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October 17, 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, July to September 2003

Dear Mr. Wegge:

Please find enclosed the *Quarterly Task Order Progress and Cost Report, July to September 2003*, 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 62-21-390-2422 or leroy@clgi.or.id. Questions of a contractual nature should be addressed to me at (202) 261-5396.

Sincerely,

Maria C. Andrade-Stern

Enclosures

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

**QUARTERLY TASK ORDER
PROGRESS AND COST
REPORT**

**JULY TO SEPTEMBER
2003**

**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, TO No. 806

Prepared by

LeRoy Hollenbeck
Chemonics International
(Subcontractor to the Urban
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and

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October 2003
UI Project 06967-008

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ATTACHMENTS

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- Reports, Papers, Publications
- YIPD / CLGI Inventory List

QUARTERLY TASK ORDER PROGRESS AND COST REPORT

JULY TO SEPTEMBER 2003

**DEVELOPMENT OF THE FOUNDATION FOR LOCAL GOVERNMENT INNOVATION
(INDONESIA)**

Task Order No.: LAG-I-00-99-00036-00, TO No. 806

Date of Issuance: October 10, 2001

Amount Obligated Under Task Order: \$ 3,400,000

Total Potential Task Order Amount: \$ 5,546,216

Dollars Expended To-date: \$ 2,266,419

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

¹ "Owned" is defined to mean that nominated local government officials and the Executive Directors of the Local Government Associations will participate as members on one of the three Foundation Boards in equal standing to other Board members.

This 8th Quarterly Task Order Progress and Cost Report² highlights major activities of the Quarter just completed (July – September 2003). All activities are now focused on transforming the Center for Local Government Innovation (referred to hereafter either as the Center or YIPD/CLGI³) into a sustainable organization in support of Indonesian decentralization. Approximately 13 months⁴ remain to ensure that financial and technical sustainability, and the Center's independence and self-sufficiency post-USAID support, can be achieved.

YIPD/CLGI continued to transition from a USAID-financed project to an institutional program run through a legally established Indonesian *Yayasan*. What remains is to completely transfer program and administrative responsibility from the USAID contractors to the *Yayasan* prior to the end of the Project in October 2004. As with previous Quarters, YIPD/CLGI national and expatriate personnel made significant progress on a number of critical program activities. Major highlights of the Quarter just completed include:

A. Foundation Development

1. Accelerating / Strengthening Coordination with USAID's Managing Basic Education and Technical Support for Decentralization Reform in Indonesia Projects

YIPD/CLGI continued to work closely with key personnel from the USAID-financed Managing Basic Education (MBE) initiative, including frequent discussions were held with the Project's Chief of Party. By the end of this Quarter, MBE's first national long-term education specialist recruited under this initiative had not yet taken up residence at the Center. This, combined with some internal MBE concerns, lead to their decision to recruit another national education specialist, who was interviewed by YIPD/CLGI's Executive Director. It is expected the new MBE national education specialist will start working out of the YIPD/CLGI office during the next Quarter.

The GSU-PADCO Team of the USAID-financed Technical Support for Decentralization Reform in Indonesia Project made their first visit to Indonesia.⁵ Team members included Chief of Party Dr. Jorge Martinez and Dr. Jamie Boex from GSU, Mr. Gabe Ferrazzi, Ms. Laila Suryodipuro, and Mr. Kismet Kosasih (PADCO's decentralization policy specialist working at the YIPD/CLGI Office). Activities during this first visit focused on an introduction of their program to potential stakeholders, a sharing of information on planned activities related to specific decentralization policy issues and a description of their draft policy matrix.

2. Strengthening Local Government Commitment

YIPD/CLGI continued its approach at encouraging active local government participation in implementation of regional, demand-driven initiatives, in particular securing local government counterpart funding for all local costs, e.g., venue rental, meals, local travel, honoraria, training materials, etc. This approach has

² The 8th Quarter of the Project (3rd Quarter 2003) is also the end of the Project's second Year.

³The Center for Local Government Innovation became a legally recognized Indonesian foundation December 2002. It is now referred to by its Indonesian name *Yayasan Inovasi Pemerintahan Daerah*, or YIPD.

⁴ The SUM IQC was amended extending the current contract through 21 October 2004.

⁵ This visit actually took place late June 2003 but was inadvertently omitted from the last Quarterly Report.

been successful and during 2004 will be broadened to include local government financing for specific YIPD/CLGI direct costs, e.g., salaries, travel and/or accommodation.

B. Products And Services

1. Progress with Pilot Initiatives in Performance Management, Asset Management, Change Management, Strategic Management, Organizational Development

YIPD/CLGI staff advanced its **performance management** activities in selected sector pilot areas of the City of Pontianak, East Kalimantan; the Kabupaten of Sleman, Yogyakarta; and the City of Gorontalo, Sulawesi. In Pontianak, sanitation performance improved substantially during the Quarter. The Director of the local newspaper Pontianak Post, Mr. Untung Sukarti, was invited to participate in this initiative through his city multi-stakeholder environmental awareness forum. A citizens' campaign is planned. Finally, YIPD/CLGI developed a handbook / manual on performance management, which will be used during future training sessions and made available for purchase by the public.

Kabupaten Sleman's performance management working groups discussed progress of SIAP documentation for each unit participating in the performance measurement program. Significant progress was made by both the water supply enterprise and the health sector working groups. Local government officials expressed their eagerness to hold workshops for further developing SIAP documentation and implementation for incorporation into their formal annual budget cycle.

In an activity partially financed through the CIDA partnership, YIPD/CLGI held an initial meeting with the City of Gorontalo's technical team and steering committee to agree upon a training schedule and determine which public services would be measured using performance management tools. Four public services were selected for strengthening: solid waste management, public health, transportation, and public markets.

YIPD/CLGI initiated Phase II **asset management** activities in Kabupaten Sleman. The Center's Executive Director and the Bupati of Sleman signed a Memorandum of Understanding formalizing this technical assistance collaboration through April 2004.

YIPD/CLGI staff monitored the progress of the **change management** program in Pontianak, measured against the action plans developed after the first training. Important changes were recorded for BKD (reduced bureaucratic procedures for personnel administration; innovative ideas to improve employee performance); Diknas (a more "bottom up" approach including weekly meetings with school principals and teachers); and at the Kelurahan level (improvement in employee performance and teamwork through a more positive-thinking, hands-on approach by the Lurahs).

In another CIDA-funded activity, YIPD/CLGI staff delivered a three-day training on **strategic management** to Camat, Lurahs, and other selected officials from Kecamatan Maritanggae and Kulo, Kabupaten Sidenreng Rappang (Sidrap), South Sulawesi. More than 40 people attended. YIPD/CLGI's Executive Director, the Bupati and the local parliament Chair signed a Memorandum of Understanding formalizing the Center's support for this effort.

YIPD/CLGI, in collaboration with its local partner *Yayasan Dinamika Pembangunan Masyarakat (YDPM)*, successfully completed the first phase of a rigorous **organizational development** intervention for Kabupaten Lombok Timur, NTB. A new kabupaten structure now exists, which will be institutionalized through adoption of a local regulation, or *perda*. Based on phase one success, Lombok Timur requested YIPD/CLGI to provide additional technical assistance in change management as a part of a capacity building needs assessment (CBNA) effort during 2004.

