FINAL REPORT

MILLENNIUM CHALLENGE CORPORATION
THRESHOLD COUNTRY PROGRAM FOR INDONESIA

CONTROL OF CORRUPTION PROJECT

APRIL 11, 2007 – APRIL 10, 2009

These logos represent the four cooperating agencies for the MCC Indonesia Control of Corruption Project: the Supreme Court, the Indonesian Financial Intelligence Unit, the Corruption Eradication Commission and the Ministry for National Development Planning

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CONTROL OF CORRUPTION PROJECT

Contract No. DFD-I-00-05-00219-00, Task Order No. 04

CONTENTS

ACRONYMS

Bappenas	Ministry for National Development Planning
Bapepam-LK	Indonesia Capital Market and Financial Institution Supervisory Agency
CoC	Judicial Code of Conduct
CPI	Corruption Perception Index
CTR	cash transaction report
e-GP	electronic government procurement
HR	human rights
IDR	Indonesian rupiah
LKPP	Central Office of Government Procurement Policy
KPK	Corruption Eradication Commission
KYC	Know Your Customer
M&E	monitoring and evaluation
MCC ICCP	Millennium Challenge Corporation Threshold Program Indonesia Control of Corruption Project
MOA	memorandum of agreement
MOU	memorandum of understanding
NBFI	non-bank financial institution
NEPS	National Electronic Procurement System
NGO	non-governmental organization
PPATK	Indonesian Financial Intelligence Unit
PVA Berizin	Authorized Money Changers (Pedagang Valuta Asing Berizin)
RKA-KL	Ministry of Finance budget software
SAN	storage area network
STR	suspicious transaction report

UPS   uninterrupted power supply

USAID   United States Agency for International Development

SECTION I. INTRODUCTION

The Millennium Challenge Corporation Threshold Program Indonesia Control of Corruption Project (MCC ICCP) is a government of Indonesia reform initiative financed by the MCC that received technical guidance and administrative oversight from USAID/Indonesia. MCC ICCP was a $24 million two-year contract that supported the MCC Threshold Country Program for Indonesia. Awarded to Chemonics International Inc., the project ran from April 11, 2007 through April 10, 2009.

The project worked with several Indonesian government entities, including the Supreme Court of Indonesia, the Corruption Eradication Commission (KPK), the Indonesia Financial Intelligence Unit (PPATK), and the Central Office of Government Procurement Policy (LKPP) of the Ministry for National Development Planning (*Bappenas*). The collaboration of the counterpart agencies and USAID was crucial to the project's success and achievement of tangible results.

MCC ICCP worked with these counterpart agencies to improve the integrity, competence, and productivity of officials within the Supreme Court system; promote an anti-money laundering "Know Your Customer" program to non-bank financial institutions (NBFIs) while improving PPATK's reporting, communications, and analytical capacities; enhance the investigative, communications, and outreach capacities of the KPK; and add five regional centers to the expanding e-procurement system of the government of Indonesia.

The MCC ICCP consisted of individual Indonesian technical experts and specialists and international technical advisors as well as key Indonesian (such as Masyarakat Transparensi Indonesia, PT. Indodev [DataOn], Pusat Pengembangan Akuntansi dan Keuangan, PT. Laksa Laksana, Hukum Online (PT. Justika Siar Publika), Lembaga Kajian dan Advokasi untuk Independensi Peradilan, PT. Qasa Strategic Consulting, PT. Perdisi, PT. Izha Integrated Consulting, PT. Taramitra Informata, PT. Mediatron, PT. Wahana Mega Hasta Karya, PT. Bhinneka, PT. Baju Escorindo, PT. Sapta Prima Sampurna, PT. Publicis, PT. Mitra Buana Komputindo, PT. Gemacitra Objeklestari, Michael Jordan, Real Kommunika) and U.S. organizations (including the Urban Institute, Internews Network, BlueLaw International, and Partners for Democratic Change) working through subcontracts. A grant was given to Transparency International-Indonesia for work on corruption perception surveys.

MCC ICCP contributed to the success of the Country Threshold Plan because of several factors: first, the activities were selected by counterpart agencies were already part of the institutional initiatives, and staff and leadership were already were committed. Second, the strategic use of non-Indonesian speaking experts to work more as advisors to project staff contributed to effective communications with counterpart agencies. Finally, USAID's dedicated MCC ICCP office made certain that project implementation was done on a timely basis. The results provide an excellent platform for advancing work on administrative reform within the Supreme Court.

Judges — along with senior court staff — are more aware of the Code of Conduct standards and their obligations of filing state wealth reports on a regular basis before they can be considered for promotion or transfer. The court system now has a human resource system, including

From the left: Judicial Commission Chief M. Bustro Muqaddas, Supreme Court Chief Justice H. Harifin Tumpa and Presenter Tia Yufada discuss roles and responsibilities of the commission and the court on the nationally broadcast live Metro TV show Special Dialouge on February 2, 2009.

Photo: MCC ICCP

comprehensive job descriptions, an online database (including monitoring wealth report submission), and a methodology for determining how courts should be staffed. The Supreme Court also has a 100 percent inventory of physical assets within its jurisdiction, which makes more accurate budgeting possible. Budget and finance officers have the means to send financial information to the Supreme Court online in a uniform format, and courts are posting their budgets and fees to the budget on individual Web sites. The Supreme Court has committed to public information desks for every court, and the basis for resolving public complaints within 21 days was established. Supreme Court decisions are now freely accessible to the public and the court is better equipped to engage with the public and media.

The PPATK receives more alerts of suspicious financial activities, which indicates greater adherence to anti-money laundering practices by non-bank financial institutions. A popular public awareness campaign on responsibilities of general insurance companies to consumers on reduction of money laundering can be repeated regularly and adopted to other NBFIs. Finally, an iconic holographic shield identifying registered money changers greatly reduces the opportunities for fraud among observant customers.

The KPK has expanded the number of anti-corruption trials it can monitor and has built substantive relationships with five regional universities to support this effort. There is greater understanding of the impact of anti-corruption efforts as perceived by the Indonesian citizenry, through publication of the KPK 2008 Public Sector Integrity Survey and the Transparency International-Indonesia reports on 2008 Indonesia Corruption Perception Index and Bribery Index and the in-depth analysis of the 2006 Indonesia Corruption Perception Index. Finally, five regional governments have fully equipped functioning centers where potential vendors can register and submit online responses to public tenders for specific procurements. This project impact has contributed to the government's ongoing effort to reduce corruption

The MCC ICCP contract set specific minimum tangible results, recommendations for continuing similar work, and recommendations for subsequent activities. These are presented below, after a brief description of each task. This is followed by the project training report and the project performance indicator results.

SECTION II. TASK REPORTS AND RECOMMENDATIONS

TASK 1. JUDICIAL REFORMS

This task included five related activities that improved Indonesian court administration through (1) institutionalizing systems for human resources, financial assets, 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 Supreme Court's public affairs staff.

TABLE 1. MINIMUM REQUIRED RESULTS: JUDICIAL REFORMS

Minimum Result	Project Result
Human Resources	
Develop a judicial ethics code curriculum for use in training new and existing judges on the Judicial Code of Conduct	The final, field-tested two-day curriculum for the Code of Conduct workshop was received by the Supreme Court in December 2008 after the training program was completed.
Train trainers on the skills and knowledge necessary for training judges on the Judicial Code of Conduct	212 judges (193 men and 19 women) were trained as "peer" facilitators/trainers on the Code of Conduct. This included learning interactive skills, managing small group dynamics, role-playing, use of videos as training aids, and receiving feedback.
At least 2,000 judges within the court system are trained in the Judicial Code of Conduct	2,251 judges (1,862 men and 389 women) were trained on the Code of Conduct in an interactive two-day workshop.
Develop standard operating procedures for monitoring of wealth report submissions by the Supreme Court	The Supreme Court approved standard operating procedures for state wealth report submission and monitoring in December 2008.
Conduct training, in cooperation with KPK, for at least 2,000 judicial personnel within the court system on wealth report submission	2,251 judges (1,862 men and 389 women) learned how to fill out the state wealth report during the Code of Conduct workshop. KPK-approved trainers delivered the session on wealth report completion and the submission process during the workshop.
Develop monitoring procedures and a database to ensure compliance by court personnel on wealth report requirements, including collection of baseline data	The KPK and the Supreme Court signed a memorandum of understanding in February 2009 allowing access by the court to the KPK online wealth report submission database. 27 court staff (18 men and 9 women) were trained on use of the KPK database and standard operating procedures for monitoring wealth reporting.
Formulate job descriptions and	872 job descriptions with minimum position qualifications for court

Minimum Result	Project Result
minimum position qualification requirements for staff positions within the court system	staff and 26 job grades within the court system were accepted by the Supreme Court in May 2008. In April 2008, 25 senior court staff were briefed on use of the job descriptions as part of an integrated human resource system. The job descriptions were entered into the new court online human resource database.
Develop minimum performance standards for each court position	Each job description includes minimum performance standards necessary for each position. Job training analysis, job evaluation, and a remuneration structure and plan were created for 25 key court positions.
Conduct an assessment to determine the necessary staffing levels within the court system	The Supreme Court accepted results of the staffing assessment were in March 2009; 73 senior court staff (65 men and 8 women) were trained on the staffing assessment methodology and given CDs with instructions on how to conduct a staffing assessment.
Conduct an assessment to determine the necessary distribution of judges within the court system, considering caseload	A staffing distribution plan — including judges — was accepted by the Supreme Court leadership in March 2009. The chief justice confirmed the findings of the staffing assessment and corresponding distribution plan, which takes into account the volume of cases a court manages.
Develop an implementation plan for results of the staffing assessment, which includes judges, to bring court staffing/judge distribution within the court system in line with needs	A staffing distribution and implementation plan and an internal communications plan were submitted to the Supreme Court, and the chief justice committed to using the distribution plan and findings and recommendations of the staffing assessment in March 2009.
Develop a computerized information database to manage human resources within the court system, procurement and installation of 200 computers within the court system in support of this database, and training	An online human resource database was developed to handle more than 30,000 court employees, and 200 computers were distributed to high courts with the database uploaded. 386 court staff (236 men and 150 women) were trained on use of the human resource database.
Budget and Asset Management	
Conduct a needs assessment to define specific budget items for use in formulating the court budget	A needs assessment was completed that identified gaps in the business processes for budget formulation and budget monitoring. A more extensive study, including evaluation of ongoing budget process reforms, was undertaken and recommendations provided to the Supreme Court in April 2009.
Develop new procedures for formulation and monitoring of the court budget	The needs assessment determined that the required Ministry of Finance budget and finance software programs were not being used by the Supreme Court. The court agreed this software should be used to formulate and monitor all court budgets. An intensive study of the legal mandates and current procedures used by the court, including progress to date on implementation of budget-based strategic planning concepts, identified gaps in court budget business processes. Recommendations for improvements were provided to the Supreme Court in April 2009.
Distribute new budget formulation	A user-friendly manual on procedures for enhancing budget

Minimum Result	Project Result
and monitoring procedures to all courts	transparency and budget formulation (Web-based model and menu for budget and financial uploads to court Web sites) was developed and published, and 1,000 copies were distributed to courts throughout Indonesia. More than 250 courts now provide budget information on Web sites.
Develop a Web-based data communications application to enhance the court's financial management of the budget process	A mini budget and finance data communications center (server and networking equipment) was established at the Supreme Court and a customized Web-based data communications software application was designed and handed over to the court. 198 laptop computers were procured and distributed for the court to facilitate budget reporting and information exchange between lower courts and the Supreme Court for budget preparation and monitoring.
Train 1,600 court personnel on new budget procedures	1,320 budget and finance officers (994 men and 326 women) from all 795 courts were trained on use of the Ministry of Finance *Rencana Kerja Anggaran Kementerian Lembaga* (RKA-KL or budget work plan of national ministries/agencies) software application and use of data communications tools so budget formulation and execution (including developing financial reports) is accurate and timely. 272 Web masters (251 men and 21 women) from 170 courts were trained on techniques and procedures for uploading budget and finance data (court budget-execution allotment document, court financial report, court fees, and accountability report on court fees) onto court Web sites as per Supreme Court Transparency Decree SK 144/2007. 191 administrators (152 men and 40 women) from 200 high courts were trained on use of the new Web-based data communications software application for budget planning and financial reporting. Use of the application is accelerating the sending and receiving of data between courts and reducing the clerical burden of file management.
Formulate budget advocacy strategies	A budget advocacy program was developed and implemented at the Supreme Court, including judiciary budget transparency, preparation of a budget that is justified and results-oriented, and methods for developing clear arguments and an advocacy plan with the Parliament and the Ministry of Finance. 352 court staff were trained in budget advocacy (308 men and 44 women). 90 senior Supreme Court officials (83 men and 7 women) were trained on budget-based strategic planning (including a business process for the government budget formulation based on State Finance Law 17/2003, and the strategic cross-sectoral coordination with other government agencies). 262 middle management officers from appeals courts (225 men and 37 women) were trained on development of a detailed plan based on the budget-based strategic plan developed by Supreme Court leadership.
Enhance the budget information	Through training detailed above, standardized use of Ministry of

