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MCC INDONESIA CONTROL OF CORRUPTION PROJECT

MCC ICCP

ANNUAL REPORT

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ACRONYMS

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| AusAid LDF | Australian Aid Legal Development Foundation program |
| Bappenas | Ministry for National Development Planning |
| Bapepam-LK | Indonesia Capital Market and Financial Institution Supervisory Agency |
| CPI | Corruption Perception Index |
| CTR | cash transaction report |
| e-GP | electronic government procurement |
| ICITAP | International Criminal Investigative Training Assistance Program |
| IT | information technology |
| KPK | Corruption Eradication Commission — Komisi Pemberantasan Korupsi |
| KYC | Know Your Customer |
| LeIP | Indonesia Institute for Independent Judiciary |
| M&E | monitoring and evaluation |
| MenPAN | Ministry for the Empowerment of State Apparatus — Menteri Pendayagunaan Aparatur Negara |
| MCC ICCP | Millennium Challenge Corporation Threshold Program Indonesia Control of Corruption Project |
| MOU | memorandum of understanding |
| MTI | Indonesia Society for Transparency |
| NAD | Nanggroe Aceh Darussalam |
| NBFI | nonbanking financial institution |
| NEPS | National Electronic Procurement System |
| NGO | nongovernmental organization |
| PPATK | Indonesian Financial Intelligence Unit |
| PSA | public service announcement |
| PSHK | Center for Indonesian Law and Policy Studies |
| RFP | request for proposals |
| SABMN | Accounting System for State-owned Property |
| SIMPEG | human resource database |
| STR | suspicious transaction report |
| TBD | to be determined |
| TCP | Threshold Country Program |
| TI-I | Transparency International — Indonesia |

I. EXECUTIVE SUMMARY

During its first year of implementation, the Millennium Challenge Corporation Threshold Program Indonesia Control of Corruption Project (MCC ICCP) accomplished important objectives, including completion of a job description and performance standards structure for 392 positions within the Supreme Court; developing a means to search and view decisions on the Supreme Court Web site; raising public awareness of the Know Your Customer (KYC) program used by authorized money changers; providing a four-fold increase in online receipt and processing capacity at the Indonesia Financial Intelligence Unit (PPATK); procuring audio-visual equipment to help the Corruption Eradication Commission (Komisi Pemberantasan Korupsi, or KPK) monitor anti-corruption trails, and procuring information technology for the creation of satellite e-government procurement (e-GP) centers in five regional cities.

Indonesia's Threshold Country Program is a government of Indonesia reform initiative financed by the Millennium Challenge Corporation that receives technical guidance and administrative oversight from USAID/Indonesia. MCC ICCP is a two-year contract that supports the MCC Threshold Country Program (TCP) for Indonesia. Awarded to Chemonics International Inc. in April 2007, the project runs from April 11, 2007 through April 10, 2009.

Before the project started, MCC used the following indicators from Transparency International and the World Bank Institute as an argument to support a Threshold Program focused on anti-corruption: Transparency International's 2005 Corruption Perception Index (CPI) of 2.2 out of 10.0 and The World Bank Institute's Control of Corruption Indicator for 2004, with a baseline of -.90. MCC ICCP is designed with a set of minimum expected results for each project task. Successfully achieving these should contribute to positive change in these and other indicators used by the MCC to determine Indonesia's further eligibility for other programs.

The project team works closely with several Indonesian government entities, including the Indonesian Supreme Court, the Corruption Eradication Commission, the Indonesia Financial Intelligence Unit, and the Ministry for National Development Planning (Bappenas). MCC ICCP works with these counterpart agencies to improve the integrity, competence, and productivity of court officials; enhance the investigative, communications, and outreach capacities of the KPK; promote an anti-money laundering KYC program to nonbanking financial institutions (NBFIs) while improving PPATK's reporting, communications, and analytical capacities; and expand the Indonesian government's e-procurement system to five regional centers while fostering Bappenas' efforts to create a national hub to provide coordination and technical support.

MCC ICCP consists of four tasks, each of which has separate activities. A brief description of these tasks with the Year 1 achievements follows.

Task 1. Judicial Reform. This task encompasses five related activities which improve Indonesian court administration through (1) institutionalizing systems for human resource, financial asset, and information management of court resources; (2) training 2,000 judges in the judicial code of conduct and providing a means to monitor the number of wealth reports submitted by senior court personnel; (3) improving court personnel management and supervision systems through job descriptions, a staffing assessment and implementation of a

human resources database; (4) improving court budget preparation and monitoring of asset management; and (5) establishing procedures, training, and installation of Web-based systems to ensure public access to court information, including court decisions, the public complaint system, specific details about the court; and increasing the capability of the court's public relations staff.

Table 1. Task 1: Judicial Reform Year 1 Achievements

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| <p>Activity 1: Human Resources</p> <ul style="list-style-type: none"> • Developed judicial code of conduct training module to train new and existing judges in the judicial code of conduct • Trained judge trainers in the skills and knowledge necessary for training judges in the new judicial code of conducts (224 judge trainers trained: 194 men and 19 women) • Formulated specific job descriptions and minimum position qualification requirements and performance standards for court staff positions within the court system (392 positions). |
| <p>Activity 2: Asset and Budget Management</p> <ul style="list-style-type: none"> • Conducted a needs assessment to define specific budget items for use in formulating the court budget (strategic budget planning workshops delivered to 90 senior court staff: 83 men and 7 women) • Developed new procedures for the formulation and monitoring of the court budget (609 budget and finance officers trained in Ministry of Finance software: 421 men and 188 women) • Distributed new budget formulation and monitoring procedures to all courts (100 laptop computers distributed to budget and court finance officers) • Conducted asset inventory in four provinces (Central Java, South Sumatra, West Sumatra, and Aceh) |
| <p>Activity 3: Enhancing Transparency of the Court System</p> <ul style="list-style-type: none"> • Provided public relations training to 21 staff from Supreme Court Legal and public relations office and district court communications officers (18 men and 3 women) • Upgraded Supreme Court Web site capabilities to allow for online decision publication; procured new servers, scanner, and computers to support the online decision Web site http://www.putusan.net.id; and published 2,262 decisions online |

Task 2. Enhancing the Capacity of the PPATK. With PPATK, the project is adapting an anti-money laundering KYC campaign to reach, through training, five categories of NBFIs. These include authorized money lenders, capital markets/securities brokers, insurance companies, financing/leasing companies, and pension funds. The project is providing a general public awareness campaign concerning the principles of KYC as they relate to fighting money laundering and the efforts made by these NBFIs using print and broadcast media. Additionally, the project will monitor use of the new equipment and software procured and installed during Year 1, which expanded PPATK's capacity to process and analyze suspicious transition reports (STRs) and cash transaction reports (CTRs). Finally, the ability of PPATK to communicate with law enforcement agencies was to be enhanced through the installation of a secure communication infrastructure. PPATK has been working closely with the International Criminal Investigative Training Assistance Program (ICITAP) of the U.S. Department of Justice, the implementing organization for this activity. By the end of the first year, it was determined by USAID that MCC ICCP will no longer be involved in this activity

Table 2. Task 2: Enhancing the Capacity of the Indonesia Financial Intelligence Unit

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| <p>Activity 1: Education Campaign</p> <ul style="list-style-type: none">• Produced and distributed 1,000 posters and 10,000 leaflets and other items (calendars, coffee mugs, key chains, bags, tee-shirts) placed in authorized money changers in three major entry points for Indonesia (Jakarta, Batam, and Bali). Public media launches were held in each location coinciding with the training.• Broadcasted a television talk show on KYC principles and money laundering education regarding NBFIs.• Delivered six workshops for 341 money changers (263 men and 138 women), representing nearly 200 authorized money changing businesses, on monitoring techniques for possible money laundering activity by their customers and clients. |
| <p>Activity 2: Increasing Online Receipt Capacity</p> <ul style="list-style-type: none">• Procured and installed software to operate new computer hardware and improved processing of online receipt of STRs and CTRs.• Procured and installed six new terabyte storage area networks (computer hardware), increasing online reporting capacity four-fold.• Trained three PPATK staff on use of software and hardware. |
| <p>Activity 3: Monitoring Communications Equipment</p> <ul style="list-style-type: none">• While MCC ICCP built a relationship with ICITAP staff handling this procurement, this activity is not longer applicable to the project. |

Task 3. Enhancing the Capability of the KPK. The MCC ICCP team will procure five portable sets of audio/visual court recording equipment for the KPK to monitor anti-corruption trial proceedings cases. A grant will be given to Transparency International-Indonesia (TI-I) for the 2008 CPI survey and an additional in-depth analysis of the 2008 CPI and the 2006 CPI. MCC ICCP will provide to the KPK survey research for the public sector Integrity Survey among 40 government institutions in 11 cities in Sulawesi and Sumatra. Finally, we continue to encourage peer-to-peer dialogue between KPK and TI-I. KPK will engage another subcontractor to complete the survey with additional cities and government institutions.

Table 3. Task 3: Enhancing the Capability of the Corruption Eradication Commission

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| <p>Activity 1: Monitor Installation and Use of Specialized Equipment</p> <ul style="list-style-type: none">• While MCC ICCP built a relationship with ICITAP staff handling this procurement, this activity is no longer applicable to the project. |
| <p>Activity 2: Enhance KPK's Court Monitoring Program</p> <ul style="list-style-type: none">• Procured five sets of audio/video recording equipment for KPK court monitoring; a 12-month warranty was successfully negotiated. |
| <p>Activity 3: Corruption Indices</p> <ul style="list-style-type: none">• Grant successfully made to TI-I; Completed the expanded analysis of data collected for the 2006 Indonesia CPI.• Integrity survey design completed with KPK and a request for proposals issued. |

Task 4. Electronic Government Procurement. The project works with the Center for Public Procurement Policy at Bappenas to establish five regional e-GP centers. We will improve the National Electronic Procurement System (NEPS) software for better data collection and monitoring of procurement processes. Public information activities concerning the e-GP efforts of provincial governments and Bappenas to increase the number of Indonesian companies bidding on public tenders and the public's knowledge of the public procurement process will be undertaken.

Table 4. Electronic Government Procurement

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| <p>Activity 1</p> <ul style="list-style-type: none">• Equipment for five e-GP satellite service centers procured through an open and transparent tendering process• Memorandum of understanding (MOU) signed between Bappenas and five regional governments on terms and responsibilities for establishing, operating, and maintaining the five e-GP satellite service centers• Training of trainers in use of the NEPS software held in five provinces and delivered to 73 regional government staff (52 men and 21 women)• Opening of the first e-GP center in Bandung, West Java, at the end of April 2008 |
| <p>Activity 2</p> <ul style="list-style-type: none">• National electronic procurement software improved to accommodate data collection and monitoring• Draft report on procurement activities form adopted by Bappenas as a requirement |
| <p>Activity 3</p> <ul style="list-style-type: none">• Detailed plan for implementing public awareness campaign completed and approved by Bappenas• Local public relations firm selected through open, transparent process to create print and media materials for public awareness campaign.• Draft e-procurement newsletter created |

This first annual report summarizes the work done for each activity from the date MCC ICCP was signed on April 11, 2007 to April 10, 2008. The report includes the following sections: task reports, the consolidated indicator list, the annual training report, and annual project financial accruals. A gender assessment was conducted in May 2007 to alert project staff to potential gender issues that might arise during project implementation. Where relevant, gender issues highlighted in the assessment are updated in this report.

II. TASK REPORTS

The Country Threshold program is built around a tight time frame of 24 months. USAID and MCC held extensive consultations with each of the four counterpart agencies during the development of the TCP and throughout the request for proposals (RFP) and contractor selection process. The implementing contractor was to start implementing project activities 30 days after contract signature. The timing, scope of activity, and duration are clearly identified in the TCP, as well as the minimum expected results. These were also included in the contract document awarded to Chemonics International. The project was initiated with the expectation that the counterpart agencies were in full agreement with the time frame and activities as defined in the TCP and contract. An assessment regarding gender issues the project should consider was also conducted.

Given the scope of the activities, each agency found that additional internal consultation was needed before activities could commence. In many cases, this involved discussions between USAID and the specific agency. MCC ICCP moved forward on every activity that was feasible. As well, the foundation for accelerated work was laid during the second year so that, should agreement be reached within the respective agency, project implementation can commence within the time frame of the MCC ICCP.

Below is a discussion of the primary achievements within each task and associated activity for Year 1, and the associated indicators.

Task 1. Judicial Reform

The Supreme Court is committed to achieving the reform agenda specified in the 2003 Blueprint and in the Indonesian government's bureaucratic reform program. MCC ICCP activities for Task 1 are designed to assist the court in achieving very specific goals regarding human resources, budget and asset physical management, public access to information and transparency. Substantial progress in refining activities was achieved with the Supreme Court during this first year. Certain activities developed at a rapid speed (job descriptions, budget reform, public relations training, online publication of decisions); others needed substantial discussion before preparation could commence (judicial ethics and code of conduct training, staffing assessment); and others required further negotiation with USAID and the Supreme Court to come up with a common understanding of the work to be done (asset management, wealth reporting, public complaint system, human resource database, increasing public access to information). Crucial to achieving goals defined in the Country Threshold Plan are tangible government actions that will influence Indonesian public opinion of the court.

The significance of these reforms within the court cannot be overstated. They create the opportunity for internal development of an independent justice system in Indonesia with the proper mechanisms to identify and put an end to corruption. As well, greater means for citizen knowledge of the court provides opportunities for improved public perception of the court and increased support. Several of the reforms — job descriptions, wealth reporting, and publication of Supreme Court decisions — are “quick wins” for the government's bureaucratic reform program.

Relationships with the State Ministry for the Empowerment of State Apparatus (MenPAN — Menteri Pendayagunaan Aparatur Negara — the agency responsible for the government bureaucratic reform program) and the Ministry of Finance were enhanced for the Supreme Court through the interactions needed for the development of job descriptions and budget procedures training. In the first case, the court's desire to fully understand the process of job

description development, job grading, setting performance standards, and developing a remuneration scheme led to intensive sessions with senior court leadership that resulted in new appreciation of the role played by the court in the bureaucratic reform process. In the second case, the new procedures and budget software developed by the Ministry of Finance as part of bureaucratic reform effort were introduced to court budget and finance officers at the district court level. Trainers from the Ministry of Finance and Supreme Court worked together to deliver this training. The result is determination by the court to use the tools provided by the Ministry of Finance to generate a transparent budgeting process within the court. In the third case, the Ministry of Finance is now assisting court staff with adopting clear asset management guidelines at all court levels. These enhanced relationships with MenPAN and the Ministry of Finance help support the court's internal efforts and provide stronger links to the overall government reform program, which is focused on greater efficiency, effectiveness, and transparency, all key to preventing corruption. These kinds of relationships will help with the government's proposals to the MCC for compact status as they demonstrate a more unified effort to reduce corruption.

