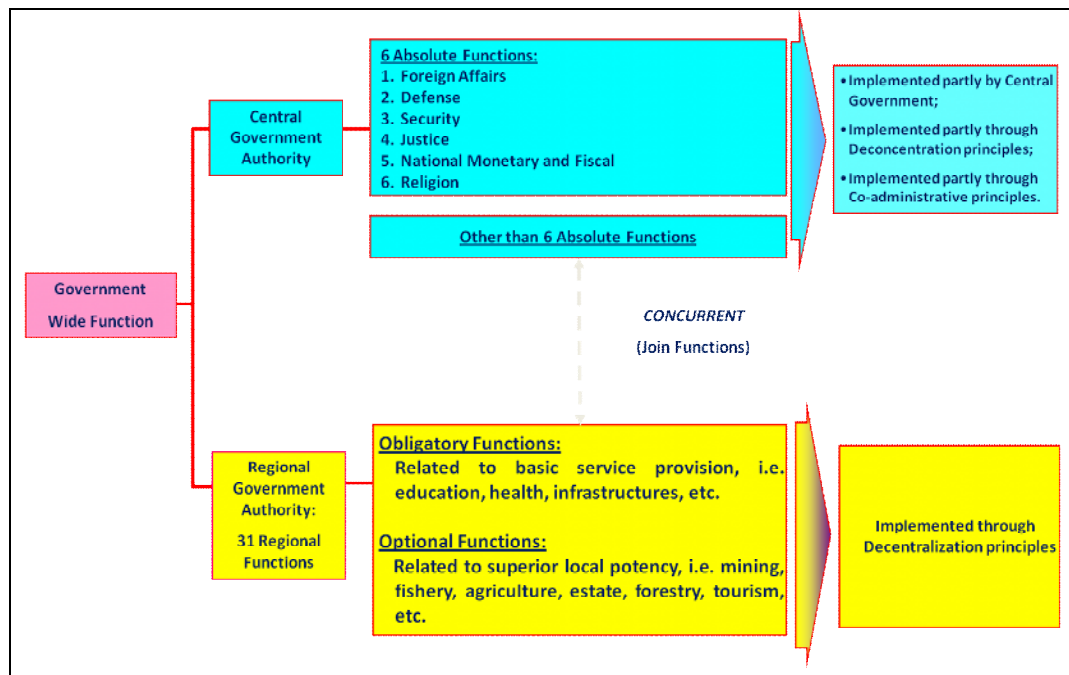
**) for basic education expenditures

Source: Law No. 33 Year 2004.

Deconcentration Fund (*Dana Dekonsentrasi*) is allocated from central budget to finance ministries' functions which have already shared at regional levels based on Government Regulation No. 38 Year 2007. Deconcentration Fund is implemented at Provincial Level to finance all non-physical activities. Meanwhile, co-administrative task (*Tugas Pembantuan*) is

prepared from central budget to finance a co-administrative activity at both Provincial and districts levels. However, *Tugas Pembantuan* can be utilized to finance physical activities. The Figure below shows division of functions from central government and local government, as well as sources of funds⁵².

Figure 16: Division of Functions between Central and Local Governments

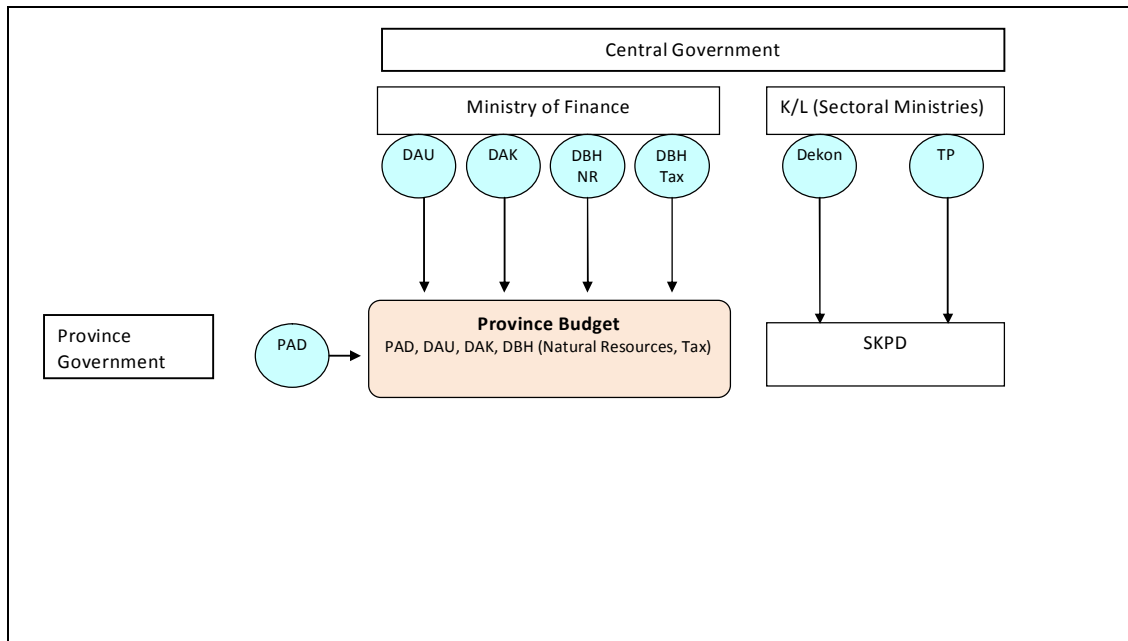


Source: Law No. 32 Year 2004 and Government Regulation No. 38 Year 2007.

Other specific grants from central government are Adjustment Fund and Special Autonomy. Adjustment funds are allocated to Certification of Teacher, Local Incentive Funds, and Adjustment of DAK. Meanwhile, Special Autonomy is allocated to only 2 areas, which are Papuas (based on Law No. 21 Year 2001) and Aceh (based on Law No. 18 Year 2011). Figure 14, figure 15 and figure 16 indicate sources of funds in detail.

⁵² List of 31 Functions shared among level of governments is shown in Appendix A-7.

Figure 17: Provincial source of Fund Received by Provinces, Districts, and Villages.



Source: LPEM compilation from Law No. 33 Year 2004, and Government Regulation No.7 Year 2008.

A more detail data below shows the revenue of each government level and sources of funds.

Table 22: Budget Allocation for 4 Provincial Governments (Billion Rupiah)

Source of Fund	Bangka Belitung Prov.			East Java Prov.			NTB Prov.			South Sulawesi Prov.		
	2008	2009	2010	2008	2009	2010	2008	2009	2010	2008	2009	2010
Central Govt.												
DAU	391.0	408.0	410.8	1,022.9	1,118.5	1,212.9	511.3	554.4	674.6	656.7	663.4	706.3
DAK	22.0	42.9	8.1	-	18.0	57.0	37.2	48.0	24.8	35.1	44.8	29.2
DBH NR	60.8	67.3	44.6	74.4	56.6	98.0	20.2	25.5	26.6	26.1	9.1	9.5
DBH Tax	34.3	39.4	43.8	672.9	953.5	875.3	58.3	73.3	76.6	177.2	197.2	221.1
Dekon	234.0	na	224.8	3,010.0	3,195.0	3,330.0	587.2	873.3	639.2	281.0	481.0	343.0
TP	15.9	na	53.9	477.5	516.0	557.0	48.4	74.4	82.6	612.0	694.0	556.0
Prov Govt.												
PAD	294.2	255.3	267.2	3,584.1	3,887.0	5,144.0	413.2	476.4	529.2	1,228.4	1,242.8	1,548.7

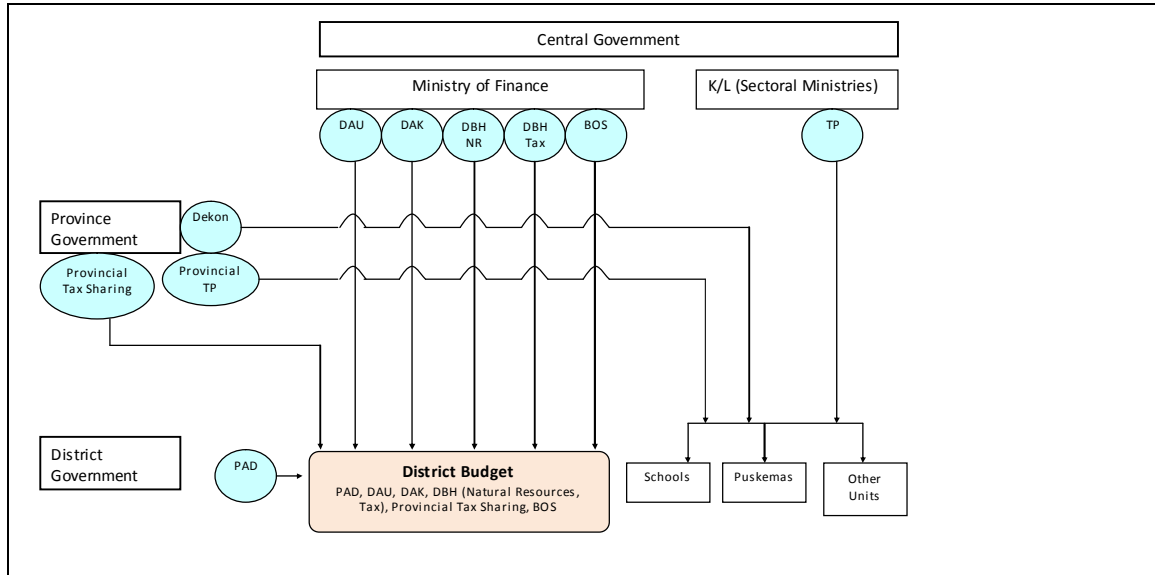
Source: Ministry of Finance-Republic of Indonesia, and Districts' APBD, various years.

Table 23: DAK for Education in Eight Districts

DAK for Education, Health, and Infrastructures (Million Rupiah)							DAK for Education, Health, and Infrastructures (Million Rupiah)						
Source of Fund	District of Bangka			District of Belitung			Source of Fund	District of Lombok Timur			District of Lombok Barat		
	2008	2009	2010	2008	2009	2010		2008	2009	2010	2008	2009	2010
DAK Education	19,194	23,971	11,035	13,792	14,395	9,162	DAK Education	25,266	28,874	34,431	15,820	19,499	20,011
DAK Health	8,181	9,283	4,842	8,748	6,487	2,898	DAK Health	11,167	8,987	10,437	9,579	8,857	5,707
DAK Infrastructure							DAK Infrastructure						
- Road	10,818	9,028	3,320	8,928	6,786	2,948	- Road	11,153	8,658	5,307	10,914	6,811	3,739
- Irrigation	2,311	2,429	1,164	2,043	2,225	600	- Irrigation	6,176	3,438	4,999	4,014	2,293	2,371
- Water	2,737	2,409	636	2,509	2,240	628	- Water	3,943	2,979	1,002	4,467	2,606	830
- Sanitation	0	0	931	0	0	648	- Sanitation	0	0	1,059	0	0	1,168
DAK for Education, Health, and Infrastructures (Million Rupiah)							DAK for Education, Health, and Infrastructures (Million Rupiah)						
Source of Fund	District of Surabaya			District of Malang			Source of Fund	District of Makassar			District of Jeneponto		
	2008	2009	2010	2008	2009	2010		2008	2009	2010	2008	2009	2010
DAK Education	2,455	12,875	39,904	45,252	62,481	51,836	DAK Education	8,999	11,926	29,522	11,558	14,364	20,270
DAK Health	1,919	9,881	8,154	14,227	7,810	10,712	DAK Health	3,668	8,632	4,917	7,463	7,186	5,844
DAK Infrastructure							DAK Infrastructure						
- Road	1,699	2,356	6,516	10,882	7,464	7,548	- Road	3,281	10,573	7,632	7,747	9,535	3,013
- Irrigation	0	0	0	4,243	3,067	4,548	- Irrigation	0	1,923	0	5,172	2,894	2,046
- Water	554	3180	1133	3,333	2,974	1,181	- Water	801	3,064	838	2,397	2,635	735
- Sanitation	0	0	1,749	0	0	930	- Sanitation	0	0	1,814	0	0	728

Source: Districts in Figures, various years.

Figure 18: District Source of Fund



Source: LPEM compilation from Law No. 33 Year 2004, and Government Regulation No.7 Year 2008.

Table 24: Local Government Source of Funds in Bangka Belitung Province (Billion Rupiah)

Source of Fund	Bangka District			Belitung District		
	2008	2009	2010	2008	2009	2010
Central Government						
DAU	280.70	408.00	410.81	280.70	278.35	272.12
DAK						
DBH NR	48.23	56.03	27.02	23.87	30.52	24.89
DBH TAX	25.85	26.68	36.77	22.74	24.01	17.93
Adjustment fund and special autonomy	-	-	-	1.10	1.97	14.37
BOS	n.a	n.a	3.21	n.a	n.a	2.03
Deconcentration	n.a	n.a	n.a	n.a	n.a	2.95
TP	n.a	n.a	n.a	n.a	n.a	n.a
Provincial Government						
Revenue sharing from other province and local government	3.50	26.51	-	11.34	10.50	10.51
Financial Support from other province and local government	11.76	0.40	16.94	5.09	2.26	14.43
City/ District Government						
Own revenue	26.02	31.05	35.47	44.65	47.90	12.91

Notes: BOS funds data were not available before 2011.

Deconcentration funds were not available at province level.

Source: Bangka Belitung Province in Figures, various years.

Table 25: Local Government Source of Funds in East Java Province (Billion Rp)

Source of Fund	City of Surabaya			Malang District		
	2008	2009	2010	2008	2009	2010
Central Government						
DAU	713.59	765.90	652.53	967.65	959.12	967.11
DAK						
DBH NR	4.33	3.29	835.47	5.79	4.76	77.62
DBH TAX	563.88	796.48	5.51	63.58	101.18	5.51
Adjustment fund and special autonomy	-	2.63	-	-	2.13	-
BOS	n.a	n.a	n.a	n.a	n.a	n.a
Deconcentration	n.a	n.a	n.a	n.a	n.a	n.a
TP	n.a	n.a	n.a	n.a	n.a	n.a
Provincial Government						
Revenue sharing from other province and local government	243.16	360.30	481.83	58.52	79.88	79.96
Financial Support from other province and local government	-	-	-	-	29.84	63.57
City/ District Government						
Own revenue	642.77	882.62	1,036.17	85.62	145.38	124.39

Notes: BOS funds data were not available before 2011.

Deconcentration funds were not available at province level.

Source: East Java Province in Figures, various years.

Table 26: Local Government Source of Funds in West Nusa Tenggara Province (Billion Rp)

Source of Fund	West Lombok District			East Lombok District		
	2008	2009	2010	2008	2009	2010
Central Government						
DAU	479.22	324.119	409.929	584.25	619.206	697.489
DAK						
DBH NR	4.565	3.5	22.682	4.565	3.502	31.687
DBH TAX	25.37	26.443	6.025	26.216	29.456	6.019
Adjustment fund and special autonomy	-	-	-	-	-	-
BOS	n.a	n.a	n.a	n.a	n.a	n.a
Deconcentration	n.a	n.a	n.a	n.a	n.a	n.a
TP	40.18	38.342	n.a	39.81	40.52	n.a
Provincial Government						
Revenue sharing from other province and local government	10.821	11	21.223	21.058	17.545	27.811
Financial Support from other province and local government	2.263	1.328	13.275	3.917	16.367	18.55
City/ District Government						
Own revenue	42.89	38	88.5	46.817	44.017	45.443

Notes: BOS funds data were not available before 2011.

Deconcentration funds were not available at province level.

