Study Tour on Functional Assignment to Indonesia

Summary Report

4 - 11 June 2017
Indonesia
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Local Governance Initiative and Network (LOGIN) is a multi-stakeholder knowledge exchange platform that supports greater decentralisation and strengthened local governance in South and East Asia. Spanning 12 countries, LOGIN’s members include elected representatives, training institutions, think tanks, government departments, non-governmental organisations and inter-governmental organisations, among others. Working in favour of accountable, transparent and inclusive local governance, LOGIN facilitates knowledge sharing and peer-engagements on key governance issues amongst its members. Since its inception in 2013, LOGIN has been connecting and capacitating various actors and change agents who are driving reform agendas within their countries and the region.

As part of LOGIN's thematic focus on Public Service Delivery and the identification of Functional Assignment (FA) as a learning priority by Network members, LOGIN organised a study tour in June 2017 to understand and learn more about FA processes in Indonesia. Members from Afghanistan, Mongolia, Nepal and Pakistan participated in the week-long study visit which included meetings with key stakeholders and exposure visits.

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## Abbreviations and Terms

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<tr>
<td>ADEKSI</td>
<td>Indonesia City Council Association</td>
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<td>APEKSI</td>
<td>Association of Indonesian Municipalities</td>
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<td>APKASI</td>
<td>Association of Regency Governments of Indonesia</td>
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<td>FA</td>
<td>Functional Assignment</td>
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<td>IGI</td>
<td>Indonesia Governance Index</td>
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<td>LOGIN</td>
<td>Local Governance Initiative and Network</td>
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<td>MoH</td>
<td>Ministry of Health</td>
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<td>MoHA</td>
<td>Ministry of Home Affairs</td>
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<td>NGO</td>
<td>Non-Governmental Organisation</td>
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<tr>
<td>Regency</td>
<td>Sub-division of a province</td>
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<tr>
<td>Bupati</td>
<td>Regency Head</td>
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Executive Summary

Functional assignment (FA) is the process of assigning functions to different levels of government towards effective utilisation of public resources and increased efficiency of the public sector at the national and sub-national level.

FA was identified as a learning priority by the Local Governance Initiative and Network (LOGIN) membership during the Network’s 2nd General Assembly in 2014.

Following an Orientation Workshop on FA in 2015, three editions of an e-learning course on the subject have been facilitated.

Indonesia’s experience of decentralisation reforms over the years combined with rollout of different FA modalities and evolution of local government design serves as a relevant case study for LOGIN members.

On specific request of members from Afghanistan, LOGIN organised a study tour in June 2017 to learn more about FA processes in Indonesia. In addition to members from Afghanistan, the study tour included participants from Mongolia, Nepal and Pakistan.

The study tour was organised to help the participants gain a practical understanding of the FA process; expose them to FA-related experience and lessons learned in the Indonesian context; enable them to reflect on scope for FA mapping in their own countries; and link key actors and processes of FA among LOGIN members.

The study tour was held from June 4-11, 2017. The first part of the tour focused on understanding FA from the perspective of different ministries in the national government, local government associations, and academics. The second aspect of the tour was to expose the participants to application of FA in local governance in Central Sulawesi province, specifically Donnggala Regency and Nupabomba village.

This report summarises the delegation’s interactions with key stakeholders of FA in Indonesia as well as their observations of the practical application of FA at the local government level.
Background

Functional assignment (FA), i.e. the process of assigning functions to different levels of the government, is a critical theme in local governance across Asia. Assigning functions entails continued efforts driven by various socio-economic and political factors. Getting the right functions assigned to the right authorities helps in effective utilisation of public resources and increases the efficiency of the public sector at the national and sub-national level. Functions can be assigned through three modes of decentralisation – deconcentration, delegation, and devolution. Functions can be obligatory or optional, concurrent or reserved/exclusive.

The subject of FA has emerged as a crucial topic within LOGIN. Identified as a learning priority by Network members in the 2nd LOGIN General Assembly in December 2014, FA was introduced to the Network through an Orientation Workshop in 2015 and the facilitation of three editions of an e-learning course on FA in 2015, 2016 and 2017.

Introduction to the Study Tour

On specific request of members from Afghanistan, LOGIN organised a study tour in June 2017 to learn more about FA processes in Indonesia. In addition to members from Afghanistan, the study tour included participants from Mongolia, Nepal and Pakistan.

Objectives:

- To gain a practical and concrete understanding of the FA process;
- To expose participants to the practical experience and lessons learned on FA in Indonesia;
- To enable participants to reflect on opportunities and challenges for FA mapping in their own countries; and
- To create links and synergies among key actors and processes of FA among LOGIN members.

Lessons on Decentralisation from Indonesia

Indonesia’s experience of decentralisation has been an eventful journey, with a few steps forward and a few steps back. Beginning in 1999, the reforms were aimed at addressing concerns of stakeholders, such as uniformity in quality services delivered by sub-national governments across the country. Some of the milestones in the decentralisation journey include autonomy to Aceh province, re-centralisation of certain functions, and increased powers to village governments.

With more than a decade of decentralisation reforms marked by a mix of modalities of FA and evolution of local government design, Indonesia presents a relevant experience for LOGIN members to learn more about FA and its different processes. For details on Indonesia’s experience of decentralisation and its relevance to LOGIN members, please refer to the Concept Note on Study Tour on Functional Assignment (Annexure 1).

Host Institution

Kemitraan - The Partnership for Governance Reform was selected as the host institution for this study tour. Kemitraan has been promoting decentralisation reforms in Indonesia through capacity building and by supporting multi-stakeholder approach to governance reform. Kemitraan designed the itinerary for the study tour, identified and allocated appropriate resource persons for the relevant sessions, and managed the overall logistics.
To maximise the benefits of the study tour, LOGIN utilised the services of an international FA specialist, Dr. Gabe Ferrazzi, as a facilitator. Gabe, a resource person in previous LOGIN activities on FA, facilitated the study tour in view of his experience of Indonesia’s decentralisation reforms.

**Tour Itinerary**

The study tour was held from June 4-11, 2017. The delegation interacted with key stakeholders from different ministries in the national government, local government associations, and academia to understand their perspective of the FA process. The second part of the study tour exposed the participants to local governance practices in Central Sulawesi province. The delegation visited Donggala Regency and Nupabomba village to learn about the application of FA in local governments.

The Concept Note on Study Tour on Functional Assignment is provided in **Annexure 1**.

The detailed Programme for the Study Tour is provided in **Annexure 2**.

The List of Participants is provided in **Annexure 3**.
Understanding Functional Assignment from Perspective of Stakeholders in National Government, Local Government Associations and Academia
Meeting with Director General for Regional Autonomy, Ministry of Home Affairs - Dr. Sumarsono

Areas of Discussion:
- Development of FA approaches, with particular focus on revision in Law 23/2014 and the Aceh case
- Capacity of the Ministry to address FA issues
- Village functions prior to and after the introduction of Law 6/2014
- Relations to other levels (agency functions given by regional government)

Expected Outcome:
Improved understanding on the design and implementation of FA approaches and related problem-solving