The consultative work with the court during Year 1 resulted in clear plans that were affirmed by senior court officials during a retreat convened by USAID on March 18–19, 2008 at Bogor, Indonesia. The sustained commitment from the highest leadership levels to staff in bureaus and offices is conducive for achieving all tangible results by the end of the project.

Below is a brief discussion of the progress made within each activity, and where relevant, significant gender issues also addressed. If implementation challenges were encountered, these are also described.

Activity 1a. Judicial Ethics. The original task was to train 6,000 judges in the new judicial code of conduct, announced by the court in their April 2007 annual report. The first six months of effort focused on understanding the needs of the Supreme Court leadership and training department (Pusdiklat) regarding the code of conduct training: the number of judges to be trained, who the trainers would be, the length of the workshop, the curriculum, the style of training, and the venue. To resolve a misunderstanding regarding differences between the court, (which expected a three-day training) as compared to the MCC ICCP contract (which did not specify the number of required training days) a compromise was approved by USAID and MCC to train 2,000 judges within two-day trainings. This approval was given with a provision that the court would present a plan to the MCC on how it would train the approximately 4,000 remaining judges. The court made it clear that it expected the trainers to be current judges.

The project focused on the use of hypothetical scenarios and small-group discussion among judge peers to stimulate highly interactive sessions facilitated by the judge trainers. The hypothetical scenarios are a combination of short video dramas and descriptive case studies. A train the trainer curriculum and workshop was also developed and, during 2007, tested with judges from all levels of the court. Modifications were made to the code of conduct curriculum and draft facilitator's guide after each pilot train the trainer workshop. By the end of 2007, Pusdiklat, the court training department, had signed off on the curriculum and a detailed plan for rolling out the training throughout the country. Pusdiklat selected which judges would receive training and the schedule for the training was finalized.

In January 2008, it became evident that there was a gap within the court between the original full endorsement and the actual endorsement of the curriculum, training plan, judge trainers,

and schedule. After intensive consultation within the court and then with MCC ICCP, it was agreed that the curriculum needed only minor modifications (adding a module on rule of procedure). However, the court requested that an additional train the trainer session be held for 80 chief justices of the appellate courts as soon as possible, bringing the total number of judge trainers to 224 (194 men and 19 women). The training program is to be referred to as the dissemination of the code of conduct. The judge trainees will be drawn from the 3,040 district court judges (of which there are 2,381 men and 659 women). Pusdiklat will coordinate the selection of the judges to be trained.

Training began in late April 2008 following the final train the judge trainer session, starting with several provinces in Java (East Java, Central Java, and West Java). Trainers move from location to location in each area with a day or so break between locations. They will train two batches of 36 judges (72 judges in each province). These groups of 36 are divided into 3 groups of 12 for the small group work, a critical part of the curriculum. This training program is expected to be completed by November 30, 2008.

During the meeting convened by USAID on March 18–19, 2008 to discuss the project Year 2 work plan, the court made an interesting proposal defining the importance that the judges apply the code of conduct to daily life. The request was to simultaneously train the judge's spouse along with the judge in each workshop. The spouse would be better able to support the judge in applying the code of conduct when confronted with complex social situations. Additionally, it was felt that the spouse would better understand the need to not pressure the judge for extra income. While the MCC ICCP is not able to support the training of judge spouses, given the central importance of family within Indonesian culture, the court may explore other ways of helping spouses understand the code of conduct and the critical role it plays in reducing corruption within the court.

Activity 1b. Wealth Reporting. This activity focuses on implementation of a wealth report training program with assistance from the KPK, and the development of a monitoring compliance system, including a sanctions program for noncompliance or purposeful misreporting. The Supreme Court will designate which positions within the court system are to receive this training.

While generating considerable discussion throughout the year, very little progress was made with the court regarding implementation of this activity. The chief areas that were not resolved centered on the lack of means within the court to discipline judges or senior nonjudicial staff who had not submitted to the KPK. As well, there was no consensus on the exact population comprising “senior court personnel.”

According to the KPK, compliance among Supreme Court judges regarding wealth reporting has recently improved; however, reporting still needs to be increased throughout the court system. The Supreme Court agreed that MCC ICCP should focus on developing a means of administrative monitoring for senior staff filing their wealth reports. A meeting was held during February 2008 with the court to discuss how the activity could be implemented, and identified the secretariat of the court as the focal point for the activity. Further discussions during the USAID-sponsored meeting in March 2008 resulted in the following:

- The Supreme Court agreed to support the KPK's “road show” on increasing compliance on the submission of wealth reports.

- MCC ICCP will act as a mediator to help facilitate and develop mechanisms between Supreme Court and KPK to increase compliance with wealth reporting.
- MCC ICCP will assist the KPK and the Supreme Court to create a system for monitoring compliance.
- The Supreme Court will draft a circular letter on the importance of the submission of wealth reports.
- The secretariat of the Supreme Court will act as the focal point of the wealth reporting program for MCC ICCP.
- MCC ICCP will look toward incorporating the monitoring system into the human resources management database.

Plans were made with the court to detail this activity further during April and May 2008. The Supreme Court indicated it would address key issues, such as defining which court personnel should be used as a baseline for the compliance system and outlining procedures that will assist in the monitoring of which staff are meeting this annual requirement. The court agreed that the human resource database is the most appropriate host for the wealth reporting monitoring system. MCC ICCP will provide the court with several options during April and May 2008 to accelerate the concurrence process so this activity can be initiated.

Activity 1c. Job Descriptions. The job description team, composed of MCC ICCP staff and a subcontractor the Indonesia Society for Transparency (MTI), completed the job descriptions for 392 critical court positions. This activity enjoyed a high level of support from senior court leadership. Job grading was finished for all other positions within the court as well. These two sub-activities are central to the development of a remuneration management system and the ability to conduct an accurate staffing assessment (see Activity 1d).

Regarding the associated remuneration scheme, an Indonesian presidential regulation for Supreme Court allowances was signed by the President of Indonesia in March 2008. The MCC ICCP deliverables for the job description activity were a significant input of this scheme. The allowances identified in the presidential regulation will be made available to nonjudicial court staff once MenPAN, the Ministry of Finance, and the State Secretariat all approve the allowances.

For judges, the allowances are currently given based on disciplinary performance; a performance management system will be developed further by the court and will then be used to award allowances. The Supreme Court is currently able to provide 70 percent of these performance allowances for judges. These new performance allowances include such items as family allowances, general allowances, position allowances, rice allowance, tax income allowance, overtime allowance, and public official allowance (for those judges acknowledged as public servants), among others. The remuneration management plan being developed by MCC ICCP for the court includes a breakdown of the performance allowance. A meeting with senior court leadership to validate the draft remuneration management plan is scheduled for mid-May.

The Supreme Court will be able to provide 100 percent of these allowances once it satisfactorily completes the mandated seven criteria of the government's bureaucratic reform agenda. Of the seven criteria used to evaluate the court's performance, MCC ICCP is addressing three of these within the context of Activities 1c–1e:

- Job analysis, job evaluation and remuneration management (Activity 1c)
- Code of conduct (Activity 1a), staffing assessment (Activity 1d), and human resources database (Activity 1e)
- Key performance indicators for individuals (this was completed as part of the job description Activity 1c) and units (units are not covered by MCC ICCP)

As well, development work on training materials for job description workshops for court staff responsible for human resource management was initiated during the year; these materials will be used for the human resource database activity. The team was acutely sensitive to gender bias in the development of job descriptions and job grading. This work was reviewed as well by consultants, who determined no gender bias was evident in these deliverables.

Activity 1d. Staffing Assessment. This activity will determine which and how many positions are required within the court system. Implementation of this activity was dependent upon the completion of the job descriptions with the court. To anticipate the start of this activity in early 2008, MCC ICCP issued an RFP during November 2007 covering the development of the staffing assessment design, a sampling methodology, data analysis of staff distribution (judge and nonjudge), and case load management. Based on the data analysis, the subcontractor shall recommend a draft staffing plan and judge distribution plan to bring the court's staffing and judge distribution in line with actual needs.

Four firms responded by submitting proposals. These were evaluated, and one firm was invited to provide an oral presentation. Unfortunately, because the presentation demonstrated that the approach was not responsive to the scope of work, we were unable to move forward with this firm toward a subcontract. The four firms were notified that the RFP was cancelled. The scope of work was then sent to the firm that had successfully completed the job descriptions activity, MTI, and they were invited to make a presentation to MCC ICCP. As this presentation was responsive to the scope of work, MTI was invited to submit a full proposal and budget. This proposal was received and evaluated during March 2008. USAID approved the subcontract in mid-April. No difficulties are anticipated regarding the implementation of this activity.

Activity 1e. Human Resource Database. This activity is to develop and implement a human resource database to implement a court-wide, merit-based promotion system. This database will aid in managing training, disciplinary actions, and monitoring performance. Two hundred computers will also be procured. During the year, agreement was reached with the Supreme Court that MCC ICCP should adapt the human resource database (SIMPEG) currently used by the religious courts as it can be scaled up to accommodate the Supreme Court's needs. It is expected that the next steps (e.g., meeting with the designer of SIMPEG) will take place during April and May 2008. After this meeting, a scope of work and RFP will be developed and issued to identify the consultants and/or vendor needed to acquire and adapt the SIMPEG system to the Supreme Court's needs. The scope of work will include a detailed implementation plan.

Once the human resource database is in place, the appropriate Supreme Court staff from the high courts will be trained to perform data entry, and the information needed from the job descriptions developed by MCC ICCP will be entered. The 200 computers needed to support the human resource database implementation will be procured and provided to the court for distribution.

This activity moved more slowly than originally anticipated because of the unfamiliarity of the court with how constructing formal job descriptions lays the foundation for conducting a staffing assessment and creating a human resource database. Since the beginning of the project in April 2007, considerable time has been spent in familiarizing key court staff with the process of developing and implementing the job descriptions and remuneration plan, how the job descriptions and staffing assessment are linked, and how the human resource database will contain information from the job descriptions.

The court also reviewed how the religious court's human resource database could be adapted to the Supreme Court environment, and there were worries that the results of the staffing assessment might be disruptive to court operations. The job description validation sessions held with key senior court staff during October–December played a crucial role in changing court leadership attitudes toward these three linked activities. At these sessions, the senior staff understood on a practical, tangible basis, how job descriptions are used in a staffing assessment and how they provide the foundation for a human resource database. Since December, the MCC ICCP team has been able to proceed at a rapid pace with concurrence on how the staffing assessment should proceed and agreement that work on the human resource database had to start as soon as possible. Therefore, no delays are anticipated once implementation commences with the selected subcontractor. Every effort will also be made to ensure that gender-sensitive information required of both male and female court staff is duly protected.

Activity 2a. Budget. This activity is focused on three items: training 1,600 staff in Ministry of Finance procedures for budget preparation, budget-based strategic planning, and budget advocacy. During the needs assessment to define specific budget items for use in formulating the court budget, it was determined that the court was not using the Ministry of Finance procedures and software that are being promulgated throughout the government. Thus, 609 court and finance officers (421 men and 188 women) at the district court level were trained in the use of this software and the procedures, and 100 laptop computers were procured and distributed by the court to selected officers. The remaining officers will be trained and the remaining 100 laptop computers procured during the second year of the project.

At this time, there is not a solid connection between the Supreme Court's planning of reforms and its budgeting for overall operations. The imperative to integrate planning and budgeting has grown significantly since the Supreme Court was given responsibility in 2004 for managing the nation's 700-plus courts and 30,000-plus employees under the "one roof" system. Two budget-based strategic planning workshops were delivered to the court's senior leadership to enhance their understanding of the Supreme Court's mission and help them develop a strategic plan that incorporates programs and their corresponding budgets. The workshop objectives included

- Elements of budget-based strategic planning
- The importance of a clear vision and mission to focus components and activities of the strategic plan and budget
- The use of SWOT (strengths, weaknesses, opportunities, and threats) analysis as an important tool to evaluate an organization
- Control and preventative measures required to develop a more transparent institution
- Practical strategic budget planning exercises
- Best practices within the international community — the South American experience and U.S. federal court system

- Organization of working groups with responsibility to implement the suggestions raised during the workshop on specific topics
- Production of a comprehensive blueprint of the reform initiatives identified during the workshop

As a result of the workshop, specific outcomes were identified for follow-on work by the court, some of which will be undertaken by the court alone and some of which will be done with MCC ICCP via the budget-based advocacy sub-activity. These outcomes include

- Defining, adopting, and developing a strategy for a Supreme Court position on judicial independence and recognition of the Supreme Court as a separate co-equal branch of government by the parliament and executive branches
- Developing a clearly defined budget advocacy program and assigning responsibility for its operation in the Supreme Court
- Developing a standard set of programs, activities, and sub-activities for use by all courts that supports the vision, mission, and objectives adopted by the Supreme Court
- Identifying a standard set of performance measures to track court performance
- Assigning responsibility in the Supreme Court for conducting budget performance reviews
- Developing an alternative reprogramming proposal for the judiciary that promotes full budget use and the application of the budget to the judiciary's highest priorities
- Developing a standard set of reports that measures the efficiency and effectiveness of court operations
- Examining the judiciary's budget allocation methodology with the objective of allocating resources to all courts in a fair and equitable manner
- Working with Parliament and the Ministry of Finance to modify the budget formulation and execution systems as they apply to the Indonesian judiciary

The two budget-based strategic planning workshops represent an important step toward engaging the Ministry of Finance and Parliament as partners to the Supreme Court in its efforts to prioritize reform efforts and secure the necessary funding to see those programs through implementation. Finally, the workshops emphasized the need for budget transparency as a means to improve budget advocacy.

The project issued an RFP during fall 2007 for an assessment of the current court budget and finance system; development of training materials, a training plan, and an evaluation report of budget and finance training delivered; compiling information for the court public access efforts and the court budget advocacy activity; and assisting the court in the preparation of supporting documents for budget formulation. Despite being issued two separate times, no bidders responded to the RFP, and steps were then taken in December to solicit interest by visiting various institutions with the scope of work. In January 2008 an independent NGO housed in a state university, Pusat Pengembangan Akuntansi Yayasan Artha Bhakti, provided a responsive proposal, and discussions began on refining the scope of work to commence in June 2008.

Finally, as a result of discussions with the court planning bureau concerning procurement of the remaining 100 computers, there was agreement to create a small, secure communications infrastructure which would help support the work being done by the budget and finance

officers using the Ministry of Finance budget software. This mini-communications center would include servers, computers, laptops, and peripherals.