YIPD/CLGI, with funds from CIDA, signed a Memorandum of Understanding with the local government of Kabupaten Sinjai, Sulawesi Selatan for a 5 - 6 month technical assistance focusing on organizational development / restructuring. As a result of their increasing awareness of the need for and benefit of this activity, the local government increased its 2003 contribution from Rp. 19.0 million to Rp. 50.0 million.

2. Sourcing / Securing Non-USAID Funds – Pursuing Financial Sustainability

YIPD/CLGI's four-pronged approach at sourcing and securing long-term, non-USAID sources of funding in pursuit of financial sustainability intensified during the Quarter. Increased emphasis was placed on obtaining both private sector and local government counterpart financial commitment for activities implemented in the various regions. YIPD/CLGI is working with, or is providing assistance to, 18 local governments⁶ with programs covering a range of activities including performance management, financial management, organizational development, and change management. Local government contributions increased during the Quarter just ended.

In addition YIPD/CLGI signed a contract with BP for a series of interventions in the Bird's Head, Papua, specifically in the Kabupaten of Teluk Bintuni and Manokwari. The total budget for this one-year initiative is US\$ 383,100 with activities focusing on performance management, local government financial management and organizational development.

YIPD/CLGI submitted its revised final draft proposal to PT. Freeport for a two-year program to assist the Kabupaten Mimika, Papua. The total budget is US\$ 855,980. Activities will focus on local government financial management and organizational development at the kecamatan (sub district) level of government.

The YIPD/CLGI-Citizens International consortium received a US\$ 20,000 grant from Freeport McMoRan, New Orleans, for initiating activities in the highlands of Papua, specifically the Kabupaten of Paniai, Puncak Jaya and Jayawijaya.

YIPD/CLGI, using the RFP (Request for Proposal) process, requested the local government of Kutai Timur, East Kalimantan, to determine the set of interventions needed that can be supplied through technical assistance from the Center. Because of the sale of KPC to PT. Bumi Resources, followed by a two-week workers' strike, the local government was unable to submit the completed RFP by the end of September

⁶ These are: City of Pontianak (East Kalimantan); Kabupaten Kutai Timur (East Kalimantan); Kabupaten Sleman (Central Java); Kabupaten Bojonegoro (East Java); Kabupaten Bangli (Bali); Kabupaten Lombok Timur (NTB); City of Gorontalo (Gorontalo); City of Manado (North Sulawesi); Kabupaten Morowali (Central Sulawesi); Kabupaten Sinjai, Kabupaten Bantaeng, Kabupaten Sidenreng Rappang (South Sulawesi); Kabupaten Maluku Utara (Maluku Utara); Kabupaten Teluk Bintuni, Kabupaten Manokwari, Kabupaten Mimika, Kabupaten Paniai, Kabupaten Puncak Jaya (Papua).

deadline. KPC officials assure YIPD/CLGI that the RFP will be sent and activities can commence during the next Quarter.

YIPD/CLGI was short-listed, along with six other Indonesian institutions/organizations, for ADB's US\$ 1.51 million three-year Sustainable Capacity Building for Decentralization (Package B3: Field Teams West) Project, part of their larger US\$ 42.22 million ADB Loan No. 1964-INO. Although the YIPD/CLGI technical proposal did not meet the minimum technical score to be considered for review of its financial proposal, it is expected ADB will finance a follow on project for Field Teams East. YIPD/CLGI anticipates being short-listed.

YIPD/CLGI was informed that its proposal for the World Bank's Development Marketplace Competition 2003 entitled "Strengthening Papua Highlands Local Governments Through Partnership" did not make it to the second round and would not be considered for financing.

Finally, the USC-YIPD/CLGI joint proposal for the ADB's developing a capacity building monitoring system finished second behind Pacific Consultants International (PCI). However, the USC-YIPD/CLGI consortium is still awaiting a decision of the joint proposal submitted to the U.S. State Department on conflict resolution.

C. Communications

1. YIPD/CLGI Clearinghouse

The Center's Innovation and Best Practices Clearinghouse continued to develop its quality and content through a number of activities. Data / information on the Web site consists of 596 documents, including 55 best practice documents, and 2,900 electronic clippings. The fourth edition of the YIPD/CLGI newsletter was published. The entire edition was devoted to the controversy surrounding the Central government's new regulation PP No. 8/2003, which deals with restructuring / reorganizing local governments. Finally, the Center published its first professional brochure profiling the Center, its programs and activities, and the various technical assistance packages provided for local governments in Indonesia.

2. Best Practices Standards

The best practices working group (POKJA) produced a set of best practices standards and, as a result, identified 37 best practices related to Indonesian local governance and decentralization issues. This data was shared with other BPCG (Best Practices Coordinating Group) members. YIPD/CLGI, as Chair of the BPCG Secretariat, will continue its collaboration with other members in verifying these best practices and intensifying additional best practices data collection. Finally, working with the POKJA, YIPD/CLGI plans to establish a best practices dissemination mechanism utilizing its Clearinghouse.

3. Mapping Study / Donor Coordination

YIPD/CLGI continued its mapping study, intensifying data collection, entry, validation and analysis efforts. When completed, the mapping study will provide comprehensive information on what the various donors are doing, where the initiatives are taking place, and at what cost.

Together with URDI (Urban Development Institute) and TUGI, a book so-called “*Menuju Pembangunan Daerah Lebih Baik* (Toward Better Regional Development)” was published and distributed at the Local Governance Forum in Batam.

4. Delphi Forecasting Study

YIPD/CLGI prepared and transmitted the second round of the Delphi forecasting survey in July and August; results were compiled in September; and the final report should be submitted in October. The survey identifies the importance and probability of events and conditions that will impact local government in Indonesia during the years 2004-2008, information that will be useful for identifying ways that YIPD/CLGI and other organizations can prepare and offer services addressing issues, opportunities, and threats that will impact local governments.

II. PROGRESS OF MAJOR ACTIVITIES

The YIPD/CLGI Team made significant progress during the Project’s 8th Quarter. A detailed description of major activities according to their respective tasks as articulated in the approved YIPD/CLGI Year 2 Work Plan is provided below.

Task 1. General Program Support Activities

- YIPD/CLGI staff met with the new USAID Mission Director and discussed progress of the Center’s activities. Topics included the importance of YIPD/CLGI becoming a technically and financially sustainable institution in support of the implementation of local government autonomy and decentralization in Indonesia, its unique position as an Indonesian organization leveraging USAID monies to raise additional funds, and its success with various pilot initiatives in performance, asset and change management.
- An updated inventory of YIPD/CLGI equipment and supplies can be found in an attachment at the end of this report.

Task 2. Foundation Development

Staffing / Recruitment

- Over 180 applicants applied for the position of YIPD/CLGI National Executive Director. A rigorous selection process began with YIPD/CLGI staff compiling the first short list. Four members of the YIPD Board of Directors will also participate in the short list selection process. A final decision on the National Executive Director is expected before the end of November 2003, with the individual assuming his/her post no later than January 2004.
- YIPD/CLGI’s Subcontract/grants Manager, Ms. Ida Suriany, submitted her resignation in September 2003. Her last day of work will be 3 October 2003. Options are being explored on how YIPD/CLGI can best fill the personnel void created by her departure.

- YIPD/CLGI recruited two temporary staff, one to assist with Web site data entry in the Clearinghouse and a second individual to assist with the mapping study.

Organizational Development

- **Coordination with the YIPD Board of Directors**

The eighth (and last) Roundtable Discussion was held in September covering the topic of port infrastructure and land issues. The national seminar originally planned for October 2003 was postponed until January 2004.