Presentation Highlights

Features of Indonesian Government System
- Indonesia is a unitary state comprising 34 provinces, 415 regencies, 93 cities, 7,160 sub-districts, 8,430 urban villages, and 74, 754 villages.
- The government practices on decentralisation are based on constitutional provisions of Para 4 of 1945, while the constitution transfer of local governments is covered under Article 18, 18 A, and 18 B.
- Important laws regarding decentralisation in Indonesia have been Act 22 of 1999, Act 32 of 2004 and Act 23 of 2014.
- The 1999 Act allowed for big bang reforms providing for devolution of powers to local level and enhancing autonomy. The 2004 Act focused on controlling unwarranted trends, and balancing authorities and responsibilities of local governments. The 2014 Act provides more role for provinces and ministries at central level in control over local authorities.
- Critical issues for decentralisation in Indonesia include improving the framework based on practice, investing in building capacities in new provinces, and allowing for variety in implementation of the concept of decentralisation in different provinces.
- The decentralisation framework is based on provision of public services at the appropriate level. The framework is based on ‘principle of subsidiarity’, where tasks that can done best at a certain level are provided to the local authority at that level.
- The main weakness in local government regulations is related to penal provisions for non-performance.
- The key policymakers consider decentralisation in Indonesia as it stands now as ‘delegation of authority’ and not ‘transfer of power’. Norms, standards and criteria for performance of local governments are set by the central government.
- The role of citizens in local governance, apart from election of representatives at village, regency and provincial level, requires being involved in public discussions on planning processes.
- The local House of Representatives at province level and regency level have legislative (drafting and approving of regulations), budgeting and control functions.
- Three provinces (Aceh, Papua and Yogyakarta) have special provisions which also allow for specific local regulations. Aceh follows sharia law as the basis for its legal system. Papua has more cultural rights which also influence its local regulations. In Yogyakarta, the Sultan is also the Governor. He is not elected by the people; it is a hereditary position.
- Around 26-27 per cent of national revenue is transferred to local governments. The transfer follows the principle of cross-subsidisation where revenues from richer provinces are transferred to poorer provinces. Revenue collection is mostly done by central government as it is a concurrent function.
Meeting with Director General for Development and Empowerment of Village Communities, Ministry of Villages, Backward Regions and Transmigration - Mr. Nata Irawan

Areas of Discussion:
- Authority sharing and issues between the Ministry of Villages and the Ministry of Home Affairs to synchronise programmes and budget reports
- Authority sharing, issues between the Ministry of Villages and other technical ministries regarding development of villages, and the challenges of coordination and policy overlap

Expected Outcome:
Improved understanding on the real issues and problems among governmental agencies in designing, implementation, coordination and handling of problems regarding FA

Presentation Highlights

- A village is the smallest unit of governance in Indonesia. There are 74,910 villages in the country. Only Jakarta province does not have a village.
- The objective of Indonesia’s Village Law (Law 6/2014) is to create democratic and independent villages and improve management and governance of villages, including enhancing financial resources and overall well-being of life of villagers.
- The Village Law follows two principles
  - Recognition: Acknowledging the history of each village and respecting the indigenous culture
  - Subsidiarity: Authority to deliver local services vested in village governments
- A village is recognised if it has been a main village for five years, transportation access is available, and is considered as having potential in terms of resources. The government can form villages, if required, for national interest.
- Each village develops its own plan through the Village Development Forum (the highest decision-making body at this level), which provides inputs and approves the Village Development Plan.
- Villages are provided funds from the central, provincial and regency budgets as well as donor funds.
- Village governments are monitored by central, provincial and regency governments. The primary responsibility for overseeing their functioning lies with the head of the regency.
- Village governments have to prepare a village financial accountability report for each year.
- More than 15 regulations are issued as follow-up to the Village Law which cover technical guidelines, election of Village Head, financial management, Village Development Plan, and village report.
There are separate regulations that govern the election of Village Head and Village Parliament. The Village Head is directly elected by the people for a term of six years. The same person can be elected for a maximum of three terms. The Village Parliament is elected for a term of six years and each member is elected from a designated area within the village.

Every village is provided with a unique 10 digit code to enable easy transfer of funds. The key sources of village revenue include:

- village income
- grants from central government
- funds from regency/provincial budgets
- equalisation funds from central government
- donations

Each village has to maintain a bank account. The first instalment of funds from the central government is provided by March (60%) and second instalment by August (40%). The villages submit utilisation reports to the central government through regency and provincial governments.

At the ministerial level, the Ministry of Home Affairs (MoHA) provides oversight of governance aspect, while the Ministry of Villages handles economic development of villages and provision of rural technology.

Eighteen ministries play a role at the village level as villages themselves do not deliver most of the services.

Sixteen regulations have been issued under the Village Act to streamline systems and procedures for village government. Each village has seven officials to undertake administration.

Capacity building strategy for village officials follows a cascading model where training of trainers is undertaken for a decentralised model of capacity building. There are three phases of capacity building for village officials:

- First Phase: Planning, development planning, financial management, and regulation formation
- Second Phase: Specific technical skills and minimum service standards
- Third Phase: Performance and implementing knowledge and skills
Meeting with Minister of Villages, Disadvantaged Regions and Transmigration - Mr. Eko Putro Sandjojo

Presentation Highlights

- Around 45 per cent of villages in Indonesia are underdeveloped. The size of villages vary as there are villages with more than 40,000 population as well as ones with less than 200 persons.
- Village funds are provided to all villages to develop basic infrastructure and economic cluster.
- Development of water reservoirs using village funds has helped improve paddy yield, thereby, reducing dependence on import of rice.
- The Ministry is engaged in promoting village-owned companies across different sectors to explore sustainable income-generating opportunities for the local community. There are more than 18,000 village-owned companies in Indonesia.
- MoHA and Ministry of Villages coordinate in matters relating to village development. Conflicts between Ministries are often solved at the ministerial level, if required.
- Many players are involved in the oversight of village funds including the Anti-Corruption Task Force, MoHA, Ministry of Finance as well as media and non-governmental organisations (NGOs).
Meeting with Head of Health Research and Development Agency, Ministry of Health - Dr. Siswanto

Areas of Discussion:
- Definition of functions at various levels in 1999/2004-2007/2014 frameworks
- Capacity building efforts
- Minimum service standards
- Financing challenges
- Deconcentration funding on devolved functions
- Success and challenges of decentralisation in service delivery
- Desired FA changes

Expected Outcomes:
- Deeper understanding on authority sharing and issues between central government, province and regency/city
- Challenges in fulfilling minimum service standards which include facilities, supply and the availability of providers

Presentation Highlights
- Health is a concurrent subject under the Indonesian Constitution with roles for central, provincial and regency governments.
- The ‘big bang’ decentralisation reforms of 1999 focused on regency and city governments with provision of extensive powers to lower tiers of government.
- Local government was provided with broad autonomy for compulsory subjects.
- However, since then, there has been a shift towards centralisation due to issues in management of local development.
- Law No. 32 of 2004 shifted from decentralisation to deconcentration from central to province, and responsibilities became more centralised.
- Decentralisation in the health sector is based on classification of hospitals:
  - Class A: National Health Referral Hospitals (managed by central government)
  - Class B: Provincial Referral Health Hospitals
  - Classes C and D: Smaller hospitals at regency level with lesser speciality services
- Regencies regulate issue of licences for medical practitioners, provision of medicines and medical equipment, and issue of food and beverage production and sale licences.
- Health offices at the provincial and regency level control all activities of the health sector within their respective tiers of government.
- The Ministry of Health (MoH) provides technical assistance to health offices and transfers funds for planned programmes to local health offices. The usage of funds, however, is influenced by local government priorities.
The most important function of MoH is to formulate norms, standards, guidelines and criteria for delivery of health services and provision of human resources for the health sector.

Almost 60-70 per cent funds in health are transferred to provincial and regency governments.

MoH also administers the National Health Insurance Scheme to provide citizens with full health insurance coverage. At present, 68 per cent of Indonesian citizens are covered by the scheme.