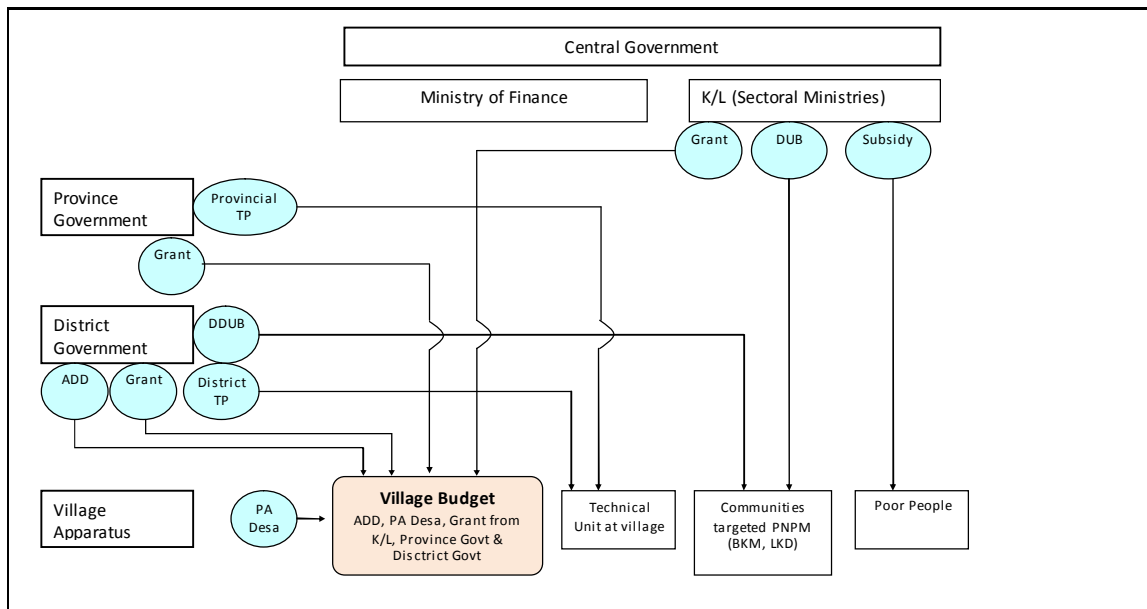
Source: West Nusa Tenggara Province in Figures, various years.

Table 27: Local Government Source of Funds in South Sulawesi Province (Billion Rp)

Source of Fund	City of Makassar			Jeneponto District		
	2008	2009	2010	2008	2009	2010
Central Government						
DAU	643.33	647.31	644.27	296.15	302.31	314.83
DAK						
DBH NR	3.28	1.81	164.74	3.28	1.81	26.34
DBH TAX	113.50	141.70	1.02	25.12	25.19	1.03
Adjustment fund and special autonomy	-	-	26.01	-	70.00	-
BOS	n.a	n.a	n.a	n.a	n.a	n.a
Deconcentration	n.a	n.a	n.a	n.a	n.a	n.a
TP						
Provincial Government						
Revenue sharing from other province and local government	87.50	445.00	131.50	2.20	2.20	-
Financial Support from other province and local government	7.23	24.19	27.02	0.47	0.35	10.69
City/ District Government						
Own revenue	137.86	160.43	199.34	10.76	13.20	14.84

Source: South Sulawesi Province in Figures, various years.

Figure 19: Village Source of Fund



Source: LPEM compilation from Law No. 33 Year 2004, and Government Regulation No.7 Year 2008.

Table 28: Transfer from District Budget to Village Budget (APBDes) in selected Districts, Year 2008 - 2010 (Billion Rupiah)

Description	Belitung			Lombok Barat			Lombok Timur			Jenepono			Malang			Bangka		
	2008	2009	2010	2008	2009	2010	2008	2009	2010	2008	2009	2010	2008	2009	2010	2008	2009	2010
Subsidy for Village Government	11.13	11.25	14.45	24.72	20.98	23.31	21.82	21.83	30.21	11.75	12.80	13.46	98.00	98.00	96.53	22.71	22.81	23.43
Revenue Sharing for Village Government				0.98	0.98	1.00	1.21	1.19	1.50				12.28	11.03	11.07	1.59	1.59	1.60
Total transfer to villages budget	11.13	11.25	14.45	25.70	21.96	24.31	23.04	23.02	31.71	11.75	12.80	13.46	110.29	109.03	107.60	24.31	24.40	25.02

Table 29: Average Transfer to Villages Budget in selected Districts, Year 2008 - 2010 (Billion Rupiah)

Description	Belitung			Lombok Barat			Lombok Timur			Jenepono			Malang			Bangka		
	2008	2009	2010	2008	2009	2010	2008	2009	2010	2008	2009	2010	2008	2009	2010	2008	2009	2010
Total transfer from District Budget	11.13	11.25	14.45	25.70	21.96	24.31	23.04	23.02	31.71	11.75	12.80	13.46	110.29	109.03	107.60	24.31	24.40	25.02
Number of villages	40	40	40	88	88	88	106	106	106	82	82	82	378	378	378	60	60	60
Average transfer to villages budget	0.28	0.28	0.36	0.29	0.25	0.28	0.22	0.22	0.30	0.14	0.16	0.16	0.29	0.29	0.28	0.41	0.41	0.42

Note: Subsidy for Belitung is treated as ADD/Villages Allocation Fund. ADD is used for personnel, operational expenditure non personnel and capital expenditure.

Source: Districts in Figures, various years.

Different source of funds have their own disbursement time. Local government should carefully consider this flow of funds timing when managing the budget. Some of local governments in the visited area, though, exercise some form of “contractor source debt”. This means the local governments do not have the money yet, but they ask the contractor to pre-finance the project. When the money from central government is in the local government account, they start to pay the contractor. In a particular district, the pre-financing by contractor is one year in advance. A more detail explanation on disbursement time of each source of funds can be seen on Appendix A-6.

The executions of Special Allocation Fund (DAK) programs in Surabaya city were frequently delayed and the budget absorption was not maximal. Local government claimed that it was because they have to wait for the technical guidelines from line ministries before implementing DAK programs. For example, technical guideline (Juknis) for implementing DAK in education was not available until Sept 2010. Therefore government of Surabaya City did not have enough time to carry out the procurement process and to maximize the absorption of DAK in education.

The DAK was disbursed in several phases for all programs in different sectors. In a limited fiscal year, local government has to allocate the portion of DAK to each planned program. However, phase of DAK disbursement inhibit the local government to accomplish all programs in a timely manner. Correction, NOT all programs, but DAK programs. DAK fund is not provided in a full one time disbursement, but in phase. In many cases, project is suspended until DAK fund available again in the local government account. This is a problem of timing in project execution by contractor and fund availability to pay the contractor that is not match. In many districts, this is not a problem because the contractor, on agreement, willingly to pre-finance the project.

DAK program that is not available for all sectors in each year give uncertainties for local government. For example, road and agriculture were included in DAK programs in 2008 with about Rp 1.8 billion projects accomplished but none of them were included in 2009 DAK programs. On the other hand, family planning was included in 2009 DAK but not in 2008.

City of Surabaya has allocated Rp 6.4 billion for DAK sharing fund which is 10.8 percent of DAK allocation from central government in 2010. This amount is a little higher than required by central government. According to Ministry of Finance Regulation No 175/PMK.07/2009 on General Guideline for DAK, local government recipient should allocate sharing fund of at least 10%.

Bappeko of Surabaya city complained that line ministries still requires sharing fund (*dana pendamping*) for *Tugas Pembantuan*. However, PMK No 156/PMK.07/2008 on Guidelines for *Dana Dekonsentrasi* and *Tugas Pembantuan* mention that line ministries are not allowed to request sharing fund from local government.

Overlapping programs can still be found among different local offices (*dinas/SKPD*) in Surabaya city. For example, local office who received budget from central government budget sometimes attempts to directly approach line ministries without coordinating with Surabaya City Planning Board (Bappeko) beforehand. Accordingly, Bappeko would not have enough information on specific programs supported by central government budget.

Some local assets are still hold by provincial government even though most of government functions have been decentralized. Therefore, City of Surabaya considers that the decentralization that was taken place since 2001 is not yet fully implemented.

Surabaya city expect that more provincial taxes should be better delegated to local government. Since the focus of decentralization in Indonesia is at local government level, and all social burdens also located at local government level, it is necessary for local government to increase its taxing power. According to Law No. 28/2009 on Local Taxes and User Charges, land and property tax (PBB) and *Bea Perolehan Hak Atas Tanah & Bangunan* (BPHTB) turn into fully local tax. However, vehicle tax and fuel tax still have to be shared in which 70% of it goes to province and 30% of it goes to city/district. This is a classic issues, local government needs more taxes in their disposal to generate more income and consequently more money in its account. Law No 28 Year 2009 is issued to curb district (province) government capacity to create taxes by shortlisting all tax that could be collected in district (province) area. Previous law on local taxation provides practically unlimited type of taxes that could be collected.

Misperception about the role of DAU is still persists in local governments officials. DAU is actually designed to give local governments the ability to finance activities that is most needed by local communities, and is not limited to pay for personnel or civil servant. This is remains from early day of decentralization when the government used the amount of SDO (*Subsidi Daerah Otonom*) received as a benchmark for the minimum amount of DAU to be distributed⁵³. Despite the change in the formula of DAU in subsequent year, plus government explanation on the nature of DAU, this misperception is hard to fade away.

⁵³ Prior to decentralization (in 2001) SDO was used solely for payment of civil servant, nothing else.

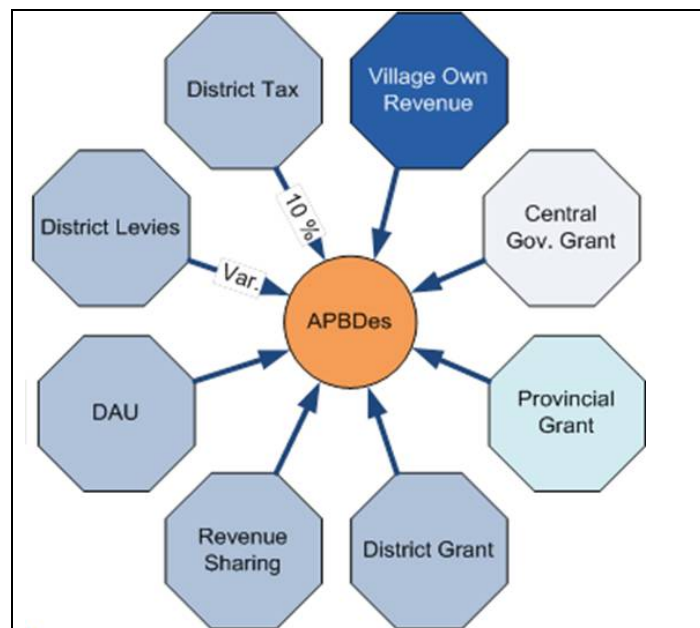
C. RPJMDes and Alokasi Dana Desa (ADD)

BOX 3 Alokasi Dana Desa and Other Revenues from District

ADD (Alokasi Dana Desa – Village fund allocation) becomes the mantra for the autonomy of village. Every time people talk about village autonomy, he/she directly related this autonomy with ADD. This is true even if the sources of fund that come from governments are actually not single but multiples. ADD may be a significant source of income for villages, but we have evidence to support this conjecture.

According to Government Regulation No. 72 Year 2005 village budget may come from own revenue, or coming from higher level governments. District government provide the most varied sources of income for village, including sharing of district tax, sharing of district levies, ADD and other district grants. The only sources funds from province and government are grants. Summary of village budget sources of fund is provided in figure below.

Figure 21: Village Budget sources of Fund



Notes: District grant, provincial grant and central government are direct provision from respective budget. Revenue sharing is an aggregation of all revenue sharing from higher level governments.

ADD is generated using a special formula. This formulation is stipulated in the government regulation, and ministerial regulation. The formulation takes 10 percent as an example, in reality 10 percent is a minimum percentage:

$$ADD = (DAU + Revenue Sharing - Personnel Expenditure) \times 10\%$$

RPJMDes is stipulated for the first time in Government Regulation No 72 Year 2005⁵⁷. This is a medium term development plan for village. During PPK and P2KP, the predecessor of PNPM Mandiri, actually the village has been trained, with the help of consultant, to prepare such a document, albeit with a different name. So when the government regulation asks for such a document, it is only an act of formal acknowledgement of village documents.

In the same line, villages also receive an allocation fund called *Alokasi Dana Desa* (ADD - village fund allocation). But its application in village needs a couple of years until the enactment of Ministry of Home Affair Regulation No. 37 Year 2007 on The Principle of Village Financial Management. The funds is used for human resource development, capacity building of community BPM, Village Consultative Body- BPD), including the village secretary. In poor village ADD fund is not enough to finance village officials. While in a more developed village there are other sources of income for village beyond ADD (see Appendix A-4)

ADD is channeled to finance part of Village Budget. Most of ADD is utilized to finance operating costs (excluding salaries for village officials and physical infrastructure), in accordance with the Village Work Plan. It is reserved in the nomenclature of Social Fund/Assistance from within of district budget. ADD is transferred to all villages in accordance with Government Regulation No. 72 Year 2005. The value of ADD to be transferred is measured by several indicators, such as a percentage of transfer funds received by District, number of population, number of villages, as well as the ability of District budget.

To complement the financial capacity of village, the government gives permission for village to have business unit (BUMDes). The formality of this policy is given by issuing Ministry of Home Affair Regulation No 39 Year 2010 on Village Business Unit. The regulation stipulated that local government should issue local regulation on creating village business unit. In reality even when district government issue a local regulation, some BUMDes has already been set up by village. In Bangka District some BUMDes even created long before government regulation permit⁵⁸.

Village Fund Allocation (*ADD - Alokasi Dana Desa*)

In implementing their activities, Village Work Plan can be financed through: (i) District budgets (Districts' APBD – through musrenbang), (ii) Village budget (APBDesa – through ADD), and subsidy/grant from central government (PNPM).

ADD is channeled to finance part of Village Budget. Most of ADD is utilized to finance operating costs (excluding salaries structural officials and physical activity), in

⁵⁷ Actually the assigned name in the regulation is RPJMD, exactly the same name for district's documents for medium term development planning. So for the sake of clarity, the medium term development planning for village is renamed as RPJMDes.

⁵⁸ No regulation until 2010, but some BUMDes in Bangka District has been set up and in operation long before the regulation.

accordance with the Village Work Plan. It is reserved in the nomenclature of Social Fund/Assistance. ADD is transferred to all definitive village based on Government Regulation No. 72/2005. The value of ADD to be transferred is measured by several indicators, such as a percentage of transfer funds received by district, number of population, number of villages, as well as the ability of district budget.

The table below shows the financing of Village Work Plan:

Table 30: Financing Village Development Activities

No.	Description	Nature of Activity	Source of Finance	Basis of Planning	Implementing Agent
1.	Honorarium of Village Apparatus	Wage, salary	ADD – APBDesa	Village Work Plan	Village Apparatus
2.	Village Development	Infrastructural Development: - Village street,, - Housing improvement - Government building/ facilities, religious facilities, health facilities, education facilities	Districts' APBD	Musrenbang	Districts' Apparatus
		Infrastructural Development: - village health facilities, kindergarten facilities	ADD – APBD Desa	Village Work Plan	Village Apparatus
		- infrastructural development but government and religious facilities, - roll-over financial assistant; - Capacity building for specific skills	PNPM	Poverty Alleviation Program which is integrated into RPJMDesa	Community

Source: LPEM-FEUI Team findings.

V. REGIONAL DEVELOPMENT AND COMMUNITY DEVELOPMENT

A. Regional Development

Summary

GOI efforts on regional development have been started not only since decentralization era taken place but also since the new order government era. Various terms of regional development planning with appealing targets and objectives have been interchangeably implemented to foster the economic growth of the regions in Indonesia. However, up to now, the results are a bit far from the initial expectation. Western part region are growing higher and equipped with much better infrastructures and other public facilities than its counterpart in the east of Indonesia. Yet, many of remote areas and outermost islands in Indonesia are still less developed. This facts show that the current government needs to find ways to resolve regional development issues in Indonesia.

Reducing the regional disparity is part of the effort to realize the more equitable development in Indonesia as mandated by Law No 17 Year 2007 on RPJPN. In order to achieve that target, GOI set its regional development strategy and policy direction covering:

1. Promoting the growth of potential regions outside Java-Bali and Sumatera while keeping the momentum of growth in Java-Bali and Sumatera regions.
2. Upgrading the inter-regional linkages through inter-islands trade enhancement to support domestic economy.
3. Improving local competitiveness through development of prime sectors in each region
4. Promoting the growth acceleration of less developed areas, strategic and fast-growing zones, border areas, leading regions, outermost regions, and disaster-prone areas.
5. Promoting the development of marine regions and maritime sectors.

A. Strategic Zone

Regional development disparity and efforts to realize the acceleration of economic growth are two main background factors for the issuance of strategic zone development policy. The main idea of strategic zone policy is promoting the growth of domestic and foreign investment via providing the location and its facilities that are competitive and maintaining the favorable investment climate. Whereas, the main goal of initiating the strategic zone is to raise the employment level and to stimulate the economic growth in the neighbor areas through multiplier effect from economic activities.