- **Internal Staff Training**

YIPD/CLGI's Senior Accountant/Finance Manager and Subcontract/Grant Manager spent a week with Urban Institute and Chemonics in Washington DC to familiarize themselves with internal management and administrative procedures needed by YIPD prior to entering into its subcontract with UI.

- **Coordination with the Local Government Associations**

YIPD/CLGI staff attended the *APEKSI Rakomas II* in Batam, the *APPSI Munas* in Bandung and the *APKASI Rakernas* in Jakarta.

- YIPD/CLGI's Local Government Management Specialist was invited to be a moderator on a panel discussion at the *APEKSI* (Association of Indonesian Municipalities) annual meeting held in Batam.
- YIPD/CLGI hosted a meeting with the Chief of Party of the USAID financed HIV/AIDS project and organized a follow-up meeting with BIGG staff. The purpose of the meeting was to inform the local government associations of Family Health International's HIV/AIDS work and to explore ways in which the Associations might be willing to use their network of members for an advocacy / dissemination program at the local government level.

Networking/Internal Institutional Strengthening

Asian Development Bank

- YIPD/CLGI was short-listed, along with six other Indonesian institutions/organizations, for ADB's US\$ 1.51 million three-year Sustainable Capacity Building for Decentralization (Package B3: Field Team West) Project, part of the larger US\$ 42.22 million ADB Loan No. 1964-INO. YIPD/CLGI submitted its proposal on 18 September. On 6 October YIPD/CLGI was notified by the ADB that the technical proposal did not meet the minimum technical score to be considered for review of its financial proposal. It is expected that the ADB will have a follow on project for Field Teams East. YIPD/CLGI anticipates being short-listed again.



AusAID

- YIPD/CLGI hosted a visit of the AusAID Managing Basic Education Team. The visit provided an opportunity for the two groups to exchange ideas about their respective programs and possible synergies, especially when the long-term national education specialist financed by USAID takes up residence at YIPD/CLGI.
- YIPD/CLGI hosted a visit of another AusAID team involved in implementing their new area-focused approach (AFA). The AusAID team was briefed on YIPD/CLGI's approach in working with local governments and possible future collaboration once their project areas are identified.

GTZ

- YIPD/CLGI participated in the GTZ-chaired Donor Working Group on Decentralization. During the meeting YIPD/CLGI was designated to lead a 'Mini Group' on efforts to better coordinate donor assistance for decentralization and up a sustainable mechanism. The results of this Mini Group exercise will be presented to the large Donor Roundtable members during November. One option being explored will be for the donors to finance a dedicated team to manage this activity for the long-term and to utilize the Center's Clearinghouse as a means to monitor decentralization activities in Indonesia.
- As a result of an external evaluation of their Urban Quality Project, YIPD/CLGI was approached by GTZ's Urban Quality Project Manager to explore inter-institute collaboration, initially through cooperation on selected capacity building initiatives in the City of Mataram and Kabupaten Lombok Tengah, NTB. GTZ wants to ensure sustainability of its various urban initiatives by working with and through a local institution. It was agreed the two organizations would explore possible collaboration on one or more of the following: (1) developing planning and organizational development on the island of Lombok; (2) working with the GTZ Local Urban Quality Advisor Pool (LUQA); and (3) institutional development of a joint secretariat in Yogyakarta. GTZ has allocated approximately Rp. 2.5 billion (US\$ 301,000) for these initiatives. During October, YIPD/CLGI and GTZ will send a joint team to Lombok as a first step in cooperation.
- YIPD/CLGI hosted a meeting of staff from GTZ, and two USAID-funded activities, PERFORM and MSH (Management Sciences for Health), to discuss government and donor progress with the issue of minimum service standards (SPMs).

Harvard University

- YIPD/CLGI hosted a visit of Ms. Jeannine Guthrie of Harvard's Program on Humanitarian Policy and Conflict Research. They were requested to talk with Center staff based on a recommendation from the International Crisis Group (ICG) and to determine possible collaboration on future conflict resolution activities.

Indonesian Center for Women in Politics (ICWIP)

- Because of bureaucratic difficulties within the Ministry of Home Affairs and Ministry of Women's Empowerment, YIPD/CLGI and ICWIP decided not to collaborate with these departments on their proposal, but rather to develop a new proposal for submission to the Partnership for Governance Reform in Indonesia. The new proposal is still in its development stage.

Institute for Research, Training and Development (IRTD)

- YIPD/CLGI, in collaboration with IRTD, completed a quantitative survey in the City of Pontianak to obtain a picture of current leadership practices, organizational values, as well as local government employees' perception of their respective organization's strengths. The report was presented to Pontianak City officials.

Kenan Institute

- YIPD/CLGI's Training Specialist attended the Kenan Institute's presentation in Balikpapan on their "Cornerstone Program". After the presentation, YIPD/CLGI staff held discussions with Cornerstone's Indonesian Project Manager, Sita Supomo, on possible collaboration since both groups will be working in East Kalimantan with funding from the same private companies. Although Cornerstone is geared more toward building community and private sector participation in increasing the quality of education, it was determined Kenan's participatory approach can be used by the Center to enhance its work with local governments.

The Asia Foundation

- YIPD/CLGI's Local Government Management Specialist and Local Government Financial Management Specialist were invited by The Asia Foundation (TAF) to be one-day trainers for their IRDA (Indonesia Rapid Decentralization Appraisal) Phase IV researchers. Topics covered included performance management and financial/asset management. The training session was so well received that TAF intends to invite the YIPD/CLGI staff as trainers for the next IRDA Phase in 2004.

UNDP

- YIPD/CLGI was asked by the UNDP Paragon Decentralization and Poverty Reduction Project to submit an expression of interest. The project is to further the understanding of the influence of institutional structures and local knowledge production on local governments' ability to address the issue of poverty reduction. A set of case studies aimed at assessing the dynamics of local governance public service delivery systems is being prepared. YIPD/CLGI is being asked to develop one of the case studies. Once complete, a synthesis of the case studies will help identify effective ways of designing and implementing capacity building initiatives.



- YIPD/CLGI hosted a visit of Mr. Craig Wilson from the UNDP's Tourism Governance Project. Mr. Wilson was exploring possible collaborative opportunities with YIPD/CLGI for the UNDP community-based tourism project at the kecamatan level.
- YIPD/CLGI attended a meeting to discuss the results of the Local Government Self-Assessment Tool (LGSAT) recently implemented by UNDP. It is expected LGSAT would become a sustainable mechanism for measuring good local governance initiatives.

University of Southern California US-INDO Inter-Faith Conflict Resolution Exchange Program

- USC's Center for International Policy, Planning, and Development (CIPPAD) and YIPD/CLGI are still waiting for a decision on the proposal submitted to the U.S. Department of State for the Inter-Faith Conflict Resolution Exchange Program. This program consists of (1) an exchange program for 10 senior Indonesian Islamic leaders; (2) a two-way exchange program on inter-religious dialogue; and (3) an exchange program for 12 to 14 political and civil society leaders from Maluku and Sulawesi. YIPD/CLGI would assist in (a) selecting participants (mainly religious leaders) who would travel to the U.S. for the exchange program, and (b) conducting one 3-day conference on religious freedom in Jakarta. Regardless of the outcome, YIPD/CLGI will continue to explore future potential collaboration with USC. The Center's Local Government Evaluation Specialist will meet in October with Dr. Koiche Mera from CIPPAD to discuss ways in which both institutions can work together.

