

ASIAN DEVELOPMENT BANK

TAR:INO 36201

TECHNICAL ASSISTANCE

(Financed by the Government of the United Kingdom)

TO THE

REPUBLIC OF INDONESIA

FOR

**LOCAL GOVERNMENT PROVISION OF
MINIMUM BASIC SERVICES FOR THE POOR**

November 2002

CURRENCY EQUIVALENTS
(as of 25 October 2002)

Currency Unit	–	rupiah (Rp)
Rp1.00	–	\$0.000108
\$1.00	–	Rp9,225

ABBREVIATIONS

ADB	–	Asian Development Bank
OF	–	Obligatory Functions
OF&MSS	–	Obligatory Functions and Minimum Service Standards
MOHA	–	Ministry of Home Affairs
MSS	–	Minimum Service Standards
TA	–	technical assistance

NOTES

- (i) The fiscal year (FY) of the Government ends on 31 December.
- (ii) In this report, “\$” refers to US dollars.

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I. INTRODUCTION

1. As Indonesia decentralizes its administrative system, improving the capacity of local governments to deliver the level of social services required by the “Minimum Services Standards” prescribed by the Central Government is an essential prerequisite to protect the welfare of the poor. The first annual Asian Development Bank (ADB) Poverty Reduction Partnership Agreement Review completed in March 2002, notes “Establishment and implementation of service standards and developing mechanisms to ensure adequate funding of services for the poor is needed to ensure regional equity and avoid exacerbating regional disparity.” Accordingly the Government of Indonesia requested the ADB to continue supporting decentralization and the provision of technical assistance (TA) to help mainstream poverty reduction through development financing focusing on this issue.¹ The Fact-Finding mission fielded in September 2002 reached an understanding with the Government on the objectives, scope, financing, and implementation arrangements of the TA. During the course of fact-finding the Government requested the title of the TA to be changed from Mainstreaming Poverty Reduction through Development Financing, to Local Government Provision of Minimum Basic Services for the Poor to better reflect its content. The TA is supported by the ADB/Department for International Development of the United Kingdom and Northern Ireland Partnership for Innovations in Poverty Reduction, which aims at enhancing central and local governments’ capacity for poverty reduction and pro-poor provision of basic services in planning, implementation, monitoring, and evaluation.

II. ISSUES

2. With decentralization, broad responsibilities were transferred in Indonesia from the Central Government to local government. These included the responsibility for providing essential basic services in agriculture, education, environment, health, and infrastructure. These broad areas of responsibility are being broken down into “obligatory functions (OF)” with levels of responsibility and accountability assigned. To ensure that the poor are provided with minimum basic services, the “Minimum Services Standards (MSS)” are being defined. The “Minimum Service Standards” are to be the minimum level of service necessary for the local governments to fulfill their OF and serve as monitoring indicators of local government performance. The OF are enshrined in Law 22/1999 on Regional Government (Law 22) and specifically mentioned in Law 25, 2000, on Authorities of the Government (Law 25). Law 25 also calls for the preparation of MSS for the functions specified in Law 22.

3. While local government is accountable for performing OF and the delivery of basic services in accordance with the MSS, they require a detailed regulatory framework, guidelines, and support. Sector ministries already issued Obligatory Functions and Minimum Service Standards (OF&MSS) of uneven quality in most of the required sectors.² To provide a coherent set of guidelines, the Ministry of Home Affairs (MOHA) has initiated the detailing of the legislative and regulatory framework. This task includes determining clear criteria for OF, a clear concept of MSS and clear process and criteria for determining them, and a policy on delineating financial responsibilities for central and local governments.

¹ The TA was first listed in *ADB Business Opportunities* (Internet Edition) in September 2002.

² These included agriculture, communications, cooperatives, education, environment, health, industry, labor, public works, public administration, and trade.

4. While detailing of the regulatory framework is under way, MOHA has issued instructions to all provincial, city, and district heads³ on their responsibilities during this transition period. The instructions clarify that local governments are responsible for implementing their authorities related to OF&MSS and that they may use the detailed MSS issued by some line agencies in the absence of further detailed instructions.

5. MOHA has also initiated a model-building exercise in two provinces and four local governments to determine how best to establishing criteria for OF and for determining the MSS. It was also considered necessary to assess the effectiveness of the criteria for developing well phrased and appropriate OF&MSS based on actual experience in the field. A number of aid agencies are supporting the Government in the model-building exercise including ADB, Deutsche Gesellschaft fuer Technische Zusammenarbeit, the United States Agency for International Development, and the World Bank,⁴ in the areas of education, health, and public administration.⁵ This exercise is intended to provide a model for testing and validating OF&MSS in the remaining sectors.

