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January 30, 2003

Mr. Jon Wegge
Cognizant Technical Officer
United States Agency for International Development
c/o American Embassy
Jl. Medan Merdeka Selatan 3-5
Jakarta 10110, Indonesia

RE: Contract No. LAG-I-00-99-00036-00, Task Order No. 806
UI Project 06967-008, Development of the Foundation for Local Government Innovation
Quarterly Task Order Progress and Cost Report, October to December 2002

Dear Mr. Wegge:

Please find enclosed the *Quarterly Task Order Progress and Cost Report, October to December 2002,* Development of the Foundation for Local Government Innovation as required under Section F.12 of the above referenced contract.

Please direct any technical questions to Mr. Leroy Hollenbeck, Chief of Party at (36-1) 475-4568 or leroy@clgi.or.id. Questions of a contractual nature should be addressed to me at (202) 261-5396.

Sincerely,

Maria C. Stern

Maria C. Andrade-Stern

Enclosures

cc: Dale Gredler (CTO, USAID Washington)
John Tabor (Resident Advisor, IPA)
Leroy Hollenbeck (CoP, Chemonics International)
USAID Development Clearinghouse
IAC Deliverables File (06967-008)
IAC Chron File

QUARTERLY TASK ORDER PROGRESS AND COST REPORT

OCTOBER TO DECEMBER 2002

DEVELOPMENT OF THE FOUNDATION FOR LOCAL GOVERNMENT INNOVATION (Indonesia)

Prepared for

Development of the Foundation for Local Government Innovation
U.S. Agency for International Development
Contract No. LAG-I-00-99-00036-00, DO No. 806

Prepared by

LeRoy Hollenbeck
Chemonics International
(Subcontractor to the Urban Institute)

and

The Center for Local Government Innovation (CLGI) Professional Staff

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January 2003
UI Project 06967-008

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ATTACHMENTS

- Cost Report
- Reports, Papers, Publications
- CLGI Inventory List
- YIPD Board Members
- CLGI Structure/Organization Chart

QUARTERLY TASK ORDER PROGRESS AND COST REPORT

October to December 2002

Development of the Foundation for Local Government Innovation (Indonesia)

Task Order No.:	LAG-I-00-99-00036-00, DO No. 806
Date of Issuance:	October 10, 2001
Amount Obligated Under Task Order:	$ 2,600,000
Total Potential Task Order Amount:	$ 5,546,216
Dollars Expended To-date:	$ 1,470,783

Key Personnel: Mr. LeRoy Hollenbeck, Chief of Party
62-21-390-2422; 391-8704; leroy@clgi.or.id

Task Order Description

Under this three-year Task Order, an independent, non-profit Indonesian foundation (*yayasan*) will be established to support Indonesian Local Government Associations, and Indonesian local governments themselves, to gain access to expert advice, analysis, and services that assist them to improve their performance. The objective is to develop the foundation as a technical service organization that is a sustainable resource of ideas, concepts, and innovations on a broad range of local government issues and sectors. The foundation is to be "owned"[1] by local governments and their Associations for the purpose of contributing to Indonesia's decentralization program by enabling local governments to manage and provide services and resources effectively. It is expected that the foundation will offer expert advice and policy analysis for use by the Local Government Associations in programs of advocacy on behalf of local governments. It is also anticipated that the foundation will seek to become a respected and authoritative clearinghouse for information on local governments with extensive domestic and international links to other institutions that possess resources useful to local governments.

I. HIGHLIGHTS

This 5th Quarterly Task Order Progress and Cost Report[2] highlights major activities of the quarter just completed, the first quarter of the second year of Project implementation. The focus remains on how the

1 "Owned" is defined to mean that nominated local government officials and the Executive Directors of the Local Government

Center for Local Government Innovation (referred to hereafter either as the Center or CLGI) will become a sustainable organization in support of Indonesian decentralization. Approximately 20 months remain to ensure that financial and technical sustainability, and the Center's independence post-USAID support, can be achieved.

The horrific bombing in Bali, Indonesia, on 12 October generated a number of aftershocks that had an impact on the ability of CLGI staff to fully implement planned activities during the Quarter just ended. First was the U.S. Embassy-issued ordered departure from Indonesia "non-emergency" U.S. Embassy personnel, including DLG staff and contractors. After much negotiation and debate, the Mission decided that long-term U.S. contract personnel whose USAID-funded programs were deemed essential would be allowed to remain in country but dependents would be required to leave. After numerous consultations with the Director of the DLG Unit within USAID/Jakarta, the Chief of Party decided that both he and the Project's Director of Technical Services would remain in Indonesia to supervise/maintain implementation of Project activities.

Second, the ordered departure resulted in a ban on short-term consultants from the U.S. to travel to and work in Indonesia. Consequently, neither UI's Harry Hatry nor Olga Kaganova was able to return to Jakarta to complete their respective assignments in performance management and asset management.

Despite these impacts, CLGI national and expatriate personnel were able to make significant progress on a number of critical program activities.

During the Project's 5th Quarter, CLGI continued its efforts to transition from a USAID-financed project to an institutional program run through a legally established Indonesian *yayasan.* With the *yayasan* now a legal Indonesian entity, what remains is to completely transition program and administrative responsibility from the USAID contractors to the *yayasan* prior to the end of August 2003.

The major highlights of the Quarter just ended are:

1. CLGI staff successfully completed all requirements and formally registered *Yayasan Inovasi Pemerintahan Daerah* (YIPD) as an Indonesian foundation on 20 December 2002. All three *Yayasan's* boards – pembina, pengurus, and pengawas – were established and the process of recruiting the *Yayasan's* national Executive Director was initiated.

2. The Center continued progress on implementing its regional pilot projects in both performance and property asset management. Of significance is the willingness and ability of local governments to provide funding for all local costs associated with these pilot activities.

3. The Center entered into its first two non-USAID funded agreements, one with the Government of Canada through the Canadian International Development Agency (CIDA) and the second with the private oil and gas company, ExxonMobil. CLGI staff successfully prepared proposals and budgets and negotiated with both partners to undertake a series of decentralization initiatives in their respective areas of operation/interest.

4. The CLGI Website and Database were completed and placed on the Internet for beta testing. In addition the first edition (in Bahasa Indonesia) of the CLGI Newsletter "Innovation CLGI" was issued and distributed.

II. PROGRESS OF MAJOR ACTIVITIES

The CLGI Team made significant progress during the Project's 5th Quarter. A detailed description of the Project's major activities according to their respective tasks as expressed in the approved CLGI Year 1 Work Plan is provided below:

Task 1. General Program Support Activities

- The acquisition of miscellaneous furniture and equipment for CLGI wound down during this quarter. For current details, please see the attached CLGI inventory list as of 26 December 2002.

- CLGI staff prepared a draft Year 2 Work Plan, which was submitted to the Urban Institute and Chemonics. During a visit to Washington, D.C. in December, the Chief of Party met with senior DLG/USAID staff (in D.C. because of the ordered departure). The draft Year 2 Work Plan was discussed and, although final approval will not come until after the Work Plan is formally submitted, initial approval was given based on the program described.

Task 2. Foundation Development

Staffing/Recruitment (see attached CLGI Structure/Organization)

- The Center's Local Government Evaluation Specialist, Mr. Azwar Hasan, commenced his long-term assignment with the Center on 8 November 2002. Primary responsibilities include implementing an overall assessment and evaluation of the effects of policies, programs, services, systems, practices and behavior of local governments related to decentralization.

- The Center's Local Government Information Specialist/Librarian, Ms. Eko Susi Rosdiana Sari, started her long-term assignment at the Center on 11 November 2002. Among other assignments, she will have operational responsibilities for the Center's Innovations and Best Practices Clearinghouse.

Recruitment of both the Local Government Evaluation Specialist and the Information Specialist/Librarian completes recruitment of the Center's entire professional staff, except for the national Executive Director.

- Mr. Prima Setiawan, a short-term Local Government Financial Policy Specialist under a seven-month purchase order through DLG/USAID, continued his assignment in close

collaboration with other CLGI staff. He will complete his work with the Center at the end of February 2003.

- Mr. Anies Baswedan, the Indonesian PhD graduate student at the University of Northern Illinois, who assisted the Center in getting the *Yayasan* legally registered with the Indonesian Government, returned to the U.S. early December 2002.