**Q&A Session: Summary of Responses**

- The premium of poor citizens for the National Health Insurance Scheme is subsidised by the central government. The beneficiaries are selected by the Ministry of Social Affairs.
- All private hospitals are regulated by the Director-General of Medical Services, MoH.
- Regency health offices face significant challenges with regards to human resource and fiscal capacities.
- All non-MoH funds related to health sector allocated by Ministry of Finance are provided to provincial and regency governments; priorities for spending these funds lie with the Governor and Regent, respectively.
- Within the decentralisation spectrum, Indonesia has been moving to a more centralised position, focusing on regencies so as not to create powerful provinces.
Meeting with Deputy Director, Ministry of Environment and Forestry - Mr. Teguh Rahardja, and Deputy Director, Ministry of Maritime and Fishery - Mr. Salafuddin

Areas of Discussion:
- Definition of functions at various levels in 1999/2004-2007/2014 frameworks
- Capacity building efforts
- Minimum service standards
- Financing challenges
- Deconcentration funding on devolved functions
- Success and challenges of decentralisation in service delivery
- Desired FA changes
- Synchronisation of administrative matters between Ministries

Expected Outcome:
Deeper understanding on how planning resolves dynamics and problems in authority sharing within and between central government, province and regency/city and enforces the fulfilment of minimum service standards

Presentation Highlights

Forestry and Environment
- After Law No. 23/2014 was passed, the Ministry of Forestry and Ministry of Environment have been merged and their responsibilities have changed. Forestry, Fisheries and Mining is a concurrent task which is optional, not mandatory.
- The main function of the Ministry is to develop norms, standards, guidelines and criteria for various functions to be delivered at sub-national level.
- Extensive authority has been provided to provincial governments under Law No. 23/2014 for environment. This covers various aspects such as environment, bio-diversity, hazardous work, environmental licences, local wisdom and waste management.
- Forestry, however, is governed differently. The central government undertakes forestry planning, while provincial governments are responsible for conservation of natural resources and eco-system and national parks. Regencies have limited powers with regard to forestry except for managing of national parks that fall within their jurisdiction.
- In 2016, the process to determine the structure with regards to forestry and environmental affairs began. The ongoing process aims to prepare guidelines, map structures and issue legal framework for formalising structures and is expected to be completed by December 2017. Staff and resources have been technically handed over to provincial governments but not in actual practice.
- A key reason for transfer of powers back to provincial governments from regency governments in forestry was lack of control in issuance of licenses for commercial activities in forests, leading to rapid forest degradation and inability to control the timber mafia.
- Income from forest resources is shared with regencies on profit-sharing basis. The main sources of income include taxes on forestry and royalty from forest concessions which are collected by the central government. The revenue is shared with the regency of origin.
- Provincial Governors can use discretion in setting up of forestry offices based on cost and capacity considerations.
- Forest management units are situated at forest sites. Forests are classified into three categories – Natural Forests, Production Forests, and Conservation Forests.

**Fisheries**

- Under the 2004 Act, regencies had the right to manage fisheries within four nautical miles (n.m) of the coastline. Control over remaining part of the coastline was under the central government.
- Under the 2014 Act, regencies have not been provided any authority over fisheries. Inter-regency disputes over fishing rights was a major reason for this change in authority.
- The process of retraction of powers in the fisheries sector was based on a consensus that emerged from discussions between the regency, provincial, and central governments.
- Major challenges include delay in transfer of staff from regency governments to provincial governments. The transfers are expected to be completed by end of 2017.
- Under the Coastal Management Act, the authority for coastal affairs has been divided as follows:
  - Central: All matters affecting national interest, license for commercial activities in marine waters, fish species protection, marine conservation area, and database of small islands
  - Provincial: Control of all activities in marine waters upto 12 n.m except oil and gas, issue of licences for fishing vessels, and community empowerment
  - Regency: Fish auctions, fish vending, and registration of small-scale fishing boats
- There are huge capacity challenges, given that the area under marine water is more than thrice the land area in Indonesia.
Workshop with Local Government Associations and Academia

Areas of Discussion:
- Views on FA processes
- Participation of local government associations in the processes
- Satisfaction with process outcomes and strengths and weaknesses of current FA architecture and specific assignments

Expected Outcomes:
- Improved understanding on the perspective of associations regarding FA
- Insight and options on how to optimise the participation of associations for effective use of FA

Panel Discussion I

Panellists:
- Ms. Hetifah Siaifudin, National Parliamentarian representing North Kalimantan province
- Mr. Mohammed Muraz, Mayor, Sukabumi City, Association of Indonesian Municipalities (APEKSI)
- Mr. Remigo Yolando Berutu (Regency Head Pakpak Bharat), Association of Regency Governments of Indonesia (APKASI)
- Ms. Aiyaz Rashid, Indonesia City Council Association (ADEKSI)

Key Discussion Points

National Parliament
- Commission II of the National Parliament is the parliamentary commission responsible for matters such as state governance and regional autonomy.
- The key functions of the Parliament are legislation, oversight and budgeting.
- A total of 560 members are elected from 77 electoral regions (different from administrative regions).
- Important Acts regarding decentralisation and local governance include:
  - Law 23/2014 (regulations under this law have not been completed)
  - Law 6/2014
  - Law 10/2016
- From 2019, elections for President, Legislature and local areas will be held on a single day.
- There are issues with the 2014 Law because financial balance has not been addressed yet.
- The 2014 Law has positively impacted welfare, public participation in local governance, and public services in local areas, and optimised local government performance. However, the Act opens new avenues for corruption and prioritises locality, leading to parochial feelings which erode the sense of nationalism and create local conflicts.
Challenges ahead for local governance include clear division of authorities between different levels of government, improved oversight, and promotion of innovations in local governance and service delivery.

All legislations at local level require prior approval from provincial government, and if required, can be referred to the central government.

Currently, most of the funds released follow programmes adopted at national and sub-national government level. Previously, the funds used to follow functions at sub-national government level alone.

The conduct of elections is not impartial and leads to high costs for candidates. A regulation is planned to ensure the independence of election officials as well as to regulate spending on elections by candidates.

**APEKSI**

APEKSI, formed in 2000, is the Association of Indonesian Municipalities. The members include mayors from 93 municipalities in provinces and five municipalities in Jakarta Special Capital region.

APEKSI was established in accordance with Law No. 22/1999 and MoHA Regulation No. 16/2000 to develop local governments.

The Association helps its members in improving their local governance through public participation and innovations in service delivery.

**APKASI**

APKASI is the Association of Regency Governments in Indonesia, established as a local government association under Law 22/1999.

**ADKESI**

ADKESI is the Association of Local City Councils (legislative assemblies).

These assemblies also have the same functions as the National Parliament - legislation, budgeting and oversight. However, the role of legislative councils have been decreasing as powers are being increasingly centralised.

The design of local governments is still evolving; authority needs to be clearly demarcated at each tier. There is also a need to build integrity and capacity in local governments.

The regional legislative assemblies at various levels (regency, city and province) are autonomous within their respective tiers and do not form a hierarchy. However, they are subordinate to national legislature. It is the same with mayors and heads of regencies who are placed at the same level.

Regulations issued by regency and city councils cannot violate regulations at province or national level.
Academic Roundtable Discussion Facilitated by Dr. I Made Suwandi, Former Director General of General Government and Former Director General in Ministry of Home Affairs

Areas of Discussion:
- Views on FA processes
- Participation of academia in the processes
- Satisfaction with process outcomes and strengths and weaknesses of current FA architecture and specific assignments
- Research and education/training in Indonesia on FA

Expected Outcome:
Clarity on FA concepts and practices in the Indonesian context

Panel Discussion II

Panellists:
- Mr. I Made Suwandi, Former Director General, MoHA
- Dr. Nurliah Nurdin, Assistant Director, Institut Pemerintahan Dalam Negeri or Institute of Public Administration
- Dr. Wahyudi Kumorotomo, Professor, Public Administration, University of Gadjah Mada

Key Discussion Points
- The source of power according to the Indonesian Constitution is the President. It is the President’s power which is being decentralised, and therefore, s/he can interfere in matters of local governance.
- There is a need to enhance public participation in local government to improve social cohesiveness and civic organisation. Public participation in actual practice is weak and controlled by local political leadership.
- The decentralisation process in Indonesia has been asymmetric with substantial autonomy for some provinces (Aceh, Papua and Yogyakarta). This move pacified the separatists but has not delivered prosperity to citizens due to capture of allocation of resources by the elite.
- The 2014 Law provides detailed functions for local governments as an annexure to the Law to ensure specifics were covered in the Law itself.
- The 2014 Law was the outcome of a long, time-consuming and expensive process which included debate within central ministries, resistance from sectoral ministries in giving power, money and personnel to sub-national governments, and resistance from local governments to retraction of their powers.
- Some local governments legally opposed the retraction of powers but managed only to ensure that the central government (through MoHA) and provincial governors cannot annul local government regulations and that such disputes need to be brought before the Constitutional Court.
Exposure Visit to Local Governance Practices in Central Sulawesi Province – Donggala Regency and Nupabomba Village
Meeting with the Municipality Government of Donggala Regency, Central Sulawesi

Areas of Discussion:
- Approach/mechanism to attain detailed functions when the Law assigned them to both province and district (concurrence)
- View on the adequacy of the funds raised or transferred as compared to the load of the functions

Expected Outcome:
Understanding on the practice of local government in implementing FA policies

The delegation was accorded a traditional welcome at the Donggala Regency office led by the Regency Head (or Bupati in the local language) and his team of officials and community leaders. The Bupati shared an administrative profile of Donggala with the delegation.