Urban and Regional Development Institute (URDI)

- YIPD/CLGI continues to coordinate with URDI. In addition to Center staff serving on the URDI-lead Local Governance Forum Steering and Organizing Committees, the two institutes recently published a book detailing some of the current decentralization initiatives in Indonesia. The book was distributed at the LGF in Batam. The two institutes also agreed to jointly publish the mapping study currently being put together by the Center.
- YIPD/CLGI staff actively participated on the Local Governance Forum (LGF) Steering and Organizing Committees in preparation for the second LGF to be held in Makassar from 15-16 October. The first LGF was held in Batam late August with a focus on managing governance of local economic activities. The theme of the second LGF will be strengthening actions for sustainable local development through good governance.

USAID

- YIPD/CLGI hosted a visit by Ms. Wendy Chamberlin, USAID Assistant Administrator for Asia and the Near East Bureau, Washington, D.C., for a review of USAID's education programs emphasizing issues in basic and civic education and a review of issues in decentralization and USAID programs that focus on the development of effective, participatory local government.

- YIPD/CLGI continued to work closely with key personnel from the USAID-financed Managing Basic Education (MBE) initiative, including frequent discussions held with the Project's Chief of Party. By the end of this Quarter, the first national long-term education specialist recruited under this initiative had not yet taken up residence at the Center. This, combined with some internal MBE concerns, led to their decision to recruit another national education specialist, who was interviewed by YIPD/CLGI's Executive Director. It is expected the new MBE national education specialist will start working out of the YIPD/CLGI office during the next Quarter.
- The GSU-PADCO Team of the USAID-financed Technical Support for Decentralization Reform in Indonesia Project made their first visit to Indonesia. Team members included the Project's Chief of Party Dr. Jorge Martinez; Dr. Jamie Boex; Mr. Gabe Ferrazzi; Ms. Laila Suryodipuro and Mr. Kismet Kosasih (PADCO's decentralization policy specialist working at the Center). The Team visited with officials from the Ministry of Home Affairs, the Ministry of Finance, the World Bank, ADB, JICA and AusAID. In collaboration with their local partner, LPEM-UI, the Team completed their visit with a roundtable discussion. Activities during this first visit focused on an introduction of the program to potential stakeholders, information sharing on planned activities related to specific decentralization policy issues, and describing their policy matrix.
- YIPD/CLGI staff participated in both the USAID-funded BIGG (Building Institutions for Good Governance) National Innovative Practices Conference and the LGWS Closing Seminar in Jakarta. At the latter, the possibility of YIPD/CLGI working with some of the local water companies assisted under the Project was discussed, especially given the Center's work with performance management to improve delivery of selected public services.
- YIPD/CLGI, working with ICMA, NDI, UNDP and IULA, continued preparations for the Local Government Associations National Seminar (formerly the IULA Tool Kit Roll Out). The Seminar will be held in Jakarta early November 2003.
- YIPD/CLGI's Executive Director was invited to give a presentation at the Closing Seminar of the USAID-funded Legislative Drafting Project. Material covered included the process for forming the YIPD foundation and the various mechanisms instituted by YIPD/CLGI to achieve financial self-sufficiency prior to the end of donor funding. As a result of this presentation, the University of San Francisco Team will submit a concept paper to YIPD/CLGI for sustaining some of the legal drafting centers established through USF's assistance. The idea is for YIPD/CLGI to create a legal division within the Center that will utilize the consortium of legal drafting centers to generate legal advice initiatives in selected regions.
- YIPD/CLGI attended the PERFORM PDPP Roll Out and set up a booth for distributing Center materials to the participants.

World Bank

- YIPD/CLGI hosted a visit Mr. Joel Hellman, the World Bank's Lead Governance Specialist. The Bank's Dutch Trust Fund team recommended that he contact the Center regarding Bank-sponsored research on the proliferation of *perdas* (regional regulations) and how they have



changed the legal environment across different kabupaten and kota. He is commissioning a study, which develops a categorization and content analysis of the full set of *perdas* in selected districts since 2001. Ways in which YIPD/CLGI might play role in the process were explored.

- YIPD/CLGI hosted a visit of the World Bank's Ms. Ofie Templo to exchange information on local government planning and budgeting processes in Indonesia and how they may or may not link to national processes. She also shared some of her experiences with the decentralization process in the Philippines.

Miscellaneous

- YIPD/CLGI hosted a visit by Mr. Yan Bach, a Dutch student completing his Ph.D. on Indonesian decentralization. Ways in which YIPD/CLGI might be able to provide post-doctorate assistance were explored.
- YIPD/CLGI's Local Government Management Specialist was invited to attend and present a paper at the 5th International Regional Science Association (IRSA) International Conference in Bandung, West Java. The paper was entitled "Service Improvement Action Plan as a Tool for Local Government Performance Management".
- YIPD/CLGI's Local Government Management Specialist appeared as a speaker on TVRI's (Indonesia's national television station) Interactive Dialog Program. The topic was "Developing Awareness About the Public Policy Process."
- On a referral from the PERFORM Project, YIPD/CLGI hosted a visit by Mr. Uwe Leudecke, Director of PT. Business Intelligence Technologies, a private company interested in marketing ICT hardware to some of the regional governments in Indonesia. The company has an advisor to, Orbis, has a large ICT project in East Kalimantan, are interesting in expanding to other regions, and are looking to YIPD/CLGI as a potential partner.

Task 3. Products and Services

Marketing Sustainability – Strengthening Local Government / Governance Capacity

A. Performance Measurement / Management

City of Pontianak, West Kalimantan

- YIPD/CLGI's Director of Technical Services met with City of Pontianak officials to assess progress in improving performance of solid waste management and to discuss additional initiatives. The August Performance Monitoring Report for the Solid Waste Pilot Project showed substantial improvement in cleaning around temporary dumpsites (TPS). This is the primary indicator for performance measurement during the Pilot Project. The Head of the Sanitation, Parks, and Cemeteries Service, Mulyadi, was pleased with their progress but said more could be done if citizens would cooperate with them. A personal inspection of the pilot

zone by the Director of Technical Services confirmed that this was the case. It also showed that additional dumpsters and related equipment were needed.

- Possible assistance by YIPD/CLGI in the conduct of a campaign to engage citizens in improving sanitation was discussed, in particular a strategy that would include mass media messages and engagement of a network of citizen and business leaders. A meeting was arranged with the Director of the Pontianak Post (a local newspaper) and his staff. The Director, Untung Sukarti, is also Chairman of the Forum for City Beautification. The YIPD/CLGI team and leaders of the City Performance Management team explained the progress already made in sanitation in the pilot zone and the need to engage citizens to complete the process. The Director of the Pontianak Post expressed great interest in this initiative and a readiness to collaborate. YIPD/CLGI offered to prepare a strategy paper for citizens' participation and Pontianak officials and the Post agreed. The paper will be submitted in October.
- As a result of the progress with performance management activities in Pontianak, YIPD/CLGI has developed a handbook/manual performance management, which will be used during future training sessions and will be made available for purchase by the public.

Kabupaten Sleman, Central Java

- YIPD/CLGI's Local Government Management Specialist met with the Kabupaten Sleman performance management working group to discuss progress of SIAP documentation for each unit under the activities of performance measurement. Significant progress was made by the water supply enterprise working groups and the health sector working groups, while the other two working groups - business permits and solid waste management - have yet to show significant results. Local government officials have expressed their eagerness to hold workshops for developing SIAP documentation and implementation and for incorporation into the formal budget cycle.