In achieving that goal, the government, both at central and local level, act only as regulator and facilitator. Meanwhile, the management function of strategic zone is delegated to a

governing body based on current laws and regulations. Those government roles are realized by the establishment and synchronization of current laws /regulations and its supporting policies, the provision of infrastructure, the provision of tax and non-tax incentive facilities, the delegation of licensing authority and the law enforcement authority in order to achieve the favorable investment climate in the strategic region and its neighbor areas.

Law No. 26 Year 2007 on Spatial Management explains that strategic zone is a zone prioritized in spatial management due to its important influence on the economy, society, culture, defense and security, and/or the environment to the surrounding areas. GOI has designed at least three type of national strategic zones i.e., the integrated economic growth zone (*Kawasan Pengembangan Ekonomi Terpadu - KAPET*), Free Trade & Free Port Zone (*Kawasan Perdagangan Bebas dan Pelabuhan Bebas - KPBPB*), and Special Economic Zone (*Kawasan Ekonomi Khusus - KEK*). The policies on KAPET and KPBPB have been for more than ten years while the policies on KEK is relatively new and it is still in the preparation stage before the KEK is launched. All these three strategic zones are directed to develop as inter-linkaged zones that are able to promote economic growth.

A.1 Special Economic Zone (KEK)

Policies on Special Economic Zone are derived from Law No. 39 Year 2009. According to that law, KEK is defined as a zone, which has certain borders within the jurisdiction of the Republic of Indonesia, assigned to perform the economic function with certain facilities provided. Some facilities provided for the KEK's investors are as follow:

- a. Custom and Excise Incentives; import tariff and excise exemption for inputs of production
- b. Tax Incentives; Exemption of Value Added Tax and Luxury Goods Tax both for domestically produced goods and imported goods
- c. One Stop Service for Licenses,
- d. Immigration service
- e. Facilities related to labor/employment

Since the enactment of Law No. 39 Year 2009 on October 14th, 2009 and KEK development target is included in the RPJMN 2010-2014, GOI has taken some efforts to ensure that in 2012 there will be 5 KEK locations established. In addition, as mandated in the RPJMN 2010-2014, there will be seven KEK locations in 2014. To accommodate the coordination among line ministries and other government agencies, GOI has issued the derivation of Law 39 Year 2009 and performed other activities such as;

1. According to President Instruction No 1 Year 2010 (Inpres No. 1/2010) on the Accelerating Implementation of 2010 National Development Priorities, National Council for KEK should begin to function on August 2010.

2. Currently, GOI are preparing the master plan for KEK and the same time preparing cooperation plan between Indonesia Coordinating Investment Board (BKPM) and Japan International Cooperation Agency (JICA) to conduct survey and comprehensive on KEK. It is expected that the results from study will give the criteria and recommendation on KEK location before GOI decide the five best KEK locations and before the zone management board begin its operation.
3. Until early 2011, there are 52 proposed locations for KEK from local governments.

The following table presents the list of regulations related on Special Economic Zone (KEK).

No	Regulation	Substance
1.	Law No. 39 Year 2009 (UU No. 39/2009)	Special Economic Zone (SEZ)
2.	Government Regulation - Draft	<ul style="list-style-type: none"> • Management Procedure of SEZ • National Committee, Zone Council, and Administrator • Income Tax Facility • Custom Facility
3.	President Regulation No. 33 Year 2010 on National Council and SEZ Council	Organization, Scheme, and Administration of National Council and SEZ Council
4.	Presidential Decree No. 8 Year 2010	<ul style="list-style-type: none"> • National Council • Zone Council
5.	Coordinating Ministry for Economy Regulation No. PER-07/M.EKON/08/2010	Organization, Scheme, and Administration of National Council and SEZ Council
6.	Coordinating Ministry for Economy Regulation No. PER-06/M.EKON/08/2010	<i>Tata Tertib Persidangan dan Tata Cara Pengambilalihan KEK</i>
7.	Coordinating Ministry for Economy Decree No. KEP-40/M.EKON/08/2010	Management of National Council for SEZ
8.	National Council Regulation	Public Private Partnership for Infrastructure Development and Maintenance

A.2 Integrated Economic Growth Zone (KAPET)

The establishment of KAPET refers to several regulations which have been enhanced occasionally. The first regulation is the President Decree No. 89 Year 1996 on KAPET. That decree was enhanced by President Decree No. 9 Year 1998 which then was re-enhanced by President Decree No. 150 Year 2000. Based on the President Decree No. 150 Year 2000, KAPET is a bordered geographical area which has certain criteria as follow:

1. Has the potential for Fast-growing, and / or
2. Has prime sector to drive economic growth of the surrounding areas, and / or
3. Has the potential for big investment return.

After the enactment of the first President Decree No. 89 Year 1996, up to now there are 14 KAPET locations have been established, i.e., :

1. President Decree No. 90/1996 : on the Establishment of KAPET Biak
2. President Decree No. 11/1998 : on the Establishment of KAPET Batulicin
3. President Decree No. 12/1998 : on the Establishment of KAPET Sasamba

4. President Decree No. 13/1998 : on the Establishment of KAPET Sanggau
5. President Decree No. 14/1998 : on the Establishment of KAPET Menado Bitung
6. President Decree No. 15/1996 : on the Establishment of KAPET Mbay
7. President Decree No. 164/1998 : on the Establishment of KAPET Parepare
8. President Decree No. 165/1998 : on the Establishment of KAPET Seram
9. President Decree No. 166/1998 : on the Establishment of KAPET Bima
10. President Decree No. 167/1998 : on the Establishment of KAPET Batui
11. President Decree No. 168/1998 : on the Establishment of KAPET Bukari
12. President Decree No. 170/1998 : on the Establishment of KAPET DAS Kakab
13. President Decree No. 171/1998 : on the Establishment of KAPET Sabang
14. President Decree No. 17/1999 : on the Establishment of KAPET Pulau Natuna

According to President Decree No. 9 Year 1998, there are several tax incentive facilities given for the investors operating in the KAPET. The incentives are as follow:

1. The exemption of Income Tax Article 22 on imported capital goods, raw materials and other equipment directly related to the production
2. The option for using accelerated depreciation/amortization for Income Tax
3. Compensation for loss from 1 year ahead until 10 year ahead in calculating taxable income
4. 50 percent lower income tax article 26 on dividend tax.

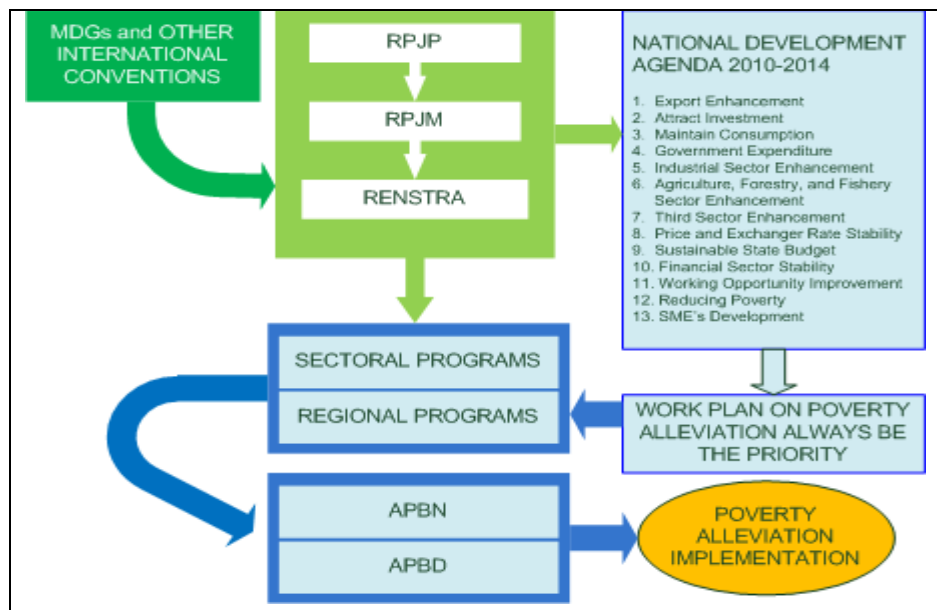
B. Community Development

Summary

One objective of implementing decentralization is to improve welfare of all society. However, within 10 years of decentralization, Indonesian HDI is ranked at the 111 out of 172 countries listed in the UNDP's HDI in 2010. This indicates that development has not been equally spread and there are still many problems faced by each level of governments in improving welfare of its society, such as lack of capacity, unemployment, poverty, etc. Inviting community to participate and collaborate in each degree of activity becomes crucial as community knows what they need and what they are capable of.

Poverty alleviation is one of the priorities in the national development. It is stated on the President Regulation No. 5 Year 2010 on National Medium Term Development Planning (RPJMN 2010-2014): 13 National Priorities of Second *Indonesia Bersatu* Cabinet.

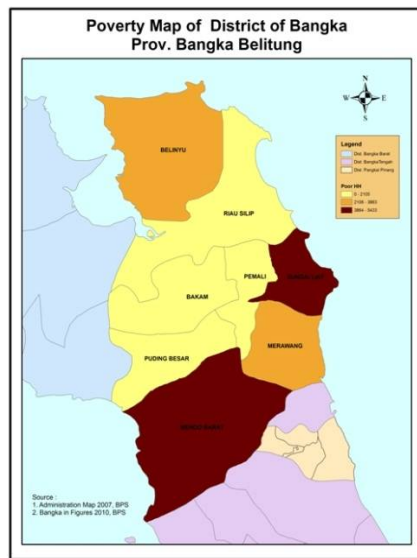
Figure 22: Poverty Alleviation in National Development Framework



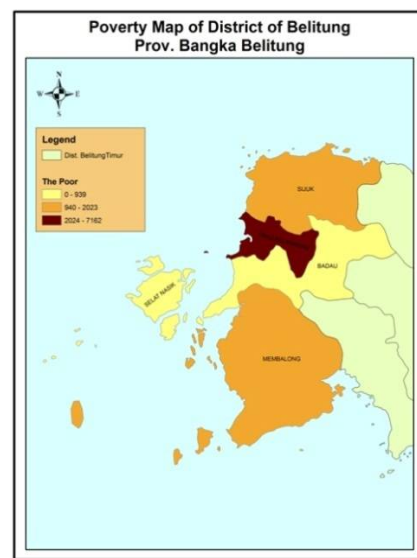
Source: *Practical Guidelines on Poverty Alleviation, TNP2K.*

Because of its cross-sectorial interest, participation of all parties is crucial and important to achieve its target. To implement the program, President issued President Instruction No. 1 Year 2010 on the Accelerating Implementation of 2010 National Development Priorities. Under the Welfare Coordinator Ministry, a Coordinating Poverty Alleviation Team (TKPK) is established at Provincial and District level to smoothen the communication and coordination among stakeholders. It is expected that each province and District will co-pack the poverty alleviation programs in accordance with local needs and conditions. Some poverty alleviation programs both national and regional initiatives can be seen in Appendix A-1.

Poverty is scattered among the field visit areas. Based on Statistic Bureau, District of Jawa Timur is the worst among 8 visited districts, while District of Malang has the least poor families.



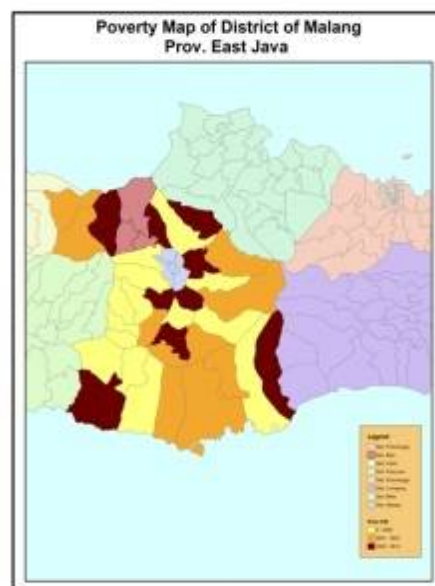
a. Poverty Map of Bangka District



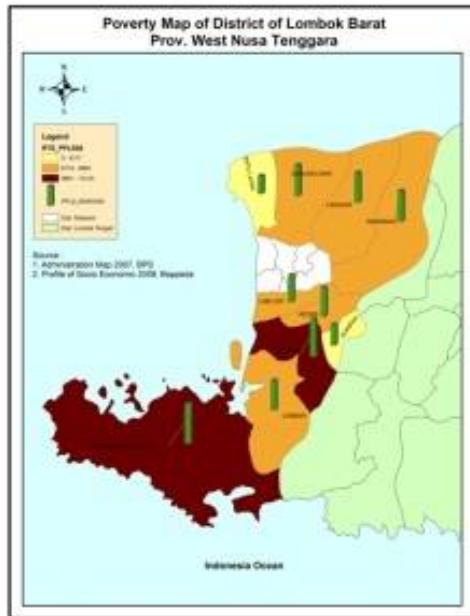
b. Poverty Map of Belitung District



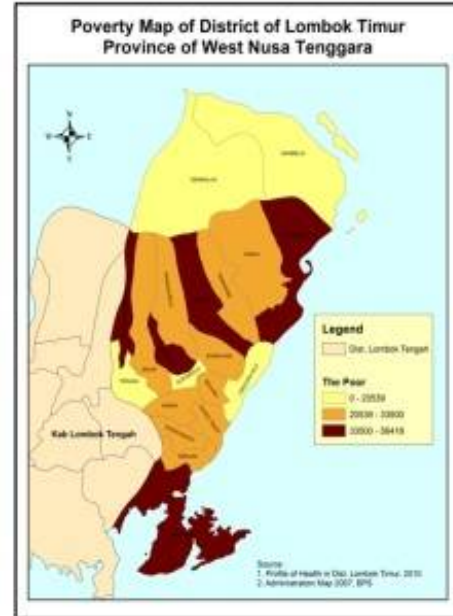
c. Poverty Map of Surabaya



d. Poverty Map of Malang District



e. Poverty Map of Lombok Barat District



f. Poverty Map of Lombok Timur District



g. Poverty Map of Makassar District



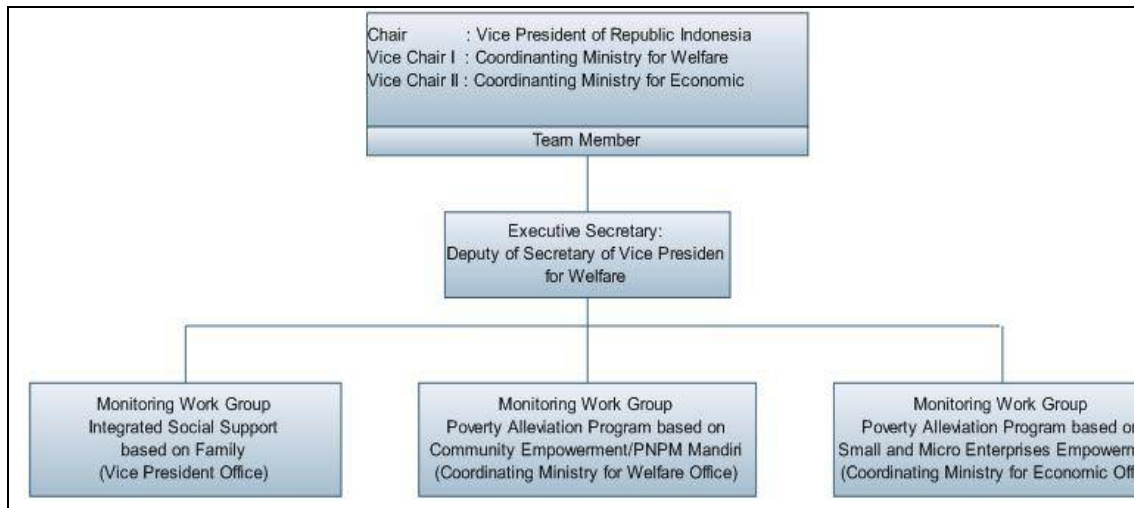
h. Poverty Map of Jeneponto District

Source: Graph by LPEM.

To strengthen its high level of priority, the President accelerates the poverty alleviation program by issuing the Presidential Regulation No. 15 Year 2010 on Accelerating Poverty Reduction. Coordinated by the Vice President, the Presidential Regulation formed a new institution, the National Team for of Poverty Alleviation Acceleration (TNP2K) to better coordinate all poverty reduction programs and activities which have been prepared by the TKPK, previously.