Minimum Result	Project Result
system, train court personnel on the system, procure and install 200 computers in support of this system and data entry for the Supreme Court and 200 lower courts	Finance budget and finance software was introduced. A mini finance and budget data communications center (server and networking equipment) was established and a customized Web-based data communications software application designed and handed over to the court. 198 laptop computers and three servers were procured and distributed for the court to facilitate budget reporting and information exchange between lower courts and the Supreme Court on budget preparation and monitoring. 463 court staff (402 men and 61 women) were trained on uploading budget and financial information to Web pages and use of the budget data communications software application.
Establish procedures and formats for the public release of court budget information	Based on development of a model process and incorporating best practices from selected courts, a user-friendly manual on procedures for enhancing budget transparency (Web-based standard model and menu for budget and financial uploads to court Web sites) was published; 1,000 copies were distributed through courts in Indonesia. More than 250 courts now provide budget and financial information via Web sites. An intensive study of progress on implementation of budget transparency concepts identified gaps in implementation, and recommendations for improvements were made and provided to the court in April 2009.
Identify physical assets needed for effective court operations	Two electronic spreadsheet-based models were developed as tools to help the Supreme Court identify physical assets needed for effective operations. One plans the assets needed in a new courthouse; the other predicts the cost of asset replacement in a budget year. 12 Supreme Court staff (8 men and 4 women) were trained on use of these models.
100 percent of court assets within the court system are accounted for and their use monitored to prevent unauthorized use or theft	A complete inventory of all physical moveable and unmovable assets was completed for all 795 courts. More than 1,200,000 items were inventoried in the state-owned assets database of the Ministry of Finance. 1,005 court administrative staff (810 men and 195 women) were trained on physical inventory and database management. 930 court staff (755 men and 174 women) were trained on adherence to asset internal controls. 67 Supreme Court staff (56 men and 11 women) were trained on the use of asset inventory data. A "look-up" computer with the entire 2008 court asset inventory data uploaded was given to the Supreme Court. Finally, 11 Supreme Court staff (9 men and 2 women) were trained on the reporting of asset inventory results.
Transparency	
Assess and upgrade, as necessary, the Supreme Court Web site capabilities to insure information technology capacity exists for online decision publication	A needs assessment was conducted in 2007 that identified the ways the Supreme Court's Web site capacity could be expanded to accommodate an online decision database. The database, www.putusan.net, was developed on a separate server rented through MCC ICCP and linked to the Supreme Court Web site. Five computers, a server, software, scanners, printers, and five UPS units were procured and installed in a room designated at the

Minimum Result	Project Result
	Supreme Court for electronic publishing in January 2008. By April 2009, the Web site had sufficient enhancements to accommodate the online database, with room to grow. An online survey application was also uploaded to capture occupation information about users and usability of the database.
Develop online decision publications, policies, and procedures to ensure publication meets public requirements of transparency	Standard operating procedures for online publication of Supreme Court decisions were developed and accepted by the court, including formats for Supreme Court decisions, work flow, document handling (soft and hard copy), and an online publishing manual.
Develop mechanisms for online publication of Supreme Court decisions	A curriculum for electronic publishing was developed and delivered to 209 Supreme Court staff (147 men and 62 women). 12 electronic publishing teams were formed and received about eight months of on-the-job training during 2008.
Publish 10,000 Supreme Court decisions online	More than 10,600 Supreme Court decisions were published in an online database accessible from the court's Web site www.putusan.net via http://www.mahkamaahagung.go.id
Develop standard operating procedures for receiving and resolving public complaints, to be used by the entire court system	Standard operating procedures for receiving and resolving public complaints within 21 working days were developed and submitted to the Supreme Court for approval. The procedures include feedback from the high courts that will process public complaints. An online feature to submit a complaint is available at http://www.mahkamahagung.go.id/di_web/index.asp

Manuals for making a public complaint, information brochures, and posters were produced (1,500 copies each for a total of 4,500 pieces) for distribution to high courts. |
| Develop model of a public information desk at the Supreme Court and standard operating procedures that can be replicated in other courts | A model public information desk was opened in March 2009 with face-to-face and online capabilities regarding information about the court and making public complaints. Standard operating procedures were approved by the court in January 2009, and 68 court staff (41 men and 27 women) were trained on how to respond to public inquiries, the Supreme Court transparency decree, computer software use, online research skills, and completion of online information and public complaint forms. The public information desk was also featured during the nationally broadcast live talk show *Prime Interview* on Metro TV with the head of the Legal and Public Affairs Bureau. Discussion on the show included how the desk provides greater transparency because it improves public access to court information. |
| Enhance Supreme Court Web site capabilities to ensure it has the capacity for including additional information on court activities | The Supreme Court Web site was enhanced to include additional information about court activities.

Public complaints/public information requests: http://www.mahkamahagung.go.id/di_web/index.asp

Online legal library search page http://pustaka.mahkamahagung.go.id/opac/search.php Supreme Court budget and financial information |

Minimum Result	Project Result
	http://www.mahkamahagung.go.id/index.asp?LT=12 News release and Web page story archive http://www.mahkamahagung.go.id/index.asp?LT=01&tf=1&idsec=8 Online Supreme Court decision database http://www.putusan.net
Develop a series of television discussions on court activities	Four TV shows featuring the Supreme Court leadership were broadcast on the national channel Metro TV, including three live discussions. The first show (*Special Dialogue*) addressed the new Supreme Court transparency decree and how it would be implemented. The other shows (*Special Dialogue* and *Prime Interview*) were live discussion forums with independent commentators who could speak knowledgably about the court. Topics included the relationship between the Supreme Court and the Judicial Commission, development of the next multi-year plan (Blueprint for Reform and Action Plan) for the court, and how public information desks will help increase judicial transparency and access to information.
Develop a format for release of court budget and financial information	A user-friendly manual on procedures for enhancing budget transparency (Web-based model and menu for budget and financial uploads to court Web sites) was developed and published, and 1,000 copies were distributed through courts. More than 250 courts now provide budget information on their Web sites. Supreme Court budget and financial information is available at: http://www.mahkamahagung.go.id/index.asp?LT=12
Develop guidelines for release of court disciplinary information	Following a series of high-level meetings in mid-2008, the Supreme Court committed to releasing disciplinary information quarterly, through news releases and publication on the court's Web site, as well as in its annual report. The court chose not to issue a written edict on this decision. To support existing court statutes governing disciplinary measures, draft standard operating procedures for handling public complaints include guidelines on enacting discipline sanctions in discipline cases that arise through the public complaint system. Information on disciplinary actions can be found on the Supreme Court Web site at http://www.mahkamahagung.go.id/index.asp?LT=01&tf=2&idnews=860
Develop and publish court information brochures on court activities, procedures, and fees (also to be available online)	Information was developed for print and online use covering: the criminal hearing process, the civil hearing process, the rights of the public concerning court fees, and guidelines for use of the online Supreme Court decision database (print runs were done of 1,500 copies each for a total of 6,000 pieces in April 2009); this material is also available via the online information desk. 25,000 print copies of five brochures covering court activities such as the Judicial Code of Conduct, the Supreme Court Bureau of Legal and Public Affairs, information on Supreme Court decisions, monitoring the Supreme Court, and access to information at the court were published in August 2008 and are available online.

Task 1. Recommendations

Throughout MCC ICCP, a key challenge was enlisting support from government officials and agency management for the reforms in the Threshold Country Program and project's scope of work. Sensitivities surrounded project efforts toward greater transparency by (and within) government ministries, reducing opportunities for kickbacks and other forms of corruption, and obtaining access to internal information and data from these agencies.

Success depended on gaining trust from counterparts, demonstrating the project's ability to deliver on useful institutional changes and tools for improved performance, and showing Indonesian partners that the project was there to support their reform agenda. For all these reasons, connecting project assistance with planned and ongoing institutional reform initiatives within the government and adopting an "Indonesian" face to the project to the extent possible became central to achieving project objectives.

For example, in many cases Indonesian government officials who are able to speak English were initially more comfortable discussing sensitive institutional information with our Indonesian team members only. Once the Supreme Court felt comfortable with our work, and once the project demonstrated we were there to stay and to help them, the doors opened to broader cooperation. In a similar vein, basing the scope of work on details of the government's bureaucracy reform road map added a financial incentive for the Supreme Court to get on board with project activities.

Finally, MCC ICCP involved enormous amounts of training, in particular for judicial officials and staff. Much of this training, however, was "non-judicial" in the sense that the topics involved managing and administering institutions and personnel of the judicial system, not processing and executing justice in the courtrooms. It was therefore recognized early on that for most of the project's training courses, judicial technicians or experts were not what was required; rather, professional trainers versed in the subjects at hand were more effective. One exception was the Judicial Code of Conduct training program. For this effort as well, however, it was important to step outside the court's usual strict hierarchical process of training (where officials can only be trained by individuals senior to them) and instead identify a core group of high-potential trainers and facilitators within the Supreme Court and selected high courts. The lessons and recommendations below reflect the above situations.

Task 1. Recommendations for continuation of similar work

- Link tangible institutional change to positive incentives for Supreme Court leadership and staff. The government's bureaucracy reform process was essential to the Supreme Court's ability to move forward with many of the 2003 Blueprint for Reform and Action Plan measures.

- Working through Indonesian technical expert project staff and Indonesian subcontractor organizations as the primary contact with the Supreme Court was the most effective approach to achieving results, given their language fluency and understanding of the court. Expatriate advisors provided technical knowledge, international best practices, and quality assurance.

- Major Supreme Court reforms need to be supported with tangible commitments from the Ministry of Finance and Parliament to be sustainable in the long term.

- Judges are best used as training facilitators until they gain a certain level of experience, given the unique skills required of participatory training methodologies.

- Develop a recruitment system and career development path that gives equal opportunity to female and male applicants, to increase performance and gender equity within the court system.

Task 1. Recommendations for subsequent activities

- Integrate the Code of Conduct curriculum as part of the standard professional training package for all new and sitting judges to ensure the code is part of job performance expectations from the outset.

- Increase the capacity of high court registrars and secretaries to serve as wealth reporting compliance coordinators to oversee implementation of standard operating procedures on wealth report monitoring.

- Invest the Supreme Court Legal and Public Affairs Bureau with the appropriate budget and administrative authority to perform the public outreach required of the Supreme Court Decree on Transparency (SK144/2007), and involve the bureau in all of the court's coordination and planning meetings.

- Create a long-term plan for information technology systems that focuses on increasing staff capacity on the use of computers and software for the execution of court functions.

- Consider developing a special outreach recruitment program to attract qualified female applicants at various levels and provide additional training if necessary to achieve greater gender parity within the court.

TASK 2. IMPROVING THE CAPABILITY OF THE INDONESIAN FINANCIAL INTELLIGENCE UNIT (PPATK)

With PPATK, the project adapted an anti-money laundering "Know Your Customer" (KYC) campaign to reach, through training, five categories of non-bank financial institutions. These were authorized money changers, capital markets/securities brokers, insurance companies, financing/leasing companies, and pension funds. The project provided a general public awareness campaign about the principles of KYC as they relate to fighting money laundering, using print and broadcast media. Additionally, the project procured new computer hardware and software to expand PPATK's capacity to process and analyze suspicious transition reports (STRs) and cash transaction reports (CTRs).

TABLE 2. MINIMUM REQUIRED RESULTS: IMPROVING THE CAPABILITY OF PPATK

Minimum Result	Project Result
Education Campaign	
Create public service announcements on national television and radio on "Know Your Customer" principles and money laundering education regarding non-bank finance institutions. To be created and broadcasted repeatedly during the project period.	Produced five TV anti-money laundering public service announcements (PSAs) for a "Know your Customer" Campaign "*Kalau Bersih Tidak Perlu Risih*/If You're Clean You've Got Nothing to Worry About" each addressing one NBFI (insurance companies, capital markets, pension funds, and leasing/financing companies) and one general PSA covering the whole NBFI sector. Three rotations broadcast the PSAs on two national TV stations (Metro TV and SCTV) and the cable channel First Media (which broadcast captioned versions of the commercials on CNN, MSNBC, Discovery Channel, and National Geographic Channel). The first campaign was three months long (June-August 2008), the second and third were each one month long at a higher saturation (October-November 2008 and April 2009). Five radio PSAs were broadcast during June-August 2008.
Create and place public service announcements in print media on KYC principles and money laundering education regarding non-bank finance institutions. To be created and published repeatedly during the project period.	The public service announcement ads directed toward authorized money changers (*PVA Berizin or Pedagang Valuta Asing Berizon*) 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*). The print PSAs for insurance companies, capital markets, pension funds, and leasing/financing companies and one general PSA covering the whole NBFI sector were placed as full-page ads in leading Indonesian financial and lifestyle magazines in June-August 2008.
Produce and distribute 1,000 posters and 10,000 leaflets to be placed in non-bank financial institutions.	Produced and distributed 1,550 "Know Your Customer" flyers, 280 KYC leaflets, and 300 KYC pins for the NBFI general campaign directed at insurance companies, capital markets, pension funds, and leasing/financing companies. Produced and distributed 1,000 KYC (*PVA Berizin*) posters, 10,000 leaflets, and other items (calendars, coffee mugs, key chains, bags, t-shirts) placed in Bank Indonesia-authorized money changers in three major entry points (Jakarta, Batam, and Bali). Developed a unique logo for *PVA Berizin* and a holographic sign to identify legitimate money changers that are registered and authorized by Bank Indonesia. The sign is displayed in the window of the money exchange shop. Each sign has a number, so Bank Indonesia can determine which current and future businesses have the sign. A booklet describing the origins of the *PVA Berizin* design and templates for current and future use in public awareness campaigns and copyright transfer documents for the logo were presented to Bank Indonesia.