Kabupaten Bangli, Bali

- YIPD/CLGI's Local Government Management Specialist met again with the head of the Kabupaten Bangli Bappeda Office in an effort to move this initiative forward. An explanation was given of the RFP process and offered it as a possible alternative so that YIPD/CLGI could initiate technical assistance to the kabupaten. Activities have not yet commenced.

City of Gorontalo, Gorontalo, Sulawesi (YIPD/CLGI-CIDA Partnership)

- YIPD/CLGI held its initial meeting with the technical team and steering committee to decide the training schedule and type of public service that will be measured using performance management tools. The teams agreed to hold the first training session the second week of October 2003. Four public services were selected for strengthening, solid waste management, public health, transportation, and public markets.

B. Asset Management

Kabupaten Sleman, Central Java

- YIPD/CLGI initiated Phase II asset management activities in Kabupaten Sleman. The Center's Executive Director and the Bupati of Sleman signed an MoU formalizing technical assistance through April 2004. A new counterpart team consisting of 34 Kabupaten staff representing all dinas that own property assets were formed. One hundred Kabupaten property assets have been identified. Building on the good performance during Phase I, YIPD/CLGI's short-term expert, Mr. Eko Setyanto from AtmaJaya University Yogyakarta, was reappointed as facilitator for Phase II.
- Kabupaten Sleman arranged a two-day intensive training on property appraisal techniques with YIPD/CLGI's local government financial management specialist and short-term expert as instructors. In the spirit of shifting more financial responsibility for local training costs to the local governments, Kabupaten Sleman covered accommodation costs for the two Center staff.

C. Performance Budgeting

Kabupaten Morowali, Central Sulawesi (YIPD/CLGI-CIDA Partnership)

- YIPD/CLGI's Local Government Financial Management Specialist developed training materials for Kabupaten Morowali officials based on materials already available from MOHA, MOF and BIGG. Training will take place in October and December 2003. YIPD/CLGI will conduct this training in coordination with BIGG by recruiting trained government staff from one of their pilot areas. The Bupati of Sleman agreed to send two of his finance staff to assist YIPD/CLGI deliver the training in Kabupaten Morowali.

D. Change Management

City of Pontianak, West Kalimantan

- YIPD/CLGI staff monitored the progress of the change management program in Pontianak. Three working units, e.g., Badan Kepegawaian Daerah (BKD), Dinas Pendidikan (Diknas), and Kelurahan Pontianak Utara were chosen as pilot projects. Progress was measured against the action plans they developed after the first training. Important changes were recorded for BKD to cut the bureaucratic procedures for personnel administration and innovative ideas to improve Pontianak employees' performance (e.g. Award for Best Performing Employee). In Diknas, there have been significant changes in their approach toward the schools under their supervision, e.g., more "bottom up" with Diknas officials holding weekly meetings with school principals and teachers to discuss programs, progress and problems. Innovative ideas have resulted from these meetings and school officials are enthusiastic about this change, they feel more appreciated and respected (not treated as mere executors of Diknas programs but as equal partners), and their coordination with Diknas has improved as a result. At the Kelurahan

level, although changes have not been as significant, there are efforts to improve employees' performance and teamwork through a more positive-thinking approach by the Lurahs.

Kabupaten Bantaeng, South Sulawesi (YIPD/CLGI-CIDA Partnership)

- Due to difficulties in obtaining a commitment from the Bupati of Kabupaten Bantaeng for the change management program, the inability of YIPD/CLGI staff to meet with him during three separate visits to the Kabupaten, and the approaching end-date of collaboration with CIDA, YIPD/CLGI decided to cancel its assistance to this kabupaten.

E. Strategic Management / Planning

Kabupaten Sidenreng Rappang, South Sulawesi (YIPD/CLGI-CIDA Partnership)

- YIPD/CLGI staff delivered a three-day training on Strategic Management to Camat, Lurahs, and selected officials from Kecamatan Maritange and Tulo, Kabupaten Sidenreng Rappang (Sidrap), South Sulawesi. More than 40 people attended. The training revealed more serious problems in the organization of the Kabupaten, e.g., no human resource management system in place, resulting in frequent personnel replacements without valid reasons, poor leadership at the top level, etc. YIPD/CLGI will target these issues during its strategic management program follow-up in this kabupaten.
- YIPD/CLGI's Executive Director, the Sidenreng Rappang Bupati and the Chair of the Sidenreng Rappang Local Parliament signed a MoU formalizing the Center's support for this effort.

F. Structural, Institutional and Organizational Development

Kabupaten Lombok Timur, NTB

- YIPD/CLGI, in collaboration with its local partner *Yayasan Dinamika Pembangunan Masyarakat (YDPM)*, successfully completed the first phase of Organizational Development for Lombok Timur Kabupaten, NTB. As a result a new kabupaten structure exists which will be institutionalized through a local regulation (*perda*). A draft *perda* on the new structure was submitted to the local parliament (DPRD) for discussion. The final version is expected early 2004.
- YIPD/CLGI's Training Specialist delivered a session on organizational behavior aspects of the organizational restructuring process, for the Kabupaten Lombok Timur technical team and local partner, *YDPM*. The emphasis was on a transparent and participative approach to all working units to obtain their acceptance of the organizational changes and to reduce resistance to these changes. The technical team and *YDPM* implemented these principles during their sessions and the results have been positive, e.g., teams faced no major resistance.



- YIPD/CLGI technical staff initiated an institutional needs assessment in preparation for a second phase, which will include identification and development of new and appropriate nomenclature and establishing an appropriate legal framework to enable the local government to implement new policies. The final report of this local government structure analysis will be available through the YIPD/CLGI Clearinghouse.
- Based on the success of the first phase, the local government of Lombok Timur requested YIPD/CLGI to provide further technical assistance with change management training as a part of a capacity building needs assessment (CBNA) during 2004.

Kabupaten Sinjai, South Sulawesi (YIPD/CLGI-CIDA Partnership)

- YIPD/CLGI's Training Specialist met with the Bupati and the local government technical team responsible for coordinating the technical assistance activities to be provided by CIDA-YIPD/CLGI in Kabupaten Sinjai, South Sulawesi. The objective of the meeting was to sign the MOU and to achieve a common understanding regarding content and schedule of the 5 - 6 month technical assistance, which will focus on organizational restructuring. The local government increased its contribution from Rp. 19.0 million to Rp. 50.0 million for this program. In September, the first step of the program, a half-day workshop on PP No. 8/2003 dealing with local government organizational structure and group discussions with all working units, was held. YIPD/CLGI invited an official from the Bureau of Organization of the Ministry of Home Affairs to provide background on PP No. 8/2003 during this workshop. The objective was to provide clear understanding of the regulation and ease YIPD/CLGI and the technical team's task to restructure the organization of Kabupaten Sinjai.
- YIPD/CLGI discussed collaboration with Universitas Negeri Makassar (UNEM) to conduct a job analysis (and possibly personnel assessment) for various positions in the local government of Sinjai, South Sulawesi. This activity will be done as part of the organizational analysis and restructuring program, which YIPD/CLGI is doing for Sinjai. The base for this collaboration is an assumption that analysis done by a third (independent) party will be more objective and more readily acceptable by Sinjai officials.
- YIPD/CLGI staff discussed possible collaboration with GAIA Solutions in Jakarta to provide a "Competency-based Human Resource System" workshop to YIPD/CLGI partners in Makassar (UNEM, Sinjai technical team, other potential partners). The competency-based HR system has been used as a base for a professional HR management in a number of private companies and will be an innovative way of managing human resources in the public sector.