- Although the Center is ready to receive two new long-term staff and is looking forward to their joining the CLGI team, contracts have yet to be signed with the two contractors selected to implement the new USAID-financed Decentralization Policy Activity and the Building Local Government Capacity to Manage Basic Education Activity. Therefore, the national Decentralization Policy Analyst and national Education Specialist have not yet taken up working residence at the Center. It is expected they will start their respective assignments during the first Quarter 2003.

Organizational Development

- The Center's Organizational Development (OD) Plan for Year 2 was drafted for discussion with the Project's CTO. After receiving comments and approval from the CTO, it will be incorporated into the Year 2 Work Plan.

- Mr. Endi Rukmo's short-term assignment as the Center's Local Government Management Specialist – Foundation Organization was extended an additional two months enabling him and his team to successfully complete all of the requirements for registering CLGI as an Indonesian foundation (*yayasan*), officially called *Yayasan Inovasi Pemerintahan Daerah* (YIPD). The CLGI team finished collecting relevant documentation on existing Indonesian *yayasans*; met with two highly respected lawyers (Mr. Fred Tumbuan - one of the writers of Law 16/2001; Mr. Greg Churchill) to obtain legal advice on *yayasan* registration and how to write the bylaws; prepared several drafts of the YIPD bylaws (*Anggaran Dasar; Anggaran Rumah Tangga*) in close collaboration with representatives from the Local Government Associations; identified all members of the *Yayasan's* three Boards[3]; and completed all of the legal requirements needed to formally register the *Yayasan* as an Indonesian foundation with the Indonesian Department of Justice. On 20 December 2002 YIPD became a legal Indonesian institution. A list of current Board members is included at the end of this report.

- Prior to formal registration of the *Yayasan*, CLGI staff organized two critical meetings: 1) the first, called by YIPD Founding Board member Erma Witoelar, with the Executive Directors of the Local Government Associations; and 2) a second meeting with all YIPD Board members to select officers. Because of some dissension and last minute lobbying on the part one or two junior level Local Government Association staff prior to formal registration of the *Yayasan*, the Center's Executive Director met with senior staff of

[3] The two members of the fourth Board, the Pendiri, or Founding Board, became members of the YIPD Board of Directors once the *Yayasan* was legally established.

USAID's BIGG program to discuss their role in ensuring participation of the Local Government Association Executive Directors on the YIPD *Pengurus* Board. The Executive Director also visited with staff of the Local Government Associations to assess their commitment to participate on the YIPD Board.

Networking/Institutional Strengthening

Secretariat Function

- CLGI strengthened its role as the Secretariat of the Best Practices Coordinating Group (BPCG). The Center's Local Government Evaluation Specialist assisted in organizing four BPCG meetings to discuss best practices of local governments. CLGI successfully engaged 44 representatives from 21 organizations (local NGOs, Donors, Associations of Local Governments) to participate in this best practices activity. With open membership and an open forum approach, the group discussed issues related to best practices. Organizations currently participating in the BPCG include the Local Government Associations (APKASI, APPSI, APEKSI); the World Bank; Management Science for Health (MSH); AusAid; BIGG; BUILD/UNDP; DFID; FIKB; Ford Foundation; GTZ-SFDM; GTZ-SFGG; JICA; KPPOD; LGWS; NDI; PERFORM and The Asia Foundation.

- To make the BPCG more effective and to develop standards of best practices, the group members agreed to establish a best practices working group (*POKJA Standards Best Practices*) for two reasons: (a) it is more effective to have a smaller group with a strong commitment to discuss and develop best practices issues on local governments in Indonesia; and (b) the working group could be tasked to develop and produce a set of best-practices standards on local governments in Indonesia. It is expected this working-group will produce guidelines for selecting best practices/good practices/lesson learned in Indonesia. The output of this working group should be available and accessible for all stakeholders who share similar concerns. CLGI, as the Secretariat, selected ten qualified candidates, which include representatives from APKASI, AusAid, BIGG, BUILD/UNDP, DFID, Ford Foundation, GTZ-SFDM, ILGR/World Bank, MSH, and PERFORM.

- CLGI staff are compiling descriptions of best practices, good practices, and lessons learned in policy, management, and governance of local governments, as documented by various organizations, including NGOs, international development projects, and donors, i.e., the Local Government Associations, USAID (BIGG; PERFORM), GTZ (SfDM), World Bank (ILGR), UNDP (BUILD), JICA, AusAID, CIDA, and URDI.

- CLGI's Local Government Evaluation Specialist initiated a mapping study of Indonesian local governments and best practices and collected and compiled data of best practices, good practices and lesson learned from various sources, including URDI, BIGG, IRDA, and the World Bank. CLGI will keep continuing to update this data for the future. In collaboration with the Center's Information Specialist/Librarian, data was collected and compiled on existing Kotamadya, Kabupaten and Provinces for inclusion in the Center's Clearinghouse database.

- CLGI was requested to become the Secretariat for what will be the Local Government Participatory Planning Coordinating Group. CLGI staff met with both Kai Kaiser (WB) and Bernhard May (GTZ) and discussed current progress of participatory planning activities being implemented by a number of the donors, the role of the Center in coordinating this activity, and the need to call a meeting of the stakeholders.

- CLGI hosted the first Local Government Participatory Planning Coordinating Group (LGPP/CG) Meeting. Nineteen people representing 11 different donors/projects participated - USAID, ADB, WB, UNDP, GTZ, Canadian Embassy, PERFORM, BIGG-Budget, BUILD, MSH Health and CLGI. CLGI was approved to be the Secretariat for this new Coordinating Group. The first meeting was called as an initial effort to provide some coordination and information exchange and address strengthened delivery of participatory planning as a benefit to local governments. The agenda included (1) brief presentations from each donor/project on various approaches, methodologies and progress to date with their participatory planning programs; (2) a discussion of commonalities and differences among the various implementation approaches and an identification of strengths, gaps and weaknesses in implementation; (3) a discussion of the need for and ways/mechanisms/ systems of implementing participatory planning at all levels of local government; and (4) a discussion of the need, relevance and possible approaches of combining the best of the various participatory planning processes with performance budgeting activities. CLGI, with input from the Group members, will design a matrix detailing various aspects/ characteristics of participatory planning being implemented by the donors under their respective projects/programs as well as geographic locations.

Asian Development Bank

- CLGI staff hosted an ADB Technical Assistance Team preparing a project on Local Government Capacity Building. While initial indications were positive that The Center would be included in the project's implementation expected to begin sometime in late 2003, CLGI staff later met with a representative from the ADB Local Government Capacity Building for Decentralization TA, Mr. Florian Steinberg. CLGI was informed that MOHA decided that CLGI should be "de-listed" as a member of the Project's Evaluation and Review Board (Badan Pengkajian dan Penilaian) that was being proposed under this new project. During an informal review of progress on the TA, a senior MOHA official stated that CLGI is "not government" and, therefore, does not need to participate on this board with LAN, MOHA, Bappenas, Local Government Associations, etc.

GTZ

- GTZ advisors (Mr. Tumpal Simanjuntak; Mr. Gunter Felber) from their Support for Good Governance Project visited CLGI. Information was exchanged on both programs. This particular GTZ project is working in three locations - Kabupaten Bima (NTB); Kabupaten Solok (West Sumatra); the city of Salatiga (Central Java) in areas of civil administration and registration, civil service reform and civil society and public service delivery. Because

of some interesting best practices in education and health that have been generated, the GTZ team was invited to join the CLGI Best Practices Coordinating Group. Although this GTZ Project runs for another 5 to 6 years, they are already exploring mechanisms to institutionalize their successes and are looking to either the Local Government Associations or CLGI as the vehicle/mechanism.

- On the occasion of their 10th anniversary in Indonesia, CLGI was invited to participate in the GTZ Seminar on Decentralization and Technical Assistance.

Indonesian Center for Women in Politics

- CLGI staff continued collaboration with Ms. Titi Sumbung, Director of the Indonesian Center for Women in Politics (ICWIP) exploring ways CLGI and ICWIP could work together, specifically in disseminating materials from Bangkok seminar to government officials at Central as well as Regional level.

Integre Quadro

- CLGI hosted a meeting with a senior management/training team from PT. Integre Quadro based in Bandung, West Java. This firm has expertise on changing mind-set/paradigm of people in organizations and has been successful in implementing the program in private and public companies such as Caltex, Pertamina, and PLN (Public Electricity Company). CLGI staff and PT. Integre Quadro exchanged ideas on forming a mutually beneficial collaboration, particularly in an effort to change Local Government mind-set and attitude from a bureaucratic paradigm to a professional/entrepreneurial paradigm.