Activity 2b. Physical Asset Management. A full physical inventory of the court's assets is required for this activity, along with an accurate system of asset management. Given a lack of familiarity with the government physical asset inventory initiative led by the Ministry of Finance, the first four months of implementation focused on providing the court with different models and strategies for undertaking this project activity. As well, the court needed to decide which office would have responsibility for the activity; by September, the equipment bureau was appointed.

The next four months were spent refining this implementation plan with the court staff and reviewing existing inventory data. While the court had undertaken a self-reported asset inventory previously, these efforts had not met the standards of the state audit board, (also known as the State Finance and Development Surveillance Committee or Badan Pengawasan Keuangan Dan Pembangunan).

MCC ICCP began meeting with the Ministry of Finance during the fall of 2007 concerning the asset management activity. This coordination is crucial, as it builds a basis for mutual understanding of the government-wide inventory process that the Ministry of Finance is charged with and the expected responsibilities of the Supreme Court and other government agencies in meeting these mandated obligations.

The court agreed to a three-phase process for completion of the inventory; first, an assessment would be undertaken in January 2008 of the four regions that had not submitted a recent annual inventory report to determine the scope of the activity. These are Central Java, South Sumatra, West Sumatra, and Nanggroe Aceh Darussalam (Aceh or NAD). An RFP was issued in November 2007, and a subcontractor, PT. Laksa Laksana, was approved by January 2008 to undertake this assessment. The results were presented to the court in March 2008.

Drawing from results of the assessment, the second phase is a complete inventory of the court's physical assets, including moveable (such as furniture, vehicles, and information technology) and unmovable (such as real estate) physical assets. Meetings were also held with the Ministry of Finance State-owned Assets Department 1 to further clarify the requirements regarding inventorying and the details concerning cooperation.

The third phase, to be undertaken during the second project year, is to complete the physical inventory for the rest of the regions, covering all courts.

In November the Ministry of Finance gave MCC ICCP an advance copy of the new guidelines for inventory, valuation, and certification. These guidelines were incorporated into the scope of work for PT. Laksa Laksana.

During March 2008, the project trained PT. Laksa Laksana and selected Supreme Court staff on asset inventory and SABMN report operation (Sistem Akuntansi Barang Milik Negara, or Accounting System for State-owned Property). This training provided the subcontractor and court staff with a common understanding of related concepts such as fixed asset management, government asset accounting, fixed asset accounting, internal control, Ministry of Finance guidelines, and detailed procedures. The training also provided basic practical knowledge of how to operate and maintain SABMN. The workshop was attended by 26 participants (20

participants from PT. Laksa Laksana as subcontractor and eight participants from the Supreme Court who will be mobilized during Phase II implementation, with a total of six women and 20 men trained).

As well, MCC ICCP worked with the Supreme Court to prepare and fax an official letter to each of the courts (*satker*) in the four selected regions with respect to SCAIP Phase II implementation. The letter asks each of the regional (*korwil*) courts to organize a team who will work with the subcontractor during the inventory activities and provide documents and reports as needed. The letter is signed by the Supreme Court head of administration and was sent by the court on March 25, 2008. A similar letter will be developed for Phase III.

To help the court use the inventory data and develop a transparent and sustainable management system, a draft conceptual model for physical asset planning and budgeting was developed for December 2007 through March 2008. This work was slightly complicated in late December when the project was told that, in August 2007, the Supreme Court had issued a decree which details norms of space and other assets utilization within courts (No. 143/KMA/SK/VIII/2007). Unfortunately, despite good relations and communication with the equipment bureau and other Supreme Court staff, this was the first the project had heard of this decree, which required a revision of the work done on the inventory model during December.

The draft model was presented to the court during January and was refined based on excellent feedback from the court and the Ministry of Finance. The model, based on a spreadsheet, can be used in planning for new court buildings. The model calculates the estimated capital costs for building and equipping a new courthouse. It has four main components: the cost of land acquisition, construction costs for the courthouse itself, furniture and equipment costs, and the amount for acquiring or building mandatory housing for judges. The model also includes a separate page for conducting sensitivity analysis.

The model has two parts: Model-1 is for forecasting the cost of building and equipping a new courthouse and will be completed by mid-June 2008; Model-2 is a guidance document which helps address forecasting and planning annual asset-related costs for the court. Given project funding limitations, this document will not be refined further, but it is hoped that the court will use it and adapt it to its own purposes. An accompanying concept note and manual explain the methodology, and model's possible uses. The model is useful as a stand-alone instrument to improve transparency and efficiency of financial planning and budgeting.

The draft model was received as an innovation by the court. The court indicated that the planning and equipment bureaus had not used spreadsheet models before as an instrument for asset management.

Activity 3a. Publishing Supreme Court Decisions. This activity focuses on publishing 10,000 Supreme Court decisions on the Internet, establishing a formal policy for online court decision publication, and typing (or retyping) of final decisions so they can be uploaded on the Supreme Court Web site. A sub-site was created, <http://www.putusan.net> (*putusan* = the decisions), which was demonstrated at the Supreme Court's annual work planning meeting in August 2007. At the time, the court decided to delay a public announcement of the sub-site until implementation of the new transparency degree was better established (144/KMA/SKIVIII/2007 on Judicial Transparency). Existence of the sub-site was spread via

word of mouth and by individuals visiting the court's Web site. The court then announced the site to the public during the release of its annual report on April 10, 2008.

The decision page can be visited by clicking on its own address, <http://www.putusan.net>, or by visiting the Supreme Court's Web site, <http://www.mahkamahagung.go.id>, and clicking, in the right-hand column, on *Direktori Putusan*.

The Web site is supported by a search engine that was specifically designed to recognize text in *Bahasa* Indonesian within each Supreme Court decision. This search function enables individuals to find particular and specific decisions within the database in real time. As mentioned above, the decision Web site is directly linked within the Supreme Court site, which is now a permanent link.

The information displayed on the Web site is entered manually by court information technology (IT) publishing personnel and involves entering several key data and keywords:

- The title of the decision (e.g., *Putusan Mahkamah Agung Nomor 1K/PDT/2008 Year 2008*)
- The identity of the parties (e.g., Ahmad vs. Budi)
- The registration number
- The date of the verdict and the announcement of the decision
- The classification of the decision (e.g., civil, criminal, or military)
- The verdict
- The names of the justices involved

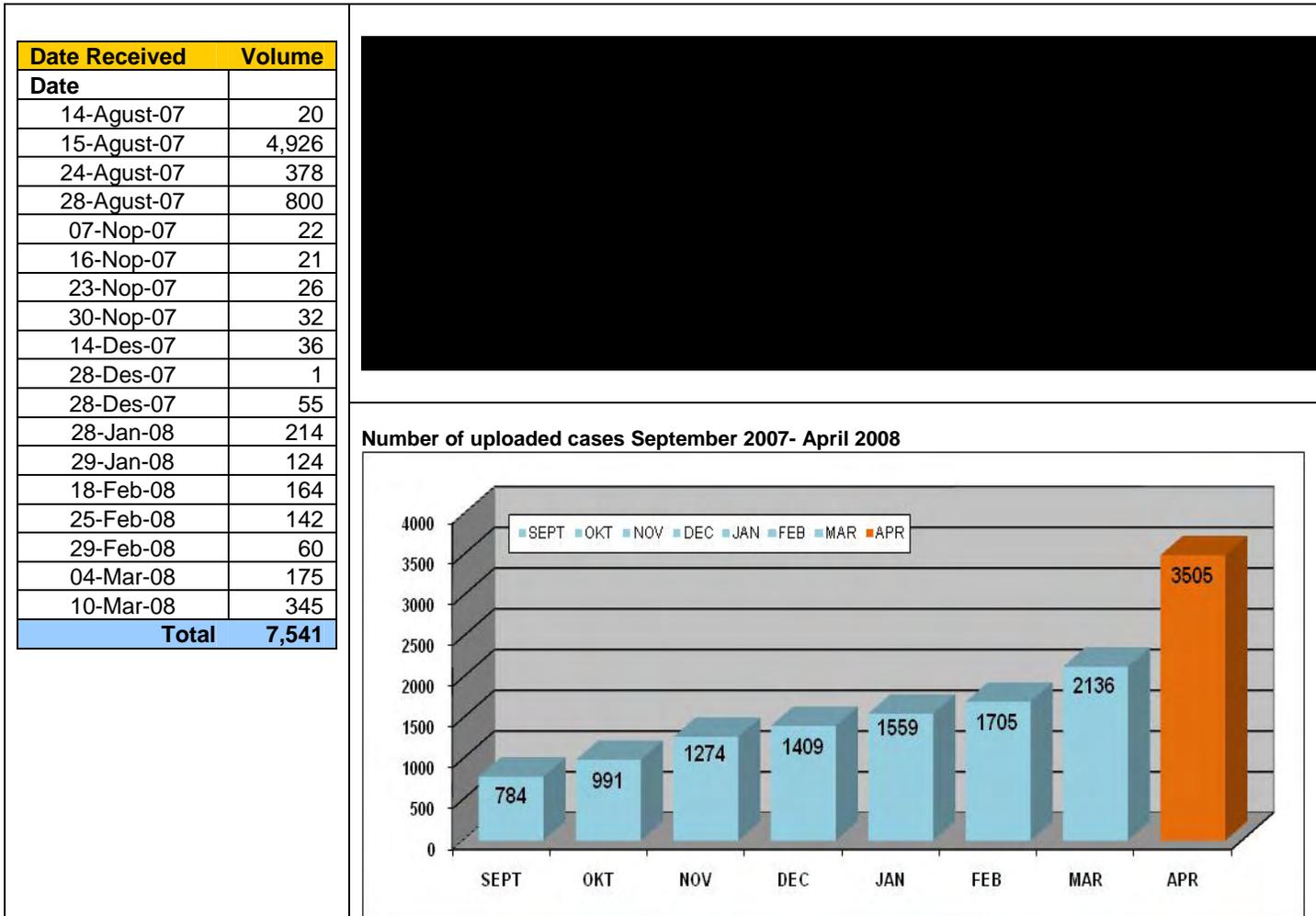
Table 5 illustrates progress made in three ways during the year: the volume of decisions received from the court since August 2007, with a cumulative total of 7,541 by March 10, 2008; the category of case for which the decision was made; and the number of uploaded cases from September 2007 to April 2008. The difference in the number of decisions received and the number uploaded onto the Web site (4,036) is due to poor quality of the decision reports. These decisions need to be re-typed because they were illegible or could not be scanned because the hard copy was too damaged upon receipt. The number of decisions in this category comes from the first batch of decisions turned over to Hukumonline during August 2007. At that time, Hukumonline was able to scan only 500 decisions of the 4,500 provided by the court because of the poor condition of the hard-copy printed decision. Since then, a few more poor quality decisions have been added to this category. Hukumonline is now using paralegal typists to retype these 4,036 decisions.

The agreed-upon delivery policy between MCC ICCP and the Supreme Court is that the decisions to be uploaded may only be supplied by the Supreme Court registrar and only after approval has been given by the appointed court staff. This is necessary to ensure the integrity of the decisions and avoid any possibility that the decisions may have been tampered with prior to reaching Hukumonline. All of the documents received by Hukumonline are in a soft copy format (usually portable document format — PDF). Once the documents are received by Hukumonline, they are processed into the desired format and then published on the Web site.

This delivery policy is temporary but it is the only feasible option available at this time given the inadequate IT infrastructure available at the Supreme Court. As well, current Supreme Court human resources are insufficient or not available to both maintain the Web site and

upload information. Thus, the easiest way to ensure delivery of the preliminary database by early September 2007 was to adopt a temporary method that is currently in use. It is expected that, by the time MCC ICCP is completed, the Supreme Court will have in place its own IT publishing team and the necessary infrastructure to support the electronic publishing of Supreme Court decisions through the Web site.

Table 5. Volume, Category, and Upload of Supreme Court Decisions onto Web Site



Hukumonline estimates the total number of cases that are to be available for publication on the Web site is somewhere between 10,000 and 15,000 court decisions by the end of the project. These decisions cover a period from 1990 through 2007. To standardize the information in each decision, Hukumonline researched the current printed format of Supreme Court decisions to establish an accurate and effective format for the online publication of these decisions. Standardization makes it easier to search the Web site, thereby improving public access. The research indicated the following important issues:

- The types of information displayed on the Web site must be identical to the hard copy version.
- There needs to be standard categorization of decisions.
- The type of soft copy format needs to be standardized.
- Metadata and metatags need to be agreed upon.
- Hardware and software options for operational purposes must be adequate.

Hukumonline is developing model online publishing formats, which will include the standard operational procedures for the online publication of Supreme Court decisions. The average number of cases accepted by the Supreme Court annually since 2000 is about 8,000. These cases fall into three basic legal categories:

- Civil law — Land, marriage, commercial, and special civil cases (labor, intellectual property rights, insolvency, consumer protection, and competition/anti-trust).
- Criminal law — Military, corruption, human rights, and juvenile-related cases.
- Administrative law — Tax and constitutional law cases.

Civil law cases comprise more than 50 percent of the total number of cases received by the court. These cases are registered and administered by the Supreme Court registrar in chronological order as they are received.

The registrar then determines which cases are to be publicly accessible and which cases are not. This determination is based on the Supreme Court regulation (SKKMA No. 144 of 2007), which stipulates the conditions related to transparency that are related to the identification of parties, particularly where the identity of the victim or perpetrator should be kept confidential. These exceptions are noted in Table 6, which take into account gender and family sensitivities.

Table 6. Type and Category of Supreme Court Cases

| Detail | Category | Policy |
|---|----------|--|
| Children, minors, and juveniles | Crime | Identity of the (child) victim or perpetrator should be disguised. |
| Vice — rape | Crime | Identity of the victim should be disguised. |
| Domestic (family) — including marital, divorce, and child custody cases | Civil | All parties' identities are to be disguised. |

By the end of March 2008, agreement was reached with the Supreme Court, MCC ICCP, the Australian Aid Legal Development Fund (AusAid LDF), Hukumonline, and the NGO Center for Indonesian Law and Policy Studies (PSHK) on delivery responsibilities for a two-day training given to the 12 recently appointed court electronic publishing teams. These 12 teams

will be responsible for uploading Supreme Court decisions onto the Web site. The training is scheduled for May 2008, and will include document processing and formatting, data entry techniques, online publishing, and IT administration (Web site administration, maintenance, and reporting). As well, it was agreed that:

- 175 individuals will be trained, with an average class size of 30–35 persons.
- There will be three trainers (two from PSHK and one from Hukumonline).
- The AusAid LDF program will pay for the three trainers.
- One large room and about 15–17 computers are needed for each training session.

