

gtz



Initial Concepts



Mid-Term Development Plan (RPJMN) on Decentralization

Dr. Wahyudi Kumorotomo

1. The greater picture: Long-term Development Plan (RPJP 2005-2025)
2. Looking back, evaluating the RPJMN 2005-2009
3. The current issues: What are the criteria for “strategic” and what are the issues
4. The future challenges
5. Formulating strategic issues
6. Plan for implementation: programs, indicators, time-frame, responsible agencies.

CRITERIA FOR STRATEGIC ISSUES

1. It touches the concerns of many sectoral and coordinating agencies
2. Can be solved in time frame of RPJMN (2009-2014)
3. Bring about significant improvement in: efficiency, governance, welfare
4. Subject to much heated debate; how objectives are to be achieved?
5. Costs and risks of reform are manageable
6. Agreement on its importance among key stakeholders
7. Relates to Bappenas' strength in facilitating consensus and solutions.



1. Management of decentralization policy;
 - Fragmented policy
 - Use of studies, research & expertise
2. Legal architecture of decentralization;
 - Principles of decentralization in the Constitution
 - Conflicting legal frameworks
 - Unclear hierarchy of regulations
3. Territorial reform (pemekaran issues);
 - Unclear criteria for creation
 - Lack of macro vision
4. Functional assignment;
 - Unclear vision of deconcentration & devolution in Constitution
 - Harmonizing organic vs. sectoral laws
 - Unclear differentiation of functions among levels
5. Cooperation among regions;
 - Lack of real benefit from associations
 - Regional needs & opportunities are unmet
6. Role of civil society;
 - Needs for civic engagement
 - Role of CSOs
 - Lack of dialogues between local govts and CSOs



1. Intergovernmental fiscal relations;
 - Problems of PAD
 - DAU for wage bills
 - Inconsistent policy for DAK
 - Shares of taxes and revenues
 - Regional borrowing
2. Oversight and supervision
 - Ineffective oversight roles of DPRD
 - Business unfriendly regulations
 - Unclear roles of provinces in controlling
 - Inefficient regulations on monitoring and evaluation
3. Special autonomy and special status;
 - Problems of Law 11/2006 and Helsinki Accord in NAD
 - Peaceful resolution in Papua under Law 21/2001
 - Unclear regulatory framework for DIY
4. Special zones;
 - Unclear regulation on functional decentralization
 - Lack of institutional arrangement in special zones
5. Regional government planning and budgeting;
 - Lack of coherence in reforms
 - Harmonizing regulations on budgeting
 - Poorly integrated spatial planning
6. Regional financial management;
 - Reforms are numerous, over-ambitious, and are not linked to capacity
 - Needs for robust regulations: no guidance in certain matters, too intrusive in others.



Capacity development in support of formulation and implementation of reforms;

- Insufficient capacity for reforms
- Poor coordination in capacity development
2. Role of the governor and province;
 - Little delegation for governors
 - Vague accountability system
3. Civil service reform;
 - Inefficient structures of regional governments
 - Need for clean and efficient administration
4. Regional government service provision;
 - Lack of incentive for service improvements
 - SPMs are not applied or under-utilized
5. Political accountability;
 - DPRD members are poorly connected to constituents
 - Leadership styles of Kepala Daerah
 - Political recruitments
 - Political parties' commitment
 - DPD representation
6. Village government;
 - Needs for Bamusdes empowerment
 - Delegated functions from district level are unclear
7. Kecamatan;
 - Roles are unclear under-utilized
 - No pattern for delegated functions.



1. Decentralization is reshaping development planning mechanisms (p.2)
2. The challenge is maintaining national unity while accommodating diverse local needs under more democratic setting (p.28)
3. Main long-term objectives (pp.39-58):
 - a. Robust and institutionalized democracy
 - b. Strengthened civil society
 - c. Better decentralized governance & local autonomy
 - d. Free media to articulate public interests
 - e. Viable rules of law
 - f. Effective checks and balances in all levels of government
 - g. Improved performance of public institutions
 - h. Prevent disintegration, maintain national unity
 - i. Sustainable democratization and welfare improvement.

Institutions: What have not been achieved in 2005-2009?