6. While fulfilling OF&MSS is the responsibility of local governments, the Central Government is responsible for ensuring that local governments are sufficiently well equipped to do so. Yet at this juncture, no groundwork has been carried out to monitor how local governments manage to provide minimum basic services following the assignment of MSS. Any sense of how this will have an impact on their planning and budgeting process, institutional organizations, human resources, and monitoring and reporting systems is purely conjectural. Of particular concern is the impact on resource-poor local governments that are far from achieving the MSS. It is assumed that in these local governments the poor are the majority of those not served.

7. In the absence of such understanding, the Central Government cannot develop a strategy to support local governments in areas including the provision of budgetary support and enforcement. Greater understanding of the issue can be obtained only through action research in a sample of local governments. Little time remains for field validation, as local governments are demanding that the Central Government issues implementing guidelines. The Central Government has committed to completing the issuance of detailed regulations by the end of 2003.

8. Basic services need to be delivered in a most cost effective manner, given the resource constraints; to be accessible by the poor; and to be satisfactory to the public. Translation of MSS into detailed implementation measures requires an understanding of alternative delivery mechanisms.⁶ Often the best alternatives are locally developed and are often ignored in the absence of any dissemination mechanism. Currently there is no systematic compilation of such information or arrangements to disseminate.

³ Circular 100/757/OTDA on Mandatory Authority and Minimum Service Standards, July 2002.

⁴ ADB has taken the lead in the education sector with support from TA INO-3701 Support for Decentralized Education Management approved 8 August 2001 for \$900,000.

⁵ Public administration here refers to general local government service delivery and citizen administration.

⁶ An MSS regarding enrollment in junior secondary education could be met in various ways. Education services could be provided by government or the private sector in traditional schools or by correspondence. These services could be provided for profit, at cost, or with subsidy. Participation could be encouraged by building more schools to bring the school closer or by reducing transportation costs through public transportation vouchers for children living in outlying areas. The districts must decide the best way to achieve the MSS.

9. The aid community including ADB has actively supported the Central Government in defining OF&MSS. There is an urgent need for developing a central government strategy to support local government in managing OF&MSS for essential services but the problems faced by local government in implementing OF&MSS can be fully understood only after seeing their effect on the entire planning and budgeting cycle. ADB will be providing substantial assistance in local government capacity building. The Sustainable Capacity Building for Decentralization Project, proposed for approval in late 2002, will assist local governments in capacity building based on their own capacity building action plan. The findings produced through the present TA will provide essential inputs to capacity building needs assessment in planning, budgeting, institutions, and personnel. The TA will similarly provide essential inputs to the proposed Integrated Urban Infrastructure Development and Poverty Reduction Project in 2003.

III. THE TECHNICAL ASSISTANCE

A. Purpose and Output

10. The overall goal of the TA is to enable local governments to carry out their responsibility to provide basic services to the poor. The specific purpose of the TA aims to clarify the impact of OF&MSS on district government planning and budgeting, institutional structure, human resources, monitoring, and reporting through learning-by-doing and field validation. The TA will also test a mechanism for identifying, testing, and disseminating best local government innovations and practices in the implementation of OF&MSS. Appendix 1 provides a TA framework.

B. Methodology and Key Activities

11. The methodology will focus on action research to understand how OF&MSS impact on local government administration and how the respective experiences can be used for policy refinement, and for designing support initiatives by the Central Government, including appropriate means of replication. The key activities include the following:

- (i) Provide direct support to local governments in incorporating OF&MSS through a full year of the planning and budgeting cycle. Such support will include screening the OF&MSS to ensure they are phrased properly and address only national goals, developing and costing alternative service delivery mechanisms, prioritizing and sequencing implementation, and incorporating implementation into planning and budgeting.
- (ii) Estimate the per capita cost of financing OF&MSS including the cost of alternative delivery mechanisms to support implementation of OF&MSS for benchmarking and calculation of specific grants.
- (iii) Based on experiences gained from interaction with local governments, develop and test guidelines incorporating OF&MSS in planning and budgeting, in organizational and human resources development, and in monitoring and evaluation for local government in consortium with the provincial and district level local governments responsible for their implementation. The TA will also identify mechanisms for incorporating ADB safeguard policies such as resettlement and indigenous people into MSS financing and implementation.
- (iv) Develop and test a system for identifying and disseminating best innovations and practices to support local governments' delivery of basic services through action

research. Initiatives to be reviewed will include those funded through the Partnership for Innovations in Poverty Reduction, as well as from other external agencies, and those funded by the Central and local governments.