Minimum Result	Project Result
Develop one television talk show addressing KYC principles and money laundering education regarding non-bank financial institutions.	Broadcast a television talk show on Metro TV "Economic Challenges" in January 2008 discussing KYC principles and money laundering education regarding NBFIs. The heads of PPATK, the Indonesia Capital Market and Financial Institution Supervisory Agency (*Bapepam-LK*), and Transparency International-Indonesia discussed issues relating to money laundering legislation, KYC programs, and law enforcement.
Develop and present six training sessions for non-bank financial institution personnel on necessary techniques to monitor activities of their clients for possible money laundering activity.	Delivered six workshops for 400 money changers (262 men and 138 women), representing nearly 200 authorized money changing businesses, on monitoring techniques for possible money laundering activity by their customers and clients. Delivered four workshops for 214 non-life general insurance industry representatives (159 men and 55 women) on the benefits of following the KYC principles. One "for-credit" KYC seminar was held at *Universitas Teknologi Yogyakarta* for 259 university students from six area universities 115 men and 144 women) seeking work in the legal and business sectors (550 KYC flyers, 550 KYC leaflets, 5,550 KYC pins, and 15 KYC posters were distributed during the outreach event).
Online Report Receipt Capacity	
Provide additional computer hardware necessary to handle an increase in STR and CTR online reporting capability.	Computer hardware for a 6-terabyte storage area network and associated software, linked to the fiber optic network lines at PPATK, was procured and handed over to PPATK in December 2007. This expanded capacity increased PPATK's online reporting capacity four-fold.
Train PPATK personnel on use of the expanded STR/CTR online reporting system.	Three men nominated by PPATK were trained on use of the expanded storage area network of 6 terabytes in March 2008.

Task 2. Recommendations

During planning with PPATK for the "Know Your Customer" public awareness campaign, there was significant interest by the technical divisions of our counterparts, including PPATK and *Bapepam-LK* and relevant industry associations for money changers and insurance companies. This level of engagement was central to developing the quality of awareness materials produced during the project. It was especially important to have input from regulating agencies and the industries they regulate. These inputs resulted in the materials (logos, ads, commercials, branded products) being more effectively targeted and the messages they represented more easily understood by audiences.

A money changer shop displays two versions of the public awareness campaign urging customers to use only shops displaying the green *PVA Berizin* shield. The shield logo integrates a cultural reference to the traditional "*wayang*" shadow puppets found across Indonesia, using puppet character's eye as the central feature of the distinctive green and sliver shield. Money changer shops displaying this shield are registered with Bank Indonesia and follow the "Know Your Customer" principles to reduce money laundering.

Photo: MCC ICCP

Once the materials were produced, distributed, and (in the case of TV ads) broadcast, there was a strong and positive response from government and industry. Indeed, demand for the PVA Berizin and Kalau Bersih Tak Perlu Risih campaigns outstripped the supplies produced by the project — in particular for the television ads. For this reason, many of our recommendations for Task 2 center on continued use and reproduction/rebroadcast of campaign materials, as well as further involvement of public affairs departments of the relevant counterparts. Involving those staff will help ensure these campaign materials become part of the ongoing outreach efforts of PPATK, Bapepam-LK, and others.

In moving forward as well, it is important to recognize the regulatory nature of agencies such as PPATK and *Bapepam-LK*. As industry regulators and/or law enforcement entities, these agencies follow strict rules regarding their operations, including strong internal control. Although the activities supported by MCC ICCP did not directly support those rules or the regulatory activities carried out by these agencies, all of the project's campaign design and implementation work had to be processed and approved through those rules and systems. As a result, some recommendations for Task 2 reflect approval needs that may affect future activities in this area.

The screens in the photo show the characters used in the "Know Your Customer" campaign focusing on general insurance, capital markets, pension funds, and leasing/financing companies. The characters comprise a "family" and were used in TV and radio public service announcement ads and in print media. The campaign slogan in English is "If you are clean, you have nothing to hide."

Photo: MCC ICCP

Task 2. Recommendations for continuing similar work

- Continue broadcasting clear public messages about anti-money laundering and "Know Your Customer" principles on a regular basis to non-bank financial institutions and PPATK stakeholder groups for greater buy-in and compliance.

- Future technical assistance to financial regulation agencies must be sensitive to working through established procedures, protocol, and written reports for effective engagement.

- The public affairs departments of financial agencies need to be fully engaged with programs that involve public or media awareness so the full message is aligned with agency goals and receives maximum support.

Task 2. Recommendations for subsequent activities

- Fund further broadcast and distribution of "*Kalau Bersih Tidak Perlu Risih*/If You are Clean You have Nothing to Hide" and Authorized Money Changer (*PVA Berizin*) "Know Your Customer" materials and public service messages developed through MCC ICCP.

- Encourage regular involvement of public affairs teams in external activities with non-bank financial associations, universities, and media.

- Establish reporting and information needs of counterpart agencies early in project implementation and set up routine channels for reporting.

- Continue to use gender-balanced messages to reach as wide a population as possible in public service announcements and public awareness materials.

TASK 3. IMPROVING THE CAPACITY OF THE CORRUPTION ERADICATION COMMISSION

The project procured five portable sets of audio/visual court recording equipment for the KPK to monitor anti-corruption trial proceedings. A grant was made to Transparency International-Indonesia for the 2008 Corruption Perception Index (CPI) survey. The grant

Photo shows the testing of the portable audio/visual recording equipment provided for the Corruption Eradication Commission by MCC ICCP at the Anti-Corruption Court in Jakarta. Recording of corruption trial sessions is known to help reduce mistrials and also signals that the government of Indonesia is willing to prosecute public officials formally accused of corruption. Five unverisities located around Indonesia are recording anti-corruption trials for the KPK using this equipment.
Photo: MCC ICCP

also provided for additional data to be gathered for an in-depth analysis of the 2006 CPI. Finally, MCC ICCP provided survey research for the 2008 KPK Public Sector Integrity Survey in 40 government institutions in 11 cities in Sulawesi and Sumatra.

TABLE 3. MINIMUM REQUIRED RESULTS: IMPROVING THE CAPACITY OF KPK

Minimum Result	Project Result
Court Monitoring	
Procure five additional sets of audio/video recording equipment to supplement the KPK court monitoring system.	5 portable court audio/video recording systems were delivered to provinces for use by KPK university partners to record corruption trials. Additional equipment to enhance performance and expand power supply was purchased for the five audio/visual units. An operations manual for equipment maintenance and use was provided to KPK. 10 KPK staff were trained on use of court monitoring audio/video systems. A memorandum of understanding was signed between KPK and five universities committed to court recording of anti-corruption trials: *Universitas Sahid, Universitas Sriwijaya, Universitas Airlangga, Universitas Sumatera, Universitas Hasanudin*. 18 individuals (16 men and 2 women) from the five collaborating universities received in-depth training on use of equipment and techniques for recording anti-corruption trials, and 15 individuals (10 men and 5 women) from the universities received refresher training on use of the equipment and standard operating procedures for recording anti-corruption trials. 85 trial sessions have been recorded by the five universities since November 2008, when they started operating the equipment.
Corruption Surveys	
Complete an expanded analysis of data collected for the 2006 Indonesia Corruption Perception Index.	The expanded analysis of data collected for the 2006 Indonesia CPI was completed, by interviewing focus groups in 10 cities that had been surveyed for the 2006 CPI. An In-depth analysis of the 2006 CPI was published, a media launch was held on November 26, 2008, and 1,500 copies of the Indonesian-language report were distributed.
Complete a Public Sector Integrity Survey under the supervision of KPK.	The 2008 KPK Public Sector Integrity Survey was completed and publicly launched by KPK in January 2009. The full 2008 KPK Public Sector Integrity Survey includes 40 central government institutions covering 105 public service agencies and 52 regional cities in Sumatra, Sulawesi, and Kalimantan. MCC ICCP provided survey research data on 40 central government institutions in 11 regional cities in Sumatra and Sulawesi.

Minimum Result	Project Result
Complete an expanded Corruption Perception Index survey for 2008.	A survey was conducted in 50 cities, with 3,835 respondents; Transparency International-Indonesia held a public launch on January 21, 2009; and 2,000 copies were distributed (1,000 in Indonesian, 1,000 in English). Focus group meetings were held in 14 cities to share the results with nongovernmental organizations, government officials, media, and businesspersons. The 2008 CPI survey focused on business perceptions of government corruption and fraud in applications for business permits, public utility procedures, annual tax payments, awarding of public contracts, obtaining a favorable judicial decision, speeding up bureaucratic processes, and influencing policy, laws, or regulations. The survey included a bribery index that measured incidence of perceived bribes of public officials or by public officials in 15 government institutions.

Task 3. Recommendations

The corruption-related surveys supported by MCC ICCP included new (2008) versions of surveys that had previously been conducted, as well as new surveys never before completed in Indonesia. All of served multiple purposes:

- Identifying the nature, degree, and frequency of corruption practices in Indonesia

- Identifying attitudes toward corruption practices among business, government, and public respondents

- Providing data inputs for anti-corruption planning and program prioritization efforts by the KPK and nongovernmental anti-corruption organizations

- Educating the public about corruption practices and government efforts to control corruption

To achieve the above objectives, project-supported surveys were designed to build on previous efforts and allow a longer-term analysis of trends in corruption practices, attitudes, and control efforts by national and local government alike. It is important to note that the value of these surveys increases significantly when their results can be compared across time periods as well as across geographic regions or target agencies. In addition, publication of survey results not only educates citizens about corruption, it demonstrates the government's commitment to fighting corruption and presents a model of transparency in government affairs.

To be effective and serve the purposes listed above, the project's corruption surveys needed to be scientifically sound, and the logistics of conducting them across the Indonesian archipelago needed to be prepared in advance. Finally, to meet the important public education objectives, ample time was needed to edit, print, and translate (as appropriate) published results. During implementation, there were instances where the executing organizations found themselves significantly behind schedule due to the scale and detail-oriented nature of survey execution, and

insufficient dedication of organizational resources for their completion. The lessons and recommendations below for Task 3 reflect these considerations.

Task 3. Recommendations for continuing similar work

- Corruption and public integrity surveys provide useful time-specific "snapshots" of the general situation in target agencies or regions. The results need to be followed up with tangible action to build public confidence in government reform.

- To enable comparisons over time and identify trends in corruption, survey methods should not change significantly from year to year.

- Execution of national-level anti-corruption activities and surveys requires large investments in planning, administration, and careful monitoring of technical quality; the full resources needed to be calculated before the survey.

Task 3. Recommendations for subsequent activities

- Make full use of corruption survey results by publicizing them through multiple channels print, broadcast, and Internet) to create public and media pressure for reforms, resulting in cleaner, more transparent government.

- Set aside sufficient human resources and funds to implement, administer, and manage the finances of large-scale surveys and anti-corruption programs.

- Provide an analysis of gender differences among male and female survey respondents on their perceptions of corruption.

TASK 4. ELECTRONIC GOVERNMENT PROCUREMENT

The project established five regional e-government procurement (e-GP) centers with provincial governments and held training and public socialization events. We offered assistance to the Central Office of Government Procurement Policy (LKPP) to improve the National Electronic Procurement System (NEPS) software for better data collection and monitoring of procurement processes. In December 2008, LKPP declined further assistance with e-procurement data monitoring and evaluation data.

TABLE 4. MINIMUM REQUIRED RESULTS: ELECTRONIC GOVERNMENT PROCUREMENT

Minimum Result	Project Result
Establish five regional satellite e-GP service centers	Five e-government procurement satellite service centers equipped with computers, software, peripherals, data backup and disaster recovery capabilities, and Internet service were opened and are posting electronic tenders. The centers are in provincial capital cities in East Java, West Java, West Sumatra, Central Kalimantan, and Gorontalo. A total of 232 tenders were launched for all five centers with a budgeted value of IDR 465,783,919,600. The total cost savings of all tenders (completed and in process) as of March 26, 2009 was 15.21% (original budget IDR 21,274,357,500 versus contract budget of IDR 18,038,485,100). Grand and soft launch events held at the following e-GP centers were attended by 820 individuals (West Java, 270 individuals; West Sumatra, 200 individuals; Gorontalo, 200 individuals; and Central Kalimantan, 150 individuals). 1,679 individuals attended socialization events for local businesses in the e-GP centers in Central Kalimantan (220 individuals), Gorontalo (909 individuals), West Sumatra (250 individuals), and East Java (300 individuals). 991 prospective vendors (755 men and 236 women) were trained on use of the NEPS software in West Java (650 total, 506 men and 144 women), West Sumatra (228 total, 161 men and 66 women), and Gorontalo (115 total, 89 men and 26 women). 73 e-GP center staff (52 men and 21 women) completed a "train-the-trainer" workshop to become NEPS software trainers in Jakarta. These trainers received several refresher courses during the year at various e-GP centers. A total of 951 government officials "end-users" (697 men and 254 women) were trained on use of the NEPS software in West Java (249 total, 188 men and 61 women), Gorontalo (214 total, 152 men and 62 women), West Sumatra (304 total, 216 men and 88 women), Central Kalimantan (61 total, 49 men and 12 women), East Java (50 total, 39 men and 11 women), and the Jakarta NEPS center (73 total, 53 men and 20 women). Three e-GP coordinators meetings were held in Jakarta (October 29, 2008; 29 individuals, 17 men and 12 women), Bandung (January 31, 2009; 20 individuals, 15 men and 5 women) and Surabaya (March 13, 2009; 41 individuals, 25 men and 16 women). Discussions focused on experiences and troubleshooting problems experienced with the NEPS. A conference, "Sharing Experience in e-GP Implementation", on October 29, 2008 in Jakarta and attended by 140 individuals, was co-sponsored with the Asian Development Bank and the Yogyakarta-based nongovernmental organization Partnership for Government Reform.