G. Evaluation and Mapping Studies

- YIPD/CLGI's Local Government Evaluation Specialist continued the mapping study focusing on data collection, entry, validation and analysis. The objective of the mapping study is to identify institutions/donors that are either carrying out mapping studies or have an interest in the data such studies produce. YIPD/CLGI is collaborating with GTZ, Bappenas (National Planning Agency), UNDP, CIDA, The World Bank and URDI on this study since all of them

have tried to undertake mapping efforts. The YIPD/CLGI mapping study will be published in book form.

- Together with URDI (Urban Development Institute) and TUGI, YIPD/CLGI provided support in publishing a book called "*Menuju Pembangunan Daerah Lebih Baik*" (Toward Better Regional Development). This book describes a number of good governance programs implemented at the regional level and a brief description of each program and implementation agencies.

H. Private Sector Partnerships

Kabupaten Kutai Timur, East Kalimantan – Kaltim Prima Coal (KPC)

- YIPD/CLGI is waiting for the local government to submit a completed RFP prior to initiating activities. Because of the sale of KPC to PT. Bumi Resources, followed by a two-week workers' strike, the local government was unable to submit the completed RFP by the end of September deadline. KPC officials assure YIPD/CLGI that the RFP will be sent and activities can commence during the next Quarter.

Kabupaten Kutai Kartanegara, Kabupaten Penajam Paser Utara and the City of Balikpapan – PT. UNOCAL Indonesia

- Following separate visits by YIPD/CLGI's Executive Director and Training Specialist to Balikpapan and discussion with UNOCAL's Community Development officials, a proposal was submitted to the company exploring tri-partite collaboration with UNOCAL and the East Kalimantan local governments of the City of Balikpapan, Kabupaten Kutai Kartanegara, and Kabupaten Penajam Paser Utara. The proposal is under review by UNOCAL officials.

City of Bontang – PT. Pupuk Kalimantan Timur (PKT)

- Following a meeting between YIPD/CLGI's Executive Director and PKT's Director, an expression of interest on collaboration with PKT in the City of Bontang was submitted to the company. YIPD/CLGI requested a time to meet and explain the Center's approach and formally submit a proposal for review by PKT officials.

Kabupaten Teluk Bintuni & Kabupaten Manokwari, Papua – British Petroleum (BP)

- YIPD/CLGI signed a contract with BP for a series of interventions in the Bird's Head, Papua, specifically in the Kabupaten of Teluk Bintuni and Manokwari. The total budget for this one-year initiative is US\$ 383,100 with activities focusing on performance management, local government financial management and organizational development.
- In preparation for the initial visit to the Bird's Head, YIPD/CLGI staff met with senior BP representative, Ms. Karla M. Boreri, and discussed logistics, approaches, reporting procedures and collaboration with the other GDA partners.



- YIPD/CLGI also met with a representative from the Universitas Papua, Manokwari, and discussed collaboration on technical assistance for the two local governments in the Bird's Head.

Kabupaten Paniai, Puncak Jaya and Jayawijaya, Papua – Freeport McMoRan

- The YIPD/CLGI-Citizens International consortium received a US\$ 20,000 grant from Freeport McMoRan, New Orleans, for initiating activities in the highlands of Papua, specifically the Kabupaten of Paniai, Puncak Jaya and Jayawijaya.

Kabupaten Mimika, Papua – PT. Freeport Indonesia (PTFI)

- YIPD/CLGI submitted its revised final draft proposal to PT. Freeport for a two-year program to assist the Kabupaten Mimika, Papua. The total budget is US\$ 855,980. Activities will focus on local government financial management and organizational development at the kecamatan (sub district) level of government.
- In response to an APCO initiative, YIPD/CLGI met with APCO staff and worked on a PowerPoint presentation for Lembaga Pengembangan Masyarakat Amungme Komoro (LPMAM). The objective of the joint YIPD/CLGI-APCO effort is to promote development in the highlands of Papua through stronger financial support from various international donors and other private sector companies.

Kabupaten Bojonegoro, East Java – ExxonMobil

- YIPD/CLGI is waiting for ExxonMobil to complete negotiations with Pertamina for a mutually beneficial contract arrangement to allow the company to commence full operations at the Cepu oil fields. Such an agreement will open the opportunity for YIPD/CLGI to return and follow-up on implementing the program described in its diagnostic review of Kabupaten Bojonegoro.
- ExxonMobil invited YIPD/CLGI's Local Government Evaluation Specialist to participate in the company's Opinion Leader Dialogue in Bangkok, Thailand, from 15-17 September. Participants included high-level representatives from non-governmental organizations, academia and other civil society organizations from Malaysia, Thailand, Singapore, Hongkong, China and Indonesia. The aim of this dialogue was to share perspectives on communication and interactive approaches between ExxonMobil and opinion leaders in the Asia region.

Sumatera – Talisman Energy

- No progress since the last Quarterly Report.

Central Kalimantan – Kalimantan Gold Corporation

- No progress since the last Quarterly Report.

Hickling

- YIPD/CLGI met with Hickling Consultants to explore opportunities to collaborate on their fiscal decentralization policy work under the CIDA-funded Governance Reform Support Project II. YIPD/CLGI staff shared documents on the Center's RFP process developed in early 2003. Further discussions will follow to agree on specific roles and responsibilities of each party and eventually a Memorandum of Understanding.

SNC Lavalin

- YIPD/CLGI's Executive Director met with Lavalin's President Director, Mr. Larry Johnson, to discuss possible collaboration on a Caltex bid for outsourcing the oil company's community development and community affairs activities.

I. Training Services

- YIPD/CLGI staff developed a Manual for Performance Measurement based on materials used during the various performance management training and translated materials from Mr. Harry Hatry's book (with his permission). The manual will be published for use in subsequent trainings and for sale to general public.

J. Delphi Forecast of Conditions and Events of Importance to Local Governments

- YIPD/CLGI prepared and transmitted the second round of the Delphi forecasting survey in July and August. The results of the second round were compiled in September. The final report will be submitted in October. The survey identifies the importance and probability of events and conditions that will impact local government in Indonesia during the years 2004-2008. This information will be useful for identifying ways that YIPD/CLGI and other organizations can prepare and offer services that will address issues, opportunities, and threats impacting local governments. The predications of Indonesian experts fall into five categories: social, political, economic, environmental, and institutional. Conclusions from survey data include: (1) social - citizen participation in local government will increase, but will be ineffective in improving public services unless their capacity is strengthened; (2) political - the 2004 elections will increase democracy and accountability in local government; the press and critics will become more active in promoting change, and Indonesia's foreign policy will impact local policy; (3) economic - hidden unemployment will increase, while proactive local governments will succeed in attracting investors, and foreign products will compete directly with local goods; (4) environmental - degradation of the environment will increase, although local governments will try to confront the problem, and local government revenues from natural resources will decline; and (5) institutional - restructuring by local governments should use assets more effectively, but corruption threatens to squander local funds.