12. Lessons from these activities will be synthesized, and recommendations discussed and disseminated to the Central Government as essential inputs into a program of support and to determine allocation of scarce funds to redress regional disparities. More specifically, these inputs will support

- (i) refining and completing policies on OF&MSS including those dealing with fiscal balance, clarification of functions, supervision and enforcement mechanisms, planning, and human resource development for the civil service; and
- (ii) appropriate capacity-building initiatives. The mechanisms developed to identify and disseminate innovations and best practices will provide a tool to support more efficient and responsive delivery of basic services to the poor.

C. Cost and Financing

13. The total cost of the TA is estimated at \$937,500 equivalent, comprising \$358,000 in foreign exchange costs and \$579,500 equivalent in local currency costs. ADB will provide \$750,000 equivalent on a grant basis to finance the entire foreign exchange cost and \$392,000 equivalent of the local currency cost. ADB's contribution to the TA will be financed entirely by the Government of the United Kingdom. The Government of Indonesia will finance the remaining \$187,500 equivalent of the local currency costs through the provision of office accommodation, transport, and remuneration and per diem of counterpart staff. The details of TA costs and financing plan are provided in Appendix 2.

D. Implementation Arrangements

14. The Directorate of Policy Facilitation and Reporting of Regional Autonomy of MOHA will be the Executing Agency for the TA. A technical team will be established which will include MOHA, the Ministry of Finance, the National Development Planning Agency, the State Ministry for State Administrative Reforms, related sector ministries, and the Association of Local Governments, to oversee the implementation of the MOHA model building exercise.

15. The TA will provide direct advisory support to selected local governments' incorporation of OF&MSS into their planning and budgeting, institutional structure, human resources, monitoring and reporting, through the planning cycle for FY2004. In each of four provinces, one district, one city, and the provincial level government will participate. The consultants will also clarify the role and capacity-building needs of the provincial government in monitoring and supporting the implementation of OF&MSS.

16. The consultants will focus on the OF&MSS for which the model-building exercise has been completed, as many sector OF&MSS remain of highly uneven quality. These are the health, education, and public administration sectors. However, a review of the OF&MSS validated under the model-building exercise will still be required to assess the quality of the OF&MSS with local government. Quality criteria include accessibility by the poor. The consultants will work with the Technical Team to agree on a procedure for handling poorly or wrongly defined OF&MSS under the TA and for reporting problems encountered in the sector agencies. The consultants will also compare the priorities and constraints identified by poor communities in the education and health sectors in other ADB operations including the proposed ADB TA for Integration of Poverty Considerations into Decentralized Education

Management, against national priorities for feedback to the sector ministries as well as inputs to implementation design.

17. Selection of representative local governments for study will include consideration of participation in (i) public expenditure reviews carried out by ADB, the Japan International Cooperation Agency, and the World Bank; (ii) the second batch of districts in the proposed Sustainable Capacity Building for Decentralization Project; and (iii) the MOHA modeling exercise. Also to be considered is local government commitment to participate in the process. This may be expressed in terms of their willingness to fund the cost associated with participation in TA workshops.

18. The TA will be implemented over 18 months, with activities expected to commence in March 2003 and to be completed in September 2004. MOHA and participating local governments will provide counterpart staff, office accommodation, miscellaneous administration and support services, and local transport.

19. The TA will be monitored and reviewed by ADB missions, regular communications with MOHA, and the inception and completion reports of the consultants. The inception and completion reports will be submitted to ADB and MOHA within 1 month after commencement and completion of the activity, respectively. A summary of each report will also be provided in Bahasa Indonesia. MOHA will prepare quarterly progress reports for submission to ADB. It will also submit a completion report to ADB within 3 months of the TA completion.

20. Limited equipment will be required to support implementation of the TA activities. Data processing and communication equipment may be procured such as computers and peripherals. Equipment will be purchased by the consultants in accordance with ADB's *Guidelines for Procurement* and transferred to the EA upon completion of the TA.