Snapshot of Donggala Regency:
- The regency comprises 16 sub-districts, 109 villages and nine urban villages.
- The regency is focused on distribution of funds to the grassroots level - acknowledging performance of villages and supporting village development planning process.
- The regency accords importance to improving education and health services and provides relevant support in terms of infrastructure and human resource.
- Gaining self-sufficiency in agriculture especially corn, maize, and rice, and improving the quality of life of the fishing community are other priorities for the regency.
- The regency is also encouraging village-owned enterprises and tourism, both of which have immense economic potential.
- Human resources for most services are recruited by regency offices with selections needing to be endorsed by the Regent.
- The regency has focused on performance-based budgeting and preparing accountability and financial reports which are sent to the provincial legislative assembly and the Governor.
- Reporting mechanisms have been established to ensure accountability of staff in health and educational services.
Visit to Nupabomba Village, Tanatovea Sub-District, Donggala Regency, Central Sulawesi

Purpose:
- Observe the impact of FA on village government and development

Expected Outcome:
- First-hand experience of village government and development planning in Central Sulawesi

The Village Secretary provided a brief profile of the village and explained the process of formulating the Village Development Plan:

- The initial process included setting up of a drafting committee recommended by the Village Head to develop the mission, vision, and objectives of the plan.
- All meetings and development activities are documented for visual evidence.
- Community aspirations are understood through meetings held in sub-villages.
- The drafting team anchors the process and captures inputs to ensure priorities are based on needs.
- The seasonal calendar and village organisational map is reviewed to understand priorities.
- Once the drafting team prepares the draft of the village plan, the village community and village administration review the draft to finalise the development plan.
- Every year, the budget is drawn based on the Village Development Plan, which guides the annual work plan for the village.
- Some of the recent priorities for the village have been to end open defecation by building latrines and providing clean water to some sub-villages. The villagers also contribute by working voluntarily on these projects.
- The accountability report is submitted to the Village Council following which a meeting is held to present the plan to the community.
- The Regency Head is also invited to launch and review major activities of the village.
- The village staff consists of the Secretary, three heads of sections, finance officer and planning officer.
- The drafting team of the Village Development Plan includes representatives of community-based organisations.
- The Village Council is also involved in formulation of the development plan, budgeting and supervision of implementation of the plan.
- Important sources of revenue include village allocation fund from the central government, funds from province and regency, revenue of village-owned enterprises, and levy from forestry.
Meeting with Officials from Governor’s Office, Palu, Central Sulawesi

Areas of Discussion:
- Approach/mechanism to attain detailed functions when the Law assigns them to both province and district (concurrence)
- View on the adequacy of the funds raised or transferred as compared to the load of the functions

Expected Outcome:
Understanding on the practice of local government implementing FA policies

Officials from Regional Autonomy section shared a brief administrative profile of the Central Sulawesi Province:
- The province has 12 regencies and 1,039 villages.
- The Governor is the representative of the central government for the particular administrative area. The task of the Governor is detailed in Law 23/2014.
- The Governor can oversee all development activities of the province and review regulations of a province, regency and village.
- The Governor has to submit an accountability report to the provincial council for their recommendations on the same.
- A provincial level corruption eradication commission has been set up.
Areas of Discussion:

- Process used to arrive at the functions of the province and districts, Law 11/2006 - the government regulation that sets out central government functions, and provincial/district regulations making for a detailed FA mechanism within Central Sulawesi.
- Development partner support approach used to facilitate analysis/negotiations between Central Sulawesi and the central government.
- Views on FA processes and participation of academic experts and NGOs in the processes.

Panellists:

- Mr. Salam Langaku, Legal Bureau, Central Sulawesi Province
- Mr. Baba Mohammed, University, Department of Economics
- Mr. Yahdi Barma, Member of Local Parliament, Central Sulawesi

Key Discussion Points

- It is mandatory for the draft of all regulations to be published and public hearings to be held.
- Regulations are cleared by line agencies. The Governor evaluates local government regulations while MoHA evaluates provincial regulations.
- A village can issue regulations on customary authority and matters devolved by the regency.
- Decrees are to be issued by heads of governments for regulations to be implemented.
- Local government process has not matured yet in the province. There is also the issue of capacity to implement responsibilities.
- The civil society needs to play a more active role in improving governance.
- Problems in drafting of regulations have to be resolved by the drafting teams in most cases.
- The Constitutional Court is the final arbiter in case of disputes regarding local government regulations.
- The new election law is yet to be passed. The number of local legislative assembly members is based on population.
Wrap-up and Next Steps
Final Review Session

Objectives:
- Evaluation of the study tour process and results
- Discuss possible recommendations for participants’ country context
- Develop country-specific action plan

The participants shared their feedback on the study visit process through written reports and presentations.

Gabe provided his reflections on the study visit, highlighting the variation in the usage of terms like concurrent and obligatory functions in Indonesia as compared to international practice. Concurrent and obligatory functions are compulsory functions for all levels of government in Indonesia.

Next, the participants formed country groups to develop immediate action points regarding FA that they could initiate in their own countries based on the learnings from the study visit.

<table>
<thead>
<tr>
<th>Afghanistan</th>
<th>Pakistan (Punjab Province)</th>
<th>Mongolia</th>
<th>Nepal</th>
<th>Pakistan (Khyber Pakhtunkhwa)</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Unconditional funds to be extended to districts as part of provincial package</td>
<td>- Propose direct election of village heads</td>
<td>- Comprehensive review of current functions</td>
<td>- Recommend principle of recognition and autonomy for villages and allocation of funds based on potential possessed by each local government</td>
<td>- Strengthen village laws to improve planning and governance</td>
</tr>
<tr>
<td>- Clearer definition of functions at central, provincial and district level</td>
<td>- Create village law for development planning</td>
<td>- More detailed statement on power and authority of local governments in the Constitution and other basic laws</td>
<td></td>
<td>- Provide clear functions for villages</td>
</tr>
<tr>
<td>- Contribute to accelerate process of sub-national governance plan, local planning laws, and village governance rules</td>
<td>- Learn more about local governance assessments</td>
<td>- List of functions to be put in budget law as an annexe</td>
<td></td>
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</tr>
</tbody>
</table>
Conclusion

The study tour was useful for the delegation in learning more about the key players in decentralisation especially within the central government, academia and local government associations. The adaptation of decentralisation within a diverse country like Indonesia served up unique learnings for the participants and also underscores the country’s potential value-add to the Network.

The objectives of the study tour will be fulfilled with the follow-up in the individual countries as well as in the participants’ sustained interest in and engagement with FA issues through the LOGIN platform.

According to Dr. Ferrazzi, key observations, themes and lessons that were raised in the course of the tour, and are relevant to FA, include:

1. The Big Bang decentralisation in Indonesia was not the last word; it saved Indonesia from political fragmentation but some chaos or excesses ensued, and two legislative revisions have been attempted to rebalance the pendulum that, according to central government at least, had swung too far toward decentralisation.

2. The political aspect of decentralisation reform is evident in Indonesia. Even the definition of where decentralisation comes from (the President according to the MoHA presenters) is contested; in contrast to what the participants heard, it is seen to come from the state by other readers of the constitution. These ideological and political stances colour lesser regulations and practices. Recently, the more centralistic/Presidential/Central Government view has been in the ascendancy.