This training plan represents substantial progress toward building capacity within the court so it can sustain the regular publication of final decisions once MCC ICCP is completed. This effort will contribute to the public's perception that the court is operating in a transparent manner, and the details of decisions can be read online by the general public without a fee, at any time.



Photo: In January 2008, Indonesian Supreme Court registrar Mr. Sareh Wiyono signed for roughly \$16,000 worth of computer hardware, software, and networking equipment provided by MCC ICCP that will support the online publication of thousands of high court decisions on the purpose-built Web site <http://www.putusan.net/>. By April, more than 3,000 decisions had been posted.

Activity 3b. Developing Public Complaint Procedures. Creating a uniform public complaint system to be used in all 400 courts is the primary focus of this activity. How this system will work will be determined in consultation with the Supreme Court and should include procedures for the receipt of and response to complaints, including allegations of corrupt activity, development of the necessary materials, and a public awareness campaign. MCC ICCP held many discussions with the court during the year to refine this activity. A review of the current public complaint system was completed in October 2007, during which the court

indicated that it was already undertaking an analysis of standard operating procedures. The review, done by subcontractor Indonesian Institute for Independent Judiciary (LeIP), detailed the current state of the public complaint system and the authorities under which it operates (most importantly, Chief Justice Decrees 80 KMA/SK/VIII/2006, Guidance for Supervision in the Court, and 144/KMA/SKIVIII/2007 on Judicial Transparency). A schematic map of the public complaint process as it is currently understood was developed and is reproduced below.

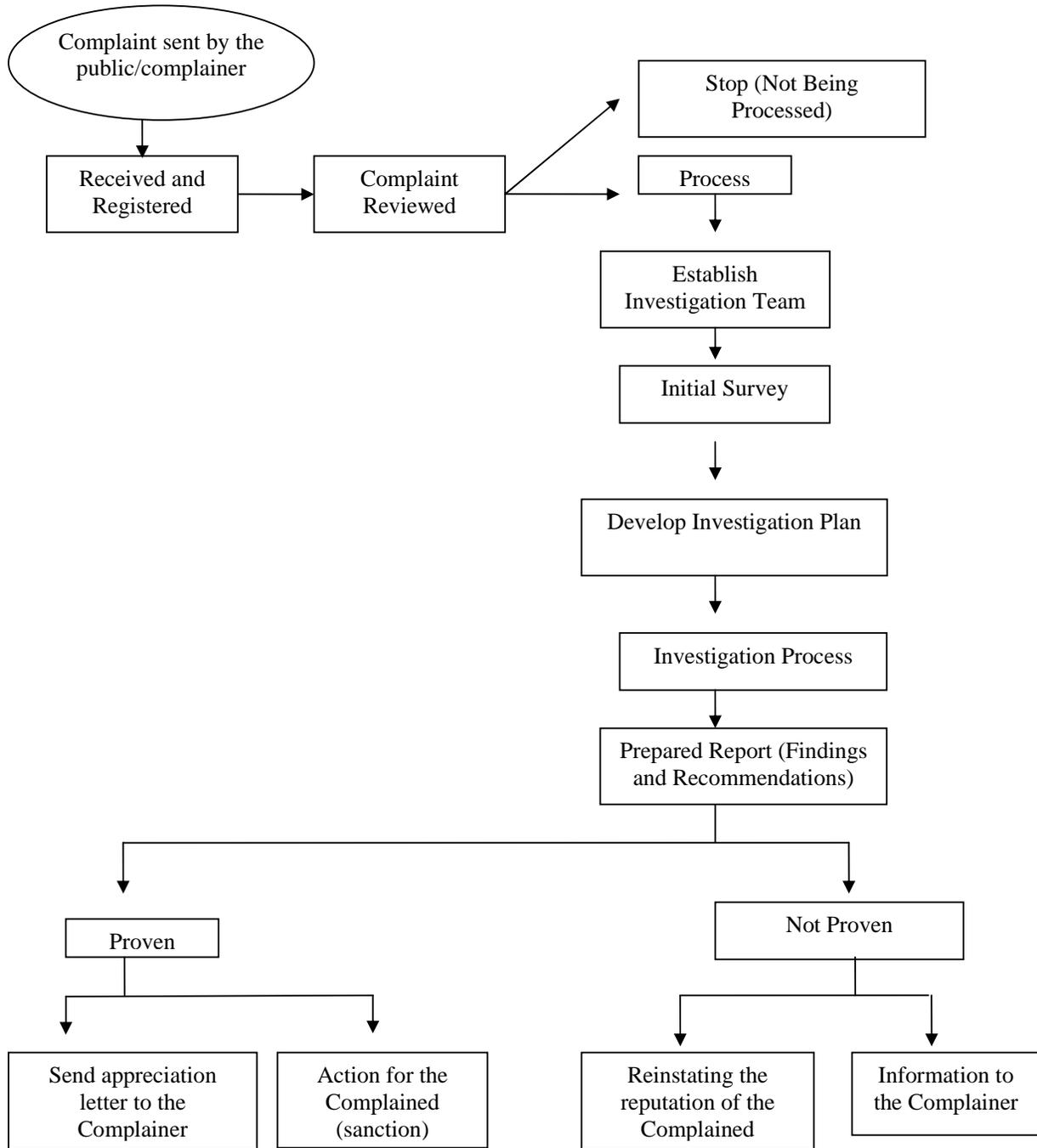
The review concluded by suggesting that MCC ICCP probably can be most effective in two ways: by developing an online public complaint system; and by supporting the dissemination of information on how complainers can and should complain (how, what, and where to complain; what rights they have; and how the response process operates at the court).

At the USAID-sponsored meeting in March 2008, the Supreme Court committed to finalizing specific actions in April and May 2008. The court would like a “one-stop” complaint or help desk to be created within the Supreme Court building in Jakarta before any kind of public complaints mechanism and procedure for the courts is established. The court also signaled a strong interest that it would refine this activity to meet the MCC ICCP expected outputs.

The creation of a help desk at the Supreme Court and standard operating procedures for the complaints system will serve as a model that can be replicated in 400 courts, thus improving local access to information. The desk could be staffed with people who would handle and categorize the complaints. Each complaint would then be directed to the right level or department; the filer would receive immediate acknowledgement of the complaint and be informed how the court will handle the complaint. Procedurally, the complaint system would be shifted from top-down (as per the schematic map below) to bottom-up.

By the end of the first year, the court was considering a proposal from LeIP to draft standard operating procedures regarding delivery of information to the public that would be available at the complaint/help desk, defining qualifications for staff and a training course, providing information to be distributed at the complaint/help desk, and developing a public awareness scheme. The project will make every effort to ensure that both men and women are aware of the complaint/help desk and system.

Figure 1 Schematic Map of Supreme Court Public Complaint System, October 2007



Activity 3c. Training of Supreme Court Public Relations Staff. The central focus of this activity is to train the Supreme Court’s public relations staff and selected high-ranking court officers to work effectively with the public and media. The training focuses on improving interpersonal skills, developing public relations contacts, responding to public and press inquiries, and issuing press releases. MCC ICCP trained 21 staff from the court’s legal and

public relations bureau (Humas) and Jakarta district court. The workshop focused on skills and identifying priorities for a strategy. This information was used to complete a draft comprehensive public communications strategy, which was approved by the court in December. As well, at the request of the court, an internal assessment of human resources was finished in February 2008.

A continued challenge with implementing the communications strategy is the lack of an operational framework to apply the transparency decree (144/KMA/SKIVIII/2007). While the decree is a major step forward in making information available to the public, it does not include a detailed set of instructions that identify responsible individuals and bureaus within the court. Stimulated in part by MCC ICCP activities (3a-d), much discussion concerning the specific implementation of the decree has ensued in the court. Responsibility for implementing the decree falls to several bureaus and senior court leadership, depending on the topic area, but authorities for decision-making were still unclear by the end of the first project year.



Photo: Indonesian Supreme Court training officer Djayusaman addresses the December 2007 opening of a two-day MCC ICCP-sponsored public relations training for two dozen staff from the high court's Legal and Public Affairs Bureau and spokespeople from district courts around Jakarta.

At this point, it seems there is a widely varied level of buy-in to the concept of transparency and public access to information specifically within Humas and in the Supreme Court generally. However, the lack of administrative clarity, coupled with a general lack of understanding of what constitutes public information, weakens the ability of Humas to take on new initiatives.

Given this situation, and to provide Humas with methods to enhance transparency and public access to the Supreme Court, MCC ICCP has combined direct, daily technical assistance with

targeted approaches to potential allies among senior staff and indirect approaches through the court reform team and independent “image advisors” engaged by several individuals on the court. As a consequence, considerable time and energy have gone into building relationships, lobbying, and advocating on behalf of Humas.

MCC ICCP produced with Humas staff public information materials (four brochures and fact sheets), which were printed in a trial run for the April 10 launch of the court’s annual report. In addition to producing the pamphlets and a variety of standing banners, MCC ICCP guided Humas’ preparations for the annual report event, including sourcing a videographer who shot and edited a 30-minute piece for broadcast at the launch, prepared text for exhibition panels, and assisted with press releases.

These efforts led to preliminary discussions on an executive information services workshop, an idea raised by the chief justice that will focus on Indonesia’s new access to information law within the context of the court’s transparency measures. Court administrators tend to focus primarily on internal processes and may not be prepared for the increased demand for information services they are likely to receive as a result of this law. This workshop will also help the court resolve the ambiguity with implementing the existing transparency decree (144/KMA/SKIVIII/2007) into an actionable document by assigning specific tasks and responsibilities to individual positions. As well, MCC ICCP continues to collaborate through the court reform team with the AusAid LDF program on public outreach concerning the transparency decree in five provinces.

Activity 3d. Increasing Public Access to Court Information. This activity is to increase public access to court information, including enhancing the Supreme Court’s Web site capability, developing a specific format and operational system for the public release of budget and other financial information, establishing guidelines for the public release of disciplinary information, publishing a court newsletter and information brochures, and producing television dialogue programs. This activity is linked to the online publication of Supreme Court decisions, creation of public complaint/help desks and development of public relations skills and capacity within Humas.

As part of the roll-out of the public communications action plan, a rapid assessment of Humas was conducted during January (as mentioned in Activity 3c above). The goal is to help Humas optimize public communications tasks and increase transparency through greater public access to information. Based on public response, the materials developed for the Supreme Court annual report launch are being redesigned. These will then be uploaded to the Supreme Court Web site and distributed by the court to courtrooms throughout Indonesia.

As Internet access and use is far from ubiquitous within Indonesia, much of the effort by MCC ICCP has been to augment materials posted on the Supreme Court Web site with printed materials for the general public. Both of these efforts — use of the Web site and simple paper brochures, which provide basic information to the public — are new actions for the court. While over the next few months MCC ICCP will encourage the court to distribute printed brochures throughout the country, attention is currently focused on encouraging a more professional environment within Humas regarding information available to the public and the court’s role with public education. The public complaint/help desk described in Activity 3b will also serve as an information access point, providing Indonesian citizens with information on a face-to-face basis and through printed materials in different courts at the local level.



Photo: Indonesian Supreme Court Legal and Public Affairs Bureau staff at two-day public relations training by MCC ICCP which was provided to two dozen Supreme and district court information officers outside the capital of Jakarta in December 2007. Bureau staff, from left: Joko Upoyo Pribadi, David Simanjuntak, Andri Trisianto, Irene Wijayanti, unidentified, Denny Setha, and Ridho Taufiq.

Task 2. Enhancing the Capacity of the PPATK

In recent years, the government of Indonesia has dramatically improved its efforts with anti-money laundering; the number of suspicious and cash transaction reports filed with PPATK continues to increase. Yet challenges remain. This task aims to assist PPATK perform its anti-money laundering tracking and enforcement duties more efficiently, in part by increasing its capacity to process STRs and CTRs.

As part of this effort, the number of reports submitted needs to increase, and processing of these reports needs to be improved. To achieve this, the project is helping PPATK extend its reach to NBFIs through a KYC training program and a general public awareness program. While PPATK is responsible for financial information collection and analysis of NBFIs, the reporting level has been low, given a poor understanding of how a KYC program helps detect unusual activities among clients that may indicate evidence of money laundering. As well, the public has little information on the obligation of NBFIs to collect and report unusual behavior and the positive role consumers can play in helping anti-money-laundering efforts.

Year 1 demonstrated that this dual approach was useful to PPATK. A successful training program on KYC principles and filling out STR forms targeted to authorized money changers was delivered in three locations. A public awareness campaign on the importance of using authorized money changers, as they adhere to the principles of KYC, was launched in three major entry points to Indonesia (Jakarta, Batam, and Bali).

Below is a brief discussion of the progress made for each activity. Where relevant, significant gender issues are also addressed. If implementation challenges were encountered, these are also described.

Activity 1. Education Campaign. This activity focuses on the development of a KYC public education campaign to increase the quantity and quality of transaction reports received by the PPATK from NBFIs. The campaign will include workshops for NBFIs employees and information provided to current and potential NBFIs customers and the general public through print and television broadcast media. This work will be done in collaboration with the PPATK.

The project developed a close working relationship with PPATK and Bank Indonesia for the first effort with a general public education campaign using magazine ads, posters, leaflets and holographic stickers to identify authorized money lenders. This campaign was termed *PVA Berizin*. From December 2007 to February 2008 six workshops were held in Bali, Batam, and Jakarta, training a total of 341 individuals (263 men and 138 women) representing nearly 200 authorized money changing businesses on monitoring techniques for possible money laundering activity by their clients. The content of the workshop was the result of a real collaborative effort between PPATK, Bank Indonesia, and the project. Bank Indonesia's role was significant given its ongoing success with promotion of KYC within the Indonesian banking sector. The goal of the workshops was to support the KYC efforts of Bank Indonesia and PPATK by

- Improving the authorized money changers' overall understanding of STR requirements
- Helping authorized money changers identify what constitutes a suspicious transaction
- Reviewing the practical steps of actually completing the STR forms

These workshops were coupled with public media events to describe the effort and its importance to reducing the incidence of money laundering in Indonesia through patronage of authorized money lenders. The public education *PVA Berizin* campaign materials were placed in well-known English-language magazines targeting international visitors to Indonesia (*The Yak*, *Garuda* in-flight magazine (in Japanese and English versions), *Hello Bali*, *Jakarta Java Kini*, and *DestinAsia Magazine*). Additional materials in the form of 30 standing banners, (an adaptation of the striking green campaign poster) were commissioned for distribution by Bank Indonesia to the international arrivals halls at air- and seaports in Jakarta, Batam, and Bali.