The structural organization of this institution is as follows:

Figure 23: Structural Organization of TNP2K



Source: TNP2K, 2010

There are three group tasks of the TNP2K. The tasks include (1) to design, plan and budget for poverty alleviation policies and programs, (2) to synergize policies and poverty alleviation programs in a way synchronization, harmonization and integration, and (3) to supervise and control the implementation of poverty reduction programs and activities. In performing its duties, TNP2K has several strategies in the fight against poverty, namely: 1) Improving social protection programs; 2) Improving access to basic services; 3) Empowerment of the poor; and 4) Creating inclusive development.

Based on those strategies, TNP2K formed three clusters (groups) of poverty alleviation programs. These clusters are for: 1. Family Centered Integrated Social Assistance Program, 2. Community Based Empowerment – National Program for Community Empowerment (PNPM), 3. Microfinance Program for Small Entrepreneurs and Micro and Small Sized Enterprises. Moreover, to further promote the progress of society in an effort to become self-sufficient families, TNP2K formed the fourth cluster, namely the Group of Madani (self-sufficient) Family Program. Each group / cluster has a superior range of activities, tailored to the characteristic of the group program. Examples of activities based on clusters of TNP2K programs can be seen in Appendix A-1.

Cluster 1: Family Centered Integrated Social Assistance Program

Cluster 1 is proposed to provide basic needs of the poorest; hence any direct assistance from the government is expected to improve their living survival. Some of the activities of cluster 1 are (i) conditional cash transfer, (ii) basic health care and health insurance or the poor, (iii) operational aid for schools and scholarship program, (iv) rice for the poor program.

Cluster 2: National Program for Community Empowerment (PNPM)

PNPM is one of Government's poverty alleviation programs. It is included in the second cluster, PNPM devoted to poverty alleviation based on community empowerment. As quoted in the TNP2K's guidebook: "...aims to develop the potential and strengthen capacity of poor communities to engage in development based on principles of community empowerment". Activities in this group are characterized as follows: 1. Communities are expected to be directly involved in development activities, from the beginning stages of planning, implementation, monitoring and maintenance and preservation; 2. Management of the programs are implemented through community institutions at the village / sub-village in a transparent and accountable manner; 3. The government provides power assistance (technical assistance) in stages starting from the sub-district, district / city, provincial and national levels.

PNPM is implemented for several objectives, such as (i) to lessen horizontal imbalances, (ii) to improve poverty alleviation, (iii) to reduce unemployment and (iv) to increase local government's ability in implementing decentralization and local autonomy. For these purposes, there are several types of PNPM Mandiri which are set up for specific tasks.

In general, in order to implement the PNPM, there are 4 (four) main components of PNPM:

1. Community Development – this component is important to increase community awareness and participation to form independent group and village advisory board;
2. Community Grant – this component refer to the grant, subsidy, participation of community in order to develop basic infrastructures (i.e. village streets, irrigation, school renovation, Puskemas – health care infrastructure, etc.) and economic activity (i.e. small revolving loan, small capital loan, etc.).
3. Stakeholders and Local Government – their roles are significant to create a new, positive, conducive and synergy environment.
4. Program Management – PNPM is highly influenced by the constructive program management, Monitoring and Evaluation, and other operational supports.

Types of PNPM in detail can be seen in Appendix A-5.

Although every core PNPM looks similar, there are several specific characteristics which differentiate one PNPM to others. Based on basis intervention, value of grants, as well as recipient of grants, researchers try to show the differences:

Table 31: Special Characteristics of Core PNPM

	PNPM Urban	PNPM Rural	PNPM RISE/PISEW
Basis of intervention	Urban Village or Village	Sub-District	Sub-District
Value of grant to communities	IDR 100 – 350 million/urban village based on number of population and percentage of poor households in each urban village/village	IDR 750 million - 3 billion/sub-district based on number of population and percentage of poor households in each urban village/village	PIK (Sub-district Investment Development): IDR 1.5 billion/sub-district KSK (District Strategic Zone): IDR 1 billion /sub-district
Grant is transferred to	BKM (Community Group of Trustee)	UPK (Sub-district Management Unit)	LKD (village contractors)

Source: LPEM tabulation from many sources.

PNPM is very crucial and one of important source of funds at village level. As mentioned earlier, most Districts have limited budgets to implement its functions. This indicates that activities which are financed by APBD and conducted at village levels are highly selected. PNPM is a perfect source of fund to close the gap since it is more flexible (activities can be proposed by community based on local priority), it needs participation from all important stakeholders of community (which will increase sense of belonging), and PNPM can reduce unemployment, increase social welfare and entrepreneurship skill.

During three years implementation, the progress of PNPM is impressive. Although its total value in 2011 is lower than in 2010, however, the number of districts and sub districts that are involved are rising. The data in table 32 below will show the detail:

Table 32: Total Value of PNPM and Number of Districts Involved, 2011

	2009	2010	2011
PNPM Rural			
Number of sub districts.	4,371	4,805	5,020
Total value (in Rp million)	7,885,900	9,685,750	8,234,300
PNPM Urban			
Number of sub districts.	1,145	885	1,153
Total value (in Rp million)	1,849,615	1,356,425	1,218,600
PNPM Special and Neglected Areas			
Number of sub districts.	186	186	n.a.
Total value (in Rp million)	119,750	11,376	24,500
PNPM Rural Infrastructure			
Number of sub districts.	479	215	215
Total value (in Rp million)	800,000	425,000	480,600
PNPM RISE			
Number of sub districts.	237	237	237
Total value (in Rp million)	355,500	355,500	355,500
Total VALUE of PNPM	11,010,765	11,834,051	10,313,400
APBN's source	7,646,594	9,203,421	8,470,400
APBD's source	3,364,172	2,630,630	1,843,100
Number of districts	465	495	497
Number of sub districts	6,408	6,321	6,622

Source: www.pnpm.org, downloaded on July 10, 2011.

Cluster 3 – Microfinance Program for Small Entrepreneurs and Micro and Small Sized Enterprises

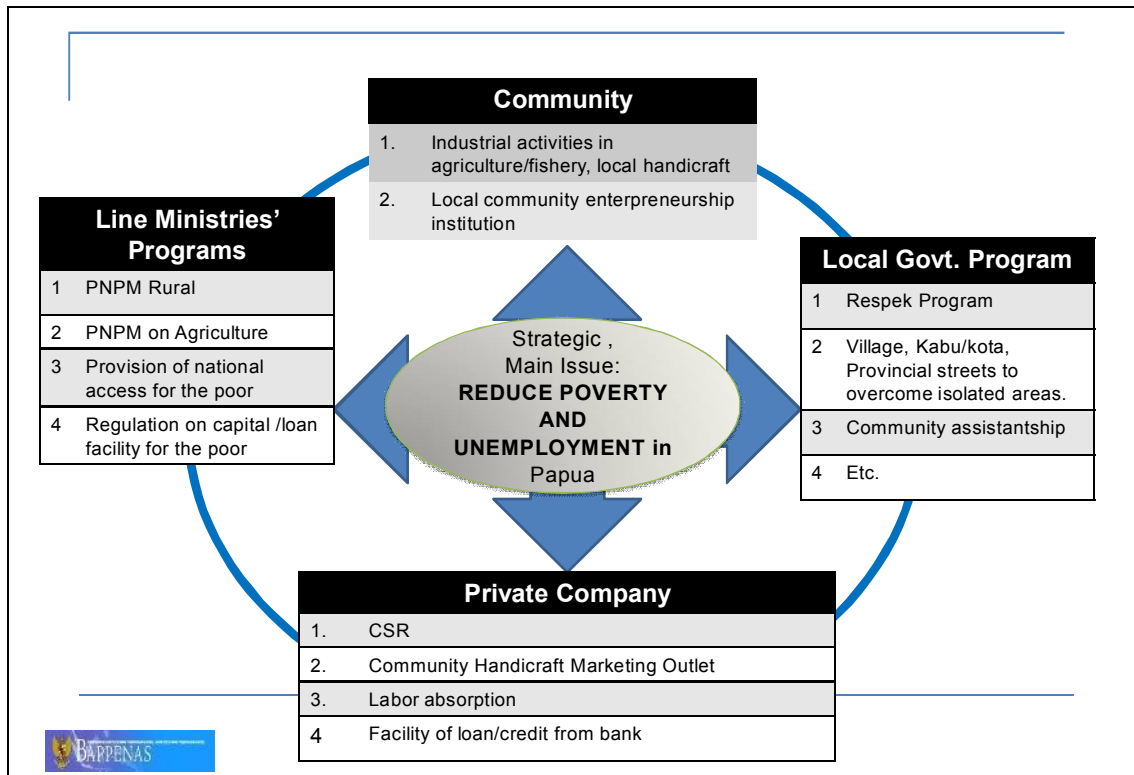
The third cluster is set to further empower the community in order to improve their welfare by conducting economic activities. Programs or activities in cluster three are varied from provision of Small Scale Credit (KUR), subsidy of interest, capacity building for specific skills, etc.

B. Local Initiatives on Poverty Alleviation

As mentioned above, programs set by TNP2K are determined to accelerate the poverty alleviation programs, both at national and local levels. As poverty alleviation programs are cross-sectoral and cross-jurisdiction, this national clustering programs should be complement with as well as enhance local TKPK's programs or local initiatives.

There are several main stakeholders in improving poverty alleviation at local level. The purpose of synergizing all stakeholders is to accelerate all programs with the benefits for the poor, as shown on the figures below:

Figure 24: Example of Synergy among Stakeholders in Improving Poverty Alleviation and Reducing Unemployment in Papua



Source: Bappenas PowerPoint presentation, 2011.

This “template” of strong coordination among stakeholders is also shown in the case studies areas.

Corporation through Corporate Social Responsibility (CSR) contributes to poverty alleviation program. For example, PT. Timah a state own enterprise in tin production gives full scholarship to two classes of each level in SMAN 2 Pemali⁵⁹. The scholarship, cover tuition and provide boarding to poor students.

At West Nusa Tenggara Province, CSR from PT Newmont are not shared to all districts of West Nusa Tenggara. This condition brings an equalization process to the development of each district. It is proposed that CSR is transferred to provincial level and then shared to all districts within the province proportionally.

Since 2007 Makassar district government provides free education for the poor. All students in primary education have been freed from tuition fee. In addition, for the poor the district government provides personal cost to them. The items provided to poor students include, for example, shoes, school uniform, text books, writing notes, ball point, and pencils.

Makassar district government provides goods to poor student through school instead of money. For this purpose the district provides list of schools where the poor could register and tap the goods provided by government. Until 2011, Makassar list 151 SD, 8 SMP and 2 SMA as the schools that provide free education for the poor. The locations of schools are at the poor concentration area to minimize transportation cost. The city government does not provide free school bus yet.

As part of free EFA Makassar district government also provides BOSDA. The allocations for 2011 are IDR 48,000/student/year for SD, IDR 211,200/student/year. A separate fund also allocated for teachers and school personnel.

A more detailed mapping of local initiatives at case study areas can be seen in Appendix A-1.

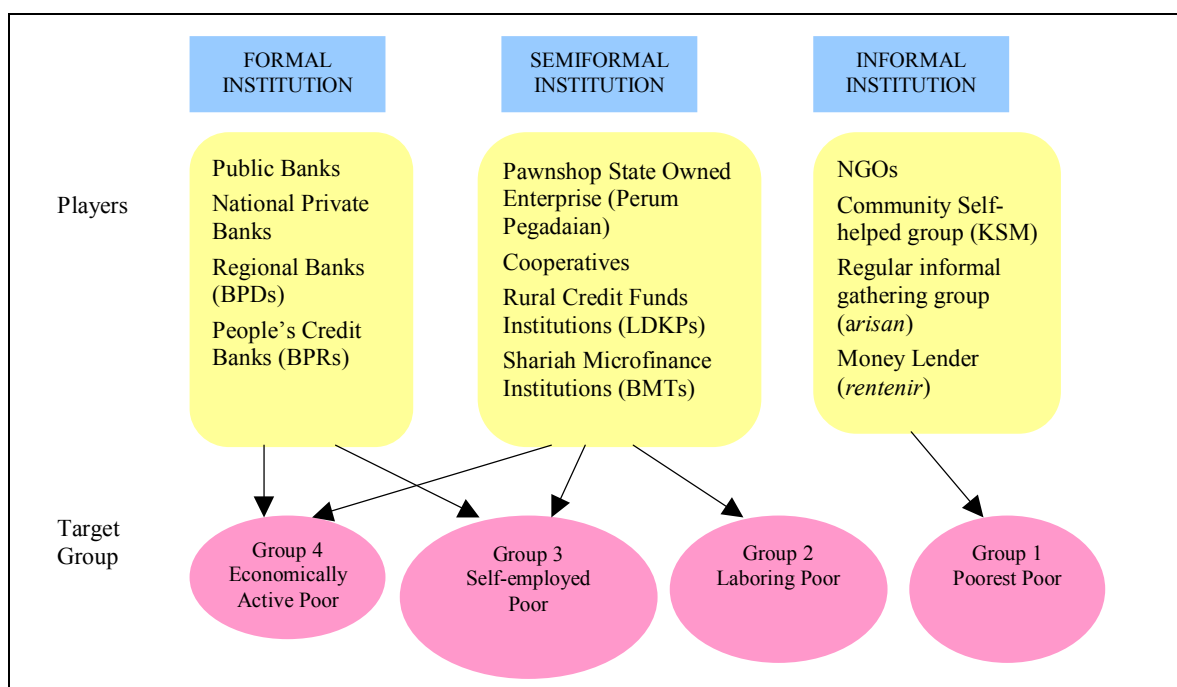
Various poverty reduction programs have made significant achievement in reducing poverty. In 2010, there was a reduction in number of poor people of 1.5 million people, or from 16.6% to 13.3% of total population. In addition, the unemployment rate dropped to only 7.14% from the 2-digit number previously (BPS2010). This high reduction of poor people is related with the high rate of economic growth in 2010, which was 6%. It is expected that in 2011 the unemployment rate is even lower (7%) while the reduction of poverty to 12.5% of total population in accordance with higher target of economic growth (6.4%).

⁵⁹ Public senior secondary school No 2 in Pemali (a sub-district name). Every public school in Indonesia is assigned a number to difference it from the others. The smaller the assigned number of the school, the older the age of the school, and often the better it's quality.

C. Contribution of microfinance organization in regional/community development

In community development in Indonesia, microfinance has important contribution in poverty alleviation. The client or the recipient of microfinance is people who are categorized as poor people.⁶⁰ The recipient can be classified as four groups namely the poorest poor, the laboring poor, the self-employed poor and the economically active poor. Value of microfinance in Indonesia is not more than IDR 50 million, based on Law No 6 2008 about Micro, Small and Medium Enterprises. Microfinance in Indonesia can be categorized as formal, semiformal and informal institution.

Figure 25: Target Group of Poor People of each Type of Microfinance Institution



Notes: *Arisan* is an informal gathering among friends (or family or colleagues) for the purpose of revolving funds.

Source: Summarized from www.microbanker.com and www.bi.go.id, downloaded on July 12, 2011 (see Appendix A-12)

There is a government policy to cooperate with banks to provide credit for micro, small and medium enterprises (MSMEs) namely *Kredit Usaha Rakyat/KUR* (Community Credit)⁶¹. Fund for KUR is provided by banks. MSMEs can access credit from banks supported by guarantee facility managed by government. The risk for KUR credit guarantee is shared between

⁶⁰ United Nations Capital Development Fund, CGAP (Consultative Group to Assist the Poor) and ADB (Asia Development Bank) define microfinance as loans, savings, insurance, transfer services and other financial products targeted at low-income client (www.microbanker.com)

⁶¹ Ministry of Finance Regulation No. 135 Year 2008 on *Kredit Usaha Rakyat/KUR* (Community Credit) is revised by Ministry of Finance Regulation No. 22/PMK.05/2010.

government (70%) and banks (30%). As a formal institution, banks ask some requirements so this program just can access to group 3 and 4 of poor people (see figure above). Due to some required documents to get credit, many micro finance enterprises face some difficulties to access credit from banks (Wijono, 2005)⁶². BI also stated that some of debtor candidate cannot provide a completed identity documents and its business is not feasible⁶³.