3. FA in Indonesia has created categories of functions, with absolute vs concurrent being one cut (the concurrent ones are those shared between levels of government) and obligatory versus optional being another (where obligatory come with standards while optional are undertaken in line with endowments in the region). The obligatory functions, with their associated minimum service standards for basic services is a helpful category. The “optional” function is a category that is not entirely well explained, and can be confused with the international terminology (where the sub-national government has the choice to take it up or not take it up at all; in Indonesia it has to be taken up but there are not the same firm expectations of performance as found in the obligatory functions).

4. Village government has been relatively ignored until once again (like before the 1999 “reformasi”) it gained its own law. Now it is better resourced, and doing much more in a number of sectors, but without clarity in the functions as is found for regional government. There is an effort to give the village functions more certainty, detail, and rigour, such as developing tailored village “minimum service standards”. This will call for a shift in perspective from the village as an ad hoc small project initiator to one that sees the village government as a provider of certain fixed services as its primary responsibility.

5. Financing of functions between levels of government follows the dictum “money follows functions” in principle – and more recently in the principle of “money follows program” (within a given regional government presumably), but the reality is more complex and contradictory. The central government has not been consistent in transferring funds to allow regional government to perform the functions in accordance to their decentralization modality. For instance, it has supported devolved (desentralisasi) functions through the deconcentration funding model.

6. Revenue is heavily centralised (large fiscal imbalance); about 80 per cent of district budgets come from the central government transfers. The central government seeks to recognize the source of wealth but also to equalize revenues to some extent (sharing of natural resources revenues).

7. Capacity development for regional/local actors was insufficient to make new political-administrative
arrangements function well, reflecting the haste in the design, and the political imperatives (e.g. to largely bypass the more capable but potentially threatening provincial level).

8. Performance of regional government functions has not been stellar, and depends on a number of factors; leadership (e.g. Bupati Donggala commitment to efficient government and equitable service/benefits), election dynamics/corruption, revenues, and civil society role.

9. The recentralisation seen in some key resource management related functions (Law 23, 2014) has been contested by regional governments and advocates, and was undertaken in a rather closed and opaque process. It is unclear whether it will mean more effective management of the functions (in some cases the province says it is ill-equipped to manage them), but there is an effort by the provinces to “clean-up” the corruption associated with permits for resource extraction.

10. The Governor, and more recently Bupati/Mayors, have been given “general government” duties (deconcentrated tasks), which re-establish a hierarchy that had been lost in the reformasi era reforms. This is another way to recentralise, but it is not clear yet how important these tasks will be and if they will overlap/clash with the regional head/provincial government functions.

11. Regional governments are finding their voice at times, as in the associations’ win in the Constitutional Court, where regional regulations can no longer be annulled by the Governor/MoHA, but has to be struck down by the Supreme Court. However, they have found it difficult to be partners in a dialogue or analysis that sets FA.
Annexures
Annexure 1: Concept Note on Study Tour on Functional Assignment

Background

Local Governance Initiative and Network (LOGIN) is a South and East Asia centric multi stakeholder learning network aiming to reform agendas that work in favour of greater decentralisation and strengthened role of local governments. The Network, supported by the Swiss Agency for Development and Cooperation (SDC), spans 12 countries. The Secretariat is sponsored and hosted by the SDC and is located in the Embassy of Switzerland, Delhi.

The subject of functional assignment has emerged as a crucial topic in local governance within LOGIN. It was introduced to the Network membership through an Orientation Workshop and three editions of an e-course in 2015, 2016 and 2017. Additionally, on the specific request of the membership from Afghanistan – LOGIN will organise a study visit to in Indonesia for members to learn first-hand from the Indonesian experience of systematically transferring functions across the different levels of government.

This study tour opportunity will be made available to the Afghanistan contingent as well as LOGIN members from other countries that show an interest and are likely to obtain significant benefits from the exercise. To maximise the benefits of the study tour, LOGIN is making use of an international Functional Assignment specialist (Dr. Gabe Ferrazzi) as a facilitator. Gabe has been a resource person in the previous LOGIN activities on functional assignment and will serve to facilitate the study tour in view of his experience in Indonesia’s decentralisation reforms, and his recent engagement in Kabul with the Afghanistan LOGIN members. Additionally, LOGIN intends to enlist a suitable Indonesian organisation to serve as the host. This role will entail working with Gabe and LOGIN (Preeta Lall, the Team Leader at LOGIN Secretariat) to finalize an effective itinerary, ensure resource persons are committed to the itinerary, and providing logistical support to the LOGIN members while they are in Indonesia.

Objectives

The objectives of the study tour are:

- to gain a practical and concrete understanding of the functional assignment process;
- to expose participants to the practical experience and lessons learned on functional assignment in Indonesia;
- to enable participants to reflect on opportunities and challenges for functional assignment mapping in their own countries; and
- to create links and synergies among key actors and processes of functional assignment among LOGIN members.

Focus of the Study Tour

Indonesia’s decentralisation is often said to have been a “big bang” reform, but in actual fact it has been an eventful journey, with advances, and some retreats. Beginning with the first big step in 1999, the reforms reflect a politically hard-pressed government; it felt a need to be bold, launching a hasty and radical form of decentralisation. Subsequently, there have been other steps, some say forward and some say backwards, depending on the observers’ particular perspective and interests. These revisions or changes have elaborated and adjusted the legal framework. The modifications were meant to address concerns
that had been raised by stakeholders, such as the concern that sub-national governments should deliver services of similar quality across the country, an issue addressed in the 2004 revisions. Changing circumstances also had a hand in the changes. Opportunities presented themselves to strike a special autonomy deal with Aceh (2006), recentralise some functions (2014) and give a greater role to the village government (2014). Indonesia has, therefore, seen more than a decade of reform in decentralisation, with considerable learning by government and other actors.

The Indonesian experience has relevance to Afghanistan and other LOGIN countries, particularly with respect to the following aspects:

- Indonesia is a unitary state with provincial, district, and village levels of government – this is a similar structure to that found in several LOGIN member countries.

- The focus of decentralisation in Indonesia has been on the district level – that is a common level of “general purpose local government” in Asia (e.g., Cambodia foresees an initial emphasis on the district in its current reforms)

- All three main modes of decentralisation are utilised in Indonesia: devolution, agency/delegation, and deconcentration. Most countries wish to determine which modalities they should use, or what mix might be workable.

- The Governor in Indonesia has long carried out a dual role, acting as the executive for the provincial government, and as the representative of the central government. In recent times, mayors and district heads also play a dual role at city and district level, respectively. This construction may be of interest to countries that wish to retain significant control over sub-national governments in certain functions.

- The functional assignment architecture in Indonesia employs obligatory functions and discretionary functions. Designing these types of functions has proved to be a challenge. One of the advantages of making this distinction in Indonesia is the clarity that it gives to the issue of performance standards. The government has developed, and refined on several occasions, minimum service standards to guide the implementation of obligatory functions. The rich experience in this area will be of interest to countries that are mindful of the need to both give autonomy to sub-national government but also ensure that equitable service delivery is attained across the country.

- The village level has tended to be neglected in Indonesia, but is now receiving greater attention in terms of functional assignment. Afghanistan and other countries could benefit from observing how the village is been given a greater role in recent reforms.

- The approaches to functional assignment have been quite different over time, in terms of duration, intensity, participatory principles, and technical approaches. Three rounds of review on functional assignment have taken place of national scope (related to Law 21/1999, Law 32/2004, and Law 23/2014), and for special regions (Aceh, Papua, Yogyakarta), providing rich experience on the criteria and process used to adjust functional assignment. While these processes have been far from perfect, there are lessons learned that countries can draw from them.

- The architecture of functions in Indonesia uses the term “concurrent functions” but this has a particular meaning, where in fact, the functions so listed are broad, and are further assigned in detail in other instruments. In the case of Aceh, however, there is true concurrence, with the law often giving both the province and districts/cities jurisdiction over several important functions. It would be instructive to see how the issue of concurrence is dealt with in either case.