- CLGI's Training Specialist was invited to Palembang as an observer at a Change Management Training conducted by PT. Integre Quadro for echelon III officials of South Sumatra Provincial Government. This opportunity allowed the Center's Training Specialist to see first hand how Integre Quadro implements their program and to assess mechanisms for future collaboration between them and CLGI.

Indonesian Partnership on Local Governance Initiatives

- CLGI staff continued to explore a possible working relationship with IPGI (Indonesian Partnership on Local Governance Initiatives). CLGI prepared a written response basically expressing CLGI's ideas on IPGI's efforts to establish "Asosiasi Desa" and emphasized the Center's intention to collaborate with IPGI within CLGI's competencies.

- CLGI staff participated in the IPGI/Ford Foundation-sponsored seminar on "Participatory Planning and the Role of the Community Forum". IPGI has produced some quality materials on local government experience with community participation in planning that CLGI will consider including on its best practices website. Center staff contacted IPGI representatives to work out possible collaboration.

Ministry of Home Affairs

- CLGI attended the Ministry of Home Affairs (MOHA) "Workshop Pembahasan Manual/Modul Tehnis Kemitraan OtDa." MOHA, having commissioned two researchers to prepare this manual, wanted broader input on its contents and provided an opportunity for invitees from the government, the private sector, the LGAs and CLGI to discuss its relevancy and applicability to the current focus on partnerships.

- CLGI was invited to participate in MOHA's continuing process of monitoring and evaluating implementation of decentralization Laws 22/99 and 25/99. MOHA disseminated questionnaires they plan to send out to all local governments (not DPRDs) - Questionnaire #1 (R1) for Provincial Governments; Questionnaire #2 (R2) for Kabupaten/Kota Governments. The focus of the questionnaires is on the following aspects: (1) local authorities, (2) local institutions, (3) local civil service, (4) local financial issues, (5) local parliament (DPRD) functions, (6) public services, and (7) supervision. CLGI provided input into the design of the questionnaires, as did The Asia Foundation (IRDA), SMERU, and KPPOD. MOHA has been collaborating with Lembaga Studi dan Advokasi Otonomi Daerah, UGM, relying on Prof. Dr. Mifthah Thoha, who is spearheading research in 10 Provinces and 20 Kabupaten/Kota. MOHA hopes that donor countries, which are interested in process of the research, will continue to participate.

- CLGI's Local Government Management Specialist met with the Director of the Urban Sector of MOHA, Ir. Haryo Sasongko, to discuss their current World Bank-funded project related to development of public service indicators, currently in the bidding process. Because of CLGI's experience with performance management, Mr. Sasongko agreed to involve the Center in the process of developing the indicators as part of the project.

University of Indonesia/FIKB

- CLGI staff met with the FIKB Executive Director to discuss the possibility of CLGI collaboration in aspects of local government management and best practices issues related to local governance.

- CLGI Finance Specialist contributed a session entitled "Initiatives for Improving LG Property Assets Management" in FIKB-UI training on "Performance Budgeting" for LG executives and legislatives from various kabupaten/kota in Kalimantan and Java. This contribution in training took place twice both in Yogyakarta during October

USAID

- CLGI staff met with Dr. Robert Bernstein and discussed a possible jointly assisted project in Health Service Management in Cianjur, West Java. Cianjur is one of the work sites of Management Sciences for Health Project under the USAID Global Health initiative.

Cianjur's inclusion as a CLGI site will be investigated further during the preparation of the Center's Year 2 Work Plan.

- CLGI staff were invited to attend a coordination meeting spearheaded by MSH and including representatives from BIGG and PERFORM. The purposes was to coordinate the activities handled by each institution/program, assess possible program overlap, especially in performance management, performance budgeting, participatory planning and programming, obligatory functions and minimum service standards. All parties agreed to communicate and coordinate their activities and determine possible collaboration of field activities.

- CLGI continued discussions with USAID's BIGG/ICMA Project to explore future collaboration and sustainability issues.

World Bank

- Prior to the ordered departure notice, CLGI staff continued to coordinate the October '02 visit of UI's Harry Hatry and his participation in the World Bank-sponsored program on Minimum Service Standards, which took place from 21-23 October. Although based in D.C., Mr. Hatry provided expert input and commentary prior to the WB event.

- CLGI staff participated in the World Bank/MOHA-sponsored "International Workshop on Implementation of Obligatory Functions and Minimum Service Standards". Those in attendance included officials from USAID, GTZ-SfDM, MOH (Health), and MONE (Education).

- CLGI participated in the Otonomi Indonesia Expo in Bali. Sharing space with the USAID-financed project BIGG, CLGI staff promoted the Center's activities, distributed brochures, and met with numerous representatives from attending local governments.

Miscellaneous

- CLGI hosted an 11-person delegation from Kabupaten Sidenreng Rappang (SidRap), South Sulawesi, during their study tour stopover in Jakarta. The delegation, composed of DPRD members and other kabupaten government officials, had been in contact with CLGI for over a month after they read about the Center in a BIGG newsletter. CLGI was asked by the SidRap DPRD to facilitate a meeting between their delegation, Center staff, USAID officials and members from the BIGG/Budget project. SidRap legislators and local government officials wanted to know more about BIGG's performance budgeting process and CLGI activities.

- CLGI participated in the KADIN-sponsored meeting on socializing the results of the Word Summit on Sustainable Development (WSSD). The discussion focused on how to sustain the positive aspects of the WSSD pronouncements on environmental, social and economic issues and the role of public-private partnerships.

- CLGI staff were invited to and participated in the "Seminar on Sosialisasi RUU Otonomi Daerah Versi LIPI (Seminar on the Draft Regional Autonomy Law, LIPI Version)." The Lembaga Ilmu Pengetahuan Indonesia, or LIPI, as an independent organization initiated a draft of the law on regional autonomy. Their one-day seminar, in cooperation with the Partnership for Governance Reform in Indonesia, brought together over 60 relevant stakeholders (Local Government Associations, NGOs, Universities) to discuss their draft law.

- CLGI staff participated in the "Seminar Mencari Model Partisipasi Masyarakat Dalam Kebijakan UKM Di Era Otonomi Daerah (Seminar on Establishing and Regional Ombudsman Commission for Small and Medium Enterprises Under Decentralization)." The workshop was conducted by AKADEMIKA (Center for Public Policy Analysis) in cooperation with SWISSCONTACT. There were 45 participants, mostly from universities and NGOs, but some from several local governments (Depok; Bekasi). Participants discussed the idea of creating a Regional Ombudsman Commission on Small and Medium Scale Enterprises (Usaha Kecil dan Menengah) as a participatory regional forum to keep abreast of current decentralization issues. CLGI will explore becoming a partner of SWISSCONTACT in developing small and medium enterprises (UKM), for example, to develop a database of UKMs in several local governments by using best practices from Taiwan, Japan, Korea and/or Italy.

- CLGI's Local Government Management Specialist was invited to make presentation on minimum service standard (SPMs) to 42 post-graduate students from the medical faculty at Gadjah Mada University, Yogyakarta. Most of the students are staff at the local government health department, i.e., doctors at the public health center. The students were interested in obtaining a deeper understanding on implementation of minimum service standards as demonstrated by the number of participants and the many questions raised. Some of the students asked for further assistance on performance management, and performance budgeting, as they relate to implementation aspects SPMs. The students were interested to utilize CLGI's Clearinghouse to support finalizing their study.

- The Center's Local Government Evaluation Specialist and Information Specialist/Librarian initiated work on setting up a matrix of donor-supported activities on decentralization.

Collaboration with Local Government Associations

- CLGI staff were invited to and participated in the annual APPSI (Indonesian Association of Provinces) meeting held in Jakarta.

- CLGI, as the Secretariat, met with NDI representatives and organized a Local Government Associations Coordinating Group meeting. The agenda included a discussion of: (a) recent progress with various Local Government Association activities; (b) the IULA Tool Kit roll out; (c) plans for a meeting/workshop of Association Executive Directors; (d) the matrix of donors/projects targeted for the Associations that was to be completed and

submitted to NDI; (e) the ICMA/BIGG on the "Milestone Index"; and (f) donor funding guidelines.

- CLGI staff met with GTZ's Gerd Sippel, Urban Quality Project Team Leader, to follow-up on previous discussions regarding strengthening cooperation with CLGI in supporting capacity building for APEKSI.

