

Strengthening the Reform of the Reformers/Inspire Project through Programmatic Consolidation - A Proposal to DFAT for Additional Funding for Reform of the Reformers Continuation Program

A. RTRC Context Updated

1. General Context

Bureaucratic Reform as a National Agenda – The Government of Indonesia currently is implementing bureaucratic reform programs systematically, covering various kinds of efforts ranging from institutional improvement, management professionalization, to expansion of bureaucratic resources. The programs targets cover various bureaucratic layers from structures to mindset and culture. These efforts are done with various strategies and approaches, from revising a number of regulations related to state apparatuses, designing new instrument for recruitment system, and developing various tools to improve the quality of bureaucratic performance and public services.

Early this year, Law on Civil service (Undang-undang Nomor 5 tahun 2014 tentang Aparatur Sipil Negara/UU ASN) passed by the Indonesian Parliament after three years of deliberation process. Adoption of the Law has accelerated Bureaucratic Reform initiatives in Indonesia. With technical assistance support from RTRC, key civil service institutions, such as Ministry of State Apparatus and Bureaucracy Reform (Kemenpan), Lembaga Administrasi Negara (LAN), and Badan Kepegawaian Negara (BKN), initiated open recruitment for its echelon 1 and 2. In March 2014, Ministry of Home Affairs through Kemenpan has also requested RTRC assistance in its Secretary General recruitment using lesson learned from Kemenpan open recruitment. Lesson learned from this initiative has lead to Ministerial Decree on national guidelines for open selection. The decree has provided a strong legal base for a Nation-wide replication on open recruitment in public sector agencies in Indonesia. Progressive local governments, such as DKI Jakarta, Gorontalo and Aceh initiated open recruitment even earlier.

UU ASN has provided new opportunities, as well as new demands to RTRC. There are 19 Presidential Decrees and 4 Ministerial Decrees needed to implement the Law effectively. In various occassion, most recently at RTRC steering committee meeting on 27 March 2014, Government of Indonesia has requested strategic inputs based on International standards and lesson learned from other countries to the implementing regulations deliberations. Moreover, the hand over from Current President to the New President will take place in October 2014. Unfortunately, up to the Legislative election in April 2014, the political platform of the Presidential candidates on bureaucratic reform are not revealed or

announced to the public. Sustainability of bureaucratic reform, hence, will need additional pressures from Civil Society and other stakeholders.

From Administrative Reform to Prime Public Service Delivery – The Grand Design of Bureaucratic Reform has set out the prime quality of public service as one of the Bureaucratic Reform targets. The Government has stated its commitment that, a clean and corruption-collusion-nepotism free government, and increased capacity and accountability of bureaucracy must be followed by the fundamental public services improvement.

The high demand of a prime quality – or sometime called as first-class – public service requires the bureaucracy to fulfill a number of prerequisites. *First*, new mindset, culture, and perspective among the bureaucrats on the people and public rights and relation between citizen and government bureaucracy. *Second*, presence of a service oriented, high-integrity, anti-corruption, effective and efficient bureaucracy. *Third*, a new institutional framework, covering new regulation frameworks, working procedures, or management. *Fourth*, induction and capacity development of bureaucrats on new standards of competence and prime public service quality.

2. RTR-C and Bureaucratic Reform Consolidation

Bureaucratic reform aims to improve the enabling environment to the government machinery, rather than to directly improve in a specific ways the delivery of government programmes. It is directed at making the civil service reliable, professional and not corrupt. Overall objective of Bureaucratic Reform is to achieve cultural change in the civil service towards an ethos of service to the people.

There has been a growing awareness and understanding that Bureaucratic Reform is a complex change management that can not be performed instantly and immediately. A reformed bureaucracy is a condition that must be built constantly by anticipating dynamic changes and unexpected responds. Therefore, bureaucratic reform requires continuous and endured improvements amongst bureaucrats and governmental units at central and local levels. Bureaucratic reform also requires consistent and persistent change management to improve the quality of organization, human resource and services.