- The legal framework for functional assignment in Indonesia has shown some development over time. A broad list of functions was placed in the law, followed by a more detailed omnibus (cross-sectoral) government regulation as well as government/ministerial regulations that are sectorally focused. This multi-stream approach has presented some significant challenges to harmonising the legal framework
and getting the coordinating ministries and sectoral ministries working together. In the most recent revision (2014), the detailed list of functions has been placed in the Law itself. These different approaches could provide reflection for the choices open to LOGIN country members.

**Itinerary of the Study Tour**

The study tour will focus on the central government, located in Jakarta. However, a regional visit is foreseen to expose participants to the situation and views at provincial, district, and village government level. A tentative option is that of visiting Aceh, since it has recently undergone a functional assignment exercise (between the centre and the province) and is likely still engaged in sorting out the specific functions of the province and district/city level. Villages in Aceh are also part of the nation-wide reform launched in 2014, giving more funds to the villages and expecting more services/development from them.

The entire study tour visit will be undertaken over a period of six to eight days, requiring participants to set aside eight to 10 days including travel from their countries. About four days will be spent in Jakarta, and the remainder travelling to and visiting the regional site.

**Role of the Indonesian Host Institution**

The hosting institution will designate staff to work with LOGIN and the international Facilitator to:

- Arrive at a contractual agreement with the LOGIN Secretariat to play the role of the host
- Develop and organise a program in line with the expectations presented in this document, in cooperation with the international Facilitator, expressed needs of participants, and LOGIN Secretariat
- Organise the logistics (transportation in Indonesia, hotel, meetings, orientation/workshop venues and aids, common meals)
- Communicate with Secretariat with regards to requirements to ensure they are able to enter Indonesia and will be ready for the study tour (e.g., visa issues, what to bring, responsibilities for expenses)
- Lead the participants in attending all of the meetings/events through the study tour itinerary over the study tour period
- Facilitate participants’ access to travel changes, where necessary
- Facilitate participants’ access to health services, if needed
- Ensure that interpretation and translation for Bahasa Indonesia speakers/texts is made available as needed (the participants will be expected to communicate in English)
- Ensure there is an orientation session on arrival with participants, to brief them on the itinerary and what is expected of them
- Ensure there is an end of study tour workshop (1/2 day) where highlights of the study tour are identified, and remaining burning questions are addressed by the host and Facilitator - Questions that cannot be answered are to be directed to the relevant resource persons for email response
- Provide an implementation report focused on the record of activities undertaken and financial information that will allow for payment against the contract from LOGIN Secretariat
Resource Persons/Institutions and Facilitation

Working through the Indonesian host and the international Facilitator, LOGIN aims to expose the study tour participants to the relevant institutions and key resource people that can speak to the substantive issues listed above. The intent is to meet the needs of the participants as they seek to apply functional assignment exercises in their own countries.

The role of the international Facilitator is to assist LOGIN/Indonesian host in developing the study programme. He will also accompany the participants and be a resource to them (and to the host) as needed, particularly on substantive issues of functional assignment. He can play a role in the initial orientation of the participants, provide spontaneous information and guidance during the tour, and make a summative presentation on the concepts, frameworks and implementation patterns of functional assignment in Indonesia in the final half-day workshop, to help participants understand what they have seen/heard and draw lessons for their own context.

Orientation Session and Wrap-up Workshop

An initial orientation of the participants will conclude the preparation stage which will begin several weeks prior to the study tour through remote communication. In this initial session, held on arrival, participants will be furnished with the following:

- explanation on the roles of various actors supporting the study tour (LOGIN, host, facilitator)
- responsibilities of the participants (active participation, respecting schedule, own expenses)
- decentralisation and functional assignment overview for Indonesia
  - unitary structure of the state and sub-national government structure
  - key functional assignment efforts over last 15 years
  - repositories of knowledge and skills in functional assignment in Indonesia
- flow of the itinerary/issues to be addressed

The wrap-up workshop will entail a summative presentation on the concepts, frameworks and implementation patterns of functional assignment observed in Indonesia. The participants will be assisted in their effort to:

- converge on their understanding of what was noted;
- identify gaps in information - these will be recorded for subsequent email requests to resource persons involved in the study tour;
- bridge from these findings and discussions in Indonesia to their own context; and
- explore ways of forging a network within LOGIN that can support the participants in their efforts to promote and apply their learning in their own countries.

The host, facilitator and LOGIN representative will be the resource persons in this effort.

Participants

Around 15-20 persons (to be determined) will take part. They will be mostly technical in their orientation, but will want to also explore the political and social aspects of functional assignment. The participants will include:
- Afghanistan members (with one of the members designated as group coordinator for the entire set of LOGIN participants) (8)
- Other LOGIN members from other countries (7-10)
- LOGIN Secretariat (1)
- International Facilitator (1)

The participants may come from several institutions:

- Government decentralisation coordinating bodies
- Key coordinating ministries (e.g., Ministry of Interior/Local Government, Ministry of Finance, Ministry for Civil Service)
- Sector ministries (e.g., health, education, water and urban infrastructure, and agriculture/forestry, mining)
- Representatives of national association of local government
- Legislators/councillors from various levels of government
- Academics/NGOs engaged with or concerned with decentralisation

**Dates**

The study tour will ideally take place sometime in November or early December 2016. Its specific schedule will depend on the availability of participants (e.g., the preparation time needed to obtain approval/permits for travel) and the time required for the Indonesian host to prepare suitably.
Annexure 2: Detailed Programme for the Study Tour

The objectives of the study tour are:

- To gain a practical and concrete understanding of the functional assignment process
- To expose participants to the practical experience and lesson learned on functional assignment in Indonesia
- To enable participants to reflect on opportunities and challenges for functional assignment mapping in their own countries
- To create links and synergies among key actors and processes of functional assignment among LOGIN members

Day 1, 4 June 2017, Sunday, Arrival at Jakarta

<table>
<thead>
<tr>
<th>Time</th>
<th>Activity</th>
<th>Location</th>
<th>Results</th>
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</thead>
<tbody>
<tr>
<td>06.00 – 18.00</td>
<td>Participant arrival and check in</td>
<td>Hotel</td>
<td>■ Participants are well-settled</td>
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<td></td>
<td></td>
<td></td>
<td>■ Participants get the final schedule of the study tour and relevant information</td>
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<tr>
<td>19.00 – 20.30</td>
<td>Dinner and briefing meeting</td>
<td>Hotel</td>
<td>■ Participants receive all information during the study tour</td>
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<td></td>
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<td>■ The division of roles between the organiser and the facilitators</td>
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<td>■ Anticipate the possible technical problems or needs for adjustments</td>
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Day 2, 5 June 2017, Monday

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<tr>
<th>Time</th>
<th>Activity</th>
<th>Location</th>
<th>Results</th>
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</thead>
<tbody>
<tr>
<td>06.00 – 08.00</td>
<td>Breakfast</td>
<td>Hotel</td>
<td>Prepared to depart latest by 07.50</td>
</tr>
<tr>
<td>08.00 – 08.30</td>
<td>Transport to the Ministry of Home Affairs</td>
<td></td>
<td><strong>Subject:</strong></td>
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<tr>
<td></td>
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<td>■ Development of functional assignment approaches, with particular focus on revision in Law 23/2014 and the Aceh case</td>
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<td>■ How the Ministry is organised to address functional assignment issues</td>
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<td>Time</td>
<td>Activity</td>
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<td>Results</td>
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| 12.00 – 13.00 | Lunch break                                                              | MoHA                                                                      | Village functions prior to and after the introduction of Law 6/2014
|            |                                                                           |                                                                           | Relations to other levels (agency functions given by regional government)                                                            |
| 13.00 – 13.30 | Transport to the Ministry of Village, Disadvantaged Region & Transmigration |                                                                           | Result: Improved understanding on the designing, implementation, coordination and handling of problems regarding functional assignment approaches |
| 14.00 – 16.30 | Workshop – Meeting with the Director General for the Development and Empowerment of Village Communities; the Ministry of Villages, Backward Regions and Transmigration | The Ministry of Village, Disadvantaged Region & Transmigration Jl. Raya Kalibata, Rawajati, Pancoran, Kota Jakarta Selatan | Subject: Authority sharing and the issues between the Ministry of Village and the Ministry of Home Affairs to synchronise the programmes and the responsibility and budget reports
|            |                                                                           |                                                                           | Authority sharing and the issues between the Village Ministry and the other technical ministries about the development of villages and the challenges of coordination and policy overlapping Result: Improved understanding on the real issues and problems among governmental agencies in designing, implementation, coordination and handling of problems on functional assignment |
| 16.30 – 17:00 | Back to the hotel                                                          |                                                                           |                                                                                                                                         |
| 17:00 – 20:00 | Dinner                                                                    |                                                                           |                                                                                                                                         |
|            |                                                                           |                                                                           | Wrap up Day 2                                                                                                                            |