Minimum Result	Project Result
Improve the performance of the national electronic procurement system to include monitoring and evaluation capabilities.	NEPS software was enhanced to accommodate data collection and monitoring. Bappenas adopted the report on procurement activities form created through MCC ICCP as a requirement for provinces hosting e-procurement centers. In December 2008, the LKPP sent a letter to USAID indicating it no longer required technical assistance from MCC ICCP on this activity.

Task 4. Recommendations

During MCC ICCP's two years, NEPS, created by the government of Indonesia and led by the LKPP, grew significantly to encompass far more than the five provincial-level e-GP centers created with project support. By March 2009, NEPS was being implemented by nearly 50 government entities, including national ministries and provincial and city/regency governments.

This level of success in establishing NEPS as a standard platform for e-procurement was certainly aided by national government decrees, but perhaps more important was demonstrating the value of e-procurement to local governments and getting local government leaders and other procurement process stakeholders to accept the NEPS standard. Both steps required the ability to show candidate government agencies exactly how NEPS could work and how it could save them money — steps supported extensively by MCC ICCP.

Task 4. Recommendations for continuing similar work

- The government of Indonesia's commitment to developing robust, sustainable national e-government procurement should be recognized, accepted, and vigorously supported.

- The commitment of provincial leaders to e-government procurement is key to rapid adoption of the national electronic procurement software use by local agencies and potential vendors.

The photo is an example of the training provided on use of the national electronic procurement system. This photo is from the Kalimantan regional e-government procurement center and is for potential vendors who wish to register with the NEPS. Once registered, the vendors can bid on tenders posted on the center's Web site.

Photo: MCC ICCP

- Frequent engagement with numerous stakeholders — central and local officials, e-GP centers staff, business community, and the public — is key to successful implementation of e-government procurement.

- Review use of e-GP centers by men and women and resolve any issues that discourage female vendors from accessing the services or computer equipment. This will ensure that the population of potential vendors in each province continues to expand

Task 4. Recommendations for subsequent activities

- Configure NEPS as a master panel for all government of Indonesia procurements, making NEPS the single point of access to all central and local procurement opportunities.

- Develop the NEPS module for automated data aggregation, to allow reliable and sustainable reporting on electronic procurements.

- Enact a national e-GP strategy to help public sector entities recognize the benefits of using e-GP.

- Enact supporting bylaws to strengthen the status of the NEPS at national level.

- Through public awareness events, reach out to women-owned businesses at the provincial level to encourage registration and use of the NEPS.

- Continue with training at the local provincial level. A high level of e-procurement system knowledge by government officials and potential vendors is the key to making the e-GP system work well.

SECTION III. PERFORMANCE MONITORING REPORT

Task 1. Judicial Reform Indicators									
Performance Indicator	**Baseline Year**	**Baseline Value**	**2007* Target**	**2007 Results**	**2008 Target**	**2008 Results**	**2009 Target**	**2009 Results**	**Cumulative Total**
1. Number of government officials receiving U.S. government-supported anti-corruption training (cumulative).	2006	0	567	911	4,535	5,593	5,756	6,748	6,748
2. Number of U.S. government-supported anti-corruption measures implemented (cumulative)**.	2006	0	0	3	11	10	15	16	16
3. Number of judges trained on Judicial Code of Conduct (cumulative).	2006	0	393	167	1,679	2,251	2,000	2,251	2,251
4. Number of justice sector personnel receiving U.S. government training (cumulative).	2006	0	393	797	3,492	6,187	4,470	6,972	6,972
5. Percentage of judges trained on Judicial Code of Conduct (per year).	2006	0%	6%	3%	27%	37%	33%	37%	37%
6. Submission of wealth report data is a prerequisite for promotion or transfer of high-ranking Supreme Court officials.	2006	Supreme Court lacks procedures for tracking compliance with wealth reporting submission requirements.	n/a	n/a	A) Court decree issued requiring submission of wealth reports as prerequisite for transfer or promotion. B) Wealth reporting monitoring system developed. C) High-ranking court officials trained in wealth reporting.	All 2008 targets achieved.	Wealth reporting data are used by court for promotion/ transfer of high-ranking court officials.	All 2009 targets achieved.	The rate of compliance of chief and deputy chief judges of all high courts and district courts for submitting reports on their wealth to KPK has increased from 20% (303) to 79% (1,221) in 2009.

					Task 1. Judicial Reform Indicators				
Performance Indicator	**Baseline Year**	**Baseline Value**	**2007* Target**	**2007 Results**	**2008 Target**	**2008 Results**	**2009 Target**	**2009 Results**	**Cumulative Total**
7. Number of court personnel trained on budget procedures (cumulative).	2006	0	0	609	1,280	1,753	1,600	1,944	1,944
8. Percentage of courts with completed physical asset inventories (cumulative).	2006	0%	33%	0%	100%	99%	100%	100%	100%
9. Number of Supreme Court decisions accessible to the public via Supreme Court Web site (cumulative).	2006	2	2,292	1,409	8,458	8,209	10,000	10,600	10,600
10. Establishment of Supreme Court information desk to receive and process complaints from the public.	2006	No public complaint system in the Supreme Court.	n/a	n/a	A) Court order issued authorizing establishment of Supreme Court information desk. B) Completion of standard operating procedures for information desk, including receipt and processing of complaint information.	A) Yes. B) Yes, standard operating procedures for information desk and for public complaints completed.	A) Supreme Court information desk operational. B) 90% of all complaints will receive response within 21 working days.	A) Yes, information desk open and operational and staff trained on standard operating procedures B) No, Supreme Court approval of public complaint still pending.	Complaint receipt function not operational due to pending Supreme Court approval of complaint standard operating procedures. Chief justice has given written commitment that the court will initiate these procedures in the near future.
11. Number of public and media inquires answered by Supreme Court public relations trainees (cumulative).	2006	0	0	0	80	183	100	148	331

*Data are for calendar years.

**See below for the list of policy actions.

2007

TASK 1. JUDICIAL REFORM – POLICY ACTIONS BY THE SUPREME COURT

1. Circular Letter No. 167/BUA/2007 regarding Testing of E-mail Communications in High Courts, issued by the Supreme Court Head of Administrative Affairs Body on September 14, 2007. This letter instructs high court chief judges to instruct their personnel to carry out a trial run test of e-mail communications to the Supreme Court Planning and Finance Bureaus as a follow-up to the budget data communications training program carried out by the Supreme Court and MCC ICCP for court budget officers.

TASK 4. ELECTRONIC GOVERNMENT PROCUREMENT – POLICY ACTIONS BY BAPPENAS OR LKPP

1. Memoranda of understanding between *Bappenas* and provincial governments of West Sumatra, West Java, East Java, Central Kalimantan, and Gorontalo. The MOU is signed by Minister of *Bappenas* Mr. Paskah Suzetta and the governors of each province. Each memorandum sets conditions of cooperation, assistance, and responsibilities for establishment of e-GP satellite centers in these five provinces. The memoranda were signed at the end of September 2007 for four provinces, and later that year (or early 2008) for the fifth province, Gorontalo.

2008

TASK 1. JUDICIAL REFORM – POLICY ACTIONS BY THE SUPREME COURT

1. Secretary's Decree, No. 44/2008, regarding Establishment of Court Officials Required to Submit Wealth Report Forms, issued September 24, 2008 by Supreme Court Secretary H.M. Rum Nessa. This decree spells out and reiterates which court officials are required to submit wealth reports per Indonesian law. It lists the following officials: supreme court justices, echelon I and II officials, judges in high and district courts, registrars and secretaries in high and district courts, and treasurers and other officials with spending authority in high and district courts.

2. Circular Letter, No. 3/2008, regarding Proposed Promotions and Rotations of Judges and Registrars, issued June 3, 2008 by Vice Chief Justice for Non-Judicial Affairs H. Harifin Tumpa. This circular states that judges and registrars in the court system are required to submit wealth report forms to the KPK as per Indonesian law. It instructs all chief judges to order judges and registrars in their courts to comply with this law. It further states that no promotions or rotations will be considered by the Supreme Court without proof that the individuals to be considered have submitted wealth reports.

3. Circular Letter, No. 4/2008, regarding Collection of Court Fees, issued June 13, 2008 by Dr. H. Harifin Tumpa. This circular references the rules for imposing court fees for cases, as well as Supreme Court Transparency Decree (SK 144/2007). It then requests that all chief judges for general, religious, and administrative courts instruct their staffs to collect fees according to the following procedures:

- Fees must be paid in a transparent manner, per the established rules.

- Fees to be paid by parties in a case must be paid via local banks, except where there is no local bank. No court employees should receive direct court fee payments from parties to a case.
- If excess funds from court fees aren't used during a case, those excess amounts must be returned to the parties in question. Money not collected within six months of notification will be removed from the court's books and given to the State Treasury.
- Any money consigned by parties to a case must be deposited in a bank.

4. Circular Letter, No. 9/2008, regarding Reporting of Receipt and Use of Court Case Fees, issued November 24, 2008 by Dr. H. Harifin Tumpa. This circular details the information, formats, and reporting procedures required for courts to make public the information and data on their collection and use of court fee payments, per Indonesian law, Supreme Court regulations, and Supreme Court Transparency Decree SK 144/2007.

5. Circular Letter, No. 10/2008, regarding Prohibition against Giving Souvenirs or Gifts, issued December 16, 2008 by Dr. H. Harifin Tumpa. This circular references the Judicial Code of Conduct proscriptions against giving or receiving gifts and instructs all Supreme Court and high court officials to refrain from requesting gifts or assistance from staff or lower-court officials when making official visits or when lower-court officials visit the Supreme Court.

6. Cooperation Agreement between the Supreme Court and KPK regarding Management of Wealth Reporting Data, signed February 2, 2009 by Supreme Court Secretary H. Rum Nessa and Eko Tjiptadi of KPK. This agreement spells out provisions, arrangements, mutual responsibilities, mutual benefits, and procedures of the open sharing of data between KPK and the Supreme Court on which court officials have submitted their wealth reports in accordance with the law.

7. Secretary's Decrees, No. 1/2008 and No 2/2008, regarding (1) Standard Operational Procedures for Receipt and Submission of Wealth Report Forms in the Court System; and (2) Appointment of Coordination Teams in the Supreme Court to Manage and Supervise Wealth Report Standard Operating Procedures. Both decrees were issued by Supreme Court Sescretary H. Rum Nessa on December 24, 2008. These decrees spell out detailed procedures, personnel, departments, and responsibilities that surround the monitoring and supervision by the Supreme Court of court officials' compliance with the Indonesian law requiring submission of wealth reports. It also assigns duties connected with the Cooperation Agreement between the Supreme Court and the Corruption Eradication Commission on Wealth Reports.

8. Memorandum No. 73/PAN/2008 regarding Standard Procedures for Handling Electronic Copies of Supreme Court Decisions, Issued by the Supreme Court Registrar on June 27, 2008. This memorandum details standard operating procedures to be followed by relevant Supreme Court personnel in the creation, processing, and uploading to the Supreme Court Web site of electronic versions of Supreme Court decisions.

9. Circular Letter No. 42/WKMA/2008 regarding implementation of the Indonesian government's Regulation 53/2008 on Fee Schedule for Receipt of Non-Tax Revenues by the Court System (e.g., Court Fees), issued by H. Harifin Tumpa on November 4, 2008. This circular

provides detailed implementation procedures for complying with the referenced government regulation, including information on how to receive, handle, and account for court fees and other relevant payments or revenues. In setting out these procedures, the circular references Supreme Court Transparency Decree SK 144/2007.

10. Circular Letter No. 108/BUA/2008 regarding Budget Transparency via Web site, issued by the head of the Supreme Court Administrative Affairs Body, Subagyo, to the chief judge of the (*Pengadilan Tinggi Agama Semarang*) High Religious Court of Semarang on June 18, 2008. This letter provides formal approval from the Supreme Court for the High Religious Court in Semarang to publish its budget totals and expenditure details on the court's Web site. The Supreme Court notes that such an action would represent a step toward bureaucracy reform and greater court transparency. This approval was seen as an initial test case of Supreme Court concurrence with publishing court budget information online. Also, this approval served as a basis for the official Online Budget Transparency Guidelines and Handbook published by the Supreme Court through MCC ICCP and distributed to all courts across Indonesia.

TASK 4 ELECTRONIC GOVERNMENT PROCUREMENT – POLICY ACTIONS BY BAPPENAS OR LKPP

1. Letter from LKPP Secretary Syahrial Loetan, sent in February 2008 to five provincial governments, setting out parameters for establishment and implementation of e-GP satellite centers in their capital cities. This letter spelled out the details of cooperation, individual responsibilities, implementation, and training procedures connected with e-GP center operation in each location, including actions to be carried out by MCC ICCP.

2009

TASK 1. JUDICIAL REFORM – POLICY ACTIONS BY THE SUPREME COURT

1. Circular Letter No. 152/BUA/2009 regarding Follow-up to Human Resource Database Training by MCC ICCP and the Supreme Court and Implementation of the new Human Resource Database System, issued by Supreme Court Secretary H. Rum Nessa on March 30, 2009. This circular details the provision of computer hardware and software by MCC ICCP and instructs Supreme Court managers and court chief judges to ensure that their personnel start using the new equipment and human resource database system immediately, and for high courts who have received training on the database to take immediate steps to train personnel in their district courts.