That reformation process requires a solid bureaucratic network which marked by the willingness to learn from each other between actors of change, feed back through dialogs, willing to share knowledge and experience about innovation models through a peer to peer learning method and mutually reinforce each other.

RTRC has played important roles in facilitating the consolidation process through 4 components, namely:

- (1) Bureaucratic reform consolidation in internal Ministry of State Apparatus Enhancement and Bureaucratic Reform (*Kementerian PAN RB*).

Consolidation is focused on integrated human resource development coherent with the State Apparatus/ASN Law, and internal integrity system and control.

(2) National bureaucratic reform consolidation.

Consolidations are focused on developing the integrated bureaucratic reform model among ministries/agencies by applying multi-stakeholders approach.

(3) Consolidation of CSO's Coalition on advocacies and supervisions.

Bureaucratic reform must be participatory. Therefore, RTRC developed CSO engagement to perform supervision and monitoring on the bureaucratic reform process. CSOs coalition supports and emphasis are manifested on a various forms, for examples by a research or advocacy for bureaucratic reform improvement on local government in accordance with good governance, facilitation on local bureaucratic reform program development, planning and budgeting, initiatives development on specific public services improvement, and other appropriate efforts related on each local bureaucratic and governance conditions.

(4) Generating policy learning and exchange facility through BR Hub

KemenPANRB and other key Ministries/Agencies are expected to consider the information produced by BR Hub as a reference or basic information on policy making to respond issues related to the principal weakness of bureaucracy. The exchange facilitated by the BR Hub is also expected to strengthen communication, experience and information exchange, assistance, collaboration action where Government of Indonesia are the beneficiaries. In addition, this facility may also support formulation and implementation of collaborative actions, as well as cooperation in oversight activities.

3. RTRC and The Next Step of the ASN Law

One of the legacy achieved by the current government's commitment to bureaucratic reform is the enactment of the Law No.5/2014 on the Civil Apparatuses of the State (Undang-undang No.5 Tahun 2014 tentang Aparatur Sipil Negara/ASN). This law is believed to be a solid basis for the development of a modern, clean and high integrity, professional and high performing bureaucracy.

For the implementation of the ASN Law, KemenPANRB currently gives priority to the formulation of 12 implementation regulations, covering [1] the Presidential Regulation (Perpres) on KASN, [2] Governmental Regulations (Peraturan Pemerintah/PP) on PPPK, [3] PP on High Level Apparatuses assignment, [4] PP on ASN official positions, [5] PP on apparatus carrier, [6] PP on remuneration, [7] Presidential Regulation (Perpres) on State Administration Agency (LAN), [8] Perpres on Apparatus Affair Agency (BKN), [9] PP on apparatus termination, [10] PP on apparatus security, [11] PP on apparatus rights

and obligations, and [12] PP on the procedures of number and positions types determination.

Among those 12 (twelve) regulations, RTRC plans to prioritize its support to the regulations that are directly related to the establishment of an accountable bureaucracy. Those are the implementing regulations on the procedures of number and positions types determination, KASN, High Level Position (Pimpinan Jabatan Tinggi/PJT) assignment, and contract government employees (PPPK). RTRC will also provide technical support to the recruitment and establishment of KASN, and open recruitment of selected PJT as a model to be further replicated by KemenPANRB and other Ministries.

In addition, through the CSO component, RTRC will facilitate the advocacy and technical assistance for public participation in the supervision, socialization and advocacy in the formulation and enactment of those regulations. It is expected that with sound public participation, the formulation and enactment of those regulations will have better academic, technocratic, and participation legitimacy. This process will be performed by engaging CSO coalitions, universities and research organizations at national and local levels.

B. Revision to the Outcome Structure and Budget of RTRC

Based on the above recent context, RTRC has conducted technical consultancies with its partners and, as the follow up, made a substantial adjustments to the definitions of the Immediate Objectives (IO). The final revision of the RTRC IO is attached. In addition, following the adjustment with regard to the support to the public participation in the formulations of the implementation regulations of the ASN Law, establishment of KASN and open recruitment of JPT, an additional budget amounting AUD 500.000 is proposed, making the total budget of RTRC to approximately AUD 6.200.000,-