Table 33: Realization of Credit KUR in 2010 by bank

Bank	Plafond IDR billion)	Outstanding IDR billion	Debtor	Average size of credit (billion IDR)
BRI	22,720.91	8,969.06	3,666.11	0.01
BNI	3,158.49	1,777.62	27.82	0.11
BANK MANDIRI	3,605.66	2,003.74	74.11	0.05
BTN	973.46	447.77	5.09	0.19
BUKOPIN	914.31	471.18	6.32	0.14
BANK SYARIAH MANDIRI	834.17	521.57	6.87	0.12
BANK NAGARI	71.22	65.24	1.70	0.04
BANK DKI	51.26	28.59	0.52	0.10
BANK JABAR BANTEN	766.33	692.82	7.82	0.10
BANK JATENG	269.43	236.23	4.65	0.06
BPD DIY	17.57	16.35	0.18	0.10
BANK JATIM	813.19	780.29	7.06	0.12
BANK NTB	26.90	26.87	0.36	0.08
BANK KALBAR	56.95	44.56	0.59	0.10
BANK KALTENG	24.61	22.10	0.55	0.04
BANK KALSEL	31.32	28.83	0.60	0.05
BANK SULUT	31.61	27.57	1.16	0.03
BANK MALUKU	15.33	12.47	0.52	0.03
BANK PAPUA	35.26	30.43	0.54	0.07
Total	34,417.95		3,812.56	9.03

Source: TNP2K (2011), *Panduan Penanggulangan Kemiskinan*.

The poor in group 1 and 2 cannot access bank credit prefer to choose a semiformal and informal financial institution, called *Rentenir*. Government realizes that there are thousands non-bank financial institution in Indonesia. They can gather fund from community who cannot access to banks. According to Table 32, the non-bank financial institutions have more than 8 million borrowers, and in average community just lend a relative little amount of load (130 thousand to 2.7 million IDR). The average size is much smaller than average size for KUR from banks (see Table realization KUR above). Those semiformal institutions do not have a clear regulation in finance system (BWTP, 2009). Government challenges to monitor

⁶² Wijono (2005), *Pemberdayaan Lembaga Keuangan Mikro sebagai salah satu pilar sistem keuangan nasional: Upaya Konkrit Memutus Mata Rantai Kemiskinan*, Kajian Ekonomi dan Keuangan, November.

⁶³ The required documents for KUR are identity card, household card, NPWP (tax payer number), SIUP (Trade license) and bank account for last 6 months (www.bni.co.id, downloaded July 20, 2011, 6:17pm)

those institutions because they are not under supervision of the Central Bank (www.ekon.go.id).

Table 34: Non-bank Financial Institutions engaged in Microfinance year 2007

Non-bank Finance Institution	Number of Units	Lending in billion IDR	Number of borrower	Average Size Loan in million IDR
KSP-Koperasi Simpan Pinjam (Saving Lending Cooperative)	1,598	1,154.80	480,362	2.40
USP-Unit Simpan Pinjam (Saving Lending Unit)	36,485	13,495.00	4,987,783	2.71
LDKP-Lembaga Dana Kredit Pedesaan (Rural Credit and Fund Institution)	2,272	358.00	1,300,000	0.28
Syariah Cooperative	3,038	157.00	1,200,000	0.13
Credit Union and NGOs	1,146	505.73	400,000	1.26

Source: *Laporan Industri Keuangan Mikro Indonesia, Bank with the Poor Network (BWTP), 2009.*

D. Developing Partners at Local Level

There are many developing partners who implement their programs at local levels. Unfortunately, their main areas are scattered, based on their objectives and interests. Hence, not all field visit areas are assisted by developing partners. Usually, developing partners are targeting eastern part of Indonesia as their main areas.

The table below shows several developing partners and their areas:

Table 35: Developing Partners at Local Level

No.	Developing Partners	Field Visit Areas							
		1	2	3	4	5	6	7	8
1	GTZ – Health Assisting SIKDA Development (Sistem Informasi Kesehatan Daerah)					V	V		
2	GTZ – Good Governance Advisory Service Support for Decentralization					V	V		
3	World Bank – WRMP (Water Resource Management Program): NTB-WRMP, improving institution and infrastructure related water management (for local institution and water user)					V	V		
4	World Bank – Antara Australia - Nusa Tenggara Assistance for Regional					V	V		

No.	Developing Partners	Field Visit Areas							
		1	2	3	4	5	6	7	8
	Autonomy Supporting local governments in both provinces to improve governance, accelerate economic growth, and improve access to and quality of basic services								
5	Ausaid	V			V				
6	Ausaid – ACCESS (capacity building and clean water)					V	V		V
7	UN – UNFPA Supporting Mother and child Health					V	V		
8	UN – Unicef Promoting water, environment and sanitation (AMPL)				V	V	V		
9	UN – WFP					V	V		
10	HIVOS	V			V				
11	USAID	V				V	V		
12	JICA	V				V	V	V	
13	JBIC Funding for Road Development in West Nusa Tenggara	V				V	V		
14	ADB – irrigation				V				
15	ADB – Community Participation Water Supply (PAMSIMAS)							V	
16	KNVC Technical assistance to prevent Tuberculosis				V				
17	Ausaid + World Bank – Community Participation on Sanitation (SANIMAS)							V	
18	CARE international + Ausaid Health – Water and Sanitation							V	V
19	VSO								V

Source: Based on interviews with local government officers

Notes:

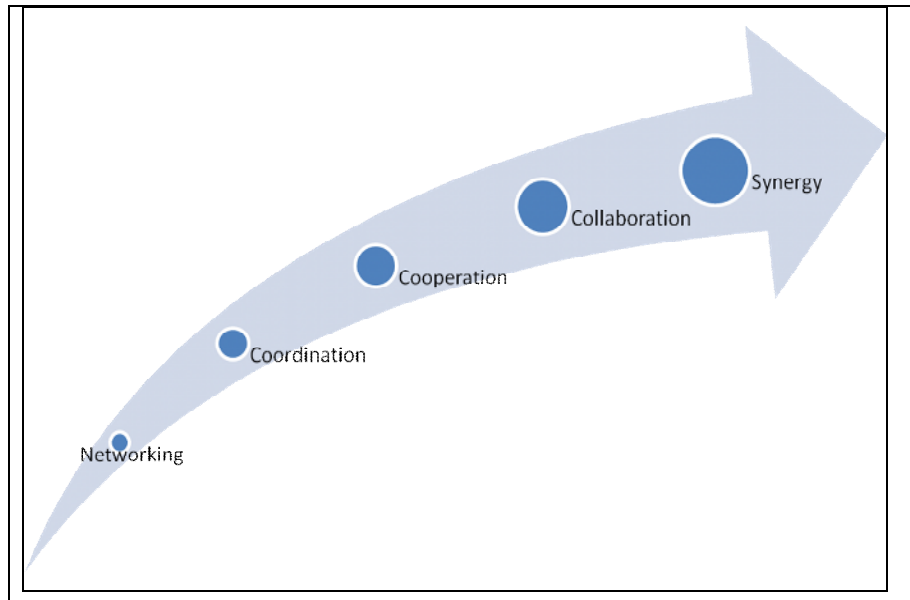
1	District of Bangka	5	District of Lombok Barat
2	District of Belitung	6	District of Lombok Timur
3	District of Surabaya	7	District of Makassar
4	District of Malang	8	District of Jeneponto

E. Good Practices in Community Development

One step to reduce poverty is building the “Partnership” by improving collectivity. This means that community should work together with several stakeholders, such as local government agents or SKPD, private companies, and others to plan the integrated programs, implement and maintain the output. There are several principles that should be followed in

order the Partnership to be successful, such as (i) participation, (ii) acceptability, (iii) communication, (iv) trust and (v) share. Stages of partnership are also important to be built to adding up level of cooperation to support community to be able becomes self-sustain.

Figure 26: Level of Cooperation in Partnership



Source: PNPM Perkotaan, *Best Practices to Integrated Poverty Alleviation*, 2011

There are many success stories of PNPM's implementation at local level. At District of Lombok Barat, PNPM Neighborhood Development (ND) at Sigerongan and Kuripan villages are good examples of good practices of PNPM because of the participation, process, results as well as benefits received by village community. At those villages, village coordination board (BKM) is preparing an integrated development plan of desa, which should be implemented within 3 years. By involving local government and other third party, such as private companies, as partners in the development, the community is forced to produce a strong coordination among those stakeholders as well as to force themselves to create productive activities to improve their villages in the future.



a. Sign Board of PNPM ND at Kuripan Village

b. Paving block and sewerage facilities

At Desa Sungai Padang, a fishery village at Kecamatan Sijuk, District of Belitung, PNPM PISEW supports many community facilities, which have been proposed to be built for long time through local government development budget. PNPM PISEW built several piers as well as *talud* (to prevent the avalanche or flood), which are needed by the community. As value of PNPM is limited, the community gathers several PNPM PISEWs plus community's share to finance a facility.



c. Piers at Desa Sungai Padang, kecamatan Sijuk, District of Belitung which is financed by two PNPM PISEWs and community share, before and after.

At Desa Jada Bahrin, District of Bangka, the community proposed to have a Village Owned Company (BUM Desa) which will provide and serve clean water to community. This facility is very important as access to clean water is difficult. The development of clean water facility was financed by PNPM Rural and participation of all community. To receive clean water, community will have to pay a small amount of money. This activity is considered good example of PNPM, as the facility is strongly needed by local community, it is developed by participation of local community and PNPM, and it can produce some profit which will be used to finance its maintenance cost as well as become one source of their village budget.



- d. BUM Desa: Clean water facility financed by PNPM Rural and community participation.
- e. Road access to Clean Water facility financed by PNPM-PISEW.

PNPM Urban at Kecamatan Air Saga, District of Belitung, has successfully renovated several bad houses. This activity has improved sanitation surrounding the areas, as well as improved better livelihood. This PNPM's activity is also considered as good example as it is complement Local government sanitation facility that has been built earlier at its surrounding areas.



- f. A house needs to be renovated (above); renovated and facilitators (below)



There are many indicators, which can be used in determining the criteria of good PNPM. Based on discussion with several government staff, the criteria of good PNPM can be set as follow:

- Empower village community so they can prepare and manage their own projects based on its necessities;
- Improve social, economic and environmental awareness;
- Empower village community so they can be independent and self-sustain;
- Empower village community so they can partner with private parties;
- PNPM project can be beneficial to as many people as possible (economically and physically); and
- PNPM project can sustain in long period of time with high self-belonging of local people (this will prolong the utility of the project as local people will finance the maintenance of the project).

F. Exit Strategy of PNPM

As a national program which is financed by loan, the program will be ended by 2014. As a successful program, PNPM is expected to be continued. Hence, the hot issue today is the exit strategy of PNPM. There are several schemes as the exit strategies of PNPM especially at local level. Based on discussion with West Nusa Tenggara Province's staff⁶⁴, he proposed to keep implementing current PNPM procedure with its consulting team, which will be paid through the profit of existing activities. Hence, all stakeholders will work with current procedures; there will be no major changes on procedures which might disturb village's people mindset. Second scheme is to establish a Local Owned Enterprises (BUMD) which will manage the existing fund⁶⁵. However, the discussion on the exit strategy of PNPM is still debatable.

V. INFRASTRUCTURE DEVELOPMENT

The absence of Land Use Plan brings some problems to the government in the development plan. For example, land acquisition has been very hard. According to Bappeda approximately of 60 percent of the land is owned by the third party.

The provincial government is constructing a new bridge in order to increase the economic impact from the fishery and tourism sectors. According to Bappeda those sectors contribute 30% for the local economy and the construction of new bridge near Batu Rusa Village could bring up the economic benefit. Bascule technology has been applied to the bridge and will finish the construction in 2012. The government hopes the bridge will also be the icon for the province.

⁶⁴ Based on discussion with Head of Badan Pemberdayaan Masyarakat dan Pemerintahan Desa (BPMPD), West Nusa Tenggara Province.

⁶⁵ This scheme was proposed by the Head of BPMD of District of Lombok Barat.

The division of authority in constructing and maintaining roads between the Central and local government is clear according to Law 38/2007. The national roads are the responsibility of GOI, while the local roads are the responsibility of provinces and districts.

Table 36: Condition of Roads in South Sulawesi Province and West Nusa Tenggara Province

Category	Makassar			Jeneponto			Lombok Barat			Lombok Timur		
	Gov. Road	Prov. Road	Reg. Road	Gov. Road	Prov. Road	Reg. Road	Gov. Road	Prov. Road	Reg. Road	Gov. Road	Prov. Road	Reg. Road
Good	49.00	na	899.26	53.00	41.00	1401.27	na	144.02	195.57	na	na	531.5
Moderate	0.00	na	122.83	0.00	0.00	28.50	na	115.52	30.89	na	na	80.13
Damage	0.00	na	201.96	0.00	0.00	17.22	na	182.8	77.81	na	na	121.34
Heavy Damage	0.00	na	369.41	0.00	0.00	0.00	na	212.22	142.21	na	na	0.00
Total	49.00	na	1593.46	53.00	41.00	1446.99	na	654.56	446.48	na	na	732.97

Source: South Sulawesi Province in Figures, and West Nusa Tenggara in Figures, 2008-2010.

Table 37: Condition of Roads in East Java Province and Bangka Belitung

Category	Surabaya			Kab Malang			Kab. Bangka			Kab Belitung		
	Gov. Road	Prov. Road	Reg. Road	Gov. Road	Prov. Road	Reg. Road	Gov. Road	Prov. Road	Reg. Road	Gov. Road	Prov. Road	Reg. Road
Good	na	na	1207.00	115.63	118.80	1293.50	na	na	383.06	62.28	132.45	358.13
Moderate	na	na	99.47	0.00	0.00	0.00	na	na	177.37	1.00	2.00	161.40
Damage	na	na	85.26	0.00	0.00	74.20	na	na	0.00	0.00	0.00	95.85
Heavy Damage	na	na	28.42	0.00	0.00	301.06	na	na	0.00	0.00	0.00	0.00
Total	na	na	1420.15	115.63	118.80	1668.76	na	na	560.43	63.28	134.45	615.38

Source: East Java Province in Figures, and Bangka Belitung in Figures, 2008-2010.

Table 38. Name Changed of Roads from Districts' to Provinces' in Makassar, South Sulawesi Province

No	Before		After		Roads Name	Distance (Km)
	Roads Number	Sub Roads Number	Roads Number	Sub Roads Number		
1	na	na	085	11 K	Jl. Jenderal Sudirman	1.34
2	na	na	085	12 K	Jl. Dr. Ratulangi	2.07
3	na	na	086	11 K	Jl. Dr. Laimena	2.7
4	na	na	086	12 K	Jl. Antang Raya	1.5
5	na	na	086	13 K	Jl. Tamangapa Raya	3.36
6	na	na	086	18 K	Jl Syech Yusuf	1.5
Total						12.47

Source: Governor decree of South Sulawesi No. 4261/XII/2010.

BOX 4

Makassar: Fiscal Stress and Possibility for Releases

City of Makassar the capital of South Sulawesi needs more money to maintain the city roads. But focus on education policy has drained the very fund needed to maintain the road at an acceptable quality. Proud it-self as the gate for Eastern Indonesia, for Makassar neglecting the road quality is not an option. But the fiscal stress is very real. Without any solution the road quality deterioration is a sure situation.

Makassar has a total length of road 1593 Km, 45 Km national road and 1548 Km district road. So Until 2010 no road in Makassar is belongs to provincial government. Facing with fiscal stress and at the same time the need for maintenance the district government tries to take an unusual route. District government approach provincial government to negotiate the adoption of some road as provincial route. This move is like a double dividend situation for District of Makassar. The first one is to release fiscal stress, and the second one is to keep city road well maintained.

Table 1: Transfer of Road management from Makassar City to South Sulawesi Provincial Government

No	Road Name	Length (Km)
1	Jl. Jenderal Sudirman	1.34
2	Jl. Dr. Ratulangi	2.07
3	Jl. Dr. Laimena	2.70
4	Jl. Antang Raya	1.50
5	Jl. Tamangapa Raya	3.36
6	Jl Syech Yusuf	1.50
		12.47

The response of provincial government is positive. As a follow up city of Makassar list all possible road that could be transferred to provincial government. At last an agreement is achieved with the province. City of Makassar identified six road cut that have high possibility to be accepted in negotiation. All road included is road that leads to other district capital.