1. More on socialization and implementing regulations, less on harmonization, supervision and evaluation
2. Ancillary regulations of Law 32/2004 were less implemented than that of Law 33/2004 (80.6%:100%)
3. Goal achievements from regulatory products on decentralization are less satisfactorily (quantitative benchmark: 71,62%)
4. Main obstacles for coordination: a. No institution is responsible for harmonizing policies, b. Sectoral ego, c. Lack of coordination among national and sub-national institutions
5. Problem of sub-national regulatory framework. What is the best measure to address bad Perdas? How to put “repressive supervision”?
6. The role of governors are vague
7. Limited examples of successful inter-regional cooperation
8. Unclear roles of DPRD; local parliaments or local legislatures.
Urgent needs for capacity building



1. Harmonizing regulations at the national (generic vs. sectoral) and sub-national levels (UU, PP vs. Perda)
2. Mainstreaming functional assignments for decentralized governance
3. Territorial reform → put a break on pemekaran, assigning more objective criteria (PP No. 78/2007 vs. UU No. 10/2004)
4. Promoting strategic partnerships (Tim Revisi UU 32/2004: inter-regional cooperation, public-private partnerships)
5. Promoting civic engagement in local governance
6. Integrating SPM (PP No. 6/2005) with various instruments for performance (LAKIP, Inpres No. 7/1999), accountability reports (LPPD, PP No. 3/2007) and evaluation (EPPD, PP No. 6/2008).

Kelembagaan: Program, Indikator dan Pelaksana

untuk RPJMN 2010-2014

Program	Sub-program	Indikator	Kegiatan / Waktu	Lembaga Pelaksana
Pengelolaan Kebijakan Desentralisasi	Mengintensifkan kajian dan penyusunan mengenai <i>Grand Design</i> Desentralisasi dan Otonomi Daerah	<ul style="list-style-type: none"> Tersusunnya sebuah <i>Grand Design</i> Desentralisasi dan Otonomi Daerah yang akan menjadi panduan utama dalam pembuatan dan pelaksanaan kebijakan mengenai desentralisasi dan otonomi daerah 	a. Kajian mengenai <i>Grand Design</i> Desentralisasi dan Otonomi Daerah (2010-2011) b. Penyusunan <i>Grand Design</i> Desentralisasi dan Otonomi Daerah (2011-2012)	Universitas/pusat penelitian yang diberi mandat dan mitra pembangunan dengan arahan Depdagri dan Bappenas Dipimpin oleh Depdagri dan Bappenas
	Penyusunan revisi UU No. 32/2004	<ul style="list-style-type: none"> Tersusunnya draft RUU Revisi UU No. 32/2004 yang mampu mengakomodir permasalahan dalam pelaksanaan desentralisasi dan otonomi daerah yang terjadi saat ini 	Penyusunan UU Revisi UU No. 32/2004 (2010-2011)	Dipimpin oleh Depdagri, dengan melibatkan berbagai pemangku kepentingan terkait baik dari instansi Pusat dan Daerah maupun perwakilan masyarakat sipil dan akademisi



1. There must be a balance in managing the use of natural resources, conserving environment, and promoting local economic development (General Explanation). Development funds have to be managed in prudence and efficient ways.
2. Macro economic stability has to go together with micro impact in terms of social welfare
3. Local government financial capacity should be upgraded continuously in line with human resources, institutional, and legislature capacities (p.68)
4. The focus should also be directed to build Special Economic Zone (Kawasan Ekonomi Khusus) as the main generator for funding local development (p.78)
5. Public expenditures must have direct links with public welfare.

Finance: What have not been achieved in 2005-2009?



1. Amounting reserves and undisbursed funds among sub-national governments while national government is highly indebted
2. The block grants (DAU) have not instrumental for addressing horizontal fiscal imbalance
3. Local financial capacity remains weak due to: a) Lack of fiscal sharing / decentralized taxation, and b) Low human resource capacity among local governments
4. Problems in allocating deconcentration and Tugas Pembantuan funds. What is the best way to reallocate the funds into DAK?
5. Problems in performance-based budgeting. Reform measures are too complex for human resource at the sub-national levels.



1. Creating more substantial fiscal decentralization (taxing power, local capacity building, UU 34/2000)
2. Reallocating deconcentrated funds, in line with mainstreaming functional assignments
3. Redesigning DAU allocation system to accommodate more criteria for horizontal balancing
4. Detach wage-bill elements in the DAU funds, stimulate more capital investments
5. Improve budgeting cycles and synchronize national and sub-national budgets
6. Strengthen budget efficacy by improving disbursement process while maintaining accountability.