- CLGI staff participated in the ADEKSI (Association of Indonesian City Councils) annual meeting held in Semarang and used the visit to promote the Center's innovation projects and strengthen relationships between the Center and the country's senior parliamentarians.

Marketing Sustainability

Private Sector Partnerships

- CLGI staff discussed with USAID and BP a framework for collaboration on the Global Development Alliance-funded Bird's Head Alliance, a first step in following up on the "Workshop on Diversified Growth Strategy in the Kepala Burung and Raja Ampat Region of Papua Province" held in Jayapura during September.

- After months of negotiations, CLGI was successful in reaching an agreement with ExxonMobil to undertake a diagnostic review of their Cepu operations in East Java. Company executives approved the CLGI proposal entitled "Assistance for Decentralization Efforts: A Proposal for a Diagnostic Review of ExxonMobil's Cepu Area of Operations", CLGI proposed implementation of a five-day diagnostic review/assessment of the company's operations in Kabupaten Bojonegoro, East Java. If successful, a longer-term collaboration with ExxonMobil is foreseen. CLGI staff was notified by senior ExxonMobil officials on 16 December that they approved the Center's the proposal for a five-day "diagnostic" review of the company's Cepu operations. This marks another major milestone for the Center, as it is the first formal approval of a CLGI partnership with the private sector.

- CLGI initiated contact with PT. Caltex Pacific Indonesia representative Pak Eddy Tjokro, Government Affairs Manager, and PT. Cargill Indonesia representative Pak Rudyanto Hadi, Head of the company's Sulawesi Cacao Purchasing. Both companies have expressed and interest to receive proposals from CLGI for potential partnership/sponsorship in their respective areas of operations.

- CLGI staff held a meeting with representatives from Newmont Mining to discuss possible collaboration in their area of operations, NTB. Newmont expressed an interest in CLGI's performance management expertise and will discuss the possibility of getting the Center to work with the local Kabupaten government of Sumbawa Besar and the NTB provincial government.

Donor Partnerships

- In a major milestone toward achieving financial self-sufficiency of the Center, the CLGI team met with the CIDA team to jointly sign a "Contribution Agreement" between the Canadian Government (represented by CIDA's Julian Murray and Jefferey Ong) and CLGI (represented by the Executive Director). CIDA will contribute C$50,000 (approximately US$ 33,000) to CLGI for a series of decentralization local government demand-driven activities to be implemented during 2003 (1 January - 31 December). CLGI will focus on local government capacity building/gender issues in Sulawesi. Technical and financial issues of this collaboration were discussed and clarified. CLGI will start working on criteria for selecting the regions and proposal guidelines in January '03.

Task 3. Products and Services

Performance Measurement/Management

Performance management activities continued their focus on improving public services performance through development of Service Improvement Action Plans (SIAP) in selected pilot locations. Unfortunately, as a result of the ordered departure, UI's Harry Hatry (performance management expert) was unable to return to Indonesia to assist CLGI on this activity.

(a) City of Pontianak, West Kalimantan

- CLGI's Local Government Management Specialist met with the Pontianak Performance Management (PM) Local Government Working Groups (solid waste management; health; ID permits; business permits) to focus on finalizing their Service Improvement Action Plans (SIAP) in preparation for the PM training scheduled from 28-30 October 2002. The working groups have been making significant progress in achieving the expected results. Each technical agency will develop a data management system to be used to collect performance management information and data support. CLGI will support the agencies with an appropriate information management system in order to ensure sustainability of the performance measurement and management activities.

- CLGI's Performance Management Team implemented its first three-day Performance Management Training/workshop in Pontianak from 28-30 October 2002. There were 27 participants coming from Manado, North Sulawesi (3); Banjarmasin, South Kalimantan (3); Samarinda, East Kalimantan (3); Singkawang, West Kalimantan (3); Sambas, West Kalimantan (3); and Pontianak, West Kalimantan (12). During the training all participants were quite active and enthusiastic and the post-training evaluations indicated the training was well received. The training was opened and closed by the mayor of Pontianak, Dr. Buchary Abdurrachman. CLGI's Executive Director gave the opening speech. Dr. Bob Bernstein from USAID's MSH Health Project provided professional guidance, suggestions and clarification, specifically related to the health sector. As a result of the workshop/ training, all participants said they are willing to implement a similar model, approach and

methodology in their respective areas; specific requests for advice from the CLGI Performance Management Team have been received from Banjarmasin and Samarinda.

- As a result of the first successful training in Pontianak, CLGI's Local Government Management Specialist met with the performance management (PM) working groups of Pontianak to finalizing their SIAPs. Sixteen local government technical agencies (dinas) have adopted the CLGI-initiated performance management approach and are using it in formulating their budgets for FY 2003. The working groups have expressed interest for another workshop in December '02 to successfully complete all PM activities. Working group meetings were followed by a meeting with SEKDA of Pontianak to discuss implementation of PM in management of the City of Pontianak. The SEKDA suggested CLGI present the PM concept and approach to City parliament members so they can begin to understand the PM process and consider implementing the PM approach and methodology prior to preparation of the City's FY 2003 budget.

- The Pontianak local government also requested another in-house performance management training, this one to be funded from their local budget. As a result, the CLGI Performance Management Team discussed an option for providing more technical assistance and training to Pontianak.

- CLGI's Local Government Management Specialist met with both the Madanika team to discuss their final report and close of contract, and the IT specialist working with the Urban Management Advisor (UMA) of Pontianak to discuss possible help in formulating a management information system for Pontianak PM's activities, particularly for solid waste management.

- CLGI's Local Government Management Specialist made a presentation to 28 (out of 40) parliament members and many local government agency heads at a plenary meeting of the Pontianak City DPRD. The presentation focused on performance management related to performance budgeting and was entitled "Socialization of Performance Budgeting and Financial Report Using New Format Systems". Those in attendance agreed that beginning FY 2003 they would adopt and implement the performance management approach introduced by CLGI. Parliamentarians suggested developing minimum service standards and a spending analysis standard as a basis for performance budgeting and requested assistance from CLGI to undertake this activity. Parliament members also requested to have performance management training similar to that received by the executive branch in order to have an equal understanding.

- The CLGI Performance Management Team attended seminar and presented material on obligatory functions and minimum service standards for the health sector and their relationship/linkages with performance management, the seminar was hosted by the Health Department of West Kalimantan Province and attended by representatives from all regency and city health divisions.

(b) Kabupaten Sleman, Central Java

- CLGI's Local Government Management Specialist assisted performance management working groups in Sleman with their Service Improvement Action Plan (SIAP) report and data source system. Each working group received direct technical assistance from CLGI's partner, Yayasan Satunama, on developing local performance management systems.

- CLGI's Local Government Management Specialist discussed with the local partner, Satunama Foundation, the draft results of the recently concluded CLGI-sponsored multi-service household survey related to development of performance management indicators for several public services in Kabupaten Sleman and assisted them in completing the final report. He also assisted Satunama Foundation personnel in facilitating the focus group discussion (FGDs).

- CLGI's Local Government Management Specialist worked with the Satunama foundation in preparing a workshop where recently concluded multi-service household survey results were presented to the Sleman performance management working groups.

- CLGI's Training Specialist and Local Government Management Specialist agreed to postpone the Yogyakarta PM training until January next year (2003), in order to provide more time for the Sleman working groups to complete their data collection. In addition completion of whole cycle in Pontianak will give more concrete examples for the Sleman training. CLGI's Training Specialist, working with the Local Government Management Specialist, checked Satunama's multi-sector household survey result and expressed the same concerns that were raised with Madanika's tables, i.e., (a) many numbers are inconsistent from one table to another, and (b) the tables do not specify the "base" of respondents that gave the response making it difficult to explain the result. However, in general Satunama's quality work is much higher than Madanika's. The CLGI PM team agreed to follow-up with Satunama on this issue.

(c) Kabupaten Bangli, Bali

- CLGI staff hosted a visit of the Kabupaten Bangli Bappeda Office Head and Secretary of the Bupati. The purpose of the meeting was to discuss the schedule and agenda of CLGI's performance management (PM) training in Kabupaten Bangli from 18-20 December 2002. The local government financed all local expenditures; CLGI financed the cost of its Local Government Management Specialist and Training Specialist.

- Performance Management training was conducted in Bangli regency from 18-20 December 2002 and was attended by 27 individuals, including the head of each division in the local Kabupaten Bangli government who provide public services, local NGO representatives and staff from some of the local universities. The result of the training was good and there will be a follow-up to implement activities in selected services, i.e. health and education. A detailed schedule will be discussed with Bappeda Bangli staff and CLGI

in early January 2003. Prior to the training, CLGI's Local Government Management Specialist participated in a strategy meeting of Kabupaten Bangli staff.