K. Secretariat Function



- YIPD/CLGI hosted two Local Government Association Coordinating Group meetings during the Quarter. Members provided brief updates on the status of new Local Government Association (LGA) initiatives, progress with current programs, an update on the best practices coordinating group/POKJA activities and a detailed discussion on progress with the LGA National Seminar (formerly the IULA Tool Kit National Roll Out). The LGA Executive Directors and staff were also invited to discuss in greater detail the LGA National Seminar.

Task 4. Communications

Clearinghouse

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

Newsletter

- YIPD/CLGI published the fourth edition of its newsletter and devoted the entire issue to issues related to the Central government's new regulation PP No. 8/2003 dealing with restructuring / reorganizing local governments. The fifth edition, dealing with regional finance, is currently being printed and will be published early October 2003.

Brochure

- YIPD/CLGI's Local Government Evaluation Specialist developed the concept, content and design for a new professional brochure. The brochure, published this Quarter, profiles the Center, its programs and activities, and the various technical assistance packages provided for local governments in Indonesia.

Web site

- The following table is an evaluation of YIPD/CLGI Web site (www.clgi.or.id) usage for the Quarter just ended.

GENERAL STATISTICS		July	August	September
Visits	Visits	6,686	6,640	?
	Average Per Day	215	214	?
	Average Visit Length	00:14:06	00:14:50	?
	Median Visit Length	00:06:54	00:06:38	?
	International Visits	0%	0%	0%
	Visits of Unknown Origin	100%	100%	100%
	Visits from United States	0%	0%	0%

Visitors	Unique Visitors	1,808	2,155	?
	Visitors Who Visited Once	1,278	1,578	?
	Visitors Who Visited More Than Once	530	577	?

- There are now 320 registered members, an increase of 113% over the previous Quarter. The Web site is being promoted via exhibitions, workshops and seminars. The Web site's local government directory contains 1,872 entries, 596 documents including 55 documenting best practices, 95 articles and papers, 270 links to other institutions and over 2,000 electronic news clippings.
- Web site member usage statistics (profession; location) are provided below.

Profession	Total	%
Civil Servant	61	19.1 %
Private sector	60	18.8 %
University student	50	15.6 %
NGO	32	10.0 %
Consultant	26	8.1 %
Faculty	21	6.6 %
Researcher	18	5.6 %
Donor	5	1.6 %
Media	2	0.6 %
Lawyer	1	0.3 %
Retired civil servant	1	0.3 %
Others	43	13.4 %
	320	100.0 %

Region	Total	%
Jakarta	89	27.8%
Jawa Barat	45	14.1%
Yogyakarta	30	9.4%
Jawa Timur	25	7.8%
Jawa Tengah	13	4.1%
Kalimantan Barat	8	2.5%
Papua	6	1.9%
Riau	5	1.6%
Sumatera Barat	5	1.6%
Sulawesi Selatan	5	1.6%
Banten	4	1.3%
Sumatera Utara	4	1.3%
Sumatera Selatan	3	0.9%
NTB	3	0.9%



Kalimantan Tengah	3	0.9%
Aceh	2	0.6%
Jambi	2	0.6%
Sulawesi Tengah	2	0.6%
Sulawesi Utara	2	0.6%
Bengkulu	1	0.3%
Lampung	1	0.3%
Bali	1	0.3%
Kalimantan Timur	1	0.3%
Sulawesi Tenggara	1	0.3%
NTT	1	0.3%
Maluku Utara	1	0.3%
Luar Negeri	6	1.9%
Others	51	15.9%
	320	100.0%

III. DELIVERABLES AND REPORTS

- Prepared a paper entitled “Service Improvement Action Plan as a Tool for Performance Management of Local Governments” presented at the 5th IRSA (International Regional Science Association) International Conference in Bandung, West Java. **Contact Person: Alit Merthayasa**
- Prepared the YIPD/CLGI Quarterly Task Order Progress and Cost Report – July to September 2003 Development of the Foundation for Local Government Innovation. **Contact Person: LeRoy Hollenbeck**
- Prepared a presentation deck entitled “Better Property Asset Management To Improve Local Government Financial Performance” for Jawa Pos Institute for Pro-Otonomi. **Contact Person: Arintoko Utomo**
- Prepared training materials on “Principles of Property Appraisals” for a two-day intensive training at Kabupaten Sleman. **Contact Person: Arintoko Utomo & Eko Setyanto**
- Published with URDI a book entitled “Menuju Pembangunan Daerah Lebih Baik”, a descriptive collection of programs/projects addressing the issues of Indonesian poverty alleviation, regional autonomy and good governance. **Contact Person: Azwar Hasan and Eko Susi Rosdianasari**
- Final Report, “Kajian Kelembagaan Pemkab Lotim”, May-September 2003. **Contact Person: Azwar Hasan**

IV. PROBLEMS OR DELAYS AFFECTING THE TASK ORDER PERFORMANCE

Although the Project has only 13 months to transform YIPD/CLGI into a financially self-sufficient organization with professional staff developing innovations in support of strengthening critical aspects of decentralization and improving performance and service delivery of local governments to local communities, there are no problems or delays negatively affecting the task order performance.

V. WORK PLANNED FOR NEXT REPORTING PERIOD

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

- YIPD/CLGI staff will focus on more fully integrating the two additional professional staff financed under other USAID projects into Center activities. These are the national Education Specialist and the national Decentralization Policy Analyst.
- YIPD/CLGI expects to finalize the legal establishment of the "sister" 501(c)(3) charitable organization in the U.S.
- The Best Practices Coordinating Group will continue its activities during the next Quarter, especially the compilation of best practices in local governments that are being prepared by BPCG members. As Secretariat, YIPD/CLGI will continue to host meetings.
- Recruitment for the national Executive Director of the new Foundation for Local Government Innovation (YIPD) will continue.
- The Local Government Association Coordinating Group will intensify its activities during the next Quarter. YIPD/CLGI, as the Secretariat, will host regular meetings.
- YIPD/CLGI, in collaboration with both ICMA and NDI, will host the Local Government Associations National Seminar focusing on advocacy and leadership issues in November 2003. The IULA Local Government Association Tool Kit will be one of a number of documents distributed and used as training materials.
- The Local Government Participatory Planning Coordinating Group will try to meet during the Quarter and focus its activities on compiling a donor matrix on participatory planning activities being implemented throughout the country. YIPD/CLGI, as the Secretariat, will attempt to be more pro-active in this regard.



Task 3. Products and Services

- YIPD/CLGI staff will complete the recommended strategy for the citizen participation campaign for a clean environment in the City of Pontianak.
- YIPD/CLGI will initiate Phase II asset management activities in Kabupaten Sleman.
- YIPD/CLGI will complete its organizational development activities in Lombok Timur and will initiate a change management program.
- YIPD/CLGI will complete its mapping study of donor-assisted decentralization projects in Indonesia.
- YIPD/CLGI will initiate its collaboration with GTZ on the island of Lombok, NTB.
- Phase I of the CIDA-funded activities on with the four local governments on the island of Sulawesi will come to an end.
- YIPD/CLGI activities funded by BP will start in the Bird's Head of Papua.
- YIPD/CLGI activities will also start in Kabupaten Mimika, Papua, with counterpart funding from PT. Freeport.
- YIPD/CLGI will complete the Freeport McMoRan grant-funded review of identifying interventions and obtaining financial commitments from other donors for a highlands development foundation in the Papua Kabupaten of Paniai, Puncak Jaya and Jayawijaya.
- YIPD/CLGI expects to start working in Kutai Timur with funding from PT. Bumi Resources.
- YIPD/CLGI will initiate a bi-weekly publication called "Development Issues" (in English) to strengthen YIPD/CLGI's market position in public policy analysis.
- The Delphi Forecasting Study and report will be finished.