**Day 3, 6 June 2017, Tuesday**

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<th>Results</th>
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<tbody>
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<td>06.00 – 08.00</td>
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<td>Hotel</td>
<td>Prepared to depart latest by 07.50</td>
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<tr>
<td>08.00 – 08.30</td>
<td>Transport to the Ministry of Health</td>
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<tr>
<td>Time</td>
<td>Activity</td>
<td>Location</td>
<td>Subject</td>
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<tr>
<td>08:30 – 12:00</td>
<td>Workshop - Meeting with the Head of the Health Research and Development Agency of the Ministry of Health and the Senior Adviser of the Ministry of Education</td>
<td>The Ministry of Health Kementerian Jalan H.R. Rasuna Said Blok X5 Kav. 4-9, Kuningan, Jakarta Selatan</td>
<td>How functions at various levels were decided in 1999/2004-2007/2014 frameworks; Capacity building efforts; Obligation in education; Minimum service standards; Financing challenges; Deconcentration funding on devolved functions; Success and challenges of decentralisation in service delivery; Desired functional assignment changes</td>
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<tr>
<td>12.00 – 13.00</td>
<td>Lunch break</td>
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<tr>
<td>13.00 – 13.30</td>
<td>Transport to the Ministry of Environment and Forestry</td>
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<tr>
<td>14.00 – 17.00</td>
<td>Workshop - Meeting with the Director of Planning of the Ministry of Environment and Forestry and the Director of Planning of the Ministry of Maritime and Fishery</td>
<td>The Ministry of Environment and Forestry Gedung Manggala Wanabakti Blok I lt. 3 Jl. Gatot Subroto - Senayan</td>
<td>How planning is incorporated: Functions at various levels were decided in 1999/2004-2007/2014 frameworks; Capacity building efforts; Obligation in education; Minimum service standards; Financing challenges; Deconcentration funding on devolved functions; Success and challenges of deconcentration in service delivery; Desired functional assignment changes</td>
</tr>
<tr>
<td>17.00 – 18:00</td>
<td>Back to the hotel</td>
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<tr>
<td>18:00 – 19:00</td>
<td>Dinner</td>
<td>Hotel</td>
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<td>Wrap up Day 3</td>
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### Day 4, 7 June 2017, Wednesday, Full Day Seminar/Workshop/Round Table

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<th>Results</th>
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<tbody>
<tr>
<td>06:00 – 08:00</td>
<td>Breakfast</td>
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<tr>
<td>08:00 – 08.30</td>
<td>Registration of participants</td>
<td>Hotel</td>
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<tr>
<td>08:30 – 09:00</td>
<td>Overview of the seminar and openings</td>
<td></td>
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<tr>
<td>09:00 – 12:00</td>
<td>Workshop with the association of local governments on functional assignments: national, provincial, district and municipality</td>
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<td>Subject:</td>
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<tr>
<td></td>
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<td></td>
<td>▪ Views on functional assignment processes</td>
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<td>▪ Participation of associations in the processes (e.g., how members were involved, capacity to contribute)</td>
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<td>▪ Satisfaction with process outcomes and strengths and weaknesses of current functional assignment architecture and specific assignments</td>
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<td>Result:</td>
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<tr>
<td></td>
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<td></td>
<td>▪ Improved understanding on the perspective of associations regarding functional assignment</td>
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<td>▪ Insight and options on how to optimise and make more effective the participation of associations so that the functional assignment works effectively</td>
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<tr>
<td>12:00 – 13:30</td>
<td>Lunch break</td>
<td></td>
<td></td>
</tr>
<tr>
<td>13:30 – 16:30</td>
<td>Academic roundtable discussion facilitated by Dr. I Made Suwandi, former Director General of General Government and former Director for Regional Autonomy responsible for supporting functional assignment</td>
<td></td>
<td>Subject:</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>▪ Views on functional assignment processes</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>▪ Participation of academia in the processes</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>▪ Satisfaction with process outcomes and strengths and weaknesses of current functional assignment architecture and specific assignments</td>
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<td></td>
<td></td>
<td></td>
<td>▪ Research and education/training in Indonesia on functional assignment</td>
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<td></td>
<td>Result:</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>▪ Enriched perspectives, concepts and practices on the Indonesian experience regarding functional assignment</td>
</tr>
<tr>
<td>16:30 – 19:00</td>
<td>Break and dinner</td>
<td></td>
<td></td>
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<tr>
<td>19:00 – 21:00</td>
<td>Wrap up Day 4</td>
<td>Hotel</td>
<td>Facilitator</td>
</tr>
</tbody>
</table>
Day 5, 8 June 2017, Thursday

<table>
<thead>
<tr>
<th>Time</th>
<th>Activity</th>
<th>Location</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>05:00 – 09:45</td>
<td>Travel to Donggala</td>
<td></td>
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<tr>
<td>10:00 – 11:30</td>
<td>Check in hotel</td>
<td>Hotel Swiss Bell Palu</td>
<td></td>
</tr>
<tr>
<td>12:00 – 13:30</td>
<td>Lunch and overview programme in Donggala</td>
<td>Hotel</td>
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<tr>
<td>13:30 – 14:00</td>
<td>On the way to Donggala</td>
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</table>
| 14:00 – 16:00    | Meeting with the Municipality Government of Donggala                      | The office of Mayor Palu         | **Subject:**
|                  |                                                                           |                                  |   ▪ Approach/mechanism to attain detailed functions when the law assigns them to both province and district (concurrence) |
|                  |                                                                           |                                  |   ▪ View on the adequacy of the funds raised or transferred as compared to the load of the functions                                  |
|                  |                                                                           |                                  | **Result:**                                                                                                                          |
|                  |                                                                           |                                  |   ▪ Understanding on the practice of local government in implementing functional assignment policies                                 |
| 16:00 – 16:30    | Back to hotel                                                             |                                  |                                                                                                                                        |
| 16:30 – 17:30    | Wrap up meeting Day 5                                                    | Hotel                            |                                                                                                                                        |
| 17:30 – 18:30    | Break                                                                     | Hotel                            |                                                                                                                                        |
| 18:30 – 19:00    | Transport to the Governor's Resident                                      |                                  |                                                                                                                                        |
| 19:00 – 21:00    | Dinner with Governor Central Sulawesi and discussion about the role of government on functional assignment | Governor's official residence    | **Subject:**
<p>|                  |                                                                           |                                  |   ▪ Approach/mechanism to attain detailed functions when the law assigned them to both province and district (concurrence) |
|                  |                                                                           |                                  |   ▪ View on the adequacy of the funds raised or transferred as compared to the load of the functions                                  |
|                  |                                                                           |                                  | <strong>Result:</strong>                                                                                                                          |
|                  |                                                                           |                                  |   ▪ Understanding on the practice of local government in implementing functional assignment policies                                 |
| 21:00 – 21:30    | Back to hotel                                                             |                                  |                                                                                                                                        |</p>
<table>
<thead>
<tr>
<th>Time</th>
<th>Activity</th>
<th>Location</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>07:00 – 08:00</td>
<td>Breakfast</td>
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<tr>
<td>08:00 – 09:00</td>
<td>Travel to village in Donggala</td>
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<tr>
<td>09:00 – 11:00</td>
<td>Visit village</td>
<td>One village of Kinerja project</td>
<td>Subject:</td>
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<td></td>
<td></td>
<td></td>
<td>▪ Observe the impact of functional assignment on village government</td>
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<td></td>
<td></td>
<td>and development</td>
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<td></td>
<td>Result:</td>
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<td></td>
<td></td>
<td></td>
<td>▪ Direct experience of village government and development in Central</td>
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<td></td>
<td></td>
<td>Sulawesi</td>
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<tr>
<td>11:00 – 14:00</td>
<td>Sightseeing, lunch and back to hotel</td>
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<td>Must be ready for the next session by 14:00</td>
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<tr>
<td>14:00 – 17:00</td>
<td>Workshop or academic roundtable with practitioners, academic and NGO</td>
<td></td>
<td>Subject:</td>
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<tr>
<td></td>
<td>from Central Sulawesi</td>
<td></td>
<td>▪ The process used to arrive at</td>
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<td></td>
<td></td>
<td></td>
<td>the functions of the Province and</td>
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<td>districts, in the Law 11/2006, the</td>
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<td>government regulation that sets out</td>
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<td></td>
<td></td>
<td>central government functions, and</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>provincial/district regulations that</td>
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<td>make a detailed assignment within</td>
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<td></td>
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<td></td>
<td>Central Sulawesi</td>
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<td></td>
<td></td>
<td></td>
<td>▪ The development partner support</td>
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<td></td>
<td></td>
<td></td>
<td>approach used to facilitate the</td>
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<td>analysis/negotiations between</td>
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<td></td>
<td>Central Sulawesi and the central</td>
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<td></td>
<td></td>
<td></td>
<td>government</td>
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<td></td>
<td></td>
<td></td>
<td>▪ Views on functional assignment</td>
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<td></td>
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<td></td>
<td>processes and participation of</td>
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<td></td>
<td></td>
<td></td>
<td>academic experts and NGOs in the</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>processes</td>
</tr>
<tr>
<td>17:00 – 18:00</td>
<td>Wrap up Day 6</td>
<td></td>
<td></td>
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<tr>
<td>18:00 – 19:30</td>
<td>Break</td>
<td></td>
<td></td>
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<tr>
<td>19:00 – 21:00</td>
<td>Dinner and discussion with Head</td>
<td>The Head of Regency residence</td>
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<td></td>
<td>of District/Regency, Donggala</td>
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</tbody>
</table>
### Day 7, 10 June 2017, Saturday