Asset Management

As with performance management activities, asset management activities were implemented without the services of UI's Olga Kaganova (asset management). She, too, was unable to return to Indonesia because of the ordered departure.

(a) Kabupaten Sleman, Central Java

- The CLGI Local Government Finance Specialist continued the Center's asset management activities in Kabupaten Sleman including exercises on "Developing Rental Portfolio" and on "Building Structure of Asset Management Strategic Plan". Property site visits were started with the Sleman team composed of the Center's short-term real estate consultant, Mr. Eko Setyanto, and Kabupaten Sleman staff.

- CLGI's Local Government Finance Specialist and short-term Real Estate Consultant, Eko Setyanto, conducted the 5th exercise (Market Valuation Techniques for Municipal Properties) in Kabupaten Sleman. The team also completed site visits for sample valuation in the kabupaten. Mr. Eko Setyanto developed a comprehensive valuation report of some selected regency property assets and shared the results with Sleman officials.

- CLGI's Draft Final Report of the Sleman Asset Management Project Phase 1 was presented to the Sleman Team. The Sleman Team agreed to review the draft final report thoroughly and to complete some crucial data points. They re-submitted a more comprehensive information package for drafting the 2nd version of Final Report prior to meeting with the Bupati.

- Senior Sleman officials requested CLGI assistance to help setting up an Asset Management Information Systems as a start of implementing some of CLGI's preliminary recommendations on property asset management. Sleman officials were convinced on the merit of having a better property asset management but not yet ready to commit their local resources to build the system.

(b) City of Manado, North Sulawesi

- CLGI's Finance Team completed the market valuation on selected Manado Municipal properties. Report on valuations was prepared and integrated into the Final Assessment Report delivered to Manado executives and legislators.

- CLGI's Asset Management Project Phase 1 for Manado came to a close 28 November during a final report presentation at the Gran Puri Hotel. Twenty representatives from the City of Manado (both executive and legislative branches) attended and included the

presence of Manado's Vice Mayor, Teddy Kumaat, and the Vice Chairman of the Manado DPRD, Mr. Wullur. DPRD members expressed strong interest to follow-up Phase 1 with a more detailed Phase 2. Details of further cooperation between the City of Manado and CLGI will be worked out. However, future cooperation is contingent upon an expression of sustained commitment from both the DPRD and the Mayor's office in Manado.

- CLGI expects to receive a letter of commitment from both executive and legislative branches of the Manado City government requesting CLGI assistance for a Phase 2 of asset management activities.

- CLGI corresponded with Mr. Lucky Sondakh, Head of BAPPEDA North Sulawesi, further exploring his availability and readiness to engage in discussions about North Sulawesi's needs for assistance in managing provincial property assets.

Financial Policy

- CLGI's Director of Technical Services met with the Center's Financial Policy Specialist, Mr. Prima Setiawan, to discuss remaining work plan/SOW issues, especially the proposed primer for local government capital finance.

- CLGI's Director of Technical Services met with the Center's Local Government Financial Management Specialist and Local Government Financial Policy Specialist to follow-up on the issue of capital financing for local governments. Discussion focused on how best CLGI should manage proposals to assist local governments to reduce indebtedness and strengthen credit worthiness.

Seminars/General Fiscal Activities

- CLGI's Local Government Financial Management Specialist, as part of the Center's effort to address performance budgeting and financial statements, submitted a purchase request for Chartered Financial Analyst (CFA) Level 1 Certification Study Notes. These CFA Level 1 Study Notes (published by Kaplan Inc.) will provide additional literature on Performance Budgeting and Financial Statement self-study materials and will be kept in the CLGI Clearinghouse.

- CLGI's Local Government Finance Specialist attended a seminar held by Forum Inovasi Kepemerintahan yang Baik (University of Indonesia-MPP Program) and contributed a presentation on "Municipal Property Asset Management."

- FIKB/PKPOD (the UI-UGM collaborative activity) invited CLGI's Local Government Finance Specialist to participate in another training session at the end of November '02. This training session, on Performance Budgeting intended for East Java regencies/cities managers to be conducted in Surabaya, was postponed.

- CLGI hosted a presentation by the Center's Local Government Financial Policy Specialist on his capital finance model. Attending were a team from the Directorate of Regional Payments and Loans, Ministry of Finance and a representative from APKASI.

- CLGI's Local Government Finance Specialist gave a presentation at a seminar on good local governance in Yogyakarta from 11-14 October 2002.

Evaluation Studies

The Local Government Evaluation Specialist, who joined CLGI November 12, 2002, worked with the support of the new CLGI Information Specialist and the oversight of the Director of Technical Services, to initiate several evaluation studies and related activities.

Descriptive Study of Local Governments

- In collaboration with the Information Specialist, the Local Government Evaluation specialist compiled basic information about all Indonesian city, kabupaten, and provincial governments in Indonesia, including 268 Kabupaten, 88 Kotamadya and 30 Provinces. The information is being placed in a database and on the CLGI website for rapid retrieval by users. Thus far, the provinces of Aceh, North Sumatra, Jambi and DKI Jakarta are profiled on CLGI's website <www.clgi.or.id>; others will be available soon. The Local Government Evaluation Specialist and Information Specialist are also preparing a matrix of donor supported-activities on decentralization.

Targeted Survey of Best Practices

- The Descriptive Study of Local Governments is expected to identify provinces, kabupaten, and cities that are not currently being assisted by donors, and for which best practices are not being documented. Working with the Best Practices Coordinating Group, CLGI will undertake a survey of best practices in these units of local governments during the latter part of the First Semester 2003.

Training Services

- CLGI's Training Specialist met with Institute for Housing and Urban Development Studies (IHS) representatives at the IHS office to further discuss possible training collaboration between CLGI and IHS. The first effort will be a jointly designed and organized Asset Management Training Course scheduled for February/March 2003. CLGI reviewed the IHS Marketing Plan and was concerned about the high overall cost, which resulted in fairly high participant fees, i.e., about Rp10.0 million for a 10-day training course, excluding accommodation, food, and transportation. CLGI suggested several improvements during the discussions.

- CLGI's Local Government Evaluation Specialist and Training Specialist met with Executive Director of Forum Inovasi Kepemerintahan yang Baik (FIKB) to discuss possible collaboration on best practices programs and training for local governments.

- CLGI's Training Specialist continued discussions with Ms. Titik Sumbung, Director of the Indonesian Center for Women in Politics (ICWIP) and Sri Mastuti from Civic Education and Budget Transparency Advocation (CiBA). Focus was on possible collaboration for training in Sukabumi. A series of conversations between the Sukabumi UMA (Urban Management Advisor) and CLGI have been on-going regarding the most needed trainings on gender issues.

- In a follow-up meeting with Ms. Sumbung, and Rosalina and Edriana from The Partnership for Governance Reform in Indonesia, the Country Training Team plan was discussed and it was agreed to organize an "Implementation Workshop" (based on the Bangkok TOT) in March or April 2003. A proposal is being prepared in collaboration with MOHA and the Ministry of Women Empowerment (MWE) and will be submitted to The Partnership for possible funding.

- CLGI's Training Specialist met with the mayor of Sukabumi as a follow-up to her written request to the Center for Gender Awareness assistance. CLGI is preparing a written proposal for training in (a) gender budgeting, in consultation with CiBA, (b) assertiveness and leadership training for women, (c) change management, and (d) performance management.

- CLGI's Training Specialist met with the Training Manager of IWAPI (Ikatan Wanita Pengusaha Indonesia) and discussed possible collaboration with CLGI, specifically regarding the development of entrepreneurial skills for women. Very feasible training that may also boost the economic well being of women and their families includes "Teknologi Pangan dengan Sumber Lokal" where local fruits/vegetables are used to make jam, candies, supplemental flours etc. and sold in local markets.

- CLGI's Training Specialist met with the Training Manager of the Training Unit of South Sumatra Province and discussed possibilities of CLGI disseminating the "Paradigm Change" training to Kabupaten level in South Sumatra. CLGI has sent a letter explaining its services and the Training Unit will send an official request for CLGI assistance.

- CLGI's Training Specialist obtained information on Indonesian videoconference facilities from Indosat and Telkom for use in a possible emergency/disaster management workshop.