As well, the project sponsored a 30-minute episode of the popular talk show "Economic Challenges" that was broadcast nationally in January on Metro TV. The heads of PPATK, the Indonesia Capital Market and Financial Institution Supervisory Agency (Bapepam-LK), and TI-I discussed issues relating to money laundering legislation, KYC programs and law enforcement. The program was aired on January 8, 2008, and was branded with the MCC/USAID logos. The main branding is at the end of the program, when the sponsors are listed on the screen. In addition, representatives from PPATK and Bapepam-LK mentioned MCC/USAID support during the show. A DVD of the show was sent to USAID/Indonesia.



Photo: Jakarta Java Kini Magazine.

An RFP was issued for the second phase of the KYC campaign to cover four types of NBFIs:

- Insurance companies
- Capital markets
- Pension fund managers
- Leasing/finance companies

The project worked with PPATK on the development of content for broadcast and print materials. Special attention will be paid to the potential public audiences; for instance, insurance companies target housewives in their usual advertising efforts.

Subcontractor PT. Perdisi was selected in February to produce materials for the NBFi KYC public awareness campaign. PT. Perdisi developed a creative campaign that was approved by PPATK and Bapepam-LK, which has responsibility for regulating NBFIs. The subcontractor will develop a year-long national KYC print/TV/radio campaign.

The shooting of five television commercials (1 x 45 seconds; 4 x 30 seconds) to anchor the campaign was completed, and final production stages had begun as the first year ended. These commercials will be edited to produce a series of 15-second “cut-downs” in addition to the longer ads. As well, five print public service announcements (PSAs), five radio PSAs, and a large number of additional designs (posters, brochures) for an umbrella campaign that explains the KYC program were developed by the end of the first year.

Activity 2. Online Report Receipt Capacity. This activity required enhancement of PPATK's current online capabilities to receive and analyze STRs and CTRs, including the procurement and installation of additional application software and computer hardware as well as training of PPATK personnel on the use of the expanded system.

Most of the work needed for achieving Activity 2 was completed during Year 1. The information technology resources of PPATK were upgraded to significantly increase CTR and STR reporting and analysis. This involved obtaining new computer software and hardware and training staff. PPATK and the Australian Aid Technical Assistance Management Facility for Economic Governance Phase III had already started revising the STR/CTR receipt software, as well as a redesign of the STR form, when MCC ICCP began. Therefore, the project provided the software needed for the new computer hardware and the processing and receipt of STR and CTR electronic transfers.

The computer hardware equipment and software needed to maximize online receipt capacity for STRs and CTRs was procured in November 2007 and installed at PPATK during December. It was formally handed over on December 10, 2008, with USAID in attendance.

The computer equipment comprises a six-terabyte storage area network, which provides about four times the existing storage capacity for the PPATK servers without the need to upgrade the servers. The new storage area network links to the existing network via fiber-optic cable. It also provides sophisticated backup and recovery functions. The storage will also complement any database functions that may be installed as part of the ICITAP project.

MCC ICCP negotiated a 12-month warranty from the vendor and ensured a link between the vendor and PPATK to monitor performance of hardware. A telephone help line was established, and PPATK personnel were trained on the expanded STR/CTR online reporting system.

PPATK will now upgrade the operating system on their network to the latest version prior to installation of the new equipment, as would be recommended with any major hardware and software upgrade. The process involves analyzing the existing data — essentially characterizing data as active, archive, or backup, estimating future workloads, and physically moving the data to the new server. This work will be undertaken during April 2008. Migration of data from the existing servers to the new system is normally carried out by the supplier. Given the sensitivity of the data, PPATK wanted to undertake this task themselves after appropriate training by the vendor. By the end of the first year, the vendor had provided training to three male PPATK staff.

During the year, PPATK moved to new premises and hired approximately 30 new staff members to conduct report analysis, manage IT resources, and ensure compliance. PPATK's new premises include a server room and network connections. All of these factors will help improve the quality and quantity of work conducted.

Task 3. Enhancing the Capability of the Corruption Eradication Commission

The KPK is Indonesia's premier government agency for the investigation and prosecution of corruption, and it has prosecuted high-ranking officials for corruption. To continue to fulfill its mandate and deter public-sector corruption with the threat of criminal sanctions, the KPK needs an expanded court monitoring capability. The project will work with the KPK to

expand their courtroom monitoring program. The equipment will be procured according to the KPK's specifications. Specialized training will provide KPK staff the capacity to use and maintain this equipment.

Also, the KPK intends to work with TI-I to expand the data collected through TI-I's Corruption Perception and Bribery Indices to produce information that will aid in the Indonesian government's fight against corruption. To support this effort, MCC ICCP has given a large grant to TI-I and will implement part of the KPK's Public Sector Integrity Survey.

Below is a brief discussion of the progress made for each activity. Where relevant, significant gender issues also are addressed. If implementation challenges were encountered, these are also described.

Activity 1. Monitor Installation and Use of Specialized Equipment. The KPK has been hampered in its ability to successfully prosecute high-ranking government officials by a lack of necessary technology to support these investigations. Anti-corruption investigations present unique challenges in gathering legally admissible evidence in support of prosecution. To improve the KPK's ability to gather the necessary evidence for successful anti-corruption prosecution of high level government officials, the KPK will receive and install a procurement mechanism separate from the MCC ICCP communications monitoring equipment. The KPK's goal as a result of this enhanced technical capability is an increase in the number of high-level government officials prosecuted for corruption to four in 2007 and six in 2008. Although not responsible for the procurement and installation of the equipment, MCC ICCP was to monitor the progress of the installation of this equipment during the life of this program and keep USAID informed of the status. This activity is no longer applicable to the project.

Activity 2. Enhance KPK's Court Monitoring Program. The KPK, in partnership with the Indonesian Court, has been videotaping selected anti-corruption trials in the greater Jakarta area. This has been done using KPK personnel and volunteers. The recordings are used to ensure court decisions are in accordance with the evidence presented at trial and to assist the court, prosecutors, and defense attorneys in maintaining an accurate record of court proceedings in the absence of an alternative, reliable court recording system. The recording process is a valuable training method, as it allows involved attorneys and court personnel to critique courtroom performance. MCC ICCP was tasked with procurement of five self-contained video/audio recording units so that the KPK can expand court monitoring to five cities outside Jakarta, to be selected by the KPK. The project will also be responsible for monitoring the expanded implementation of this program by the KPK.

After many discussions with KPK and demonstrations of potential systems, a design was agreed upon, and procurement commenced. Six systems were demonstrated to MCC ICCP and to the KPK (when available). These demonstrations were completed during December 2007. Following these demonstrations, in December MCC ICCP wrote to KPK providing information on the three best systems.

Following a thorough internal review by its experts, KPK asked MCC ICCP in late January 2008 to purchase five portable systems utilizing Bosch cameras and Shure audio equipment. Each set fits into two pre-wired cases and includes camera stands and other peripheral equipment. Each system includes

- Four Bosch PTZ cameras and joystick controller and quad splitter
- Custom-made camera stands and wall/ceiling mounts
- Twelve Shure wireless microphones and receiver
- Two Shure eight-channel audio mixers and headphones
- Thomson Turbo iDDR disk recorder with integral hard drive
- LCD monitor
- DVD recorder for simultaneous recording
- Custom-made carrying cases (needed to protect a mobile portable system)
- Specially written user manuals
- Training on how to operate and care for the equipment

The Thomson Turbo iDDR represents state-of-the-art technology and Emmy-award-winning equipment used by TV and video production companies. Similarly, the Shure audio equipment is high-specification, professional-quality equipment. The Bosch camera provides high-resolution color images with pan-tilt-zoom capability.

Procurement of these items commenced during January. The delay in the equipment decision was primarily due to the highly specialized nature of the equipment and considerations concerning the weight of the assembled equipment plus protective cases.

The equipment was ready for delivery to the KPK by early April 2008. The KPK then shared a concern over the number of trials they could realistically monitor with the equipment outside Jakarta and requested consideration of a change in the indicator for this activity before it received the equipment. This query was still under discussion between the KPK and USAID when the first year ended.

Activity 3. Corruption Indices. MCC ICCP will fund TI-I's survey for the 2008 CPI and an expanded analysis of the 2006 and 2008 CPI data. As the project does so, every effort will be made to facilitate communication between TI-I and the KPK to build trust in the reliability of the survey process and data analysis.

During Year 1, MCC ICCP successfully negotiated the TI-I grant, which includes in-depth analysis of 2006 CPI and execution, analysis, and public information for 2008 CPI. The original plan to fund a bribery index was dropped once it became clear that TI-I had planned to incorporate elements of the bribery index and a standard performance index in the 2008 CPI. This change was approved by USAID and the MCC. Despite a later start than first anticipated, TI-I completed the re-analysis of the 2006 CPI for Indonesia.

As a result of the change to the TI-I work plan, the overall grant amount was slightly reduced. The project will use the remaining funds to work on a public sector integrity survey to be undertaken by the KPK.

Activity 3a. Expanded Analysis of Past Data Collected by Transparency International). KPK and TI-I agreed upon the need for an expanded analysis of the corruption-related information collected for the 2006 CPI. The expanded analysis will include corruption *modus operandi*, identification of degrees of corruption in various sectors, mapping of any change in the perception of corruption by businesses and of the impact of changes in licensing procedures in the business sector, and the effectiveness of government efforts in combating

corruption. The activity will include a public awareness campaign addressing the results of this analysis.

The field research was completed for the 2006 in-depth CPI. All 10 cities targeted for the 2006 CPI in-depth analysis research were visited by TI-I researchers. TI-I reports that the researchers did not encounter any obstacles during the interviews or focus group discussions.

The report was still being drafted by the end of the first year. The first draft from the second batch of researchers who went to Gorontalo, Mataram, Denpasar, and Maumere was completed and is now being proofread. The research team met during the second week of March to finalize each area report and to outline the final report.

This report was expected to be submitted to KPK, USAID, and MCC ICCP by the end of April and then publicly launched during May.

Activity 3b. Public Sector Integrity Survey. Meetings were held with the KPK during January 2008 to discuss the public sector integrity survey terms of reference. An RFP was then drafted by the project with input from the KPK aimed at local survey research organizations and issued in February. The KPK will participate in the selection of the subcontractor. The RFP calls for surveying 40 government departments and a number of regional governments in Kalimantan and Sulawesi.

The survey will sample three levels: central government agencies, regional government, and service units under its authority. As per the terms of reference, the three levels are defined as the following:

- *Central government agency* refers to the agency in department group, state ministry at the level of minister, nondepartment, structural executive board, commission, and state-owned enterprise. About 40 agencies will be surveyed. Priority areas are the main public services in the respective agencies.
- *Regional government* shall be the district government and city governments located in Sumatra and Sulawesi. About 11 district agencies will be surveyed. Priority areas are license and nonlicense services such as education, health, and water supply.
- Service units under the authority of regional governments will include those related directly to the community, including government officers. About four local service units will be surveyed in each sample. Services related to policy will not be included.

Survey methodologies will include face-to-face and in-depth interviews. MCC ICCP is responsible for the final data analysis and reporting for areas surveyed by the subcontractor. An interim report will be developed describing the results of this portion of the survey which will later be integrated with the KPK survey for a final report.

KPK expects to start the second portion of the survey in June or July 2008; this delay is due to limitations and approval of the KPK budget within the government. The firm PT. Qasa was selected as the subcontractor by the end of the project year.

Activity 3c. Expanded 2008 Indonesia Corruption Perception Index. The project will establish a partnership between the KPK and TI-I to conduct an expanded CPI during 2008. A grant will be awarded to TI-I to conduct the CPI. The 2008 CPI will expand the subject matter and geographic areas of previous CPIs by covering respondents in 60 cities. The CPI will include a comprehensive analysis on the perception of corruption in the public service, to include business and nonbusiness licensing. It will index the extent of corruption, including bribery, in various sectors and map the effectiveness of government efforts in combating corruption.

Through this extensive CPI, the KPK will be able to detect and rank anti-corruption efforts and their progress in all sectors, using the results to motivate sectors to increase their national CPI rank. The activity will include a public awareness campaign addressing the results of this CPI.

While work on this activity is expected to commence during May 2008, TI-I invited KPK to its survey methodology workshop for the 2008 CPI in April. The first draft of the 2008 CPI survey methodology was sent to Transparency International survey research experts in Berlin. The methodology was finalized in April. As well, after reviewing current institutional capacity, TI-I determined it would be more cost-effective and easier to control survey research quality if a subcontractor conducted the field work. TI-I sent a letter with this request to MCC ICCP indicating their intentions in early April; this request was approved as per the approved project grant manual.

Task 4. Electronic Government Procurement

Increasing good governance, transparency, and fairness in the government procurement processes is a major priority of Indonesia's overarching anti-corruption strategy. The government is creating a national procurement center to standardize policies and practices and create the regulatory framework for establishment of a country-wide e-GP system. Bappenas now has a software system that can support e-procurement at the initial stages. In December 2007 a presidential decree mandated the creation of a central e-GP system, highlighting the importance of procurement reform at all levels.

MCC ICCP will work on three major activities. First, it will support the creation and implementation of five e-GP satellite regional centers that will provide structure and accountability to local and/or provincial government procurement. Second, data collected by e-GP monitoring will be improved to assist in more informed decision-making as e-GP practice in Indonesia expands and evolves. Finally, these efforts will be supported through a broad public awareness campaign that engages a wide range of actors to encourage the use of e-GP, highlighting the transparency and accountability of the system and stimulating public monitoring of the five centers. This public awareness effort will highlight the role played by Bappenas to reduce corruption through the use of e-government procurement.

Below is a discussion of progress made for each activity. Where relevant, significant gender issues are also addressed. If implementation challenges were encountered, these are also described.

Activity 1. e-GP Satellite centers. The project will work closely with the Center for Development of Public Procurement Policy at Bappenas to support the creation and implementation of five e-GP centers, the location of which have been selected by the

government. The locations were to include Surabaya, Kalimantan Timur, Kalimantan Tengah, Nusa Tenggara Barat, and West Java. These centers will be responsible for government procurement in their respective geographical locations. Assistance will include the procurement of necessary hardware and software and replicating and/or improving as necessary current pilot e-GP programs.

When the project commenced, Bappenas determined that the original candidate provincial governments needed a better understanding of the obligations for operating and sustaining the satellite e-GP centers, and requested more time to discuss this activity with provincial governments. USAID and MCC approved this delay, given Bappenas' assurances that, once an MOU was signed by the candidate provincial governments, the implementation targets could still be met. By January 2008 five provincial governments had signed MOUs: Gorontalo, West Java, East Java, Central Kalimantan, and West Sumatra. The National Electronic Procurement System developed by the Center for Development of Public Procurement Policy of Bappenas is the software package that will be used in the five satellite centers.