Task 4. Communications

- YIPD/CLGI will recruit a short-term consultant to edit a book on an analysis of the Indonesian *yayasan* law.
- Intensive attention will be given to upgrading the quality of the YIPD/CLGI Clearinghouse and Web site, and local governments will be encouraged to access and use the information available to them.

VI. SPECIFIC ACTION REQUESTED

Follow-up action on finalizing the proposed subcontract between UI and YIPD/CLGI is required. The proposed subcontract was submitted to USAID in early August.

VII. UP TO DATE SCHEDULE OF WORK

Task 1. General Program Support Activities

No.	Activities	Deadlines	Responsible Parties	Benchmarks
1.	<u>DFLGIP Year 3 Work Plan Preparation/Approval</u>	Oct-Dec '03	YIPD/CLGI Staff & Board Members, DLG / USAID	Year 3 Work Plan prepared; approved by USAID
2.	<u>DFLGIP Semi-Annual Work Plan Review (Year 3)</u>	Apr-May '04	YIPD/CLGI Staff, DLG/USAID, Associations, other stakeholders	Updated Year 3 Work Plan
3.	<u>DFLGIP Annual Report/Work Plan Update (Year 3)</u>	Jul-Aug '04	YIPD/CLGI Staff, DLG/USAID	Project Closeout

Task 2. Foundation Development

No.	Activities	Deadlines	Responsible Parties	Benchmarks
4.	<u>Recruit Foundation Executive Director</u>	Nov '03	YIPD/CLGI Board Members, YIPD/CLGI Staff	National Executive Director recruited
5.	<u>Review Organization Development Plan</u>	Jul-Dec '03	YIPD/CLGI Staff	Plan produced
6.	<u>Foundation Staff Training</u>	Jul '03-Aug '04	Training Specialist	Participant and Instructor Evaluations.
7.	<u>Prepare Resource Development Plan (Business Plan) Incl. budget centers</u>	Jul-Dec '03	YIPD/CLGI Staff	Plan produced
8.	<u>Establish "Sister" Foundation in U.S.</u>	Nov '03	Executive Director; UI-D.C.; Chemonics PMU;	501(c)(3) charitable org. established
9.	<u>Expand Networking Activities</u>	Jul-Dec '03	YIPD/CLGI Staff	Strengthened collaboration leading to concrete partnerships



Task 3. Products and Services

No.	Activities	Deadlines	Responsible Parties	Benchmarks
10.	<u>Innovations</u> Performance Mgmt and Asset Mgmt Innovation Projects concluded in Sleman & Pontianak; Change Management innovation project continues	Apr-Dec '03	Technical Services Director, Mgmt and Financial Mgmt. Specialists, Training Specialist, selected expert consultants	Documents describing the services and implementation plan for selected local governments
11.	<u>Certification Training</u> Training program in Performance Mgmt for local governments and their associations leading to certification	Dec '03	Technical Services Director, Training Specialist, selected expert consultants	Training designs and materials, in Indonesian, with formative evaluation reports
12.	<u>Private Sector Initiative/Partnerships</u> ExxonMobil-Bojonegoro BP-Papua KPC-East Kalimantan Freeport-Papua ConocoPhillips-Java Talisman-Sumatera UNOCAL-E. Kalimantan	Mar-Dec '03	Executive Director, Finance, Management, and Training Specialists	Report containing assessment and recommendations for local government capacity building programs
13.	<u>Organizational Development-Lombok Timur</u> Organizational needs assessment; nomenclature; tasks and functions analysis	Jul-Dec '03	Evaluation Specialist, Finance, Management and Training Specialists	New kabupaten structure
14.	<u>CIDA-Sulawesi</u> Collaborative project to assist 5 local governments in Sulawesi on general and financial management topics	Apr-Dec '03	Executive Director, Finance, Management, and Training Specialists	Documents describing the services and implementation plan for selected local governments
15.	<u>Mapping study</u> Mapping of Local Government officials' capability building needs	Jan-Dec '03	Evaluation Specialist	Complete database on local governments

Task 4. Communications

No.	Activities	Deadlines	Responsible Parties	Benchmarks
16.	<u>Acquisition of Information</u> Collect/update information on local government innovations and best practices, expert consultants and organizations, local gov't. directory and donors.	Oct '02-Oct '04	Technical Services Director; Information Specialist; cooperating local government association staff	Appropriate reference materials plus directories and cross indexes for database
17.	<u>Clearinghouse Formative Evaluation</u>	May-Dec '03	Information Specialist; user groups	Formative evaluation report
18.	<u>Web Site Maintenance</u> Continue to make the Web site more user friendly; expand documentation network utilizing online catalogue	May-Dec '03	Information Specialist	Increase Web site documentation by 10%
19.	<u>Newsletter</u> Fifth issue Foundation Quarterly Newsletter	Oct '03	Information Specialist; Evaluation Specialist	Fifth edition Newsletter

ATTACHMENT

Reports, Papers, and Publications

Reports, Papers, and 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. Citizens International and YIPD/CLGI, "GDA Concept Paper: Regional Foundation for Health, Education and Economic Development in Indonesia's Central Highlands of Papua", March 2003.
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ATTACHMENT

Tables/Charts

Table 1.
YIPD/CLGI INVENTORY LIST

No.	Description	Model	Unit
	<i>Computer Equipment</i>		
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	Notebook battery	Compaq EVO N110	1
13	Scanner	HP 5400	1
14	Cable Modem	D - Link DCM 200	1
15	Printer Server	D - Link DP101	1
16	Broadband Router	USR 800	1
17	Switch 16 Port	D-Link	1
18	Ethernet Card		1
19	Server	HP TC2110	1
20	Memory Card	512 MB SD	1
21	Modem	ADSL	1
	<i>Furniture</i>		
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		17
7	Mobile Drawer		8
8	Meeting Table		2
9	Side Table		9
10	Computer Desk		5
11	Bookshelf		7
12	Filling Cabinet	4 drawers	7
13	Filling Cabinet	2 drawers	1



Table 1. cont'd.

No.	Description	Model	Unit
14	Bookrack		3
15	Hanging Bookrack		14
16	Panel/partition		6
17	Canopy		1
<i>Air Conditioner</i>			
1	Air Conditioner	Eolia 1.5HP	2
2	Air Conditioner	Eolia 1HP	1
3	Air Conditioner	National 1HP	2
<i>Phone</i>			
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	Cell phone	Motorola 7689	1
6	Cell phone	Motorola 189	1
7	Cell phone	Motorola T190	1
8	Cell phone	Nokia 5110	1
9	Cell phone	Nokia 3310	1
<i>Other</i>			
1	Fax Machine	Panasonic KXF P 302CX	1
2	Infocus	LP-280	1
3	Typewriter	Brother	1
4	TV	Sony 29"	1
5	Digital Camera	Nikon Coolpix 5000	1
6	Flip Chart		4
7	White Board		5
8	Portable Screen		1
9	Cash box		1
10	Brandkast (Safe)	Royal	1
11	Refrigerator	LG GR-232DV	1
12	Microwave	Usatech	1
13	Rice Cooker	Miyako	1
14	Blender	Miyako	1
15	Dining Table		1 set
16	Stove		1
17	Gas Tank		2

18	Regulator		
19	Dishes	2 tea set, 1 dinner set,	1