With the issuance of Governor decree of South Sulawesi No. 4261/XII/2010, a total of 12.5 Km road is now under the maintenance of provincial government. What we learned from Makassar is, a problem in financing infrastructure does not necessarily means that the infrastructure is abandoned. By looking to all possibilities some fiscal stress could be alleviated. So in 2011, a total of 12.5 Km road has been taken away from the burden of Makassar city.

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APPENDIX

Level of Program	Cluster I: 1)	Cluster II: 2)	Cluster III: 3)	Cluster IV: 4)
National Program	Conditional Cash Transfer (<i>Program Keluarga Harapan</i> - PKH)	Community Empowerment National (PNPM): - Core PNPM - Strengthening PNPM	Small Scale and Community Loan (KUR)	Subsidized Housing Program
	Community Health Scheme for the Poor (<i>Jaminan Kesehatan Masyarakat</i> - Jamkesmas)		Strengthening Local Investment Development	Subsidized Public Transportation Program
	Rice for the Poor Family (Raskin)		Capacity Building for Specific Skills	Clean Water for Community Program
	Scholarship Scheme for the Poor Family (<i>Beasiswa Miskin</i>)	Village Development and Empowerment (PPD)		Economic and Cheap Electricity for Community Program
	Labor Scheme for the Poor (<i>Jaminan Persalinan</i> - Jampersal)	Remote Indigenous Community Empowerment Program		Fishermen Live Improvement Program
				Urban edge Community Improvement Program
				Basic Need Price Stabilization
				Product Cost Subsidy (fertilizer, seeds)
Innovative Local Programs:				
West Nusa Tenggara Province	Regional Health Scheme (<i>Jaminan Kesehatan Masyarakat</i> Daerah - Jamkesmasda)	Pijar (Cow, Corn and Seaweed Program)	Capacity Building for specific skills for New Entrepreneur	
	House Rehabilitation for the Poor (<i>Rehabilitasi Rumah Kumuh</i>)	Food Security Program	Facilitation for New Handicraft Industry	
	Education Program - Illiterate Ratio to Zero (ABSANO)	Qualified Cooperatives	Facilitation for New Processed Industry	

Level of Program	Cluster I: 1)	Cluster II: 2)	Cluster III: 3)	Cluster IV: 4)
	Health Program -Mother and Child Mortality Ratio to Zero (AKINO)			
	Drop-out ratio to Nol (ADONO)			
	ADONO			
District of Lombok Barat	West Lombok Health Program			
	West Lombok Education Program			
District of Lombok Timur	HDI Improvement Program			
	Malnutrition Treatment Program			
Bangka Belitung Province	Rice for the Poor Plus Program			
District of Bangka	Local Labor Guarantee - Jaminan Persalinan Daerah (Jampersalda)			
District of Belitung	Belitung Health Program		Subsidy on Interest	
	Belitung Education Program			
	Scholarship for the Poor Program			
	Rice for the Poor Plus Program			
East Java Province	Poverty Alleviation Integrated Program (<i>Gerakan Terpadu Pengentasan Kemiskinan/Gerdu Ta skin</i>)			
	Other Way to Achieve Community Welfare (<i>Jalan Lain Menuju Kesejahteraan Rakyat</i>)			
District of Surabaya	Play Groups	Superior sub village	Business/ industry license	
	PMT Balita/GeMes	Field training	Group business	
	Scholarship for Maritime Vocational High School	Skill Training	Credit	

Level of Program	Cluster I: 1)	Cluster II: 2)	Cluster III: 3)	Cluster IV: 4)
	"BibitUnggul" scholarship		Rent facilitation in mall	
	BOPDA SD, SMP, SMA/SMK		Business permit facilitation	
	Open School, inklusi			
	Mass Circumcision			
	Library or reading area			
	Educational Package (<i>BantuanKejarPaket</i>)			
	Free Family Planning (KB) program			
	Liponsos			
	Free cataract surgery			
	PMT Lansia			
	Free rice for the poor			

- 1) Family Centered Integrated Social Assistance
- 2) Community Empowerment Programs
- 3) Microfinance Program for Small Entrepreneurs and Micro and Small Sized Enterprises
- 4) Inclusive Development Programs

Source: LPEM Tabulation from many sources.

A-2: Poverty Alleviation Program, City of Surabaya

Household by age group	Program		
	Social/ Human	Economic/ Field	Infrastructure/ Environment
0-5 year	PAUD	-	
	PMT Balita/GeMes	-	
6-18 year	Scholarship for Maritime Vocational High School		
	"Bibit Unggul" scholarship		
	BOPDA SD, SMP, SMA/SMK		
	Open School, inklusi, KKK		
	Mass circumcision		
	Library or reading area		
	Bantuan Kejar Paket (special school program)		
18-55 year	Free Family Planning (KB) program	Skill training	Street vendor relocation and provision
	Bantuan Kejar Paket (special school program)	Field training	Traditional market provision
		Group business	
		Credit	
		Kampung Unggulan	
		Business permit facilitation	
		Rent facilitation in mall	
		Business/industry license	
> 55 year	Liponsos	Skill training	-
	Free cataract surgery		
	PMT Lansia		
Family	Free Puskesmas	Raskin	-
	Non Quota Jamkesmas	Urban farming	
	Liponsos		
	UPKM		
Officials/SKPD/ Executing agency	BAPEMAS & KB	BAPEMAS & KB	DCKTR
	Social Office	Disnaker	DBMP
	Education Office	Disperindag	PDAM
	Health Office	Dinas Koperasi & UMKM	PDAM
	Dr. Soewandi Hospital	Agriculture Office	Social Office
	Board of Archive & Library	Food Security Office	

Source: Bappeda, City of Surabaya.

A-3: Performance of Minimal Service Standard, 2008-2010, City of Surabaya

No	Indicators	2008 (DO from old MSS)	2009	2010	Changes 2010 from 2009	Notes
1	Coverage of antenatal care	97.25	97.9	97.97	0.07	
2	Coverage of complication		88.97	89.62	0.65	
3	Coverage of first aid by competent health medicine	89.1	95.62	95.67	0.05	
4	Coverage of post natal care		95.02	95.14	0.12	
5	Coverage of handled neo natal complication	70.02	78.23	78.33	0.1	
6	Coverage of infant visit	90.28	79.85	86.62	6.77	
7	Coverage of village/urban village for Universal Child Immunization	57.06	42.33	42.33	0	
8	Coverage of treated infant		60.05	58.31	-1.74	
9	Coverage of supplement to ASI for infant aged 6-24 months	100	100	100	0	
10	Coverage of malnutrition treatment	100	100	100	0	
11	Coverage of health status for SD students	91.61	94.36	96.01	1.65	
12	Coverage of active family planning participants	90.89	91	78.09	-12.91	
13	Coverage of cases found and diseases treatment	n.a	n.a	n.a	n.a	
	-ADP rate per 100.000 population aged below 15 years	11	2.87	2.12	-0.75	
	-Case of pneumonia in infant	100	100	18.02	-81.98	Old SSM
	-Case of new tuberculosis	-	100	43.74	-56.26	Old SSM
	-Handled case of dengue	100	100	100	0	
	-Case of Diarrhea	100	100	97.42	-2.58	Old SSM
14	Coverage of basic health services for the poor	100	100	100	0	100
15	Coverage of referral basic health services for the poor		100	35.12	-64.88	Old SSM
16	Coverage of first level emergency offered by health facilities in district		69.61	78.18	8.57	
17	Coverage of village/urban village experiences epidemic and given investigation of epidemic	100	100	100	0	
18	Coverage of <i>DesaSiaga</i>	-	82.21	46.63	-35.58	Old SSM

Source: Health Office, Surabaya.

A-4: Financing Village Development Activities

No.	Description	Nature of Activity	Source of Finance	Basis of Planning	Implementing Agent
1.	Honorarium of Village Apparatus	Wage, salary	ADD – APBD Desa	Village Work Plan	Village Apparatus
2.	Village Development	Infrastructural Development: - Village street;, - Housing improvement, - Government building/ facilities, religious facilities, health facilities, education facilities	APBD Kabupaten/Kota	Musrenbang	Kabupaten/Kota Apparatus
		Infrastructural Development: - village health facilities, kindergarten facilities	ADD – APBD Desa	Village Work Plan	Village Apparatus
		- infrastructural development but government and religious facilities, - roll-over financial assistant; - Capacity building for specific skills	PNPM	Poverty Alleviation Program which is integrated into RPJM Desa	Community

Source: LPEM Tabulation from many sources.

A-5: Types of PNPM Mandiri, 2011

No.	Description	Technical Ministry	Sector	Source of Financing			
				APB N (DUB)	Sharing from APBD (DDUB)	Activity Sharing from APBD	Community Share
Core PNPM: classified by regional based							
1	PNPM Rural (PNPM MandiriPedesaan) ⁶⁶	Ditjen PMD, MoHA	Infrastructure, community economy	✓	✓		✓
2	PNPM Urban (PNPM MandiriPerkotaan) ⁶⁷	DitjenCiptaKarya , Min. of Public Work	Infrastructure, community economy, social affairs	✓	✓		✓
3	PNPM RISE (PNPM PISEW) ⁶⁸	DitjenCiptaKarya , Public Work	Infrastructure, community economy, social affairs	✓		✓	It is not required
4	PNPM Neglected Areas (PNPM Daerah Tertinggal)	DitjenCiptaKarya , Public Work	Infrastructure, community economy, social affairs especially for neglected areas	✓		✓	✓
5	PNPM Accelerated Rural Infrastructure (PNPM Percepatan Pembangunan InfrastrukturPedesaan)	DitjenCiptaKarya , Public Work	Infrastructure, community economy, social affairs	✓		✓	✓

⁶⁶ Formerly, it was known as P2K (*Program Pengembangan Kecamatan*)

⁶⁷ Formerly, it was known as P2KP (*Program Penanggulangan Kemiskinan Perkotaan*)

⁶⁸ Formerly, it was known as P2D (*Program Prasarana Pedesaan*).

Strengthening PNPM: classified by sectorial based							
1	PNPM <i>Pertanian</i>	Ministry of Agriculture	Agricultural Infrastructure, working capital	✓			✓
2	PNPM <i>KelautandanPerikanan</i>	Ministry of Maritime and Fishery Affairs	Maritime and fishery Infrastructure working capital	✓			✓
3	PNPM <i>Pariwisata</i>	Ministry of Tourism	Tourism Infrastructure	✓			✓
4	PNPM <i>GenerasiSehatCerdas</i>	Ditjen PMD, MoHA	Education and health Infrastructure	✓			✓
5	PNPM Green <i>Kecamatan</i> Development Program	<i>DitjenCiptaKarya</i> , Min. of Public Work	Community-based Infrastructure	✓			✓
6	PNPM Neighborhood Development	<i>DitjenCiptaKarya</i> , Min. of Public Work	Infrastructure, community environmental development	✓			✓

Source: Bappenas and researcher's data.

A-6: Allocation of Transfers

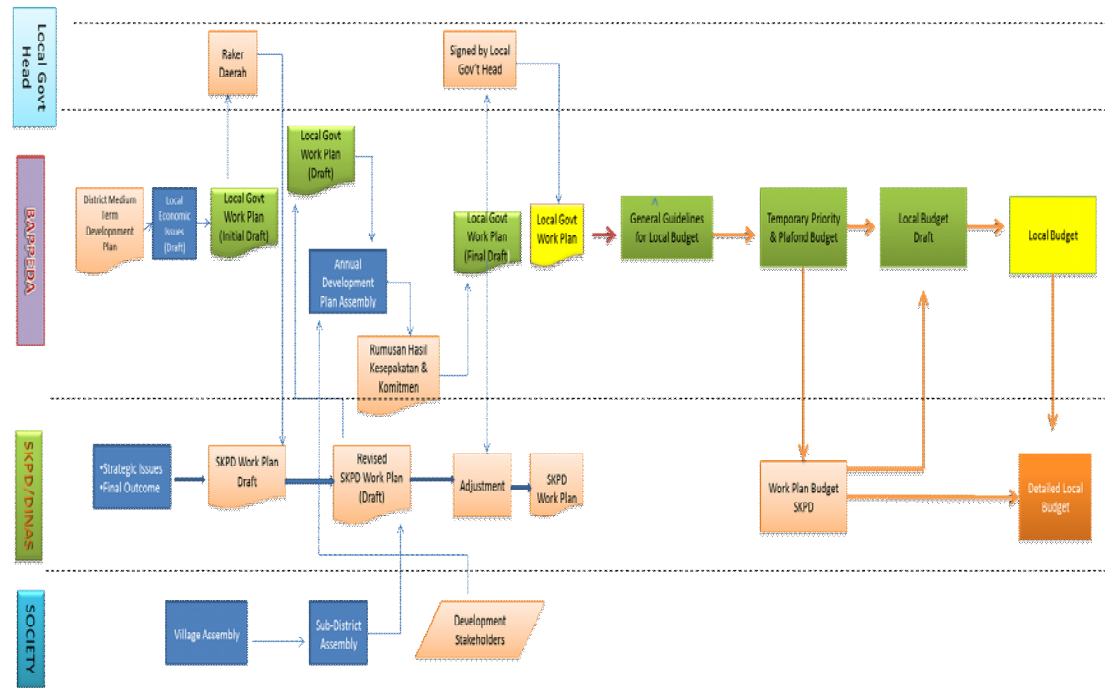
No.	Description of Transfer	Scope of Responsibilities	Time of Transfer	Amount
Central to Province:				
1	General Purpose Grant (DAU)	Block Grant	First working day of each month	1/12 of total DAU
	Specific Purpose Grant (DAK)	Categorical Grant	Term I, Term II, Term III	30%; 45% 25%
	Revenue Sharing (DBH)	Block Grant	Quarterly	25% of realization
2	De-concentration Fund	Non-physic project		
	Co-administrative task	Physical		
Central to Local Government:				
1	General Purpose Grant (DAU)	Block Grant	First working day of each month	1/12 of total DAU
	Specific Purpose Grant (DAK)	Categorical Grant	Term I, Term II, Term III	30%; 45% 25%
	Revenue Sharing (DBH)	Block Grant	Quarterly	25% of realization
2	Co-administrative task	Physical		
3	Subsidy BBM	Grant to institutions	Yearly	
	<i>Bantuan Sosial</i>	Block Grant	Ad hoc	Ad hoc
Provincial to Local Government:				
1	Revenue Sharing (DBH)	Block Grant		
2	Co-administrative task	Physical		
3	Provincial Assistant	Specific Grant	Ad hoc	Ad hoc
Central Government to Desa Level:				
1	BLT	Grant to community	Ad hoc	Ad hoc
	PNPM	Grant to empower community	Yearly	
Local Government to Desa:				
1	Dana Daerah untuk Urusan Bersama-PNPM	Grant to empower community	Yearly	
	Alokasi Dana Desa	Block Grant	Yearly	

Source: reproduced from various sources.