2. Joint Decree between Supreme Court and Judicial Commission regarding the Code of Ethics and Judicial Code of Conduct, No. 047/KMA/2009, signed on April 8, 2009 by Supreme Court Chief Justice H. Harifin Tumpa and Judicial Commission Chief M. Bustro Muqaddas. This decree walks through the 10 main principles of the judicial Code of Conduct and repeats them with some explanations and definitions. It closes with the requirement that each court leader must ensure that all the judges in his or her court obeys the code. It notes that violations of the code can result in sanctions, which will be levied in accordance with the nature of the violation. The joint decree adds that judges suspected of violating the code can be investigated by the Supreme Court or the Judicial Commission, and that whichever body does the investigation shall

report its findings to the Supreme Court chief justice. Finally, it notes that judges who are to be placed on temporary or permanent non-active status as a result of such violations have the opportunity to defend themselves in front of the Judicial Review Board. On February 2, 2009, MCC ICCP produced a TV talk show on the nationally broadcast Metro TV show Prime Interview, which featured Chief Justice Tumpa and Judicial Commission Chief Muqaddas. This show was the first public expression of collaboration from these two institutions, which were known to have disagreements. During the show, both individuals repeatedly expressed a desire to move forward in a spirit of collaboration and to work together to tackle issues of ethics, conduct, and corruption in the judicial system. Subsequently, the joint decree was issued, spelling out the two bodies' agreement to work together to support and enforce the code of conduct.

TASK 3. TRANSPARENCY – POLICY ACTIONS BY CORRUPTION ERADICATION COMMISSION

1. Cooperation agreements between KPK and partner universities in five provinces on Audio-Video Recording of Court Corruption Trial Sessions. The KPK signed a cooperation agreement with each of these five universities in January 2009. The agreements spell out the detailed tasks, procedures, and cost-sharing and other provisions related to operation by the universities of the audio/visual recording equipment procured by MCC ICCP. KPK Head of Information and Data Processing Budi Ibrahim signed for the commission and the rectors signed for the individual universities: University of North Sumatra (Medan), Hasanuddin University (Makassar), Sriwijaya University (South Sumatra), Sahid University (Jakarta), and Airlangga University (Surabaya).

Task 2. Enhancing the Capacity of the PPATK Indicators									
Performance Indicator	Baseline Year	Baseline Value	2007 Target	2007 Results	2008 Target	2008 Results	2009 Target	2009 Results	Cumulative Total
12. Percent/number of STRs filed by NBFIs as a percent of total filings..	2006	3.2%	5%	11.6%	9%	27%	10%	27%	27%
13. Average number of reports PPATK STR/CTR receipt system capable of receiving per day (per year). STR CTR	 2006 2006	 15 1,795	 60 2,000	 300 10,000	 300 10,000	 300 10,000	 300 10,000	 300 10,000	 n/a
14. Number of PPATK cases transmitted for investigation (per year).	2006	40	0	65	150	177	n/a	46	The target was 150 for the calendar year 2008.
16. Number of trial sessions monitored in Jakarta (per year).	2006	n/a	350	404	400	514	n/a	210	No annual target set for 2009 (program target exceeded).
17. Number of trial sessions monitored outside Jakarta (per year).	2007	0	n/a	0	160	35	n/a	50	85; program target not met due to delays in procurement and memoranda of understanding with universities.
18. Number of successfully initiated electronic procurements (3 per each e-GP center and 15 total; per year).	2007	0	n/a	n/a	A) Five provinces selected to open e-GP centers. B) Hardware and software installed in all five provinces. C) Technical personnel in each province trained on new system. D) Provincial regulatory framework in place to support e-GP.	A) Yes B) Yes C) Yes D) Yes	3 online tenders for each province (15 total).	4 provinces, "yes"; 1 province, "no".	5 provinces, each with 1 e-GP center, are included in this indicator. Program target of 3 tenders each met by 4 provinces, with the remaining province having 2 tenders. All 5 centers are now operating. Cumulative procurement savings from the published tender amount and the awarded amount by the end of the project are 15.21%.

SECTION IV. TRAINING REPORT

Summary of MCC ICCP Training Participants Through March 2009

No	Training Title	Start Date	End Date	Location	Participant Male	Female	Total
	Total to date				**7,545**	**2,261**	**9,806**
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 5	12-May-08	13-May-08	Serang	55	15	70
8	Judicial Code of Conduct Training Batch 2	2-May-08	3-May-08	Jogyakarta	43	18	61
9	Judicial Code of Conduct Training Batch 1	29-Apr-08	30-Apr-08	Surabaya	42	12	54
10	Judicial Code of Conduct Training Batch 3	5-May-08	6-May-08	Semarang	62	10	72
11	Judicial Code of Conduct Training Batch 4	8-May-08	9-May-08	Bandung	61	7	68
12	Judicial Code of Conduct Training Batch 6	10-Jun-08	11-Jun-08	Medan	78	22	100
13	Judicial Code of Conduct Training Batch 7	13-Jun-08	14-Jun-08	Banda Aceh	67	5	72
14	Judicial Code of Conduct Training Batch 8	16-Jun-08	17-Jun-08	Padang	56	18	74
15	Judicial Code of Conduct Training Batch 9	19-Jun-08	20-Jun-08	Pekanbaru	57	14	71
16	Judicial Code of Conduct Training Batch 10	23-Jun-08	24-Jun-08	Batam	41	6	47
17	Judicial Code of Conduct Training Batch 11	2-Jul-08	3-Jul-08	Bengkulu	54	10	64
18	Judicial Code of Conduct Training Batch 12	7-Jul-08	8-Jul-08	Jambi	51	17	68
19	Judicial Code of Conduct Training Batch 13	10-Jul-08	11-Jul-08	Palembang	55	15	70
20	Judicial Code of Conduct Training Batch 14	14-Jul-08	15-Jul-08	Lampung	51	21	72
21	Judicial Code of Conduct Training Batch 15	17-Jul-08	18-Jul-08	Denpasar	44	28	72
22	Judicial Code of Conduct Training Batch 16	24-Jul-08	25-Jul-08	Kupang	85	4	89
23	Judicial Code of Conduct Training Batch 17	28-Jul-08	29-Jul-08	Lombok	54	14	68
24	Judicial Code of Conduct Training Batch 18	14-Aug-08	15-Aug-08	Makassar	57	37	94
25	Judicial Code of Conduct Training Batch 19	20-Aug-08	21-Aug-08	Kendari	53	7	60
26	Judicial Code of Conduct Training Batch 20	25-Aug-08	26-Aug-08	Palu	58	4	62
27	Judicial Code of Conduct Training Batch 21	29-Aug-08	30-Aug-08	Manado	70	10	80
28	Judicial Code of Conduct Training Batch 22	14-Oct-08	16-Oct-08	Balikpapan	70	12	82
29	Judicial Code of Conduct Training Batch 23	20-Oct-08	21-Oct-08	Palangkaraya	66	7	73
30	Judicial Code of Conduct Training Batch 24	23-Oct-08	24-Oct-08	Banjarmasin	50	22	72
31	Judicial Code of Conduct Training Batch 25	27-Oct-08	28-Oct-08	Pontianak	63	9	72
32	Judicial Code of Conduct Training Batch 26	4-Nov-08	5-Nov-08	Ambon	53	1	54
33	Judicial Code of Conduct Training Batch 27	10-Nov-08	11-Nov-08	Ternate	52	5	57
34	Judicial Code of Conduct Training Batch 28	25-Nov-08	26-Nov-08	Jayapura	61	12	73
35	Judicial Code of Conduct Training Batch 29	28-Nov-08	29-Nov-08	Jayapura	60	8	68
					1,862	**389**	**2,251**
1	Staffing Assessment Training	11-Mar-09	12-Mar-09	Jakarta	78	9	87
2	SC HR Data Information System Training Batch 1	24-Feb-09	27-Feb-09	Bogor	149	85	234
3	SC HR Data Information System Training Batch 2	10-Mar-09	13-Mar-09	Makassar	47	35	82
4	SC HR Data Information System Training Batch 3	2-Mar-09	5-Mar-09	Surabaya	40	30	70
					314	**159**	**473**
1	Budget Planning, MoF Application Training Batch 1	27-Aug-07	2-Sep-07	MoF Training Center, Jakarta	31	14	45
2	Budget Planning, MoF Application Training Batch 2	2-Sep-07	8-Sep-07	MoF Training Center, Jakarta	29	16	45
3	Budget Planning, MoF Application Training Batch 3	9-Sep-07	15-Sep-07	MoF Training Center, Jakarta	31	14	45
4	Budget Planning, MoF Application Training Batch 4	5-Nov-07	9-Nov-07	UIB, Batam	48	32	80
5	Budget Planning, MoF Application Training Batch 5	9-Nov-07	12-Nov-07	UIB, Batam	56	25	81
6	Budget Planning, MoF Application Training Batch 6	13-Nov-07	16-Nov-07	UIB, Batam	57	18	75
7	Budget Planning, MoF Application Training Batch 7	17-Nov-07	20-Nov-07	UIB, Batam	52	26	78
8	Budget Planning, MoF Application Training Batch 8	10-Dec-07	13-Dec-07	Jogjakarta	58	22	80
9	Budget Planning, MoF Application Training Batch 9	15-Dec-07	18-Dec-07	Jogjakarta	59	21	80
10	Budget Base Strategic Planning Workshop Batch 1	20-Feb-08	24-Feb-08	Denpasar	30	4	34
11	Budget Base Strategic Planning Workshop Batch 2	10-Mar-08	14-Mar-08	Denpasar	53	3	56
12	Budget Planning, MoF Application Training Batch 10	21-Apr-08	24-Apr-08	Makassar	58	21	79
13	Budget Planning, MoF Application Training Batch 11	26-Apr-08	29-Apr-08	Makassar	57	19	76
14	Budget Planning, MoF Application Training Batch 12	29-Apr-08	5-May-08	Makassar	63	13	76
15	Budget Planning, MoF Application Training Batch 13	5-May-08	10-May-08	Makassar	67	13	80
16	Budget Planning, MoF Application Training Batch 14	10-May-08	15-May-08	Makassar	47	24	71
17	Budget Planning, MoF Application Training Batch 15	25-May-08	30-May-08	Batam	56	17	73
18	Budget Planning, MoF Application Training Batch 16	30-May-08	4-Jun-08	Batam	47	18	65
19	Budget Planning for Court Middle Management Batch 1	16-Jul-08	19-Jul-08	Surabaya	60	14	74
20	Budget Planning for Court Middle Management Batch 2	23-Jul-08	26-Jul-08	Surabaya	79	13	92

Summary of MCC ICCP Training Participants Through March 2009

No	Training Title	Start Date	End Date	Location	Male	Female	Total
21	Budget Planning for Court Middle Management Batch 3	13-Aug-08	16-Aug-08	Surabaya	86	10	96
22	Uploading Budget & Finance Data Training	16-Sep-08	19-Sep-08	Jakarta	251	21	272
23	Budget Data Communication Training Batch 1	10-Mar-09	12-Mar-09	Jakarta	95	22	117
24	Budget Data Communication Training Batch 2	12-Mar-09	14-Mar-09	Jakarta	56	18	74
					1,526	**418**	**1,944**
1	Asset Inventory	26-Apr-08	27-Apr-08	ICCP Office Jakarta	23	5	28
2	Adherence to Asset Internal Control Training	1-Jul-08	31-Jul-08	Central Java, NAD, West Suma	198	37	235
3	Physical Inventory/ SABMN Maintenance Training	1-Jul-08	31-Jul-08	Central Java, NAD, West Suma	163	78	241
4	Adherence to Asset Internal Control Training	1-Aug-08	31-Aug-08	29 Provinces	81	18	99
5	Physical Inventory/ SABMN Maintenance Training	1-Aug-08	31-Aug-08	29 Provinces	89	11	100
6	Adherence to Asset Internal Control Training	1-Sep-08	30-Sep-08	29 Provinces	153	38	191
7	Physical Inventory/ SABMN Maintenance Training	1-Sep-08	30-Sep-08	29 Provinces	181	33	214
8	Adherence to Asset Internal Control Training	1-Oct-08	31-Dec-08	29 Provinces	323	81	404
9	Physical Inventory/ SABMN Maintenance Training	1-Oct-08	31-Dec-08	29 Provinces	374	73	447
10	Continued Asset Management Training	27-Jan-09	27-Jan-09	Jakarta	56	11	67
11	Reporting Court Asset Training	27-Jan-09	27-Jan-09	Jakarta	9	2	11
12	Planning Replacement and Disposal of Existing Assets Training	12-Mar-09	12-Mar-09	Jakarta	8	4	12
					1,658	**391**	**2,049**
1	Procedure on Electronic File of SC Decision Training Batch 1	7-May-08	8-May-08	Bogor	40	11	51
2	Procedure on Electronic File of SC Decision Training Batch 2	12-May-08	13-May-08	Bogor	39	22	61
3	Procedure on Electronic File of SC Decision Training Batch 3	14-May-08	15-May-08	Bogor	46	20	66
4	Online Public Decision Training	19-Mar-09	21-Mar-09	Bogor	22	9	31
					147	**62**	**209**
1	Public Relation Training	3-Dec-07	4-Dec-07	Puncak Inn, Ciloto	18	3	21
2	Law school for journalist	15-Dec-08	15-Dec-08	Jakarta	15	10	25
					33	**13**	**46**
1	Know Your Customer Training Bacth 1	4-Dec-07	5-Dec-07	Denpasar	78	36	114
2	Know Your Customer Training Bacth 2	12-Feb-08	13-Feb-08	Batam	42	29	71
3	Know Your Customer Training Bacth 3	25-Feb-08	27-Feb-08	Jakarta	142	73	215
4	Know Your Customer Training Bacth 4	13-Oct-08	13-Oct-08	Surabaya	58	18	76
5	Know Your Customer Training Bacth 5	15-Oct-08	15-Oct-08	Jakarta	53	32	85
6	Know Your Customer Training Bacth 6	16-Oct-08	16-Oct-08	Jakarta	48	5	53
7	Know Your Customer Training Bacth 7	20-Nov-08	20-Nov-08	Jogjakarta	115	144	259
					536	**337**	**873**
1	SAN System Training	3-Mar-08	6-Mar-08	PPATK Office, Jakarta	**3**		**3**
1	Audio & Video Recording Training	3-Nov-08	6-Nov-08	Jakarta	**16**	**2**	**18**
1	E- GP Training for Administrator and End User Batch 1 - 5	24-Mar-08	24-Apr-08	Plasa Bumi Daya, Jakarta	53	20	73
2	E- GP Training for Administrator and End User Batch 6	10-Mar-08	11-Mar-08	Surabaya	29	6	35
3	E- GP Training for Administrator and End User Batch 7	23-Jun-08	27-Jun-08	Bandung	27	11	38
4	E- GP Training for Administrator and End User Batch 8	23-Jun-08	27-Jun-08	Padang	8	6	14
5	E- GP Training for Administrator and End User Batch 9	4-Aug-08	11-Aug-08	Gorontalo	29	16	45
6	E- GP Training for Administrator and End User Batch 10	25-Aug-08	30-Aug-08	Padang	25	11	36
7	E- GP Training for Administrator and End User Batch 11	26-Aug-08	29-Aug-08	Gorontalo	41	19	60
8	E- GP Training for Administrator and End User Batch 12	19-Nov-08	28-Nov-08	Palangkaraya	43	8	51
9	E- GP Training for Administrator and End User Batch 13	9-Dec-08	11-Dec-08	Surabaya	9	5	14
10	E- GP Training for Administrator and End User Batch 14	11-Dec-08	16-Dec-08	Padang	33	15	48
11	E- GP Training for Administrator and End User Batch 15	12-Dec-08	19-Dec-08	Padang	37	15	52
12	E- GP Training for Administrator and End User Batch 16	2-Feb-09	6-Feb-09	Padang	112	41	153
13	E- GP Training for Administrator and End User Batch 17	9-Feb-09	13-Feb-09	Bandung	161	50	211
14	E- GP Training for Administrator and End User Batch 18	18-Feb-09	19-Feb-09	Palangkaraya	6	4	10
15	E- GP Training for Administrator and End User Batch 19	18-Nov-09	9-Dec-08	Gorontalo	82	27	109
					695	**254**	**949**
1	E- GP Training for Prospective Vendors Batch 1	June-08		Bandung	27	11	38
2	E- GP Training for Prospective Vendors Batch 2	August-08		Padang	15	8	23
3	E- GP Training for Prospective Vendors Batch 3	August-08		Gorontalo	41	19	60
4	E- GP Training for Prospective Vendors Batch 4	January-09		Padang	20	3	23
5	E- GP Training for Prospective Vendors Batch 5	January-09		Gorontalo	48	7	55
6	E- GP Training for Prospective Vendors Batch 6	February-09		Bandung	323	92	415
7	E- GP Training for Prospective Vendors Batch 7	February-09		Padang	126	55	181
8	E- GP Training for Prospective Vendors Batch 8	March-09		Bandung	155	41	196
					755	**236**	**991**