Program	Sub-program	Indikator	Kegiatan / Waktu	Lembaga Pelaksana
Perbaikan hubungan keuangan pusat-daerah	<p>Peningkatan kemampuan daerah dalam mengelola PAD dan pendapatan secara otonom</p> <p>Peningkatan kemampuan perpajakan daerah</p>	<ul style="list-style-type: none"> Peningkatan PAD yang sesuai dengan potensi riil daerah Meningkatnya kemampuan mengelola pajak dan retribusi daerah yang berkelanjutan Pemberian kewenangan pengelolaan PBB kepada daerah Pengenalan sistem pajak opsen (<i>piggy backing</i>) dalam pemungutan PPh bagi daerah 	<p>a. Studi/ penelitian yang mendalam tentang masalah pokok kemampuan keuangan daerah (2010-2011)</p> <p>b. Pelatihan terstruktur tentang pengelolaan pajak dan retribusi daerah</p> <p>c. Konsolidasi kebijakan dan penyerahan urusan pajak yang dapat ditangani Pemda (dimulai dari</p>	<p>Perguruan tinggi, pusat studi dan mitra pembangunan daerah</p> <p>STAN, perguruan tinggi, Depkeu</p> <p>Depkeu, Depdagri, Bappenas</p> <p>Depkeu, Depdagri, Bappenas, D</p> <p>MoHA, Bappenas, DPOD</p>

1. Flaccid public bureaucracy in Indonesia. There is a need to reform public bureaucracy with regulatory measures and mind-setting (p.31)
2. Corruption, collusion and nepotism (KKN) are rampant among public officials. This is the main obstacles for creating efficient, cheap, and humane public services (p.17)
3. Bureaucracy reform must respond issues on professionalisms and good governance, at national as well as sub-national levels (p.57)
4. To prevent power abuse among public apparatus and personnel, there is an urgent need for: campaigning principles of good governance, imposing stern punishment on power abusers, effective controls and supervisions, public accountability, and promoting work ethics (pp. 61-62).

Human Resource: What have not been achieved in 2005-2009?



1. Low level of achievement on professional trainings among regional officials (the 65,38% achievement was over-estimation)
2. Meritocracy and objective criteria for recruitments are high on the agenda (Menpan's policy to recruit Pegawai Honorer has a serious ramification)
3. Human resource cycles for bureaucracy reform: formasi, rekrutmen, pola-karir, promosi & mutasi, remunerasi, pengembangan dan disiplin pegawai (Bappenas, 2008)
4. Local government human resource reform: netralitas, kualitas pelayanan, rekrutmen pegawai, sistem penggajian, pengembangan karir, komisi kepegawaian (Depdagri, 2009).



1. It is urgent to establish national *Komisi Kepegawaian Negara* (Civil Service Commission) as envisaged by Law 43/1999
2. Facilitating programs for Local Civil Service Reform
3. Systematic capacity building programs for local legislature (DPRD) members to carry out their controlling, legislating, and budgeting functions
4. Annual awards based on local governance index for local governments. Possible criteria for awards are: public service index (PSI), local democracy index (LDI), and local competitiveness index (LCI).



Program	Sub-program	Indikator	Kegiatan / Waktu	Lembaga Pelaksana
Penguatan kapasitas dan kompetensi kelembagaan pemerintah pusat untuk merumuskan, mengimplementasikan dan mengevaluasi kebijakan desentralisasi	Koordinasi dan konsolidasi antar berbagai kementerian dan badan yang terkait dalam pembuatan kebijakan, implementasi dan evaluasi kebijakan	<ul style="list-style-type: none"> • Terkoordinasi dan terkonsolidasinya secara baik berbagai perumusan peraturan perundang-undangan dan implementasinya • Terbangunnya kesepakatan nasional untuk menegakkan merit sistem dalam rekrutmen dan seleksi, termasuk menegakkan netralitas pegawai dan penataan kelembagaan • Tertatanya manajemen pemerintahan yang lebih profesional, efisien dan berdayaguna • Tertatanya struktur kelembagaan untuk menghindari tumpang tindih diantara berbagai instansi atau unit kerja 	<ol style="list-style-type: none"> a. Workshop rutin dua bulanan (2010-2014) b. FGD rutin tiga bulanan (2010-2014) c. Seminar rutin empat bulanan (2010-2014) 	Depdagri, Menpan, Bappenas, LAN, Depkeu, BPS, BKN, Kementerian Sektor terkait

gtz



RPJMN Chapter on Decentralization



THANK YOU