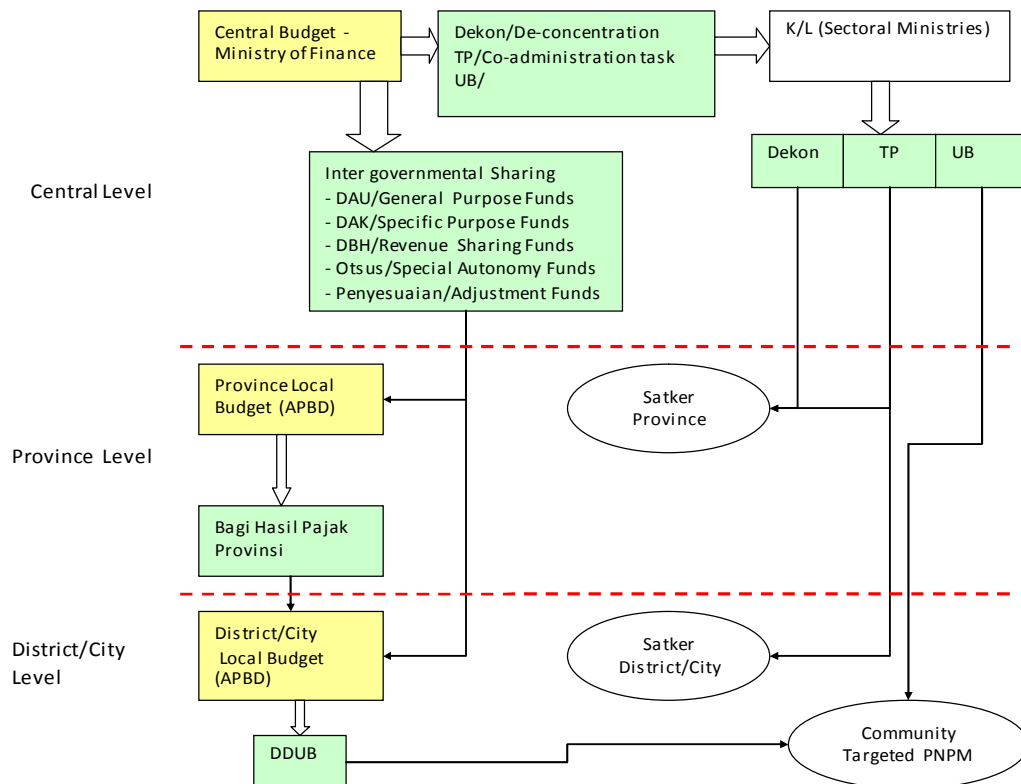
A-7: List of Optional Functions which implementation are shared among levels of Governments (Concurrent):

- a. education
- b. health
- c. public works;
- d. housing;
- e. spatial planning;
- f. development planning;
- g. transportation;
- h. environment;
- i. land;
- j. population and civil registration;
- k. women's empowerment and protection of children;
- l. family planning and family welfare;
- m. social;
- n. employment and transmigration;
- o. cooperatives and small and medium enterprises;
- p. investment;
- q. culture and tourism;
- r. youth and sports;
- s. national unity and domestic politics;
- t. decentralization, public administration, administrative local finance, local devices, personnel, and coding;
- u. empowerment of communities and villages;
- v. statistics;
- w. archives;
- x. library;
- y. communication and informatics;
- z. agriculture and food security;
- aa. Forestry;
- bb. energy and mineral resources;
- cc. marine and fisheries;

A-8: Diagram Flows of The Roles of SKPD and Bappeda



A-9: Diagram Flow of Fund Transfer



A-10: Minimum Service Standard (MSS) Regulations for District level

No	Function (based on Government Regulation No 38/2007)	Minimum Service Standard (MSS)				Notes	Regulation
		Based on Law 22/ 1999	Based on Law 32/2004				
			MSS Regulation	Technical Guidance for MSS	Technical Guidance for MSS F25Financing Planning		
1	Education	?	?	?	?		Ministry of Education Regulation No. 15 year 2010 on Minimum Standard Service on Health in districts
2	Health		?	?	?		Ministry of Health Regulation No. 741 Year 2008 on Minimum Service Standard on Health for District Government
3	Public Work	?	?	?	Draft	MSS for public work and spatial planning is in the same regulation	Ministry of Public Work Regulation No.14/PRT/M/2010 on Minimum Service Standard on Public Work and Spatial Planning
4	Housing	?	?	?	?		Ministry of Housing Regulation No. 22/PERMEN/M/2008 on Minimum Service standard on Housing in
5	Spatial Planning	?	?	?	Draft	MSS for public work and spatial planning is in the same regulation	Ministry of Public Work Regulation No.14/PRT/M/2010 on Minimum Service Standard on Public Work and Spatial Planning
6	Development Planning						
7	Transportation						
8	Environment		?	?	Draft		Ministry of Environmental Regulation No.19 year 2008 on Minimum Service Standard on Environmental in districts
9	Land						

No	Function (based on Government Regulation No 38/2007)	Minimum Service Standard (MSS)				Notes	Regulation
		Based on Law 22/ 1999	Based on Law 32/2004				
			MSS Regulation	Technical Guidance for MSS	Technical Guidance for MSS F25Financing Planning		
10	Population and civil registration		?			Minimum Service Standard on documents of population, safety, security and fire prevention	MOHA Regulation No.62 year 2008 Minimum Service Standard on Home Affairs Services in districts
11	Women Empowerment and Children Protection		?	?	?		Ministry of Woman empowerment and Child Protection No. 01 year 2010Minimum Service Standard on Integrated Protection for Women and Children
12	Family Planning	?	?	?	?		Head of National Family Planning Coordination No. 55/hk-010/b5/2010 on Minimum Service Standard on Family Planning and Family Welfare
13	Social		?	?	?		Ministry of Social Regulation No. 29/huk /2008 on Minimum Service Standard on Social Activities

No	Function (based on Government Regulation No 38/2007)	Minimum Service Standard (MSS)				Notes	Regulation
		Based on Law 22/1999	Based on Law 32/2004				
			MSS Regulation	Technical Guidance for MSS	Technical Guidance for MSS F25Financing Planning		
14	Manpower and Transmigration						Ministry of Manpower and Transmigration Regulation No. PER.15/MEN/X/2010 on Minimum Service Standard on Manpower and Transmigration Ministry of Manpower and Transmigration Regulation No. PER.04/MEN/IV/2011 on Amendment of Attachment on Ministry of Manpower and Transmigration Regulation No. PER.15/MEN/X/2010
15	Cooperation and Small Medium Enterprises (SMEs)						
16	Investment						
17	Culture and Tourism						Ministry of Cultural & Tourism No.PM.106/HK.501/MKP/2010Minimum Service Standard on Art
18	Youth and sport						
19	National Unity and Politics						
20	Region Autonomy, financial administration, regional units,					Minimum Service Standard on documents of population, safety, security and fire	MOHA Regulation No.62 year 2008 on Minimum Service Standard on Home Affairs Services in districts

No	Function (based on Government Regulation No 38/2007)	Minimum Service Standard (MSS)				Notes	Regulation
		Based on Law 22/ 1999	Based on Law 32/2004				
			MSS Regulation	Technical Guidance for MSS	Technical Guidance for MSS F25Financing Planning		
	employment, and codes					prevention	
21	Community and Villages Development						
22	Statistic						
23	Archives						
24	Library						
25	Communication and Information System		?				Ministry of Information and Communication No. 22/PER/M.KOMINFO/12/2010 on Minimum Service Standard on Information and Communication in the districts
26	Agriculture and Food Security		?	?	?	Just MSS for food security	Ministry of Farming .65/Permentan/OT.140/12/2010 on Food Security in districts
27	Forestry						
28	Energy and Mineral Resources						
29	Marine and Fishery						
30	Trade						
31	Industry						

Source: MSS Regulations, MOHA, 2009.

A-11: Planning Documents

No	Document	Definition	Prepared by	Level of government
1	Long-Term National Development Plan (RPJP-N)	The Description of Indonesia government objectives stated in the preamble of 1945 Indonesian Constitution in term of its vision, mission and national development direction.	Minister of National Development Planning/Head of Bappenas prepare the RPJP-N with input from stakeholders in the long-term musrenbang at national level. It is enacted by Law.	Central Government
2	Long-Term Local Development Plan (RPJP-D)	Refer to RPJP-N, this document includes local government vision, mission and local development direction (both at Provincial and district level)	Head of Bappeda prepare the RPJP-D with input from stakeholders in the long-term musrenbang at local level. It is enacted by local government regulation.	Provincial Government and District Government
3	Medium-Term National Development Plan (RPJM-N)	This document is the description of President's vision, mission and program and organized based on RPJP-N. The document contains national development strategies, general policies, ministerial program and inter-ministerial program, regional issues, and macroeconomic framework. In addition, it also incorporates the general economic condition which consists of fiscal policies direction in term of regulation outlines and indicative source of financing outline.	Minister of National Development Planning/Head of Bappenas prepare the RPJM-N with input from draft of Renstra K/L and stakeholders in the medium-term musrenbang at national level. It is enacted by presidential regulation in 3 month, at the latest after the president is appointed.	Central Government
4	Medium-Term Local Development Plan (RPJM-D)	This document is the description of the vision, mission and programs of Local Government's head and it refers to RPJP-D and it also considers the RPJM-N. The document contains the direction of local finance policy local	Head of Bappeda prepare the RPJM-D with input from draft of Renstra SKPD and stakeholders in the medium-term musrenbang at local level. It is enacted by local government's head regulation in 3 month, at the latest after the appointment.	Provincial Government and District Government

No	Document	Definition	Prepared by	Level of government
		development strategies, general policies, local office program and inter-local office program, regional issues, and economic framework. In addition, it also incorporates the work plans in term of regulation outlines and indicative source of financing outline		
5	Medium-Term Ministerial Development Plan or Ministerial Strategic Plan (Renstra K/L)	The document consists of the ministries' vision, mission, objectives, strategies, policies, programs, and development activities based on its own task and function. The Renstra K/L refers to the RPJM-N and it is an indicative document.	Line ministries prepare its own Renstra K/L based on the RPJM-N. It is enacted by Ministry Regulation	Line Ministries at Central Government
6	Medium-Term Local Office Development Plan or Local Office Strategic Plan (Renstra SKPD)	The document consists of the local office's vision, mission, objectives, strategies, policies, programs, and development activities based on its own task and function. The Renstra SKPD refers to the RPJM-D and it is an indicative document.	SKPDs prepare its own Renstra SKPD based on the RPJM-D. It is enacted by SKPD Head Regulation	Local Office (SKPD) at Provincial government and district government
7	Annual Government Work Plan (RKP)	This document is the description of RPJM-N that consists of the priorities of development, macroeconomic framework. It also includes the general economic condition and fiscal policy direction, ministerial program and inter-ministerial program, regional issues, which all are in policy outlines and indicative source of financing outline.	Minister of National Development Planning/Head of Bappenas prepare the RKP with input from draft of Renja K/and input from governmental stakeholders in the annual musrenbang for RKP at national level. It is enacted by presidential regulation and used as the reference for preparing draft of annual national budget (RAPBN)	Central Government
8	Annual Local Government Work	This document is the description of RPJM-D and	Head of Bappeda prepare the RKP with input from draft of Renja SKPD and input from governmental	Provincial Government and

No	Document	Definition	Prepared by	Level of government
	Plan (RKPD)	it refers to RKP. It consists of local economy framework, and the priorities of local development. It also contains the SKPD's work plan and its financing both from government sources and private sources/community's participation.	stakeholders in the annual musrenbang for RPKP at local level. It is enacted by local government head regulation and used as the reference for preparing draft of annual local budget (RAPBD)	District Government
9	Annual Ministerial Work Plan (Renja K/L)	<p>This document is prepared based on the Renstra K/L and it refers to national development priorities and its indicative plafond.</p> <p>It consists of the ministerial policies, programs and development activities, both directly run by local government and supported by private sector or community participation</p>	Line ministries prepare its Renja K/L based on their duty and function and refer to their Renstra K/L	Line Ministries at Central Government
10	Annual Local Office Work Plan (Renja SKPD)	<p>This document is prepared based on the Renstra SKPD and it refers to RKP.</p> <p>It consists of the SKPD's policies, programs and development activities, both directly run by local government and supported by private sector or community participation</p>	Each SKPD prepare its Renja SKPD based on their duty and function and refer to their Renstra SKPD.	Local Office (SKPD) at Provincial government and district government

Source: compiled from Law No. 25 Year 2004.

A-12: *Type of Microfinance Institution in Indonesia*

Type of financial institution ⁶⁹	Microfinance Institutions
Formal	<ul style="list-style-type: none"> - Commercial Banks which have microfinance business unit; <ul style="list-style-type: none"> o Public Banks (BRI, Bank Mandiri, Bank BNI) o National Private Bank (Bank CIMG Niaga, Bank Danamon, Bank Agroniaga, Bank Bukopin) o Regional Banks (26 BPDs) - People's Credit Banks (BPRs)
Semiformal	<ul style="list-style-type: none"> - <i>Perum Pegadaian</i> (Pawnshop State Owned Enterprise) - Cooperative (<i>Koperasi Simpan Pinjam</i>/KSP (Saving Lending Cooperative) and <i>Unit Simpan Pinjam</i>/USP (Saving Lending Unit))⁷⁰ - <i>Lembaga Dana Dan Kredit Pedesaan</i>/LDKP (Rural Credit and Fund Institution); <ul style="list-style-type: none"> o <i>Lembaga Perkreditan Desa</i>/LPD (Village Credit Institution) o <i>Badan Kredit Kecamatan</i>/BKK (Sub-district Credit Institution) o <i>Badan Kredit Desa</i>/BKD (Village-owned Financial Institutions) - <i>Baitul Maal Wa'atamwil</i>/BMT (Shariah microfinance institution)
Informal	<ul style="list-style-type: none"> - Non-Governmental Organizations/ NGOs, - <i>Kelompok Swadaya Masyarakat</i>/KSM (Community Self-help group), - <i>Arisan</i> Group (a regular informal gathering), - <i>Rentenir</i> (money lender)

Source: www.microbanker.com and www.bi.go.id, downloaded on July 12, 2011.

⁶⁹ Formal financial institution is regulated by Law No. 7 year 1992 about Banking; Semiformal financial Institutions or Non-bank financial institution is a formal institution but it is not regulated by Banking Law; Informal financial institution is an informal institution and it is not regulated by Banking Law.

⁷⁰ *Koperasi Simpan Pinjam* (KSP) is a cooperative which just carries out a saving and lending activity and *Unit Simpan Pinjam* (USP) is a unit at cooperative (part of cooperative) which carries out a saving and lending activity (Government Regulation No 9/1995)

A-13: List of Regulations Mentioned in the Final Study Report

- Law No 17 Year 2007 on National Long Term Development Planning
- Law No 33 Year 2004 on Intergovernmental Fiscal Transfer
- Law No 41 Year 2009 on The Sustainability Protection for Food Agriculture Land
- Law No 6 2008 about Micro, Small and Medium Enterprises
- Law No. 10 year 2004 on Legislation Formation
- Law No. 14 Year 2005 on Guru
- Law No. 22 year 1999 on Regional Government
- Law No. 25 year 1999 on Fiscal Balance between Central and Sub National Government
- Law No. 25 Year 2004 on National Development Planning System
- Law No. 26 Year 2007 on Spatial Management
- Law No. 28 Year 2009 on Local Taxes and User Charges, land and property tax (PBB) and *Bea Perolehan Hak Atas Tanah & Bangunan* (BPHTB)
- Law No. 32 year 2004 on Regional Governance.
- Law No. 38 Year 2007 on Responsibility of Government, Provincial Government and District Government.
- Law No. 39 Year 2009 on Special Economic Zone
- Law No. 7 Year 2004 on Water Resources
- Government Regulation No. 24 Year 2005 on Governmental Accounting Standard (which is revised recently by Government Regulation no. 71 Year 2010), and the Ministerial Decree of Home Affair no. 13 Year 2006 on Regional Finance Management Guidelines
- Government Regulation No. 25 Year 2005 on Incentives, Pension Funds, and Bonus to Civil Servant in 2005 State Budget
- Government Regulation No. 38 year 2007 on Division of Function between Central, Province and District Government
- Government Regulation No. 41 Year 2007 on Organization of Local Government.
- Government Regulation No. 72 year 2005 on Village
- Government Regulation No. 58 Year 2005 on Regional Finance Management.
- Government Regulation No. 65 Year 2005 on Arrangement and Implementation of Minimum Service Standard
- Government Regulation No. 7 year 2008 on Deconcentration and Co Administrative Tasks
- President Regulation No. 33 Year 2010 on National Committee and SEZ Committee
- President Regulation No. 5 Year 2010 on National Medium Term Development Planning (RPJMN 2010-2014)
- President Regulation No. 36 Year 2005 on Land Procurement for Public Use Development
- President Regulation No. 65 Year 2006 on Amendment of President Regulation No. 36 Year 2005