21. The consultants will be engaged by ADB, using the simplified technical proposal procedure, through a firm in accordance with ADB's *Guidelines on the Use of Consultants* and quality and cost based selection method. Two international and six domestic consultants will provide a total of 76 person-months of consulting services (16 person-months of international and 60 of domestic consulting). International consulting services will be required in the areas of local governance and decentralization policy. Domestic expertise will be required for public planning and budgeting, institutional development, and monitoring and evaluation. The international consultants will be responsible for engaging a non-government organization or research institute to document best innovations and practices in accordance with competitive procedures acceptable to ADB and subject to prior approval by ADB. The international consultants will finalize the draft TOR for the best innovations and practices study which they will submit to ADB for prior review and approval. Draft terms of reference are included in Appendix 3.

IV. THE PRESIDENT'S DECISION

22. The President, acting under the authority delegated by the Board, has approved ADB administering technical assistance not exceeding the equivalent of \$750,000 to the Government of Indonesia to be financed on a grant basis by the Government of the United Kingdom for Local Government Provision of Minimum Basic Services for the Poor, and hereby reports this action to the Board.

TECHNICAL ASSISTANCE FRAMEWORK

Design Summary	Performance Indicators/Targets	Monitoring Mechanisms	Assumptions and Risks
Goal To enable local governments to carry out their responsibility to provide basic services to the poor	Improvement in indicators concerning the millennium development goals	National socioeconomic survey reports and other national survey reports	Central Government can provide adequate support
Objectives Overall Objectives			
Empower local governments to implement Obligatory Functions and Minimum Service Standards (OF&MSS)	Improvement in delivery of OF&MSS (to be determined during implementation of the technical assistance [TA]) Local government planning and budgeting support implementation of OF&MSS	National socioeconomic survey reports and other national survey reports Local government head accountability reports Annual planning and budget documents	Local governments' commitment Local parliaments support appropriate budget allocations Realistic phase-in of OF&MSS by central government
Strengthen the capacity of Central Government to support local governments in meeting these services and standards	Appropriate resource allocations take into account local governments' financial and human resources and gap between existing situation and standard to be achieved. Government program of support to local governments developed based on real data	Financing instruments National policy framework for implementation of obligatory functions and minimum standards	National parliament supports recommendations for appropriate resource allocations

Specific Objectives / Outputs of the TA:			
Impact of OF&MSS on local government planning and budgeting, institutional structure, human resources, monitoring and reporting, and budget understood	Field testing of implementation of OF&MSS by local government	Assessment report of local governments incorporating OF&MSS in planning and budgeting, institutional structure, human resources, monitoring and reporting, and budget	Cooperation of local governments OF&MSS clearly defined Field testing in a limited number of local governments provides adequate information to represent the whole.
Capacity-building needs at local level for incorporating OF&MSS into local government planning and budgeting, institutional structure, human resources, monitoring, and reporting understood	Capacity needs assessment for local level implementation of OF&MSS agreed by local government, local government associations, and MOHA	Capacity needs assessment report for local level implementation of OF&MSS	
Policy inputs to Central Government for local government support provided	National policy framework for implementation takes into account pilot experience.	Report of workshop on TA results for national policy framework on OF&MSS National Policy Framework	Central government willing to wait for TA inputs
Existing innovations and best practices disseminated	Local level innovations and best practices disseminated to associations of local governments, Central Government, and other aid agencies	Report on dissemination of case studies	
Activities			
<p>Over the course of 1 year provide TA support to local government in incorporating obligatory functions into local government planning and budgeting, institutional structure, human resources, monitoring and reporting.</p> <p>Based on local level implementation experience, report to Central Government on policy implications for capacity building, financial incentives, and phase-in of OF&MSS.</p> <p>Study best innovations and practices in local government planning, budgeting, and delivering basic services to the poor.</p> <p>Prepare case studies of best innovations and practices.</p>			
Inputs			
<p>Consultants: 16 person-months of international and 60 of domestic consulting services, \$ 542,500</p> <p>Workshops: \$20,000</p> <p>Studies: \$60,000</p> <p>Equipment: \$10,000</p>			