Miscellaneous

- CLGI staff initiated investigations into emergency management training and technical assistance, as well as technical resources available to local governments, and whether the Center should position itself to provide such assistance. Preliminary findings are that local

governments are generally unprepared to prevent or respond to terrorist attacks or other man-made or natural disasters. There are limited technical resources available at the Asian Disaster Preparedness Center in Bangkok, at ITB, Bandung, and in the Ministry of Home Affairs and provincial offices. The only technical resources found for terrorist attacks are those of the US Federal Emergency Management Administration.

- CLGI continued to explore adding emergency management to its competencies. The Center's Local Government Management Specialist met with the private fire brigade call Pantja Bhakti, who provided services in West Kalimantan during natural disasters, especially fires. He also met with Professors Dr. Sutikno and Dr. Sudibiyakto of the research center for disasters at Gadjah Mada University, Yogyakarta. This experienced center focuses on training, study, research and advocacy on natural hazards and disaster management. The research center is interested in developing networking and collaboration with CLGI, but first wants to understand what the objective of the CLGI disaster management initiative is. They suggested CLGI focus its diagnostic on both manmade and natural disaster in urban areas, and identifications of preparedness of cities and urban areas in preventing disasters, including an inventory of existing disaster management infrastructure.

Task 4. Communications

- CLGI continued recruitment for a short-term IT specialist. In the meantime, CLGI staff participated in a thorough IT review session with the former short-term IT specialist. This was most useful in providing all CLGI staff an understanding of the status of the Center's IT hardware and software, procedures for accessing the internet, and procedures for logging on while in the field.

Clearinghouse

The Center's Innovation and Best Practices Clearinghouse continued to develop through the following activities:

- The Center's Information Specialist/Librarian, who began full-time work November 12, 2002, worked on document acquisition, cataloguing, circulation, specialized searches, bibliographic research, and operation for the CLGI Clearinghouse. All materials received thus far for the Clearinghouse have been catalogued using WINISIS library management software and have been labeled and shelved for use by staff and visitors.

- The Center's Information Specialist/Librarian initiated its information dissemination function through the Clearinghouse via its mailing list at forum_inovasi_daerah@yahoogroups.com. A mailing list was also set up for the Best Practices Coordinating Group, presently with 47 members. Information to date is confined to various documents, catalogues, and daily news clippings. The mailing list will be expanded to include information about NGOs, the media and donors.

Newsletter

- The first edition (October-December 2002) of the Newsletter, Innovation CLGI, was designed, written, edited, printed in Indonesian and mailed to 511 local governments, local government associations, and NGOs during the Quarter. All CLGI technical and professional staff members contributed articles. The Center's Evaluation Specialist and Information Specialist/Librarian published the newsletter, with the guidance of the Director of Technical Services.

Clearinghouse Website and Database

- The Center's website <www.clgi.or.id> was designed, developed, tested and uploaded to the Internet Service Provider during this Quarter. The Contractor, KMRG, met weekly with The Director of Technical Services and Information Specialist/Librarian to report progress, discuss questions, and receive feedback. KMRG also made two presentations to CLGI staff of mockups of the website and received feedback and instructions for changes. It made presentations at two Best Practices Coordinating Group meetings, and BPCG members were asked to contribute Best Practices content to the website. The website beta testing period will last through the end of March 2003. The Information Specialist is uploading Best Practices, a directory of local governments, a directory of local government experts, and a variety of concept papers, evaluations, manuals, tool kits, and other useful documents for professionals engaged in local government innovation. It will also archive issues of the Newsletter and provide information about CLGI activities, staff, calendar, local government associations, and links to related websites. All of the website is presented in Indonesian with selected sections also presented in English.

III. DELIVERABLES AND REPORTS

- An established, functioning Foundation with essential staff managing and carrying out core functions. **Contact Person: LeRoy Hollenbeck**

- The CLGI Website and Database developed by KMRG with CLGI staff guidance. **Contact Person: Eko Susi Rosdiana Sari**

- The WINSIS directory of CLGI documents organized by title, author and subject. **Contact Person: Eko Susi Rosdiana Sari**

- Focus Group Discussion (FGD) report of solid waste management, health sector, ID permits, and business permits in Pontianak, West Kalimantan, produced by Madanika Foundation (Subcontractor of CLGI). **Contact Person: Eko Susi Rosdiana Sari**

- Multi sector household survey report of the City of Pontianak, produced by Madanika Foundation (Subcontractor of CLGI). **Contact Person: Eko Susi Rosdiana Sari**

- Focus Group Discussion (FGD) report of solid waste management, health sector, building permits, and water supply enterprises in Sleman Regency, Yogyakarta Province, produced by Satunama Foundation (Subcontractor of CLGI). **Contact Person: Eko Susi Rosdiana Sari**

- Multi sector household survey report of the Sleman Regency, Yogyakarta Province, produced by Satunama Foundation (Subcontractor of CLGI). **Contact Person: Eko Susi Rosdiana Sari**

- Consulting Report on Property Assets of Sleman and Yogyakarta. **Contact Person: Arintoko Utomo**

- Initiatives for Improving Local Government Property Assets Management: Training Material. **Contact Person: Arintoko Utomo**

- Market Valuation Report of Manado, North Sulawesi Selected Property Assets. **Contact Person: Arintoko Utomo**

- Final Report of Property Assets Management Assistance in Manado. **Contact Person: Arintoko Utomo**

- Market Valuation Report of Sleman's Selected Property Assets. **Contact Person: Arintoko Utomo**

IV. PROBLEMS OR DELAYS AFFECTING THE TASK ORDER PERFORMANCE

The primary problem encountered during the Quarter was the Ordered Departure issued by the US Embassy as a consequence of the terrorist bombing in Bali on October 12, 2002. While the Executive Director and Director of Technical Services were authorized to stay in Indonesia and continue their work, there were two types of difficulties to be overcome:

Expatriate Performance Management Advisor Harry Hatry and Asset Management Advisor Olga Kaganova were not allowed to carry out planned assignments in Indonesia. No additional expatriate short term consultants will be allowed to work in Indonesia until the Ordered Departure ends.

Travel restrictions for expatriate advisors within Indonesia forced the cancellation of a performance management training program in Yogyakarta and impeded fieldwork in performance management and asset management for the Kabupaten Sleman. Travel to Central and South Sulawesi is also suspended for expatriates.

V. WORK PLANNED FOR NEXT REPORTING PERIOD

The Fifth Quarter of the DFLGI Project, just ended, begins the period contained in the Year 2 Work Plan. Although not yet in final form, a draft Work Plan for Year 2 has been approved with a final version to be presented to USAID in January 2003. The work described below is based on continuation of activities and services that began during Year 1.

The following activities are planned for implementation during the next Quarter.

Task 1. General Program Support Activities

- There are no activities to report under this task.

Task 2. Foundation Development

- The Best Practices Coordinating Group will continue its activities during the next Quarter, especially the compilation of Best Practices in Local Government that are being prepared by BPCG members. CLGI as the Secretariat will host meetings in February and March.

- The Best Practices Standards Working Group will have its initial meeting in February. Its members are currently being selected by the member organizations. It will establish standards that can be used on a voluntary basis by individuals and organizations interested in distinguishing Best Practices from normal operations and results in local policymaking, management, and governance.

- Recruitment will continue for the national Executive Director of the new Foundation for Local Government Innovation (YIPD).

- CLGI staff will focus on fully incorporating the three additional professional staff from other USAID-funded projects that will reside in the CLGI Office and become part of the CLGI organization. These include the Local Government Financial Policy Specialist (through February 2003), the Education Specialist, and the Decentralization Policy Analyst.

- CLGI will move forward the legal establishment of the sister 501(c)(3) charitable organization in the U.S.

- The Local Government Association Coordinating Group will intensify its activities during the next Quarter. CLGI, as the Secretariat, will host regular meetings. Preparation for the rollout of the IULA Local Government Association Tool Kit will continue.

- The Local Government Participatory Planning Coordinating Group will focus its activities on compiling a donor matrix on participatory planning activities being implemented throughout the country. CLGI, as Secretariat, will host regular meetings.

Task 3. Products and Services

- Several studies will be implemented during the next quarter: the local government mapping study will provide basic information about each of the now over 400 local governments of Indonesia; a targeted study of best practices will be made in local governments not currently receiving donor assistance; a forecasting and futures study will be made be made by a panel of experts about opportunities, problems, issues, and threats that local governments will face in the next one to five years. The findings of this study will be used to identify needs for innovation in local government policy, management, and governance. CLGI will target one or more of those needs for innovation projects during the second semester of the Work Plan.