Geographic Distribution
MCC ICCP Training Participants Through March 2009

Provinces	CoC	HR	Asset	Financial	PR	e-Decision	KYC	SAN	A/V Recording	e-GP	Total
Nanggroe Aceh Darussalan	78	14	123	83							298
Sumatera Utara	95	22	125	106							348
Sumatera Barat	80	12	127	72						543	834
Riau	78	12	95	52							237
Jambi	75	12	48	49							184
Sumatera Selatan	74	12	52	51							189
Bengkulu	68	12	23	35							138
Lampung	77	12	44	60							193
Kep. Bangka Belitung	3	12	16	29							60
Kep. Riau	48			13			71				132
DKI Jakarta	99	110	129	173	46	209	353	3	18		1,140
Jawa Barat	99	14	154	128						913	1,308
Jawa Tengah	81	12	174	170							437
DI. Yogyakarta	74	12	29	41			259				415
Jawa Timur	24	22	187	148			76			64	521
Banten	81	10	28	31							150
Bali	72	5	41	35			114				267
Nusa Tenggara Barat	72	10	35	33							150
Nusa Tenggara Timur	91	12	67	42							212
Kalimantan Barat	73	10	61	53							197
Kalimantan Tengah	75	12	31	50						76	244
Kalimantan Selatan	72	12	59	75							218
Kalimantan Timur	86	12	51	66							215
Sulawesi Utara	64	12	30	39							145
Sulawesi Tengah	64	17	33	27							141
Sulawesi Selatan	101	17	142	95							355
Sulawesi Tenggara	61	6	28	42							137
Gorontalo	23	12	17	24						344	420
Sulawesi Barat	7	2		17							26
Maluku	56	12	24	29							121
Maluku Utara	58	12	24	24							118
Irian Jaya Barat	34			7							41
Papua	108	10	52	45							215
	2,251	473	2,049	1,944	46	209	873	3	18	1,940	9,806

Geographic Distribution
Asset Management Training Participants Through March 2009

Geographic Distribution
Financial Management Training Participants Through March 2009

Geographic Distribution
KYC Training Participants Through March 2009

Geographic Distribution
MCC ICCP Training Participants Through March 2009

Geographic Distribution
CoC Training Participants Through March 2009

NAD 78
SumUt 95
Kep. Riau
Riau 48
78
80
SumBar 78
Jambi 75
Kep. BaBel 3
74
SumSel
Bengkulu 68
Lampung 77
KalBar 73
KalTeng
KalTim 86
KalSel 72
75
SulTeng 64
Gorontalo 23
SulUt 64
SulBar 7
SulTra 61
SulSel 101
MalUt 58
Papua Barat 34
Maluku 56
Papua 108
DKI Jakarta 99
Banten 81
JaBar 99
JaTeng 81
DIY 74
JaTim 24
Bali 72
NTB 72
NTT 91

Geographic Distribution
HR Management Training Participants Through March 2009

NAD 14
SumUt 22
Kep. Riau
Riau 12
12
SumBar 12
Jambi 12
Kep. BaBel 12
12
SumSel 12
Bengkulu 12
Lampung 12
KalBar 10
KalTeng
KalTim 12
KalSel 12
12
SulTeng 17
Gorontalo 12
SulUt 12
SulBar 2
SulTra 6
SulSel 17
MalUt 12
Papua Barat
Maluku 12
Papua 10
DKI Jakarta 110
Banten 10
JaBar 14
JaTeng 12
DIY 12
JaTim 22
Bali 5
NTB 10
NTT 12

SECTION V. IMPACT EVALUATION SUMMARY

MCC ICCP supported the government of Indonesia's efforts to control corruption, increase transparency in government affairs, and build public sector institutions that are better able to carry out good governance. To accomplish these objectives, the project trained individuals from government agencies and their partners and stakeholders from the private and nongovernmental sectors. More than 9,800 people attended MCC ICCP training programs (see Table 5, below), and much of the project's lasting impact will come from the skills and awareness developed among those participants.

The end-of-project training evaluation carried out by the project team covered seven training programs implemented from 2007-2009:

- Judicial Code of Conduct training for judges
- Budget data communications application training for court budget officers
- Budget systems training for court middle managers
- "Know Your Customer" awareness training for authorized money changers
- "Know Your Customer" awareness training for general insurance companies
- E-GP system operations and awareness training for e-GP center staff and local government officials
- E-GP system operations and awareness training for private sector vendors

TABLE 5. MCC ICCP TRAINING PROGRAMS AND PARTICIPANTS SUMMARY

Training	Participants, male/female	Participant Profiles
Judicial Code of Conduct	2,251 1,862 M, 389 F	Judges from the Supreme Court, high courts, and selected district courts. Participants were from every province.
Court staffing assessment	473 314 M, 159 F	Supreme Court officials and selected high and district court officials from around Indonesia.
Court budget-based strategic planning	90 56 M, 34 F	Supreme Court leadership and high court judges.
Court budget data communications applications	1,320 994 M, 326 F	Budget officers from court working units (*satkers*) in every province.
Court budget systems and applications	262 225 M, 37 F	Chief judges, vice chief judges, registrars, and secretaries from high courts across Indonesia.
Court online uploading of finance and budget data	272. 251 M, 21 F	Budget and information officers from court *satkers* across Indonesia.
Court asset inventory management	2,049 1,658 M, 391 F	Asset and equipment officers in the Supreme Court Equipment Bureau and *satkers* across Indonesia.
Supreme Court online and electronic decision processing	209 47 M, 62 F	Supreme Court officials and registrar's office working teams.
Court public relations	21 18 M, 3 F	Supreme Court Bureau of Legal and Public Affairs staff, plus selected district court Public Affairs staff.
Law school for journalists	25	Journalists from major news agencies that cover

Training	Participants, male/female	Participant Profiles
	15M, 10F	the Supreme Court and legal affairs.
KYC awareness for money changers	400 262 M, 138 F	Money changer managers and staff from Jakarta, Bali, and Batam.
KYC awareness for general insurance companies	214 159 M, 55 F	General insurance company managers from Jakarta and Surabaya.
KYC awareness and outreach for university students	259 115 M, 144 F	Students in financial services-related faculties from *Universitas Teknologi Yogyakarta*.
STR/CTR storage area network use and maintenance	3 3 M	PPATK technology staff.
Court trial audio/video recording system training	18 16 M, 2 F	Students and operators from five universities working in partnership with KPK.
e-GP system functions and operations	949 695 M, 254 F	E-GP system administrators and end-users from governments in five provinces, plus central government/NEPS center staff.
e-GP system functions and operations	991 755 M, 236 F	Private sector vendors in five target provinces.
Totals	**9,806 participants** **7,545 M, 2,261 F** **7,899 government, 1,907 nongovernment**	

The results from MCC ICCP's training evaluation surveys and other post-training assessments by the project show that the technical capacity-building and awareness-raising activities conducted by the project and its government of Indonesia counterpart agencies were hugely successful. In all components, high percentages of participants said the training was valuable, that they felt more qualified and capable to carry out their job tasks, and that the skills they learned were directly applicable to their daily responsibilities as public sector officials.

The subsections below present the summary results of this training evaluation. A full training evaluation report is also available from the MCC ICCP project team.

A. JUDICIAL CODE OF CONDUCT TRAINING – EVALUATION RESULTS

Trainers	Participants
Supreme Court and high court facilitators trained by MCC ICCP specialists, together with facilitators and the project's international judicial ethics specialist	Supreme Court justices, high court judges, and senior judges from district-level courts in every province

The purpose of the Judicial Code of Conduct training course designed and implemented by MCC ICCP and the Supreme Court was to strengthen Indonesia's judiciary by creating a greater awareness among judges of proper judicial behavior, based on the Code of Conduct issued in December 2006 by the chief justice.

Tangible results from the Code of Conduct training program. Several actions by the Supreme Court in response to the MCC ICCP Code of Conduct program demonstrate the perceived value and impact of this project initiative by the court.

- Circular Letter (Surat Edaran) No. 10/2008 by Acting Chief Justice Harifin Tumpa, issued on December 16, 2008. This circular references the code of conduct proscriptions against giving or receiving gifts and instructs Supreme Court and high court officials to refrain from requesting gifts or assistance from staff or lower-court officials when making official visits or when lower-court officials visit the Supreme Court.

- Training of candidate judges by the Supreme Court *Pusdiklat*. This includes a module on the Code of Conduct, using the curriculum, scenarios, and other materials created through MCC ICCP.

- Training of district court judges from five locations by the USAID Anti-corruption and Commercial Courts Enhancement project, using the curriculum, scenarios, and other materials created through MCC ICCP.

- Joint Decree between Supreme Court and Indonesia's Judicial Commission regarding the Code of Ethics and Judicial Code of Conduct, No. 047/KMA/2009, signed on April 8, 2009 by Chief Justice Harifin Tumpa and Judicial Commission Chief M. Bustro Muoodas. This joint decree reiterates the 10 principles of the code and details the treatment of judges who violate the code and the process for applying sanctions.

Awareness of the Code of Conduct. MCC ICCP's evaluation survey showed improved knowledge of the code among judges following the training events. The proportion of respondents saying they had "expert" knowledge of the code rose from 10 percent to 40 percent following training. The percentage of participants who felt their knowledge was just "basic" (8 percent to 1 percent) or good (33 percent to 7 percent) fell significantly, with most of these individuals moving to the "expert" level.

Figure 1: Knowledge of the Judicial CoC among Judge Training Participants
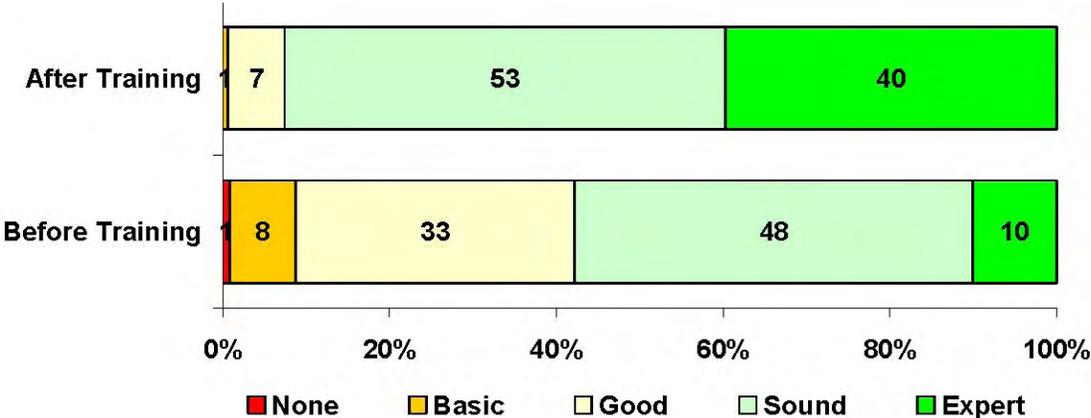
To define more clearly how aware judges were of the code's core principles and their meaning, MCC ICCP asked participants to list as many of those 10 principles as they could remember spontaneously. Project interviewers then mentioned some of the principles not listed by the survey respondents and asked if they recognized or knew the meaning of those principles as well.