After the project issued an RFP, a vendor was selected competitively to provide IT and office equipment for the five e-GP satellite centers and the Bappenas NEPS center in Jakarta. Subcontractor PT. Bhinneka Mentari Dimensi was selected as the vendor and the following delivery schedule agreed upon. PT. Bhinneka is to commence delivery, installation, and putting into operation all equipment and software no later than 30 days after issuance of purchase order, in accordance with the following distribution plan:

| LOT | Item No. | TYPE | QUANTITY | | | | | | |
|-----|----------|--|----------|--------|---------------|----------|-----------|---------------|-------|
| | | | BANDUNG | PADANG | PALANGKA RAYA | SURABAYA | GORONTALO | NEPS Bappenas | TOTAL |
| 1 | 1.01 | Firewall / Proxy Server | 2 | 2 | 2 | 2 | 2 | 2 | 12 |
| | 1.02 | Database Server | 1 | 1 | 1 | 1 | 1 | 5 | 10 |
| | 1.03 | Rack | 1 | 1 | 1 | 1 | 1 | 0 | 5 |
| | 1.04 | Rack Mounted Keyboard Monitor | 1 | 1 | 1 | 1 | 1 | 0 | 5 |
| | 1.05 | Power Distribution Unit | 1 | 1 | 1 | 1 | 1 | 0 | 5 |
| | 1.06 | UPS for Server | 1 | 1 | 1 | 1 | 1 | 0 | 5 |
| | 1.07 | Main Fast Ethernet Switch | 1 | 1 | 1 | 1 | 1 | 0 | 5 |
| | 1.08 | Second Fast Ethernet Switch | 1 | 1 | 1 | 1 | 1 | 0 | 5 |
| | 1.09 | Wireless Access Point | 2 | 2 | 2 | 2 | 2 | 0 | 10 |
| | 1.10 | Router / Firewall | 1 | 1 | 1 | 1 | 1 | 0 | 5 |
| | 1.11 | Network Installation | 1 | 1 | 1 | 1 | 1 | 0 | 5 |
| | 1.12 | Desktop PC Workstation | 22 | 22 | 22 | 22 | 22 | 0 | 110 |
| | 1.13 | Notebook | 2 | 2 | 2 | 2 | 2 | 3 | 13 |
| | 1.14 | UPS for Desktop PC | 11 | 11 | 11 | 11 | 11 | 0 | 55 |
| | 1.15 | Microsoft Office Standard 2007 | 2 | 2 | 2 | 2 | 2 | 0 | 10 |
| | 1.16 | Microsoft Office Professional 2007 | 0 | 0 | 0 | 0 | 0 | 2 | 2 |
| | 1.17 | Microsoft Office Project Professional 2007 | 0 | 0 | 0 | 0 | 0 | 1 | 1 |
| | 1.18 | Microsoft Office Visio Professional 2007 | 0 | 0 | 0 | 0 | 0 | 2 | 2 |
| | 1.19 | Adobe Photoshop CS3 | 0 | 0 | 0 | 0 | 0 | 1 | 1 |
| | 1.20 | Adobe Dreamweaver CS3 | 0 | 0 | 0 | 0 | 0 | 2 | 2 |
| 2 | 2.01 | Multifunction Color Printer / Fax / Copier / Scanner | 1 | 1 | 1 | 1 | 1 | 0 | 5 |
| | 2.02 | Scanner | 10 | 10 | 10 | 10 | 10 | 0 | 50 |
| 3 | 3.01 | Projector | 2 | 2 | 2 | 2 | 2 | 0 | 10 |
| | 3.02 | Projection Screen | 2 | 2 | 2 | 2 | 2 | 0 | 10 |
| | 3.03 | PABX System | 1 | 1 | 1 | 1 | 1 | 0 | 5 |
| | 3.04 | Electronic Whiteboard | 1 | 1 | 1 | 1 | 1 | 0 | 5 |

The project reached an agreement with Bappenas and PT. Bhinneka on the timeframe concerning installation of IT and office equipment in e-GP satellite centers. This timeframe considers that PT. Bhinneka will not be able to deliver some of the server components before April 18, 2008. PT. Bhinneka will complete installation in each e-GP satellite center within six to seven working days. The installation process will be carried out through the following three phases:

- Phase I — Network infrastructure installation
- Phase II —IT and office equipment installation
- Phase III — Linux operating system installation; proxy, firewall, router configuration; and Internet activation

The agreed time frame and places of installation:

| PROVINCE | CITY | ADDRESS | INSTALLATION |
|--------------------|---------------|--|-------------------|
| West Java | Bandung | Badan Perencanaan Daerah (Office of Regional Planning), Jl. Ir. H. Juanda No. 287 | April 14–April 22 |
| East Java | Surabaya | Badan Pengelolaan Data Elektronik (Office of Electronic Data Management), Jl. A. Yani 242-244 | April 21–April 30 |
| Bappenas | Jakarta | LPSE Nasional (National e-Procurement Services), Plasa Bumi Daya Lantai 22, Jln. Imam Bonjol No. 61 | April 28–April 30 |
| West Sumatra | Padang | Badan Perencanaan Pembangunan Daerah (Office of Regional Development Planning), Jln. Khatib Sulaiman No. 1 | May 05–May 12 |
| Gorontalo | Gorontalo | Biro Pengendalian Pembangunan dan Ekonomi (Bureau of Economic and Development Control) Jalan Sapta Marga Kel. Botu, Kota Timur, Kota Gorontalo | May 12–21 |
| Central Kalimantan | Palangka Raya | Badan Pengolahan Data & Sistem Informasi (Office of Data and Information System Management), Jl. Brigjen Katamso No. 11 | May 21–May 28 |

MCC ICCP assisted Bappenas in organizing an e-GP kickoff meeting held in Jakarta on March 13, 2008. This meeting served to introduce officials from provincial governments (heads of e-GP satellite centers and representatives from provincial agencies that will process their procurements through e-GP satellite centers) with an implementation plan schedule and hallmarks of NEPS. At this meeting, MCC ICCP detailed the draft Year 2 work plan. The meeting agenda included

- Introduction to the NEPS
- Planning implementation of the NEPS
- MCC ICCP roles and responsibilities in the process of establishment of the five e-GP satellite centers
- Introduction to MCC ICCP planned activities, resources and partners for Year 2
- Province-by-province breakout sessions concerning discussion about e-GP satellite centers’ implementation plan

During the wrap-up discussion from the break-out sessions, incorporation of results and fine-tuning of e-GP satellite centers implementation plan took place. As well, concerns were raised by each of the five provincial governments:

West Sumatra

- Involvement of more than three departments in activities of e-GP center
- The cost of training and public awareness campaign–related events
- Current concept for registration (“verification”) of vendors needs to be modified

Central Kalimantan

- There is limited budget for financing operations of the e-GP satellite center
- There are limited human resources
- There will not be tenders for processing through e-GP in the second half of the year as all procurement activities are almost completed
- What kind of technical support MCC ICCP is going to provide

East Java

- The legal grounds at national level for establishment of working group responsible for instituting the e-GP center
- The activities needed in order to be ready for installation of IT equipment

Gorontalo

- The process of verification of vendors is complicated

West Java

- Verification of vendors
- Legal framework for e-GP does not exist

The results from the meeting include

- Representatives from provincial governments agreed with the proposed timeframe for installation of IT and office equipment in e-GP satellite centers.
- Representatives from provincial governments agreed with the proposed timeframe for organization of train the trainer seminars.
- Representatives from provincial governments agreed with proposed activities concerning establishment of five e-GP satellite centers and the corresponding public awareness campaign that are planned to be undertaken during Year 2.
- As the provincial governments do not currently have an established, reliable reporting system regarding their procurement activities, their representatives expressed concerns regarding feasibility of providing data on procurement activities that will not be processed through e-GP satellite centers.

On April 24, the provincial government of West Java opened the first e-GP satellite center in Bandung. At opening ceremony more than 100 invitees from provincial government's departments, business community associations, NGOs, and local media (TV, radio, and newspapers) were introduced to hallmarks of the NEPS and Bappenas plans to enhance transparency, accountability, efficiency, and competition in provincial government procurement processes through utilization of the new e-GP system.

During the year the project provided logistics and technical support to Bappenas for the organization of a series of four-day train the trainer courses in utilization of the NEPS procurement application held at the Bappenas NEPS center in Jakarta. These train the trainer workshops were held in each city hosting an e-GP center: (Bandung, West Java; Surabaya, East Java; Pandang, West Sumatra; Gorontalo, Gorontalo; and Palangka Raya, Central Kalimantan).

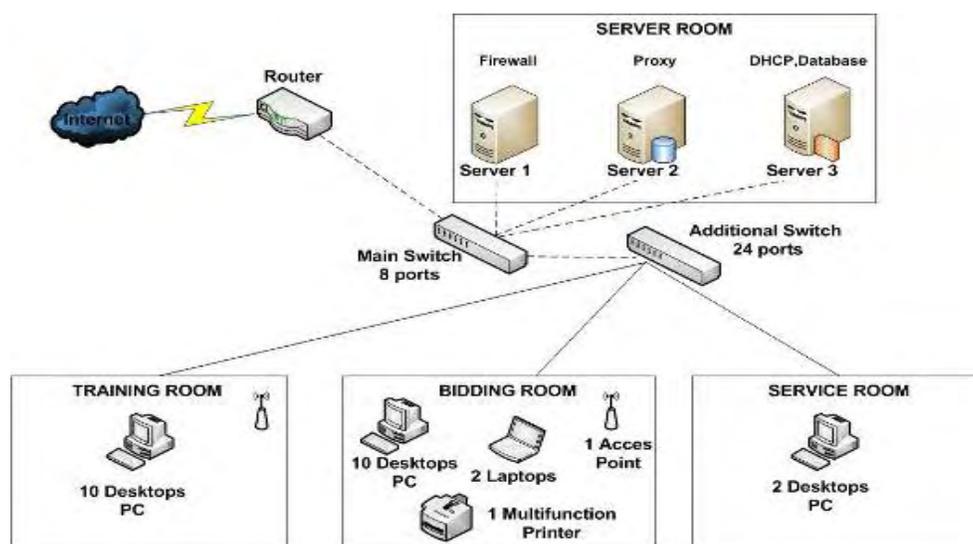
The training acquainted the e-GP satellite centers' staff (office managers, network administrators, trainers, and help desk assistants) with NEPS. A total of 73 individuals were trained,(52 men and 21 women). The training included

- General understanding of government procurement (Presidential Decree 80-2003)
- Acquaintance with the electronic government procurement application process (NEPS)
- Learning by doing (direct online simulation of all stages in e-GP process)
- Specific training tailored in accordance with the participants' fields of expertise

The new trainers completing this course will provide further training to vendors and end users of the NEPS in provincial governments.

In late April 2008, given the poor quality of Internet service in each of the e-GP buildings, an RFP was issued. Internet service will be provided through MCC ICCP for one year. Each of the five e-GP centers will have identical computer network topology. The infrastructure will comprise a bidding room, a training room, a server room, and a service room. A system diagram of the local area network and NEPS wide area network appears below.

Figure 2 Local area network and NEPS wide area network scheme



By the end of the year MCC ICCP provided Bappenas with a list of tangible deliverables and outcomes necessary for successful technical implementation and operation of the five satellite centers. The list includes the documents listed below, that should be developed by Bappenas. At present these activities are beyond the current work plan of the MCC ICCP but are needed to sustain success in the centers. The project is in discussion with USAID and Bappenas concerning reallocation of project funds so that these can be directly addressed by the project.

- National e-GP strategic plan
- NEPS implementation plan
- NEPS manual of operations
- NEPS implementation action plan for each e-GP center
- Draft regulation concerning the establishment and operation of the new e-procurement information system in provincial government's environment
- Draft regulation that specifies NEPS operation procedures in the e-GP satellite centers
- Draft regulation concerning data collection procedures and required contents of reports on processed public procurements

- Draft regulation on mandatory electronic announcement of tender opportunities, awarded contracts, and required contents of announcements
- Draft regulation on mandatory e-GP satellite centers Web site creation, including part of the linkage to the NEPS home page
- Draft regulation on standardized documentation for e-tendering
- Summary of recommended immediate actions concerning implementation of NEPS in five provinces

MCC ICCP also provided to Bappenas a System Design Version 3.0 document, which details further enhancement of the NEPS. This document addresses issues such as backup, failover, clustering, security, and the enhanced wide area network configuration of NEPS. As Bappenas currently does not have in-house expertise, the project suggests that it contract an information technology firm to complete the following activities:

- Assessment of the current NEPS information technology security, data backup, and application failover
- Design of a security system (role, policy, procedure)
- Selection of hardware and software required to secure NEPS application, network, database, and protection of NEPS environment from threats

At the end of the first year the project learned from Bappenas that they expect the NEPS improvement initiative will be supported and funded by the Asian Development Bank and the World Bank. These two donors will also provide technical assistance and information technology equipment for the NEPS center in Jakarta. Bappenas has already hired several external consultants to create a strategic framework for development of the institutional and technical aspects of NEPS. These additional resources may help Bappenas develop the in-house capacity needed to provide technical support to the provincial governments running the e-GP satellite centers.

Activity 2. Data Collection/Monitoring Mechanism in Support of e-GP Centers. This activity is to support the collection and analysis of procurement data necessary to establish baselines and monitor the performance of the e-GP satellite centers. As part of an expanded e-GP system, detailed data on procurements, tenders, offerors, and the like need to be collected within a reliable system. The project will work with regional governments to install the software and formulate policies and procedures ensuring correct usage. As well, the project will expand and deepen procurement data collection and monitoring mechanisms through NEPS regarding single-source contracts. This information will be used to ensure single-source procurement is only used as authorized by law, thereby further reducing the opportunity for collusion in the procurement system.

As Bappenas does not have records of the provincial procurement data, much progress on this activity had to wait until the five MOUs were signed with the provincial governments. During January we received summary procurement data reports from Bappenas that were sent by West Java, following the template format used in West Sumatra. This report covers the years 2005–2007. Unfortunately, it seems not all the procuring departments submitted a report, and there is a lot of missing information. Therefore, data like this cannot be used to determine baseline information for the MCC ICCP performance indicators. The project has continued to request similar (but complete) data from the other three provinces but did not receive any additional reports by the end of the first year.

To create a unique and standardized procurement recordkeeping and data collection system for continuous monitoring of procurement activities, a draft report on procurement activities form, which comprises all data necessary for reporting on MCC ICCP performance indicators, was created. Bappenas then decided to adopt the content of this form, and in a letter dated February 25, 2008, Bappenas instructed provinces that the completion and submission of the form to Bappenas is compulsory for all provincial procuring entities.