- Presidential Regulation no. 15 year 2010 on Accelerating Poverty Reduction.
- President Decree No. 11/1998 on the establishment of KapetBatulicin
- President Decree No. 12/1998 on the Establishment of KAPET Sasamba
- President Decree No. 13/1998 on the Establishment of KAPET Sanggau
- President Decree No. 14/1998 on Establishment of KAPET MenadoBitung
- President Decree No. 15/1996 on the Establishment of KAPET Mbay
- President Decree No. 150 Year 2000 on Integrated Economic Growth Zone
- President Decree No. 164/1998 on the establishment of KAPET Pare-Pare
- President Decree No. 165/1998 on the establishment on KAPET Seram
- President Decree No. 166/1998 on the Establishment of KAPET Bima
- President Decree No. 167/1998 on the Establishment of KAPET Batui
- President Decree No. 168/1998 on the Establishment of KAPET Bukari
- President Decree No. 17/1999 on the Establishment of KAPET PulauNatuna
- President Decree No. 170/1998 on the Establishment of KAPET DAS Kakab
- President Decree No. 171/1998 on the Establishment of KAPET Sabang
- President Decree No. 89 Year 1996 on Integrated Economic Growth Zone
- President Decree No. 89 Year 1996 on KAPET
- President Decree No. 90/1996 on the Establishment of KAPET BIAK
- President Instruction No. 1 Year 2010 on the Accelerating Implementation of 2010 National Development Priorities
- Presidential Decree No. 8 Year 2010 on Special Economic Zone National Council
- Ministry of Home Affair Decree No 13 Year 2005 on Guideline of Management of Regional Finance
- Ministry of Education Decree No. 129a Year 2004 on Minimum Service Standard for Education
- Ministry of Education Decree No. 15 Year 2010 on Minimum Service Standard for Primary Education in Districts
- Ministry of Finance Regulation No 175 Year 2009 on General Guideline for DAK
- Ministry of Finance Regulation No. 135 year 2008 on *Kredit Usaha Rakyat/KUR* (Community Credit)
- Ministry of Finance Regulation No. 22 Year 2010 on Second Revision of Ministry of Finance Regulation No.135 Year 2008
- Ministry of Finance Regulation No.156 Year 2008 on Guidelines for *Dana Dekonsentrasi* and *TugasPembantuan*
- Ministry of Health Decree No. 210 year 2011 on Technical Guidance on Health Support.
- Ministry of Health Decree no. 210 year 2011 on Technical Guidance on Health Support.
- Ministry of Health Decree No. 551 year 2010 on BOK Fund Receiver in District Government for 2010 Financial Year.
- Ministry of Health Decree No.128 year 2004 on Basic Policy of

Puskesmas

- Ministry of Health Decree No.1546 year 2010 about General Guidance on Development of active Village and Urban Village.
- Ministry of Health Regulation No. 1457 Year 2003 on Minimum Service Standard on Health for District Government.
- Ministry of Health Regulation No. 741 Year 2008 on Minimum Service Standard on Health for District Government
- Ministry of Health Regulation No.210/2011 about Technical Guidance of Health Operational Assistance (*BantuanOperasionalKesehatan/BOK*)
- Ministry of Health Regulation No.340/2010 about Hospital Classifications
- Ministry of Health Regulation No.564 year 2006 Guideline of Development*DesaSiaga*
- Ministry of Home Affair Decree No.59 Year 2007 on revision of Ministry of Home Affair Decree No.13 Year 2005
- Ministry of Home Affair Regulation No 39 Year 2010 on Village Business Unit.
- Ministry of Home Affair Regulation No. 37 Year 2007 on The Principle of Village Financial Management.
- Regulation of Head of National Land Authority No.3 Year 2007 on implementing provisions of President Regulation No.36 Year 2005
- Coordinating Ministry for Economy Regulation No. PER-07/M.EKON/08/2010 on Organization, Scheme, and Administration of National Committee and SEZ Committee
- Governor decree of South Sulawesi No. 4261/XII/2010

A-14: List of Interviewees

A. WESTNUSATENGGARAPROVINCE

West Nusa Tenggara Province

Institution	Name/Position
Sekretariat Daerah – Local Secretariat	Tri Budiprayitno/KabagOtonomi Daerah Biro Administrasi Pemerintahan
Dinas PU – Public Work Office	Ir DwiSugiyanto MM/ Ka Dinas
	Indra Rulianti ST/ PPK P2KP
Bappeda –Board of Local Planning	Budi Septiani/ Kabid PP Ekonomi
BadanPemberdayaanMasyarakatdanPemerintahDesa – Board of Community and village empowerment	Soedaryanto/ Ka BPMPD
	Suryadi/Sekretariat PNPM
	Wardiyono/ Sekretariat PNPM
DinasKesehatan – Health Office	M Ismed N S.ST/Kasubbag Proram dan Pelaporan
	Kartiawan/Staf of DinasKesehatanKabupatenSumbawa

Lombok Barat District

Institution	Name/Position
DinasKesehatan – Health Office	H Rachman S. Putra/ Ka Dinas
BadanPemberdayaanMasyarakatdanPemerintahDesa – Board of Community and village empowerment	H A Zaini/ Ka BPMPD
	H Emy A/Kabid PEKMAS
	Chandra P/ KabidPemDes
	MaemunMulyadi/ Pjo PNPM
	Nanang Legowo/ PNPM Mpd Lombar
	Ktut Aini Hetty / PNPM MPd Lobar
Bappeda –Board of Local Planning	Dr H BaehaqiMPd MM/ KaBappeda
Dinas PU – Public Work Office	Made Arthadana/SekretarisDinas
DPPKAD (Dinas Pendapatan, dan Pengelolaan Keuangan dan Aset Daerah) – Revenue Division	Poniman
Sekretariat Daerah – Local Secretariat	Ariyanta Rusmana/Bag Adm Perekonomian
PNPM Perkotaan/ PNPM Urban	Saiful Amri/Askorkot UP
	M Irsyad/ Fasilitator MK
BKM Al IkhlasDesaSigerongan (PNPM ND)	Nurmansyah/Kordinator BKM
	Desi Maulina/Fas kel UP

Institution	Name/Position
	Radiah/ BKM
	Gaswani/ TIPP
	M Sayuti / Fas kel
	Musabah/ Ka Dusun
	Sahdan / TIPP
	Alamsyah / Staf faskel
	Fauziah / TIPP

Lombok Timur District

Institution	Name/Position
Sekretariat Daerah – Local Secretariat	H.Napsi /Asisten II Setda Lomtim (Bidang Perekonomian)
	Ridwan/BagianEkonomi
Bappeda – Board of Local Planning	Syamsuhadi/KepalaBappeda
	M Fauzan/Kabid PSP Bappeda
	M Safwan/KabidEkonomi
	HR Suprpto/KabidSosBud
	A DewantoHadi/KabidFispra
BadanPemberdayaanMasyarakatdanPemerintahDesa – Board of Community and village empowerment	KhaerulAnam/SekretarisBadan
	Ibrahim/Staff
DinasKesehatan – Health Office	Suroto/ KepalaDinas
	Raudatul Ilmi/ Kasi UKI & PSDMK
Dinas PU – Public Work Office	Marhaban/KepalaDinas
	Ali Mansur/ KSB UmumKepegawaian
	OktilIndayani/ StafBidangCiptaKarya
DesaSapit – SapitVillage	ZainulFikri/KepalaDesa
	Sampurna/SekretarisDesa
	Sriafun/Staf
	Mustiadi/Staf
	Demiati/Staf
	Manhuri/Staf
PNPM PISEW	Ahmad Rafiqie/KMK
PNPM Mandiri	Afifudin Adnan/Korkab

B. EASTJAVAPROVINCE

East Java Province

Institution	Name/Position
DinasPengairan-PU Irrigation Unit	Supaat/KepalaDinas Anton Darma/Staf
Dinas Cipta Karya-PU Propinsi Jawa Timur- Spatial Planning Unit	Farich Amin/ SekretarisDinas
BadanPemberdayaanMasyarakat – Board of Community empowerment	TotokSoewarto/KepalaBadan
	Andromedo Q / Kabid PPM
	Suriaman /KabidSosbud
	Parwito /KasubidPelatihan
	Indrianan A /KasubidPartisipasi
	M Poedjiono /Staf Bidang SDA & TTG
	Wijarto /Kabid PK& P
	Moh.Yasin /Kasubid PLKM
DinasKesehatan – Health Office	drg. Mundi Sri P/ Kabid PKM
	M Yoto/ StafInfolitbang
	Shinta/ StafBiakes

Surabaya District

Institution	Name/Position
BadanPengembanganMasyaraka tKotaSurabaya - Board of city community empowerment	Nuning T /Kasubag Umum & Kepegawaian
	Abdussalam /Korkot PNPM Surabaya
	Djuraidi /Bidang SDA & TTG
	S Abipraja /RASKIN
	Manis Indah R
Bappeda –Board of Local Planning	Dian Anggaraini/BidangEkonomi
	Devie A/BidangEkonomi
	Ivan Wijaya/ BidangEkonomi
	FebrinaKusumawati/BidangKesra
	Ervy P /BidangKesra
Dina BinaMargadanpematusan – Highway Construction Office	Eko Ismardianto/ Kasi Perencanaan Jalan & Jembatan
	EuisDarliana /KabidPerancangan
	Herry Sinurat/ Kasi Pemeliharaan Jalan & Jembatan
Sekretaris Daerah – Local	SukamtoHadi/ Sekretaris Daerah

Institution	Name/Position
Sekretariat	
PNPM Kota Surabaya	Gesar Mariadi /Askot ComDev
	M Rifqi /Askot MK
Dinas Kesehatan – Health Office	Primayanti /Kasubag Penyusunan Program
	Annisa Zaraswati /Staf Penyusunan Program
BKM Karsa Mandiri	Dra Siyamdi Suyadi SH /BKM Karsa Mandiri Kel Ketintang
	Setyo Rodji /BKM Karsa Mandiri Kel Ketintang
	Langeningsih/UPK
	Indra Sukam/UPK

Malang District

Institution	Name/Position
Badan Pemberdayaan Masyarakat dan Pemerintah Desa – Board of Community and village empowerment	Nandang Djumantara
Dinas Pengairan – Irrigation Office	Agus Priyanto/Kepala Dinas
Bappeda –Board of Local Planning	Nehrudin
Dinas Cipta Karya – Spatial Planning Office	Romdhoni
	Ferry
Dinas Kesehatan – Health Office	Muhammad Fauzi

C. BANGKABELITUNGISLANDSPROVINCE

Bangka Belitung Islands Province

Institution	Name/Position
DinasPendidikan – Education Office	Narwanto
	Wahyudi
Bappeda & Statistic–Board of Local Planning and Statistics	Nazalyus
BadanPemberdayaanMasyarakat danPemerintahDesa – Board of Community and village empowerment	AzlimFitra/Korprov PNPM M Pedesaan
	Sri Rezeki/Sekretaris
Dinas PU – Public Work Office	Suparman Effendi/Kabid TR Bina Program
	M. Yunus S.G. MT/Kasi Tata Ruang
Sekretariat Daerah – Local Secretariat	Erwandi A.R./Asisten 3

Bangka District

Institution	Name/Position
Sekretariat Daerah – Local Secretariat	Tarmizi H. Saat/Sekretaris Daerah
Bappeda –Board of Local Planning	M. KamilAbubakar/ KepalaBappeda
Dinas PU – Public Work Office	Hasan Basri/Sek Dinas
DinasPendidikan – Education Office	AzrizaAst Dindik
BadanPemberdayaanMasyarakat danPemerintahDesa – Board of Community and village empowerment	Tony Ali/Kabid

Belitung District

Institution	Name/Position
BupatiKabupaten Belitung – Head of Belitung District	Ir. H. Darmansyah Husein
DinasPendidikan – Education Office	Rafeli / Ka Din Pendidikan
BadanPemberdayaanMasya rakatdanPemerintahDesada nKeluargaBerencana – Board of Community and village empowerment and Family Planning	Suharyanto S.AP./ Ka BPMPD
	Hj. Yulia M. / Sekretaris BPMPD
	Asmiliati / Kasubbid
Bappeda –Board of Local Planning	Ir. Hermanto / Ka Bappeda
	Elisabeth / Kabag. Ekonomi
	Tomy w. / KabagSosbud
Dinas PU – Public Work Office	Agus RS Siregar/ Satker PIP
	M. Irvan / PPK P2KP
	Oskar Y. / PPK PISEW
	Bondan / Staf
DPPKAD (DinasPendapatan, danPengelolaanKeuangand anAset Daerah) – Revenue Division	Sarfani S. / Ka DPPKAD
Sekretariat Daerah – Local Secretariat	Karyadi Sahminan / Setda III
PNPM MandiriPerkotaan	Ruslan / Kordinator Kota
	Fatmawati / UPK Air Saga
	Jon Maspin/ Konsul Fas Kec.
	Habiba /Konsul PNPM
	Norman / Kord. BKM
	Hamsun / UPL
PNPM PISEW	Sukiman / KaDesa Sungai Padang – Kec. Sijuk
	Zulfan Saputra / Konsultan Asisten kota
	Tomi Satriaaji
	Arnold Suspani

D. SOUTH SULAWESI PROVINCE

South Sulawesi Province

Institution	Name/Position
Sekretariat Daerah – Local Secretariat	H M IdrusHafied/ Ka. Balitbangda
Bappeda –Board of Local Planning	Tan MalakaGuntur/KepalaBappeda
	AndiMuhArifin/KabidEkonomi
Dinas PU – Public Work Office	Nimal/Sekretaris Dinas
	Marmur /Staf Din. PU
BadanPemberdayaanMasyarakatdanPemerintahDesa – Board of Community and village empowerment	Andi Mangunsidi /Kepala BPMPD
DinasPendidikan – Education Office	Drs. Abdullah Djabbar, MPd/Sekretaris
	H Hamrie/Kabid Dikmentras
	Rusdi/Staf
	Hj Andi Hidayati /Kasi Kesetaraan PNK
	H Mustafa/ Kasi Ketenagaan
	H Haerullah, MM /Kasi PMS
JICA	Nirwana Anar/ JICA CD Project
	Hikmah/Bappeda Polewali Mandar
PNPM PISEW	Karimeng /Konsultan PISEW
	Undang PS /Korwil Sulsel
	Asri /Staf PISEW Sulsel
TKPKD Tim Kordinasi Penanggulangan Kemiskinan Daerah – Coordinating Team for Poverty Alleviation at Local Level	Sukri/ Kabid
	Amir Rahman/Kasubag Umum
	Ahmad Abu Zaid/Staf RPM PDK

Makassar District

Institution	Name/Position
Sekretariat Daerah – Local Secretariat	H M Anis Z Kama /Setda
Bappeda –Board of Local Planning	Idris Safari /Kepala Bappeda
	Ismail Hajiali /Sekretaris
	Nur Kamarul /Kabid. Sosbud
Dinas PU – Public Work Office	Dachyar Hursany/Kabid SPL
	H Arifuddin/ Kepala UPTD Rusunawa
	Hamka Darwis/StafDinas PU
	Imbang M /Kasi. Sanitasi
	M Hamka /Kasi Pemb Jalan
BadanPemberdayaanMasyarakat – Board of Community empowerment	Syahrir W/Kepala BPMD
	EvyAprialti/Kabid Pemb. Usaha Eko Masy
DinasPendidikan – Education Office	H Muhyiddin, SE MM /Sekretaris
	Ansari Kakrir /Kasi Ketenagaan
	Ernawati/Kasi Analisis Kebutuhan Sospras
DinasPerindustriandanPerdagangan – Industry and Trade Office	H M Tabdin HS/Kepala Dinas
	Suwiknyo HS/Sekretaris Dinas
	Deddy P /Kabid Perdagangan

Jeneponto District

Institution	Name
Sekretariat Daerah – Local Secretariat	Drs H Iksan Iskandar/ Setda
	Rahmat /Asisten Bid Adm Pembangunan
Bappeda –Board of Local Planning	H. Muh Basir /Kepala BAPPEDA
	Nuzul /Kasubid. Infrastruktur / Anggota PNPM PISEW
Dinas PU – Public Work Office	Syamsubair/Sekretaris Dinas
	H Happsamba/Kabid Bina Marga
BadanPemberdayaanMasyarakatdanPemerintahDesa – Board of Community and village empowerment	Abdul Makmur S/Sekretaris Dinas
	A Mappisona /Faskab PNPM MP
	AbdRahmanMuntu/Faskab PNPM MP
	Norma Longdong /Deputy Korprov PNPM MP
DinasPendidikan – Education Office	Drs. H. MukhtarNonci, M.Pd/Kepala Dinas
	H MustanManda/Bendahara
	Haryadi, SE, MAP/Kasubag Program
BPKD BadanPengelolaanKeuangan Daerah – Revenue Division	Drs. Noldy ZS, M.Si/KabidAnggaran&Perbendaharaan
Kecamatan Arungkeke, Desa Arungkeke Village	Edy Irate SH, MH /CamatArungkeke
	Sulton/Kades Arungkeke
	Asfriyanto /Lembaga Mitra Turatea
	Fardi Ali/Lembaga Mitra Turatea
LembagaMitraTuratea	A Rachmat
	Sulaeman Ali
	Asisjah
	Zulkarnain
	Asri Sitalea
	M Agus
	Nurlinda