Figure 2 below shows the level of awareness of the code on a scale of 1-10 (10 is most aware) among survey respondents. For the scores below, "awareness" is defined as the ability by the judges to recognize and list some of the 10 core principles in the code and to talk about what those principles mean in terms of their daily activities inside and outside the courtroom.

Figure 2: Respondent Awareness Levels of Judicial Code of Conduct
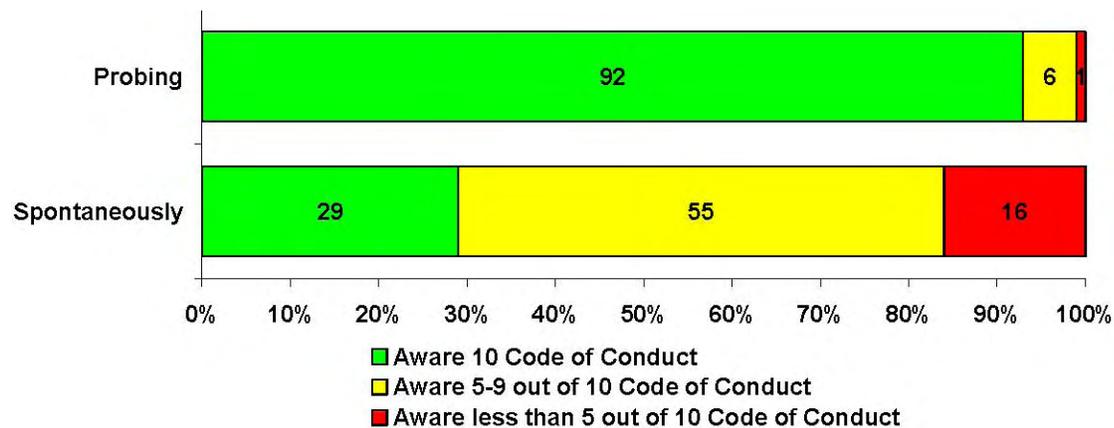
The top bar and percentages in the figure above show spontaneous responses by judge participants (without any probing by the MCC ICCP survey team), while the bottom bar shows answers by respondents after a reminder about some of the 10 principles the respondents did not list initially. To be scored as "aware" following this reminder, the judges had to demonstrate they understood the ramifications and practical applications of the principles mentioned by the survey team.

- Twenty-nine percent of respondents were immediately "aware" of the Code of Conduct's 10 principles and their practical applications, while another 63 percent — for a total of 92 percent — were aware of the code after a reminder of the principles they did not list initially.

- The principles most frequently mentioned by judge respondents were: having integrity, being fair, and carrying out justice. Interestingly, the two principles mentioned least frequently were being disciplined and being altruistic.

Code of Conduct attitudes and practices of judges. In total, 83 percent of survey respondents said they had changed their attitudes or behavior since attending the training program. These changes, they said, were effected to bring their actions in line with the requirements and restrictions of the code. By comparison, only a small minority of judges said they had adjusted their attitudes or behavior in accordance with the code before participating in the training course. When asked to describe their changes in attitude and behavior, many judges talked about one or more of the code's 10 principles, and within these responses there were some clear trends. The most frequent comments fell under the category "Proper vs. Improper Interactions with other Parties." These interactions, and the scenarios and prohibitions discussed extensively during MCC ICCP training events, clearly represent the most sensitive issues faced by judges in and out of their courtrooms. A sample of these comments follows:

"Now that I know more about the Code of Conduct and how to implement it, I can better defend myself should there be anyone trying to bribe me or other conducts that's forbidden according to the CoC principles."

"Before receiving the training, it was ok for me to answer questions from the parties in dispute outside of the court room, now I cannot and am not supposed to do it any more, and I do not. This is based on the Code."

"I can now refuse when people want to buy me things."

"I am reducing regular informal contacts with parties involved in cases or lawsuits."

The second most-frequently commented principle was discipline. More than one-fourth of the judges talked about discipline, and many of those referred to the video scenario that dealt with discipline. Judges' statements included the following:

"It is necessary to improve discipline in the court room, in and out of sessions."

"I now come to the office on time and try to finish up all of my work before deadline."

"I have to follow the rules and come to the office on time and go home on time, and also I have to obey the court sessions schedule."

Benefits of the training course. Participants placed a high value on the training. Eighty-two percent of respondents said the training benefited them and their fellow participant judges. The most frequently reported benefits were: availability of good or evidence to help guide practices, increased awareness of the code and the issues related to its implementation, positive reinforcement of good practices currently being carried out by judge participants, and peer discussions and agreements about what constitutes proper behavior under the code. One sample comment:

"This training brings such a great positive impact, as now I feel a lot more confident to conduct my assignment as a better judge compared to before I knew about the Code of Conduct."

Code of Conduct training recommendations. The key recommendations by judge participants and MCC ICCP team members for the course were as follows:

- Training should be held in conjunction with or with the participation of other actors in the judicial process, including professional (lawyer) groups and networks who are involved in the implementation of principles included in the code.

- Lower-court judges should be trained and made aware of the principles and implementation. (The training of 2,251 judges nationwide prioritized high court and senior judges.)

One common theme in judges' recommendations was the need for continued or increased involvement of the Supreme Court and other high officials from the courts, either in the training itself or more broadly to support, monitor, and enforce judges' compliance with the code. It is important to judges that the upper echelons lead by example and equally important that judges in courts across Indonesia believe that the code applies equally to all judges, including the justices of the Supreme Court. Several recommendations echoed this sentiment:

- The Supreme Court administration should be improved so the judges going to training like this are considered studying and not considered as taking leave, as it is now.

- The Supreme Court needs to create a direct monitoring/control to see whether the code is actually being implemented after training, and there has to be a punishment mechanism for those who do not implement this after the training.

The participants made some criticisms in their survey responses. These mostly concerned the amount of time allotted and the nature of the discussions, and in this way they were wholly consistent with their suggestions for improving the course. As a result, these comments have been included within the recommendations listed above.

Additional Code of Conduct training recommendations from MCC ICCP. In addition to the recommendations above, which arose from participants' experiences during the training program and from suggestions from the project's Supreme Court partners, the MCC ICCP team, and the project's judicial ethics expert has the following recommendations for continuation of the training and of awareness efforts:

- Training and use of senior judge facilitators to lead course sessions was an essential part of making this program successful. The Supreme Court should expand the initial training-of-trainers effort to develop a more extensive group of senior judges who can lead their colleagues in the understanding and practice of the principles.

- The Supreme Court should take a visible lead role in the Code of Conduct training program and also in supervision and enforcement of the code more generally.

- Scenarios should remain the focus of training and awareness programs, and additional time for discussion of scenarios should be provided in each program. This would mean the training program should be extended to 2-3 full days rather than 1.5+ days, as was the case with MCC ICCP.

- There should be closer cooperation between the Supreme Court and its trainers with Indonesian bar associations. Attorneys should know that judges are serious about reform and that any gift-giving to judges or employees will be dealt with in a serious manner. The Supreme Court should also conduct a training program for spouses of judges to make them aware of the prohibition of receiving gifts and the importance of perception to the reputation of judges and the court. It is often the spouse who has unreasonable expectations for financial reward from a judge's position.

B. BUDGET MANAGEMENT TRAINING FOR SUPREME COURT — EVALUATION RESULTS

MCC ICCP supported financial management reforms in the Supreme Court, a pilot agency for the government's bureaucracy reform program. Key project goals for judicial reform included improving the capacity of staff at the working and management levels to plan and create budgets and to make the accounting of budget creation and expenditures more transparent. To achieve this goal, MCC ICCP conducted two large national-level training programs for court personnel:

- Budget planning and communications, for court budget officers
- Budget system planning and development, for court managers

B1. Budget and Financial Data Communications Training for Court Budget Officers

Trainers	Participants
Ministry of Finance budget and software application experts, with facilitation by selected Supreme Court budget officials	Budget development officers and information technology operators in *satkers* in the Supreme Court, high courts, and district courts covering all four court types

Budget development and formulation must be carried out every year by every court. Budgets submitted by courts to the Supreme Court in Jakarta must follow agreed strategic plans, and must be based on unit costs that have been determined by the Supreme Court and supported by reliable budget documents. The ability among budget staff in court *satkers* to develop effective and reliable budgets is critical to this process for all courts in Indonesia.

MCC ICCP training improved the knowledge and skills of *satker* budget officers to carry out budget development and budget data communications through Ministry of Finance budget software applications. It was hoped that after attending the training and follow-up steps from the project and Supreme Court, the participants would understand the information systems related to *satker* financial management, and they would be able to carry out budget development and two-way budget communications with the Supreme Court using the RKA-KL application systems.

Comprehension and performance of training participants. Participant responses to the survey questionnaire show increased staff and *satker* comprehension and performance following the training. Overall, 78 percent of respondents gave positive responses to questions about the training programs. In addition, trainees responded positively to survey statements about the training program materials and relevance, with a majority of respondents giving high scores.

The most positive responses were in response to questions about the applicability of the training subject material to their *satker's* needs and daily tasks. Almost 90 percent of the respondents agreed the training was directly applicable, and 84 percent said they felt better equipped to complete their budgeting duties. The survey statements with the most negative responses were:

- The duration of the training was sufficient to allow full understanding of the training topics and materials — 20 percent gave negative scores, 66 percent gave positive scores.

- The case studies provided in the training are in line with actual problems you face in your *satker* — 15 percent gave negative scores, 68 percent gave positive scores.

- The implemented training schedule is in line with the materials provided in the training — 12 percent gave negative scores, 70 percent gave positive scores.

Thus, while a majority of respondents gave positive scores for the above three statements, the relatively larger negative response suggests it would be useful to provide the budget training for a longer period of time. However, because six consecutive days is probably the maximum amount available to most court personnel, refresher courses would be the most effective way to ensure that skills are being retained and used by participating budget officers.

B2. Budget System Training for Court Managers

Trainers	Participants
Supreme Court and Ministry of Finance officials with direct experience in budget policymaking	Chiefs, vice chiefs, registrars/secretaries, and vice secretaries of high (appeals) courts

This training program for court managers was predicated on the idea that effective budget planning and development should involve all components of an organization. The knowledge and skills of court managers must match or exceed those of the budget officers in the working units of those managers will provide the necessary guidance to their personnel on budget and financial management. To help build these skills, MCC ICCP worked with the Supreme Court and Ministry of Finance to conduct a budget system course for key court officials, including chief judges, vice chief judges, registrars/secretaries, and vice secretaries. One hoped-for benefit of including this broad scope of management personnel was to build a unified understanding among court leaders of how best to carry out court planning and budgeting.

Comprehension and performance of participants. Participants responding to the evaluation survey said they had a greater understanding and improved work performance after taking part in the training program. Specifically, 79 percent of respondents gave positive answers to the survey statements, while only 9 percent gave negative answers. The responses to the budget system training were even more consistently positive than for the budget officer RKA-KL training. For the court managers who took the training, the most accurate or important statements in the survey were the following:

- Training has enabled you to better complete your budget and planning tasks (90 percent "yes")
- Training is relevant to the needs of your working unit (88 percent "yes")
- Materials provided are sufficient to accomplish your budgeting or planning tasks (88 percent "yes")
- Your current job is relevant to the training received (88 percent "yes")

Again, similar to the companion training on budget data communications, the budget system training survey revealed that the most significant negative response by participants concerned the amount of time allotted to cover the topics being taught. Nine out of 42 respondents — 21 percent — indicated there was insufficient time to allow full understanding of the materials.

Considered with the other positive responses about training benefits, the conclusion again is that participants would value additional time for this training, perhaps by splitting the course into consecutive sittings or modules, or holding refresher courses for participants some months after the initial workshop.

B3. Tangible Results from the Budget Data Communications and Budget Systems Training

- Several actions by the Supreme Court in response to this budget training program demonstrate the perceived value and impact of this project initiative:

- Circular Letter No. 167/BUA/2007 regarding Testing of E-mail Communications in High Courts. Issued by the head of the Supreme Court's Administrative Affairs Body, Mr. Subagyo, on September 14, 2007. This letter instructs high court chief judges to instruct their personnel to carry out a trial run test of e-mail communications to the Supreme Court Planning and Finance Bureaus as a follow-up to the budget data communications training.

- Submission of the 2009 Annual Budget by the Supreme Court in record time. After submitting following the deadline for many years, it submitted to the Ministry of Finance as one of the first government agencies to complete its annual budgeting exercise. This successful, accelerated budgeting process by the Supreme Court was the result of more efficient process using the budget applications and systems learned through MCC ICCP-supported training.

B4. Recommendations for Court Budget Training

MCC ICCP makes the following recommendations for court budget training courses similar to those conducted by the project during the past two years:

- The Supreme Court should organize similar courses on budgeting and budget data communications on an ongoing basis to ensure that court officials and their staffs understand these processes and are able to develop and submit budgets effectively and on time. Such training should include officials from all levels and types of courts.

- Subsequent training in these areas should allow sufficient time for teaching, include computer or online sessions as part of the training agenda, and include refresher courses for practitioners to ensure they are able to use the programs effectively in their working units.