At the e-GP kickoff meeting in March 2008, the project stressed the importance of collecting data on provincial governments' procurements that are needed for monitoring of procurement activities and reporting on MCC ICCP performance indicators. Referring to mandatory submission of report on procurement activities, representatives from provincial governments informed project staff that they will not be able to report on sole-source contracting, overall procurement volume data, and overpayment or nonreceipt of goods as these records are not available in their existing accounting and financial management systems. It seems that collection of data for procurements that will not be processed through the e-GP satellite centers could become an issue.

The second factor which could jeopardize the successful collection of data is nonexistence of a register of procuring entities in provinces that are obliged to follow Presidential Decree 80-2003 on public procurement. This means that provincial governments and even Bappenas may not know how many central and local government organizations and state-owned enterprises have to submit reports on their procurement activities. In addition, there is no regulation at the national level that mandates reporting on procurement activities. MCC ICCP anticipates that Bappenas will draft a corresponding legal regulation on the collection of public procurement records sometime soon.

Activity 3. Public Awareness Campaign in Support of e-GP Satellite Centers. This activity is to support an extensive public awareness campaign in each of the five regions being serviced by the new regional e-GP centers. The campaign is to use various media (television, radio, print) to raise the public's awareness on procurement reform. The public awareness campaign will actively engage civil society groups and include promotion of civil society procurement monitoring tools. A high priority will be placed on responding to civil society feedback by the government and the regional e-GP centers' management. Small grants will be provided to local NGOs in support of their participation on the public awareness and monitoring process. The NGOs receiving these grants will be determined through a consultative process involving Bappenas, the satellite centers, MCC ICCP, and USAID. This campaign will also include specific training seminars in each region for potential vendors on e-procurement procedures and procurement compliance.

Reduced corruption in government procurement is improved with greater public awareness and the scrutiny that comes with it. As the pool of people, businesses, and organizations aware of policies and procedures concerning e-GP increases at a provincial level, the number of potential bidders should increase. In turn, a larger pool of potential bidders should drive down the costs to the government of procurement overall.

After extensive consultations with Bappenas regarding their needs for the public awareness campaign, MCC ICCP developed a comprehensive strategy, which was presented in December 2007. This comprised a detailed, province-by-province public communication implementation plan, which includes the following events:

- Provincial government key stakeholders' e-GP awareness raising (one event)
- General public/vendor/NGO awareness raising (three cities/events)
- Training of NGOs on e-GP monitoring tools (two events)
- Training of vendors in How to use the e-GP system (number of trainings to be determined)
- Media public awareness (multiple events/briefings over life of the project)

The government/public/vendor meetings, seminars, and information sessions would be held during the months when each provincial e-GP satellite center will be opened. West Java would serve as the model as organizing information sessions for the various stakeholders is most complex in that province.

Bappenas responded positively to the proposed public communication implementation plan and the corresponding public awareness tools and materials we plan to utilize during the campaign, and were planning to provide comments during January. MCC ICCP planned to use the comments and inputs received from Bappenas to create, together with provincial governments and key stakeholders, a province-by-province public awareness campaign strategy that integrates both media/advertising and public event components for use by provincial government officials and e-GP system end users, potential vendors and private sector associations, NGOs, and the media.

As a first step with this strategy, during December 2007 the project sponsored the taping of a 30-minute television talk show, "Economic Challenges," addressing the pilot e-GP centers being established by MCC ICCP. The show was broadcast on January 15, 2008 on Metro TV and was moderated by the respected Indonesian journalist Ms. Desi Anwar. The guests included Mr. Rizal Malik, secretary general of Transparency International Indonesia, and Mr. Syahrial Loetan, ministerial secretary for National Planning and Development. The discussion centered on government efforts to improve the overall effectiveness and transparency of procurement systems in the face of widespread graft and corruption. Of particular emphasis was the readiness of the government to create e-GP satellite centers in five provinces. A DVD of this show was provided to USAID/Indonesia. The show was branded with the MCC/USAID logos.

Also in December MCC ICCP issued an RFP for creative proposals on the design and delivery of a public awareness campaign, soliciting a public relations and advertising firm that can implement the public communication plan for the e-GP satellite centers, create adequate public information materials, and secure suitable media placement. By the end of March the firm PT. Publicis was selected and had created a draft e-GP newsletter for the opening of the first e-GP center in Bandung.

As well, Bappenas reviewed and approved a package of newspaper-style stories and texts about the e-GP system for promotional materials (newsletter, brochures, fact sheets, etc.) that have been created by MCC ICCP. Final formatting and publication of these materials would be the responsibility of subcontractor PT. Publicis.

At various times MCC ICCP assisted Bappenas with written materials and banners for information booths at several donor-organized e-GP and anti-corruption conferences.

By March 2008 Bappenas signaled to USAID that it had re-prioritized tasks and wanted to cease portions of Activity 3. This request is still under consideration by USAID and MCC.

III. MCC ICCP TASK AND CONSOLIDATED INDICATOR LISTS

Table 7. Task 1 Indicator Progress and Year 2 Targets

| INDICATOR | BASELINE | PROGRESS APRIL 2008 | TARGET APRIL 2009 |
|--|----------|------------------------|-------------------------|
| 1. Number of judges trained with USG assistance. | 0 | 167 | 2,000 |
| 2. Number of justice sector personnel receiving USG training | 797 | 866 | 4,470 |
| 3. Number of judges trained in the Judicial code of conduct | 0 | 167 | 2,000 |
| 4. Proportion of senior Supreme Court personnel submitting wealth reports to KPK | 44% | 44% | 100% |
| 5. Number of court personnel trained in budget procedures | 0 | 609 | 1,600 |
| 6. Percentage of courts implementing performance-based budgeting systems | 0 | TBD | TBD |
| 7. Percentage of asset inventories at selected courts physically verified | TBD | TBD | 100% |
| 8. Number of Supreme Court decisions accessible by the public via the Supreme Court Web site | 2 | 2,262* | 10,000 |
| 9. Percentage of courts implementing the public complaints system | 0% | 0% | 100% |
| 10. Number of public and media inquiries answered by Supreme Court PR trainees, per quarter | TBD | 0 | 100 |

* As of March 2008

Table 8. Task 1 Minimum Tangible Results for Human Resources Management

| RESULT | DONE | ONGOING | TO BE DONE |
|---|------|---------|------------|
| Activity 1 — Human Resources Management | | | |
| 1. Develop judicial code of conduct training module for use in training new and existing judges in the judicial code of conduct. | X | | |
| 2. Train trainers in the skills and knowledge necessary for training judges in the new judicial code of conduct. | X* | | |
| 3. At least 2,000 judges within the court system are trained in the new judicial code of conduct. | | X | |
| 4. Develop training materials and train the trainers on filling out wealth reports in cooperation with the KPK. | | X | |
| 5. Conduct training sessions, in cooperation with the KPK, for all judicial and senior nonjudicial court personnel within the court system on wealth report submission. | | X | |
| 6. Develop monitoring procedures and a database for ensuring compliance by court personnel on wealth report requirements, including the collection of baseline data. | | | X |
| 7. Formulate specific job descriptions with minimum position qualification requirements for court staff positions within the court system. | X | | |
| 8. Develop minimum performance standards necessary for each court position. | X | | |
| 9. Conduct a court staffing assessment to determine the necessary staffing levels within the court system. | | | X |
| 10. Conduct a judge distribution assessment to determine the necessary distribution of judges within the court system considering court caseload. | | | X |
| 11. Develop and implement of a staffing plan and judge distribution plan to bring court staffing and judge distribution within the court system in line with actual needs. | | | X |
| 12. Develop a computerized information database to manage human resources within the court system, and procure and install 200 computers within the court system in support of this database, and necessary training. | | | X |

* Minimum result achieved. Project will continue work to go beyond required totals.

Table 9. Task 1 Minimum Tangible Results for Budget Reform and Asset Management

| RESULT | DONE | ONGOING | TO BE DONE |
|---|------|---------|------------|
| Activity 2 — Budget Reform and Asset Management | | | |
| 1. Conduct a needs assessment to define specific budget items for use in formulating the court budget. | X | | |
| 2. Develop new procedures for the formulation and monitoring of the court budget. | X | | |
| 3. Distribute new budget formulation and monitoring procedures to all courts. | X | | |
| 4. Enhance the court financial management database for management of the budget process. | | | X |
| 5. Train 1,600 court personnel on new budget procedures. | | X | |
| 6. Formulate budget advocacy strategies. | | X | |
| 7. Enhance the budget information system, train court personnel on the system, and procure and install 200 computers in support of this system and data entry for the Supreme Court and 200 lower courts. | | X | |
| 8. Establish procedures and formats for the public release of court budget information. | | | X |
| 9. Identify physical assets needed for effective court operations. | | X | |
| 10. 100 percent of court assets within the court system are accounted for and their use monitored to prevent unauthorized use or theft. | | | X |

Table 10. Task 1 Minimum Tangible Results for Increased Transparency

| RESULT | DONE | ONGOING | TO BE DONE |
|--|------|---------|------------|
| Activity 3 — Increased Transparency | | | |
| 1. Assess and upgrade, as needed, the Supreme Court Web site's capabilities to ensure IT capacity exists for online decision publication. | X | | |
| 2. Develop online decision publication policies and procedures to ensure publication meets the necessary public transparency requirements. | | X | |
| 3. Outsource 10,000 backlogged Supreme Court decisions for final typing. | | X | |
| 4. Publish Supreme Court decisions online. | | | |
| 5. Develop and adopt complaint procedures to be used by the entire court system for the efficient and accurate receiving and reporting of public complaints on court activities. | | | X |
| 6. Create complaint submission forms and public awareness materials on complaint procedures. | | | X |
| 7. Enhance the Supreme Court Web site's capabilities to ensure it has the capacity to include additional information on court activities. | | X | |
| 8. Develop a series of television discussions on court activities to be shown on a regular basis. | | | X |
| 9. Develop a specific format for the release of court budget and financial information, to be completed and made available to the public. | | | X |
| 10. Develop guidelines for the release of court disciplinary information, to be completed and made available to the public. | | | X |
| 11. Develop and publish information brochures on court activities, procedures, and fees (also to be available online), to be completed and made available to the public. | | | X |

Table 11. Task 2 Indicator Progress and Year 2 Targets

| INDICATOR | BASELINE | PROGRESS APRIL 2008 | TARGET APRIL 2009 |
|---|-----------------------|----------------------------|-------------------------|
| 1. Percent of total STRs filed by NBFIs | 3.2% | 11.9% | 10% |
| 2. Number of STRs/CTRs per day that can be received by PPATK | 15 STRs 1,795 CTRs | 300 Ministry Of Finance | 300 STRs 10,000 CTRs |
| 3. Number of PPATK cases transmitted for investigation per year * | 40 | 65 | 150 |

* To be assisted by secure communications link to be procured for PPATK by ICITAP

Task 12. Task 2 Minimum Tangible Results

| RESULT | DONE | ONGOING | TO BE DONE |
|--|------|---------|---------------|
| 1. Create PSAs on national television and radio on KYC principles and money laundering education regarding NBFIs, to be broadcast continuously. | | X | |
| 2. Create and place PSAS in newspapers on KYC principles and money laundering education regarding NBFIs, to be published continuously. | | X | |
| 3. Produce and distribute 1,000 posters and 10,000 leaflets to be placed in NBFIs. | X* | | |
| 4. Develop one television talk show addressing KYC principles and money laundering education regarding NBFIs. | X* | | |
| 5. Develop and present six training sessions for NBFi personnel on the necessary techniques for monitoring the activities of their clients for possible money laundering. | X* | | |
| 6. Develop application software to allow increase in STR and STR online receipt capability at PPATK. | X | | |
| 7. Provide additional computer hardware to handle increased STR and CTR online reporting capability. | X | | |
| 8. Train PPATK personnel on the expanded STR/CTR online reporting system. | X | | |
| 9. Regular monitoring of the installation and implementation of the multi-direction secure communications system among PPATK, KPK, and national police for the exchange of financial intelligence information. | | | X |

TASK 3

Table 13. Task 3 Indicator Progress and Year 2 Targets

| INDICATOR | BASELINE | PROGRESS APRIL 2008 | TARGET APRIL 2009 |
|--|----------|------------------------|-------------------------|
| 1. Number of KPK prosecutions of high-ranking government officials | 2 | 10 | 8 |
| 2. Number of trial sessions monitored in Jakarta | 289 | 404 | 400 |
| 3. Number of trial sessions monitored outside Jakarta | 0 | 0 | 200 |

Table 14. Task 3 Minimum Tangible Results

| RESULT | DONE | ONGOING | TO BE DONE |
|---|----------------------|---------|---------------|
| 1. Monitor installation of lawful intercept equipment technology and enhanced radio communications system to be procured for KPK, with ongoing status reports to USAID. | No longer applicable | | |
| 2. Procure five sets of audio/video recording equipment for KPK Court monitoring. | | X | |
| 3. Complete an expanded analysis of data collected for the 2006 Indonesia CPI. | | X | |
| 4. Complete a nationwide bribery index survey. | | | X |
| 5. Complete an expanded Indonesia Corruption Perceptions Index survey. | | | X |

Task 4

Table 15. Task 4 Indicator Progress and Year 2 Targets

| INDICATOR | BASELINE | PROGRESS APRIL 2008 | TARGET APRIL 2009 |
|--|----------|------------------------|-------------------------|
| 1. Percentage change in cost of a basket of selected goods and services procured through e-GP system in five provinces | 0% | TBD | -10% |
| 2. Percentage of procurement processes undertaken by electronic means | TBD | TBD | TBD |
| 3. Percentage of public procurements awarded to sole source in targeted provinces | TBD | TBD | TBD |