COST ESTIMATES AND FINANCING PLAN

Item	Foreign Exchange	Local Currency	Total Cost
A. Asian Development Bank Financing ^a			
1. Consultants			
a. Remuneration and Per Diem			
i. International Consultants	288,000	0	288,000
ii. Domestic Consultants		227,000	227,000
b. International and Local Travel	15,000	7,500	22,500
c. Reports and Communications		5,000	5,000
2. Equipment (Computer, Printer, etc.)	10,000	0	10,000
3. Workshops		20,000	20,000
4. Innovation and Best Practices Study	0	60,000	60,000
5. Miscellaneous Administration and Support Costs	0	5,000	5,000
6. Contingencies	45,000	67,500	112,500
Subtotal (A)	358,000	392,000	750,000
B. Government Financing			
1. Office Accommodation and Transport	0	140,625	140,625
2. Remuneration and Per Diem of Counterpart Staff at Central and Local Level	0	46,875	46,875
Subtotal (B)	0	187,500	187,500
Total	358,000	579,500	937,500

^a Financed by the Government of the United Kingdom.

Source: Asian Development Bank estimates.

OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

1. A consulting team comprising two international and six domestic consultants will be engaged to (i) assist the Ministry of Home Affairs in completing the activities specified in the methodology section, conduct action research, and provide support in selected regions on the impact of obligatory functions and minimum service standards (OF&MSS) at the city/district level and resulting institutional and capacity-building needs; (ii) provide feedback to central level policy makers on necessary follow-up activities to strengthen the legal and procedural framework for these; and (iii) recommend policy instruments and inputs to support the development of an appropriate program for capacity building, financing, and enforcement.
2. The team will consist of a “core unit” based in Jakarta and “field units” based in four provinces. The core unit will be responsible for (i) overall management of the TA; (ii) provision of technical support to field units; and (iii) synthesis of the results of the fieldwork and utilization of these to assist the Ministry of Home Affairs, sector ministries and other involved parties in strengthening the legal and procedural framework for OF&MSS.
3. Field units will be based at the provincial level and will work directly with officials from the cities or districts selected for the technical assistance (TA) as well as with provincial officials. It is anticipated that a maximum of two cities or districts will be selected for participation from each of the four provinces.
4. All consultants are expected to have general familiarity with decentralization issues in Indonesia, concepts surrounding obligatory functions and service standards, and the overall planning and budgeting cycle undertaken by regional governments. They should have experience working as members of an integrated team and have strong writing and communication skills.

A. International Consultants

1. Team Leader/Local Governance Expert (12 person-months)

5. As team leader, the expert will be responsible for
 - (i) provision of overall technical, financial, and personnel management for the consulting team;
 - (ii) all substantive dimensions of the TA; and
 - (iii) liaison with regional governments, the Ministry of Home Affairs (MOHA), sector ministries, and the Asian Development Bank (ADB).
6. As local governance expert, he/she will also be responsible for
 - (i) providing technical advice on
 - (a) local governance,
 - (b) governmental functions,
 - (c) minimum service standards and performance measurement,
 - (d) institutional development,

- (e) capacity building, and
 - (f) the overall legal and procedural framework for these; and
- (ii) synthesizing the overall results of the fieldwork and translating the same into policy recommendations and proposed follow-up activities at the central level.

7. The team leader is expected to have at least 15 years of experience with issues related to local governance, including a minimum of 5 years of direct experience working in Indonesia (preferably a portion at the local level) on these issues, and to be nearly fluent in Indonesian.

2. Decentralization Policy Expert (4 person-months)

8. The decentralization policy expert will be responsible for
- (i) providing policy recommendations within the current decentralization framework on issues such as
 - (a) legalizing obligatory functions;
 - (b) development of service standards and performance measures;
 - (c) approaches to the implementation, enforcement, and supervision of service standards;
 - (d) support for local capacity building and institutional development; and
 - (e) relationships to the overall fiscal transfer system;
 - (ii) maintaining contact with field activities through regular monitoring, field visits, and consultations or workshops to facilitate the synthesis at the central level of lessons learned from field activities with respect to the above issues. and, conversely, to permit the provision of technical support to field units, officials, and local organizations as necessary; and
 - (iii) preparing of a critical analysis of activities undertaken in the regions, which should
 - (a) identify key activities undertaken;
 - (b) assess their overall results;
 - (c) highlight key positive and negative factors that influenced the overall results;
 - (d) recommend possible procedural changes at the local level;
 - (e) identify likely impacts of these on local institutional, organizational, and human resource capacities; and
 - (f) link recommended procedural changes at the local level to the national level regulatory/procedural framework.

9. The consultant is expected to have at least 10 years of experience with issues related to decentralization policy at both the central and local levels, especially with respect to OF&MSS, including a minimum of 5 years of direct experience working in Indonesia on decentralization and local government issues. He/she should be able to read standard materials in Indonesian and to converse in the language.