- It is important that instructors are well-versed in the relevant finance applications and court administration procedures. For this reason, future training should continue including trainers from the Supreme Court and Ministry of Finance.

C. KYC Training for Money Changers and Insurance Companies – Evaluation Results

Trainers	Participants
PPATK officials from the Enforcement and Legal Divisions, *Bapepam-LK* officials, plus international KYC/AML specialist from MCC ICCP	Managers and staff from authorized money changer companies in Jakarta, Batam and Bali, plus managers and staff from general (non-life) insurance companies in Jakarta and Surabaya

A well-diversified financial sector with sound banks and NBFIs is key to supporting the Indonesian government's development objectives of increased economic growth, greater job creation, and a better standard of living for Indonesians.

MCC ICCP worked with PPATK to increase the agency's capacity to prevent and fight money laundering. The majority of the project's work in this area comprised a KYC initiative for NBFIs that included training, awareness activities, and nationwide media communications campaigns. The training portion of Task 2 exclusively supported NBFIs such as money changers and insurance companies.

For the money changer component, MCC ICCP targeted money changers in the three locations where the most non-bank foreign exchange transactions take place: Bali, Batam, and Jakarta. For insurance companies, the project focused on general (non-life) insurance companies in Jakarta and Surabaya. The training sought to increase the awareness and skills of NBFIs in development of a system for identification of customers and suspicious financial transactions, identification and monitoring of high-risk customers, and preparation of STRs and CTRs to be submitted to PPATK.

Tangible results from KYC training. Results that grew out of this training and awareness activities included:

- A significant increase in the number and relative percentage of STRs submitted to PPATK by authorized money changers and general insurance companies following implementation of KYC training and associated public awareness campaigns supported by MCC ICCP.

KYC evaluation survey results. Training survey responses by NBFI participants demonstrated a clear understanding of KYC principles and the issues discussed in their training. Most respondents (71 percent) knew that the goals of the KYC regulatory framework are twofold: 1) to ensure appropriate customer identification and 2) to monitor transactions of a suspicious nature. All respondents correctly described the procedures and steps required to submit STRs and CTRs to PPATK and were aware of the importance of implementing KYC principles. A typical statement was the following, as noted by one survey participant:

"It's clear enough and quite simple to fill out the STR/CTR forms and submit the report; it's just a matter of willingness and support from our company."

Attitudes and practices. Eighty-nine percent (41 trainees) of respondents said their companies already conducted due diligence for all customers who carry out transactions equal to or more than IDR 100 million, by requesting and collecting copies of photo identification issued by the

government. Most of these participants said they had never encountered a negative response from their customers when they asked for such identification. A representative comment on this topic from an employee of a general insurance company was:

"Following steps in the internal guideline book, we fill out and ask for supporting documentation before issuing the insurance policy"

At the same time, although just about all survey respondents said they already knew how to identify their customers, most confessed they had difficulty implementing appropriate risk-based procedures designed to verify their belief that they knew the true identities of those customers. For example:

"It is hard to validate the identification card, especially when the customer gives us an identification card from out of town."

This statement and others like it offer a suggestion for how KYC training could be improved, perhaps by including a more intense module or session on identification card forensics and verification, to be attended by designated NBFI staff.

Twelve respondents (26 percent) went so far to confirm that they had previously submitted STRs to the central government regulator (PPATK), but in every case they said they never received a response or follow-up action. Again, this finding supports the idea of including a module or session in the training entitled: "What happens after you file an STR or CTR?"

A summary of the stated changes in business and compliance practices by participants from money changers and insurance companies is presented below, with examples of respondents' statements.

Changes in practices by money changer businesses and employees:

"We have become more cautious in dealing with all transactions, especially those that are equal to or greater than Rp 100 million."

"We ask our customers for a valid ID or other personal documents."

Changes in practices by general insurance businesses and employees:

"We request our customers to complete a form that explains the source(s) of their funds."

"We have formed a working unit on implementation of KYC principles, making sure all application and claim forms are properly completed and cross-checked."

"We hand out a periodic questionnaire to our staff so they will be reminded of the KYC principles and are always on the alert for any suspicious claims. These questionnaires are then submitted to our head office for evaluation."

Benefits of the training. There was universally positive feedback from surveyed participants that the KYC training should be attended by NBFI staff who did not attend, and that the course should be given to all types of NBFIs in all sectors. There was also evidence that participants would appreciate refresher training and updates on proper compliance procedures. The most frequently reported benefits of were the availability of good examples on which to guide practice, raised awareness of the topic, positive reinforcement of existing good practice, and discussion and agreement of good practice.

MCC ICCP has learned that this positive attitude toward the training stemmed in part from the recognition that the regulatory agencies are serious about enforcing the rules among their industry counterparts and that any potential negative impact of strict compliance with KYC principles would be counteracted by universal compliance within a given industry or across NBFI industries. Such broad-based compliance would more effectively seal off alternate channels for laundering money and avoid placing the burden of reduced business on a single company or industry.

There was also recognition among money changer participants that by following the rules of KYC and displaying the secure logo from Bank Indonesia that identifies them as an Authorized (Licensed) Money Changer (logos produced by MCC ICCP), they would potentially gain new foreign customers who were targeted by the Bank Indonesia "Use Authorized Money Changers" awareness campaign carried out through MCC ICCP and tied to the project's KYC training and awareness events.

Recommendations and areas for improvement. MCC ICCP makes these recommendations for future NBFI KYC training courses:

- Future KYC training should include a more intense module or session on identification card forensics and verification, to be attended by designated NBFI staff. Support verification, which is the key next step after requesting identification for customers conducting transactions.

- Given the statements from KYC training participants about the lack of response from PPATK after filing STRs, a module or session should be included in future KYC courses that respond to the question: "What happens after you file an STR or CTR?"

- PPATK, Bank Indonesia, and *Bapepam-LK* should take full advantage of the KYC awareness campaign brands, logos, and extensive materials developed in cooperation with MCC ICCP to enhance their KYC messages and encourage compliance by industries and customers alike. The brands developed and implemented with project support belong to the Indonesian government and the level of brand recognition are valuable assets in the government's fight against money laundering.

- Bank Indonesia and *Bapepam-LK* should follow-up KYC training and compliance campaigns by auditing implementation of KYC and anti-money laundering laws by NBFIs.

D. ELECTRONIC PROCUREMENT SYSTEM TRAINING FOR PROVINCIAL OFFICIALS AND PRIVATE VENDORS

Trainers	Participants
LKPP and NEPS center officers from Jakarta plus provincial e-GP center training team members who received training-of-trainers through the project	Provincial e-GP center staff, provincial government officials serving on tender committees or in charge of issuing tenders, and private sector vendors interested in bidding on e-tenders — all in the project's five target provinces

Electronic procurement provides opportunities to strengthen procurement efficiency, thus to improve the timely and cost-effective delivery of public services. Electronic procurement also facilitates public access to procurement information. Electronic government procurement has been proven to produce transparency and significant savings for countries that have implemented it at national or local levels.

In addition to setting up five provincial satellite e-GP centers and moving forward the development and refinement of NEPS software and hardware, MCC ICCP carried out a range of training and awareness activities in target provinces: West Sumatra, West Java, East Java, Central Kalimantan, and Gorontalo. These activities included:

- Operational training of e-GP center staff in provinces and NEPS center staff in Jakarta

- Training-of-trainers for key e-GP center staff, including repeat refresher training

- Training of relevant e-GP center and NEPS center information technology staff on hardware and software systems procured and installed through the project

- Training of provincial government officials and tender committee members in NEPS and e-GP center operations

- Training of private sector vendors in e-GP registration and tender operations

- Awareness events in provinces for local government, private sector, NGOs, media and the general public

- Launch events for e-GP centers opening their doors or carrying out initial public tenders

MCC ICCP focused its e-GP training evaluation survey on core staff of the provincial centers and the training they attended on how to use NEPS and how to operate (manage, train, monitor) their satellite e-GP centers. In addition, a small sample of private company vendors were surveyed about their benefits and perceptions of the training.

Tangible results from e-GP training. Results that grew out of this training and awareness activities by the project included:

- Successful establishment, training, and operation of five provincial e-GP satellite centers using NEPS in West Sumatra, West Java, East Java, Central Kalimantan, and Gorontalo.

More than 150 provincial government tenders were processed through these e-GP centers as of April 2009 for a value of Rp 429 billion and an average cost savings of 14.7 percent of signed contract values.

- Enhancements and expansions of NEPS completed by LKPP and NEPS center personnel in Jakarta and rolled-out effectively to e-GP centers in MCC ICCP provinces and dozens of additional provincial and city/regency e-GP centers nationwide.]

Survey data show that participants recognized and appreciated the value of the courses they attended. It was notable that due to the newness of electronic procurement in most of the target provincial governments, for most participants, the MCC ICCP-supported training represented their first exposure to formal training on this topic.

Awareness of e-GP steps and procedures. Fifty-two percent of respondents correctly described the steps and procedures of the e-GP system and said they were confident they could apply the system correctly. In some cases, people surveyed had attended training several months before the evaluation. In addition, some respondents had since used NEPS for tenders in their provinces, while others had not yet used the system in their daily work. In general, however, there was quick understanding of the procurement concepts, while the technical — and technological — aspects required more attention, according to participants. For example:"There is no significant difference with the manual system. The difference is only to do the (tender) announcement, results, and a few bidding processes online in the Web site."

Even so, the fact that only a little more than one-half of participants surveyed could describe in detail the steps involved in e-procurement through NEPS is an indicator that additional refresher training is required for users and administrators — particularly in locations where there is a significant time gap between the conduct of courses and the processing of tenders through the e-GP system where the training took place.

There was also evidence that the legal and regulatory basis for electronic government procurement was not widely understood by people who had attended e-GP training. When asked about the presidential decree that underscores the government e-GP strategy, most participants were unable to provide details of the decree's provisions. This imbalance between knowledge of e-GP functions and processes on the one hand and the legal and regulatory issues on the other is an issue that should be addressed during ongoing training for previous and new participant groups.

Attitudes and practices of participants. By the time of the evaluation survey, 63 percent of the respondents had some experience applying their e-GP system skills for practical purpose, and most of those agreed that the resulting tender processes were more accountable and faster than the previous manual procurement system. Within this group, more than half stated that e-GP was simpler or easier than the manual system.

Among the 37 percent of respondents who had not yet applied their skills on the job, the most common reasons had to do with the pace of e-GP implementation in their provinces and the delays in the issuance of tenders to be run through NEPS. A much smaller number of local

officials said one reason for the delay was a technical difficulty with system operations. A representative sample of these comments is presented below:

"We still do not have the selected branch for using NEPS, because there are only some branches of the local government that will be appointed to conduct e-GP."

"Implementation of e-GP is still only at the awareness campaign level, while the implementation is waiting for the governor's decision."

"e-GP is not yet implemented in my office because we specialize in construction. (vendor comment)"

"We have not yet implemented e-GP since we are at the kabupaten level."

"The Web site cannot be opened and the server drops all the time. The office is ready, but the technology environment is not."

Benefits of the training. There was almost universal support for the concept and benefits of electronic procurement of goods and services among local government officials and private sector vendors. Although much of this response is probably due to the demonstrated utility of e-GP in making procurements more efficient and straightforward, it is reasonable also to attribute some of this positive response to the effectiveness of the training on how to use the e-GP and NEPS systems themselves. Typical comments included the following:

"We have used the Pilot Package and we experienced a reduction in cost, mnimization of procedures, less need for central government involvement, reduction in corruption-collusion-nepotism practices, and significant enthusiasm from vendors."

"We have to use technology if we do not want to be left behind, and e-GP makes our job a lot easier."

"e-GP provides us with the tools to serve the people better."

There was significant feedback that the training programs should be conducted again for those who could not attend, and/or offered to all local government institutions. Eighty-one percent of respondents thought their colleagues needed to be trained on these topics. There was also oft-repeated evidence that participants would appreciate follow-up training and updates. For example:

"The Procurement Committee members in my office always rotated among all staff each year. It will be much better if they all received e-GP knowledge and skills directly from the experts rather than from me."

Recommendations and areas for improvement. The project makes the following recommendations for future e-GP courses:

- The most common suggestion was to expand e-GP training, either to include new batches from local government (including cities and *kabupatens*), provide more in-depth or real-life training for NEPS users, or hold refresher courses for e-GP administrators and end-users who have already received some training.

- It should be noted that the recognition by LKPP and MCC ICCP of the need for ongoing training was the reason for the project's extensive training-of-trainer and refresher training courses for e-GP center staff in five provinces. Due to this investment, LPSE and NEPS center staff are now qualified to provide additional courses requested by participants.

- The imbalance between knowledge of e-GP functions and processes on the one hand, and the legal and regulatory issues on the other, should be addressed during future training for new or refresher groups.

- Training interventions — especially refresher training — should be prioritized in locations where there has been a significant gap between the conduct of training and the processing of tenders through the e-GP system where the training took place.

- Training should be systematically rolled out to the city and regency levels, once a critical mass of provincial-level officials have been trained.

- As experience with electronic procurements spreads, training teams in e-GP centers should use real-life situations and simulations as part of their training modules, especially when local governments are starting to use NEPS for a new sector or more complicated type of procurement (e.g., construction).

- Additional regulations to implement e-GP at the local level should be established and issued as quickly as possible, to enable full implementation of national laws and decrees such as Presidential Decree 80 of 2003.

- Implementation of e-GP needs to be supported actively by the local political leadership, who in turn must provide the required vision, execution strategy, and enabling policies.