<table>
<thead>
<tr>
<th>Time</th>
<th>Activity</th>
<th>Location</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>06:00 – 08:00</td>
<td>Breakfast</td>
<td></td>
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</tr>
<tr>
<td>08:00 – 12:00</td>
<td>Workshop with NGOs and academia on role of NGOs with regard to advocacy and monitoring implementation of functional assignment</td>
<td>Hotel</td>
<td>• Exploring the role of civil society organisations and NGOs in implementation of functional assignment</td>
</tr>
<tr>
<td>12:00 – 13:00</td>
<td>Lunch break</td>
<td></td>
<td></td>
</tr>
<tr>
<td>15:00 – 18:00</td>
<td>Back to Jakarta</td>
<td>Hotel - Airport</td>
<td></td>
</tr>
<tr>
<td>18:00 – 19:00</td>
<td>Arrival in hotel</td>
<td>Hotel in Jakarta</td>
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</tr>
<tr>
<td></td>
<td>Check in hotel</td>
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</tr>
<tr>
<td></td>
<td>Free time for all participants</td>
<td></td>
<td></td>
</tr>
<tr>
<td>19:00 – 20:00</td>
<td>Dinner and free time for all participants</td>
<td>Hotel in Jakarta</td>
<td></td>
</tr>
</tbody>
</table>

### Day 8, 11 June 2017, Sunday

<table>
<thead>
<tr>
<th>Time</th>
<th>Activity</th>
<th>Location</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>06.00 – 08.00</td>
<td>Breakfast</td>
<td>Hotel</td>
<td></td>
</tr>
<tr>
<td>09.00 – 13.00</td>
<td>Final wrap-up workshop of the study tour</td>
<td>Hotel</td>
<td>• Possible recommendations for countries represented by participants</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Action plan</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Evaluation of the study tour process and results</td>
</tr>
<tr>
<td>13.00 – 14.00</td>
<td>Lunch break</td>
<td></td>
<td></td>
</tr>
<tr>
<td>14.00 – 18.00</td>
<td>Culture exposure for all participants</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Day 9, 12 June 2017, Monday

Return to home countries
## Annexure 3: List of Participants

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Participants</th>
<th>Designation</th>
<th>Organisation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Afghanistan</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>Mr. Amir Hussain Hussaini</td>
<td>Political and International Relations Adviser to Second Vice President</td>
<td>Second Vice Presidency</td>
</tr>
<tr>
<td>2.</td>
<td>Mr. Abdul Muqtader Nasary</td>
<td>Director of Policy and Planning</td>
<td>Independent Directorate of Local Governance</td>
</tr>
<tr>
<td>3.</td>
<td>Mr. Habib Gul Safi</td>
<td>Provincial Strategic Planning Specialist</td>
<td>Independent Directorate of Local Governance</td>
</tr>
<tr>
<td>4.</td>
<td>Mr. Hamed Karimi</td>
<td>Senior Policy Adviser</td>
<td>Independent Directorate of Local Governance</td>
</tr>
<tr>
<td>5.</td>
<td>Mr. Muhammad Ehsan Hail</td>
<td>Head of Good Governance sector</td>
<td>Ministry of Finance</td>
</tr>
<tr>
<td>6.</td>
<td>Mr. Saeed Ahmad Khamoosh</td>
<td>Director General, Local Councils Affairs</td>
<td>Independent Directorate of Local Governance</td>
</tr>
<tr>
<td>7.</td>
<td>Mr. Sayed Fahimullah Ebady</td>
<td>Head of Provincial Budget Unit</td>
<td>Ministry of Finance</td>
</tr>
<tr>
<td><strong>Mongolia</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>Mr. Batsukh Tumurtulga</td>
<td>Senior Policy Adviser on Functional Assignment</td>
<td>Ministry of Finance</td>
</tr>
<tr>
<td>2.</td>
<td>Ms. Bayarkhuu Bayanjargal</td>
<td>Project Officer</td>
<td>Decentralisation Policy Support Program at Cabinet Secretariat</td>
</tr>
<tr>
<td>3.</td>
<td>Mr. Zorigtbaatar Purev</td>
<td>Senior Policy Officer</td>
<td>Cabinet Secretariat of Mongolia</td>
</tr>
<tr>
<td>4.</td>
<td>Mr. Munkhbat Avsai</td>
<td>Policy Officer</td>
<td>Cabinet Secretariat of Mongolia</td>
</tr>
<tr>
<td><strong>Nepal</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>Ms. Anita Koirala</td>
<td>Section Officer</td>
<td>Office of the Prime Minister and Council of Ministers</td>
</tr>
<tr>
<td>2.</td>
<td>Mr. Lila Ballave Nyaupane</td>
<td>Section Officer</td>
<td>Office of the Prime Minister and Council of Ministers</td>
</tr>
<tr>
<td>3.</td>
<td>Ms. Manju Sharma Subedi</td>
<td>Section Officer</td>
<td>Office of the Prime Minister and Council of Ministers</td>
</tr>
<tr>
<td><strong>Pakistan</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>Mr. Abid Ullah</td>
<td>Additional Secretary</td>
<td>Local Government, Elections and Rural Development Department, Government of Khyber Pakhtunkhwa</td>
</tr>
<tr>
<td>2.</td>
<td>Mr. Shahid Zaman</td>
<td>Additional Secretary</td>
<td>Local Government and Community Development Department, Government of Punjab</td>
</tr>
<tr>
<td><strong>Resource Person</strong></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>1.</td>
<td>Mr. Gabriele Ferrazzi</td>
<td>Independent Consultant</td>
<td></td>
</tr>
<tr>
<td><strong>LOGIN Secretariat</strong></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>1.</td>
<td>Mr. Yacoub Zachariah Kuruvilla</td>
<td>Research Assistant</td>
<td>LOGIN Secretariat</td>
</tr>
</tbody>
</table>