B. Domestic Consultants**1. Deputy Team Leader/Local Government Planning and Budgeting Expert (12 person-months)**

10. As deputy team leader, the consultant will
- (i) provide assistance to the team leader as necessary regarding project management, all substantive dimensions of the TA, and liaison with officials; and
 - (ii) in the absence of the team leader, be responsible for the above activities.
11. As local government planning and budgeting expert, he/she will also
- (i) provide technical support to field units, officials, and local organizations regarding activities related to
 - (a) local planning and budgeting;
 - (b) inclusion of minimum service standards and performance measurements in relevant planning and budgeting procedures and materials;
 - (c) assessment of the linkages among these and their impact on local government work unit budgets, structures, and capacity-building needs; and
 - (d) estimation of the per capita cost of financing OF&MSS including the cost of alternative delivery mechanisms to support implementation of OF&MSS for benchmarking and calculation of specific grants from the Central Government; and
 - (ii) maintain contact with field activities through regular monitoring, field visits, and consultations or workshops to facilitate the synthesis at the central level of lessons learned from field activities with respect to the above issues.
12. The deputy team leader is expected to have a minimum of 5 years of direct experience working with provincial and district level governments in Indonesia with respect to planning and budgeting activities, preferably a portion of this following the start of the current decentralization program in January 2001, and to be nearly fluent in English.

2. Local Government Monitoring/Evaluation and Participation Expert (4 person-months)

13. The consultant will be responsible for
- (i) provision of technical support to field units, officials, and local organizations regarding activities related to

- (a) monitoring, evaluation, supervision and reporting of local government budget implementation and, more specifically, the delivery of public services;
 - (b) public participation in planning, budgeting, monitoring, and evaluation; and
 - (c) accountability to the local legislature and the general public.; and
- (ii) maintaining contact with field activities through regular monitoring, field visits, and consultations or workshops to facilitate the synthesis at the central level of lessons learned from field activities with respect to the above issues

14. The expert is expected to have a minimum of 5 years of direct experience working with provincial and district level governments in Indonesia with respect to monitoring/evaluation and participation, preferably a portion of this following the start of the current decentralization program in January 2001, and to be conversant in English.

3. Local Institutional Development Expert (4 person-months)

15. The consultant will be responsible for

- (i) provision of technical support to field units, officials and local organizations regarding activities related to
 - (a) the institutional and organizational impacts, and resulting needs, of the introduction of minimum service standards and performance measurements; and
 - (b) the impacts of this on human resource development needs, the local civil service and the local regulatory and procedural framework; and
- (ii) maintaining contact with field activities through regular monitoring, field visits, and consultations or workshops to facilitate the synthesis at the central level of lessons learned from field activities with respect to the above issues.

16. The expert is expected to have a minimum of 5 years of direct experience working with provincial and district level governments in Indonesia with respect to institutional development, preferably a portion of this following the start of the current decentralization program in January 2001, and to be conversant in English.

4. Local Government Expert (field, 4 persons at 10 person-months each)

17. For the one or two regions he/she is responsible for, the consultant will

- (i) assess current planning, budgeting, implementation, monitoring, supervision, and reporting procedures, in particular with respect to the delivery of public services;
- (ii) assess current institutional, organizational, and human resource

- capacities to undertake the above activities;
- (iii) assist the region(s) in translating OF&MSS into locally relevant performance measures and in prioritizing and sequencing them;
- (iv) assist the region(s) in their inclusion in relevant planning materials, strategies, and overall budget directions;
- (v) assist the region(s) in their translation into concrete programs and activities that are subsequently reflected in the local budget;
- (vi) assist the region(s) in identifying the impacts of their inclusion in local plans and the budget on
 - (a) the current and anticipated local budget, including planned expenditures, revenues, and approaches to financing;
 - (b) delivery of services and community satisfaction;
 - (c) institutional and organizational capacities;
 - (d) human resource needs;
 - (e) the local legal and regulatory environment;
 - (f) accountability of the local government to the local legislature and the general public; and
 - (g) approaches to monitoring, evaluation, supervision and reporting.
- (vii) with respect to the above issues, conduct a critical analysis.

18. The expert is expected to have a minimum of 5 years of direct experience working with provincial and district level governments in Indonesia with respect to planning and budgeting, preferably a portion of this following the start of the current decentralization program in January 2001, and to be conversant in English.