- A follow-up Performance Measurement Training for certification of local government personnel and consultants will be delivered in Pontianak in January 2003.

Task 4. Communications

- Beta testing of the CLGI Website and Database will be completed. Content of all types will be added to make the website a useful source of ideas, models, methods, cases, guidelines, and evaluations of innovations and best practices for local government in Indonesia.

- The Local Government Information Specialist/Librarian will continue to administer the CLGI library and website including the following activities: (a) acquire, label and stock Clearinghouse shelves with innovation and best practice documents and administer their use; (b) copy and mail documents to customers; (c) edit and upload materials to the website; and (d) publish the second edition of the CLGI Newsletter.

- CLGI staff will continue to collect materials for the Clearinghouse library and website database. This material includes: (a) a directory of expert consultants and organizations in the field of decentralized local government; (b) materials describing innovations and best practices for local governments; and (c) electronic files for the Clearinghouse database and website.

VI. SPECIFIC ACTION REQUESTED

No specific action is requested at this time.

VII. UP TO DATE SCHEDULE OF WORK

Task 1. General Program Support Activities

No.	Activities	Deadlines	Responsible Parties	Benchmarks
1.	Semi-Annual Work Plan Review (Year 2)	Apr '03	Hollenbeck, Association & other stakeholders	Stakeholder participation in Work Plan
2.	Second DFLGI Annual Report/Work Plan Update	Oct '03	Hollenbeck, DLG/USAID	Revised Work Plan for 2003/2004
3.	Internal USAID Evaluation	Nov '03	DLG/USAID, Hollenbeck	Revised Work Plan for 2003/2004
4.	Year 3 Work Plan Preparation/Approval	Sep-Oct '03	CLGI Staff, DLG/ USAID	Year 3 Work Plan prepared; approved by USAID
5.	Semi-Annual Work Plan Review (Year 3)	Apr '04	CLGI Staff, LGAs & other stakeholders	Stakeholder participation in Work Plan
6.	Third DFLGI Annual Report/Work Plan Update	Aug '04		Project Closeout

Task 2. Foundation Development

No.	Activities	Deadlines	Responsible Parties	Benchmarks
7.	Recruit Foundation Executive Director	Jun '03	Hollenbeck; DFLGI Project Team	Staff recruited
8.	Prepare Organization Development Plan	Feb '03	Hollenbeck; DFLGI Project Team	Plan produced
9.	Foundation Staff Training	Mar-Dec '03	Hollenbeck; Foundation Training Mgr.	Participant & Instructor Evals.
10.	Prepare Resource Development Plan (Business Plan) Incl. budget centers	May '03	Hollenbeck; DFLGI Project Team	Plan produced
11.	Foundation Establishment Dedication Ceremony	Dec '02	Hollenbeck; DFLGI Project Team	Established Foundation
12.	Establish "Sister" Foundation in U.S.	Jan-Jun '03	Hollenbeck; UI-D.C.; Chemonics PMU;	501c3 charitable org. established

Task 3. Products and Services

No.	Activities	Deadlines	Responsible Parties	Benchmarks
13.	Innovations Performance Mgmt and Asset Mgmt Innovation Projects concluded in Sleman & Pontianak; new innovation projects begin	Mar 2003	Tabor and Management and Finance Specialists, plus selected expert consultants	Documents describing the services and implementation plan for selected local governments
14.	Certification Training Training program in Performance Mgmt for local governments and their associations leading to certification	Oct '02 & Jan '03	Tabor and Training Manager, plus selected expert consultants	Training designs and materials, in Indonesian, with formative evaluation reports

Task 4. Communications

No.	Activities	Deadlines	Responsible Parties	Benchmarks
15.	Infrastructure Establish or contract for communications infrastructure, including computers, software, telecommunications, Internet connections, website development, publishing capability, furnishings, and technical support	Feb-Nov '02	Tabor, Contracts/Grant Manager, Information Specialist	Test results from trial use of communications infrastructure
16.	Acquisition of Information Collect information on local government innovations and best practices, expert consultants and organizations, and donors.	Oct '02-Mar '03	Tabor; Information consultant; cooperating local government association staff	Appropriate reference materials plus directories and cross indexes for database
17.	Clearinghouse Formation and Trial Launch Establishment and trial launch, Clearinghouse library, database, network, and website, for local governments and associations	Dec '02	Tabor; Information Specialist; Website development contractor; user group	Preliminary Clearinghouse to be tested by a core user group
18.	Clearinghouse Trial Use, Formative Evaluation	Dec '02-Mar '03	Information Specialist; user group	Formative evaluation report
19.	Final Preparation and Formal Inauguration of Clearinghouse	Apr '03	Tabor; Information Specialist; user group	Inauguration Ceremony
20.	Newsletter Second issue Foundation Quarterly Newsletter	Feb '03	Tabor; Information Specialist; Evaluation Specialist	Second edition Newsletter
21.	ExxonMobil-Bojonegoro Mapping study of Local Government officials' capability building needs	March' 03	Hollenbeck, Finance, Management, and Training Specialists	Report containing assessment and recommendations for capability building programs for Bojonegoro LG officials
22.	CIDA-Sulawesi Collaborative project to assist 5 local governments in Sulawesi on general and financial management topics	August' 03	Hollenbeck, Finance, Management, and Training Specialists	Documents describing the services and implementation plan for selected local governments

ATTACHMENT

Reports, Papers, Publications

Reports, Papers Publications

1. Center for Local Government Innovation, Kajian Hukum Terhadap Pelaksanaan Otonomi Daerah Menurut Undang-Undang 22/1999, September 2002.

2. Center for Local Government Innovation & APKASI, Presentasi Hasil Kajian Dana Alokasi Umum (DAU), 8 August 2002.

3. Hasan, Azwar, Review of Legal, Administrative and Tax Aspects in Nonprofit-oriented Organizations in Indonesia (English and Indonesian), January 2002.

4. Hollenbeck, LeRoy, "Sustaining a Competitive Advantage in a Decentralized & Global Environment: Partnerships and Innovation", paper presented at the Rapat Pimpinan Daerah, Rapat Kerja Kadin Sul-Sel 2002 dan Diskusi Panel Sulawesi Selatan "Hari Ini dan Esok", Makassar, 7 September 2002.

5. Juliani, S., Assessment of Legal, Administrative, Financial and Other Relevant Aspects of Indonesian Organizations as Input Toward the Formation of a Center for Local Government Innovations (English and Indonesian), January 2002.

6. Madanika Foundation, "Report of Focus Group Discussions in the City of Pontianak", August 2002.

7. Madanika Foundation, "Report of Multiservice Household Survey in the City of Pontianak", September 2002.

8. Utomo, Arintoko, "Alternative Tax Strategies for Local Government", a presentation for *'Seminar on Law 34/99 (Local Tax and User Charge)'* held by Regional Autonomy Watch on August 22' 2002 in Horizon Hotel, Bekasi.

9. Utomo, Arintoko, "Initiatives to Improve LG Revenue Through Better Property Asset Management", an article for September edition of magazine *'Forum Inovasi dan Ketatapemerintahan yang Baik'* (MPP program - Univ. of Indonesia).

ATTACHMENT

Tables/Charts

Table 1.
CLGI INVENTORY LIST

No.	Description	Model	Unit
	Computer Equipment		
1	Desktop	Compaq Deskpro	2
2	Desktop	Compaq Presario	8
3	UPS	APC BP 500i	11
4	Printer	Laserjet 1000	3
5	Printer	Laserjet 1200	1
6	Printer	Deskjet 920CXI	1
7	Portable Printer	HP 350 CBI	1
8	Notebook	Compaq	2
9	Notebook	Compaq EVO N110	1
10	Notebook	IBM Thinkpad R31	2
11	Notebook battery	Compaq Presario	1
12	Scanner	HP 5400	1
13	Cable Modem	D - Link DCM 200	1
14	Printer Server	D - Link DP101	1
15	Broadband Router	USR 800	1
16	Switch 16 Port	D-Link	1
17	Ethernet Card		1
18	Server	HP TC2110	1
19	Memory Card	512 MB SD	1
20	Modem	ADSL	1
	Furniture		
1	Manager's Chair		11
2	Secretary's Chair		2
3	Meeting Chair		28
4	Student's Chair		25
5	Clearinghouse Chair		12
6	Working Desk		15
7	Mobile Drawer		6
8	Meeting Table		2
9	Side Table		9
10	Computer Desk		5
11	Bookshelf		7
12	Filling Cabinet		7
13	Bookrack		3
14	Hanging Bookrack		14
15	Panel/partition		6