IV. ANNUAL TRAINING REPORT

SUMMARY OF TRAINING PARTICIPANT

| No | Training Title | Start Date | End Date | Location | Participant | | |
|--|--|------------|-----------|------------------------------|--------------|------------|--------------|
| | | | | | Male | Female | Total |
| Total Year 1 | | | | | 1,276 | 445 | 1,721 |
| 1 | Judicial Code of Conduct Pilot Training Batch 1 | 22-Aug-07 | 23-Aug-07 | Manhattan Hotel Jakarta | 34 | 2 | 36 |
| 2 | Judicial Code of Conduct Pilot Training Batch 2 | 28-Aug-07 | 29-Aug-07 | Manhattan Hotel Jakarta | 30 | 6 | 36 |
| 3 | Judicial Code of Conduct TOT Batch 1 | 22-Oct-07 | 25-Oct-07 | Manhattan Hotel Jakarta | 33 | 4 | 37 |
| 4 | Judicial Code of Conduct TOT Batch 2 | 31-Oct-07 | 3-Nov-07 | Manhattan Hotel Jakarta | 20 | 4 | 24 |
| 5 | Judicial Code of Conduct TOT Batch 3 | 6-Nov-07 | 9-Nov-07 | Manhattan Hotel Jakarta | 32 | 2 | 34 |
| 6 | Judicial Code of Conduct TOT Batch 4 | 8-Apr-08 | 9-Apr-08 | Millenium Hotel Jakarta | 44 | 1 | 45 |
| 7 | Judicial Code of Conduct Training Batch 1 | 29-Apr-08 | 30-Apr-08 | Surabaya | 42 | 12 | 54 |
| Sub-Total Judicial Code of Conduct Training | | | | | 235 | 31 | 266 |
| 8 | Asset Inventory | 26-Apr-08 | 27-Apr-08 | ICCP Office Jakarta | 23 | 5 | 28 |
| 9 | Budget Base Strategic Planning Workshop Batch 1 | 20-Feb-08 | 24-Feb-08 | Denpasar | 30 | 4 | 34 |
| 10 | Budget Base Strategic Planning Workshop Batch 2 | 10-Mar-08 | 14-Mar-08 | Denpasar | 53 | 3 | 56 |
| 11 | Budget Planning, MoF Application Training Batch 01 | 27-Aug-07 | 2-Sep-07 | MoF Training Center, Jakarta | 31 | 14 | 45 |
| 12 | Budget Planning, MoF Application Training Batch 02 | 2-Sep-07 | 8-Sep-07 | MoF Training Center, Jakarta | 29 | 16 | 45 |
| 13 | Budget Planning, MoF Application Training Batch 03 | 9-Sep-07 | 15-Sep-07 | MoF Training Center, Jakarta | 31 | 14 | 45 |
| 14 | Budget Planning, MoF Application Training Batch 04 | 5-Nov-07 | 9-Nov-07 | UIB, Batam | 48 | 32 | 80 |
| 15 | Budget Planning, MoF Application Training Batch 05 | 9-Nov-07 | 12-Nov-07 | UIB, Batam | 56 | 25 | 81 |
| 16 | Budget Planning, MoF Application Training Batch 06 | 13-Nov-07 | 16-Nov-07 | UIB, Batam | 57 | 18 | 75 |
| 17 | Budget Planning, MoF Application Training Batch 07 | 17-Nov-07 | 20-Nov-07 | UIB, Batam | 52 | 26 | 78 |
| 18 | Budget Planning, MoF Application Training Batch 08 | 10-Dec-07 | 13-Dec-07 | Jogjakarta | 58 | 22 | 80 |
| 19 | Budget Planning, MoF Application Training Batch 09 | 15-Dec-07 | 18-Dec-07 | Jogjakarta | 59 | 21 | 80 |
| 20 | Budget Planning, MoF Application Training Batch 10 | 21-Apr-08 | 24-Apr-08 | Makassar | 58 | 21 | 79 |
| 21 | Budget Planning, MoF Application Training Batch 11 | 26-Apr-08 | 29-Apr-08 | Makassar | 57 | 19 | 76 |
| 22 | Budget Planning, MoF Application Training Batch 12 | 29-Apr-08 | 5-May-08 | Makassar | 63 | 13 | 76 |
| Sub-Total Budget Training | | | | | 682 | 248 | 930 |
| 23 | Public Relation Training | 3-Dec-07 | 4-Dec-07 | Puncak Inn, Ciloto | 18 | 3 | 21 |
| 24 | Know Your Customer Training Batch 1 | 4-Dec-07 | 5-Dec-07 | Denpasar | 78 | 36 | 114 |
| 25 | Know Your Customer Training Batch 2 | 12-Feb-08 | 13-Feb-08 | Batam | 42 | 29 | 71 |
| 26 | Know Your Customer Training Batch 3 | 25-Feb-08 | 27-Feb-08 | Jakarta | 142 | 73 | 215 |
| Sub-Total Know Your Customer Training | | | | | 262 | 138 | 400 |
| 27 | SAN System Training | 3-Mar-08 | 6-Mar-08 | PPATK Office, Jakarta | 3 | | 3 |
| 28 | E- Government Procurement Training Batch 1 - 5 | 24-Mar-08 | 24-Apr-08 | Plasa Bumi Daya, Jakarta | 53 | 20 | 73 |

Geographic Distribution of Participants

| Provinces | Training | | | | | | | | | | | | | | | | | | | | | | | | | | | | Total | |
|--------------------------|----------|----|---|----|---|---|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|-----|-----|----|----|-----|-------|----|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | | |
| Nanggroe Aceh Darussalam | | | 2 | | 1 | | | | 2 | | | 4 | | | 1 | 60 | | | | | | | | | | | | | | 70 |
| Sumatera Utara | | | 5 | 2 | 5 | 3 | | | 3 | | | 8 | | 4 | | | 41 | | | | | | | | | | | | | 71 |
| Sumatera Barat | | | 2 | 1 | | 1 | | | 1 | | | 4 | | 45 | | | 1 | | | | | | | | | | | 13 | 68 | |
| Riau | | | 2 | 1 | | 2 | | | 1 | | | 4 | | 23 | | | | | | | | | | | | | | | 33 | |
| Jambi | | | 2 | | | 2 | | | 2 | | | 4 | | 17 | | | | | | | | | | | | | | | 27 | |
| Sumatera Selatan | | | 1 | | | 1 | | | 2 | | | 4 | | 32 | | | | | | | | | | | | | | | 40 | |
| Bengkulu | | | | | | 1 | | | 2 | | | 2 | | 18 | | | | | | | | | | | | | | | 23 | |
| Lampung | | | 1 | | | 2 | | | 1 | 1 | | 4 | | 3 | | 18 | | | | | | | | | | | | | 30 | |
| Kep. Bangka Belitung | | | | | | 2 | | | 1 | | 2 | | | 7 | | | | | | | | | | | | | | | 12 | |
| Kep. Riau | | | | | | | | | | | | | | 8 | 3 | | | | | | | | | | 71 | | | | 82 | |
| DKI Jakarta | 29 | 30 | 7 | 11 | 5 | 1 | 14 | 28 | 16 | 17 | 13 | 9 | 9 | | | | | | | | | 21 | | | 215 | 3 | | 428 | | |
| Jawa Barat | 5 | 5 | 5 | 1 | 3 | 2 | 10 | | | 2 | 4 | | | | | | 2 | | 44 | | | | | | | | 15 | 98 | | |
| Jawa Tengah | | | 1 | 3 | | | 5 | | | 2 | 4 | | | | | | | 64 | | | | | | | | | | | 79 | |
| DI. Yogyakarta | | | 2 | | 1 | 3 | 7 | | | 2 | 2 | | | | | | | 16 | | | | | | | | | | | 33 | |
| Jawa Timur | | | 2 | 3 | 4 | 3 | 12 | | | 3 | 4 | | | | | | | | | | | | | | | | 15 | 46 | | |
| Banten | 2 | 1 | | 1 | 1 | 1 | 6 | | | 2 | 2 | | | | | 16 | | | | | | | | | | | | | 32 | |
| Bali | | | | | | | | | | 1 | | | 1 | | | | | | | | | 20 | | 114 | | | | | 136 | |
| Nusa Tenggara Barat | | | | | 2 | 2 | | | | 2 | | 4 | | | | | | | | | | 6 | | | | | | | 16 | |
| Nusa Tenggara Timur | | | | | | 2 | | | | 2 | | | 4 | | | | | | | | | 32 | | | | | | | 40 | |
| Kalimantan Barat | | | | | | 1 | | | | 2 | 4 | | | | 15 | | | | | | | | | | | | | | 22 | |
| Kalimantan Tengah | | | | | | 2 | | | | 1 | | 4 | | | | | | | | | | 12 | | | | | 15 | 34 | | |
| Kalimantan Selatan | | | | | | | | | | 2 | | 4 | | | | | | | | 28 | | | | | | | | | 34 | |
| Kalimantan Timur | | | | | 1 | 3 | | | | 3 | 4 | | | | | | | | 8 | | 7 | 18 | | | | | | | 44 | |
| Sulawesi Utara | | | 1 | | 4 | 1 | | | | 2 | | 2 | | | | | | | | 16 | | | | | | | | | 26 | |
| Sulawesi Tengah | | | | | | 2 | | | | 2 | | 4 | | | | | | | | 3 | | | | | | | | | 11 | |
| Sulawesi Selatan | | | 4 | 1 | 6 | 3 | | | | 3 | | 6 | | | | | | | | 48 | | | | | | | | | 71 | |
| Sulawesi Tenggara | | | | | | 1 | | | | 2 | 4 | | | | | | | | | | 14 | | | | | | | | 21 | |
| Gorontalo | | | | | | 1 | | | | 2 | | 2 | | | | | | | | 3 | | | | | | | 15 | 23 | | |
| Sulawesi Barat | | | | | | | | | | | | | | | | | | | | 9 | | | | | | | | | 9 | |
| Maluku | | | | | 1 | 1 | | | | 1 | | 3 | | | | | | | | | | 10 | | | | | | | 16 | |
| Maluku Utara | | | | | | 1 | | | | 3 | 2 | | | | | | | | | | | 9 | | | | | | | 15 | |
| Irian Jaya Barat | | | | | | | | | | | | | | | | | | | | | | 5 | | | | | | | 5 | |
| Papua | | | | | 1 | | | | 1 | 1 | | 4 | | | | | | | | | | 19 | | | | | | | 26 | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 1,721 | |

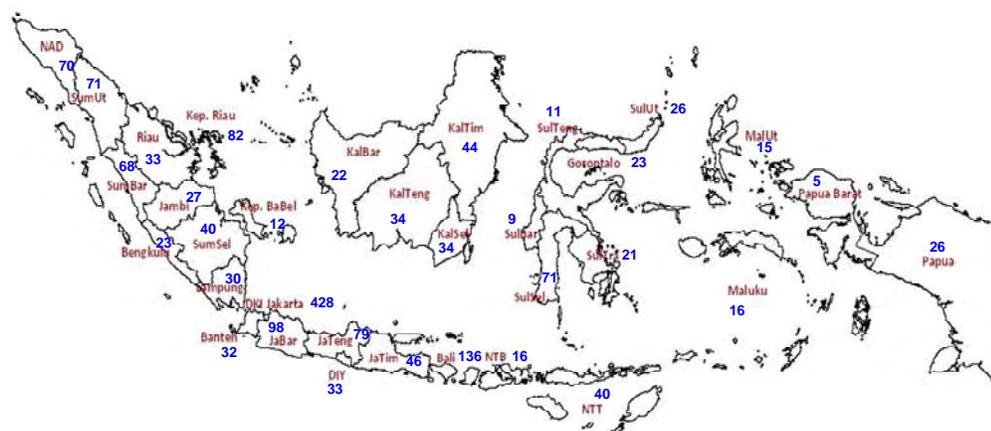
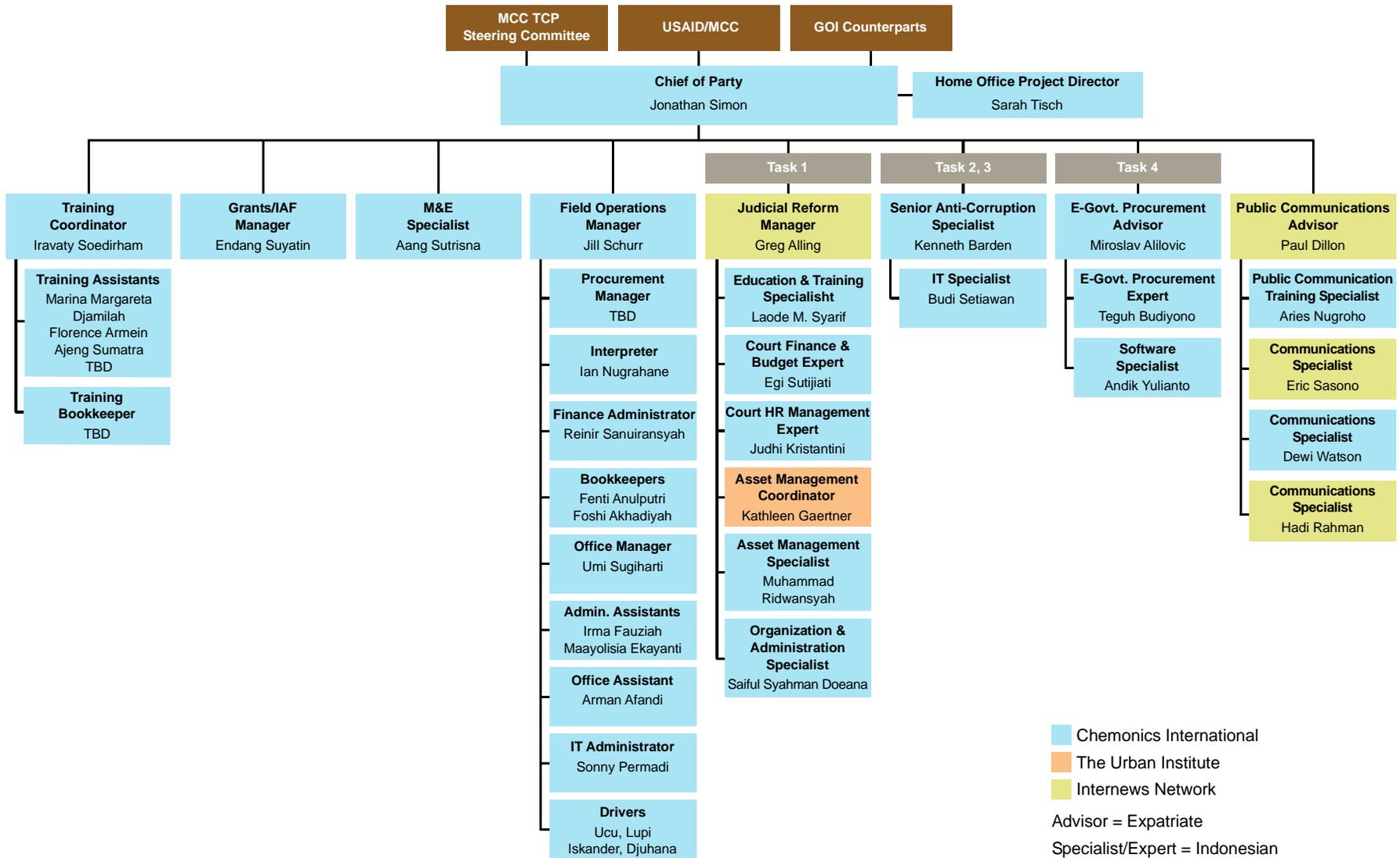


Exhibit I. MCC/ICCP Organizational Structure



■ Chemonics International
■ The Urban Institute
■ Internews Network
 Advisor = Expatriate
 Specialist/Expert = Indonesian