No.	Description	Model	Unit
	Air Conditioner		
1	Air Conditioner	Eolia 1.5HP	2
2	Air Conditioner	Eolia 1HP	1
3	Air Conditioner	National 1HP	2
	Phone		
1	PABX	Panasonic TA - 616	1
2	Telephone Display	Panasonic KX - T7330	3
3	Telephone Standard	Panasonic KX - T7350	6
4	Telephone Single Line	KX - TS3MX	6
5	Cellphone	Motorola 7689	1
6	Cellphone	Motorola 189	1
7	Cellphone	Motorola T190	1
8	Cellphone	Nokia 5110	1
9	Cellphone	Nokia 3310	1
	Other		
1	Fax Machine	Panasonic KXF P 302CX	1
2	Infocus	LP-280	1
3	TV	Sony 29"	1
4	Digital Camera	Nikon Coolpix 5000	1
5	Flip Chart		4
6	White Board		5
7	Portable Screen		1
8	Cash box		1
9	Brandkast (Safe)	Royal	1
10	Refrigerator	LG GR-232DV	1
11	Microwave	Usatech	1
12	Rice Cooker	Miyako	1
13	Blender	Miyako	1
14	Dining Table		1 set
15	Stove		1
16	Gas Tank		2
17	Regulator		1
18	Dishes	2 tea set, 1 dinner set,	

YIPD Board Members

PENDIRI YAYASAN INOVASI PEMERINTAHAN DAERAH

No	Nama	Jabatan	Nama Lembaga
1	Bpk Prof Dr M Sadli	Guru Besar UI	Universitas Indonesia
2	Ibu Erna Witoelar Msi	Co-Chair	Partnership for Governance Reform

PEMBINA YAYASAN INOVASI PEMERINTAHAN DAERAH

1	Ibu Erna Witoelar Msi (**KETUA**)	Co-Chair	Partnership for Governance Reform
2	Bpk Prof Dr M Sadli	Guru Besar UI	Universitas Indonesia
3	Bpk Arlen T Pakpahan	Direktur Pembiayaan dan Pinjaman	Departemen Keuangan
4	Bpk Oentarto SM	Direktur Jenderal Otonomi Daerah	Departemen Dalam Negeri
5	Bpk Prof Dr Dibyo Prabowo	Dosen Fakultas Ekonomi	Universitas Gajah Mada
6	Bpk Dr Buchary Abdurrachman SpKK	Walikota Pontianak	Pemda Kota Pontianak
7	Bpk Piet A Talo SH	Gubernur NTT	Pemda Propinsi NTT
8	Ibu Dra Marlina Moha Siahaan	Bupati Bolaang Mongodow	Pemda Kab Bolaang Mongondow
9	Prof Dr Ermaya Suradinata MSi	Gubernur Lemhannas	Lemhannas
10	Sutiyoso	Gubernur DKI Jakarta	Pemerintah khusus Ibukota Jkt

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3	Bpk Drs H Nasruddin Msi	Bupati Aceh Barat	Pemda Kabupaten Aceh Barat

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2	Bpk Suryadi Utomo (**WAKIL KETUA**)	Direktur Eksekutif	ADKASI
3	Bpk Dr Chairunnas Jusuf MBA (**BENDAHARA**)	Direktur Eksekutif	APEKSI
4	Bpk Jogjo Endi Rukmo (**SEKRETARIS**)	Dosen Ilmu Pemerintahan Daerah	Universitas Satyagama Jakarta
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6	Bpk Syariffudin Lubis	Direktur Eksekutif	APKASI
7	Bpk Dr E Koswara	Direktur Eksekutif	APPSI
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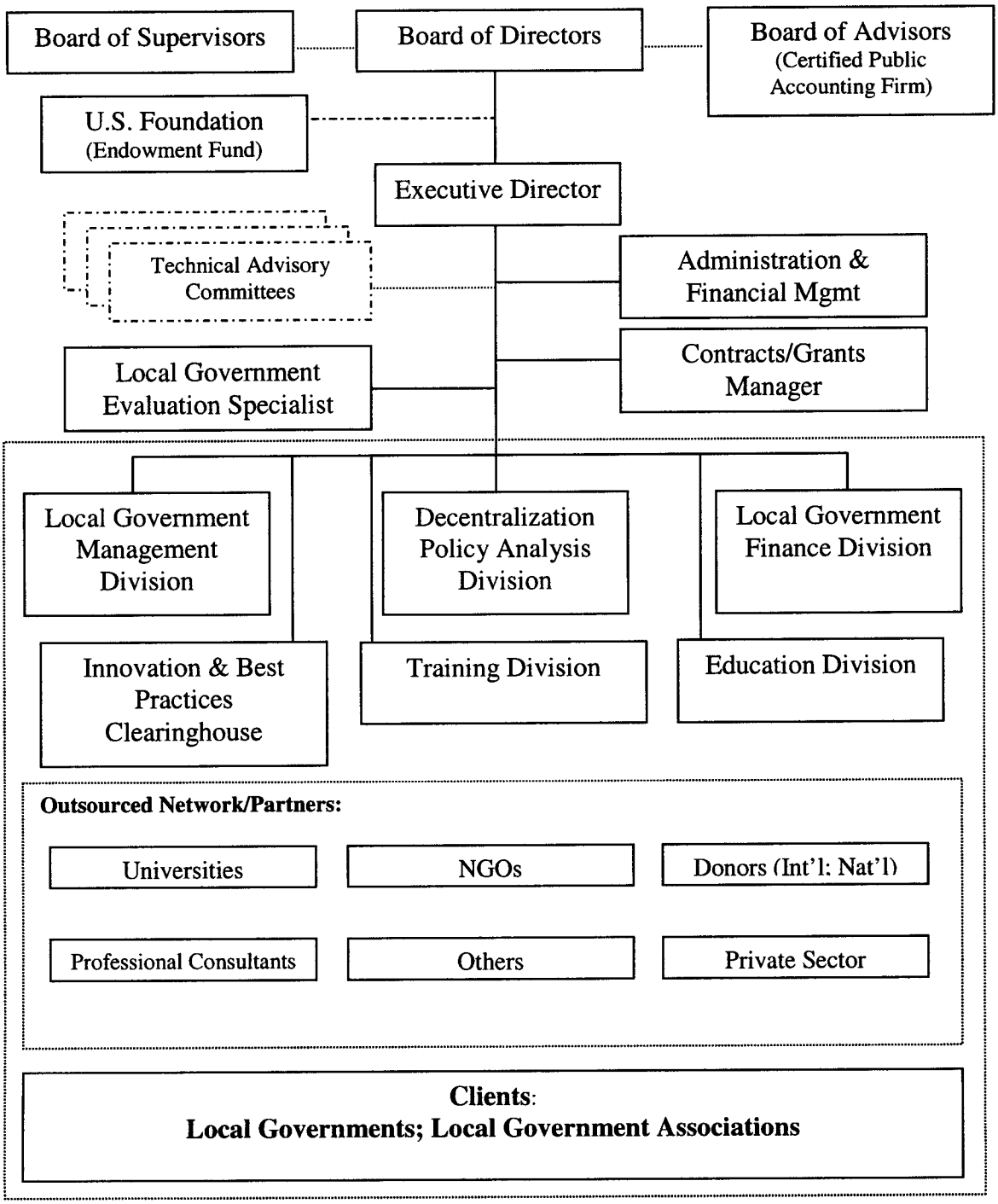
9	Bpk Aca Sugandy MSc	Direktur Jenderal Perumahan dan Permukiman Daerah	Departemen Permukiman dan Prasarana Wilayah
10	Bpk IBG Suryaatmadja	Ketua DPRD Badung – Bali	DPRD Badung - Bali
11	Ibu Dr Dewi Fortuna Anwar MA	Deputi Ilmu Pengetahuan Sosial dan Kemanusiaan LIPI	L I P I Pusat
12	Bpk Selamun Yoanes Bosko SH	Vice President Pemberitaan	SCTV
13	Bpk Arif Affandi	Pemimpin Redaksi	Jawa Pos, Surabaya
14	Ibu Dr Ing Hima Sari Hanan	Ketua Departemen Arsitektur	Institut Teknologi Bandung (ITB)
15	Ibu Dra Rustriningsih Msi	Bupati Kebumen	Pemda Kabupaten Kebumen

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