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(AIM)

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Good Evening

Distinguished Ladies and Gentlemen:

On this special occasion I would like to thank to The International City/County Management Association (ICMA) and United States Agency for International Development (USAID), for their support to be a facilitator and also financed me on these activities so I can be a honored guest at International Forum on Federalism in Veracruz, Mexico and meet all of you.

We know that the existence of Association of Local Government were set to accelerate the materialization to the intended objectives in the new autonomy status of local government in Indonesia. As we all know that Indonesian did not use a federal system in running the government, but I do really want to learn many things in implemented of Autonomy.

Pursuant to the democratization process and towards the implementation of decentralization in Indonesia, the Government has passed law No. 22/1999 on Local Government regarding the Provinces, the Regencies and the Municipalities.

Respective Association for each local government was established, based on the decision of the Minister of Home Affairs, No. 16/2000, dated May 24, 2000.

The Mayors National Meeting that have been held on May, 25th 2000, in Jakarta, have succeeded declared the Association of Indonesian Municipalities (AIM), Mayor from Surabaya (Mr. H. Sunarto Sumoprawiro) have been elected by all Mayors as a President, assistance by Board, and helped by Executive Director (Mr. H. Abdul Munir). As a President, Mayors from Surabaya representing the Associations to sit as a member in the Autonomous Advisory Board (DPOD). Now AIM has 96 Mayors from all municipalities as a member.

The First National Conference of association of Indonesian Municipalities (AIM) in Surabaya, June 22-23, 2000 adopted its Charter and By-laws Program, Budget and Recommendation to the Autonomous Advisory Board (DPOD). AIM is to promote the interest of its members for the implementation of democratization, the roles of the community and private sector taking into account the specific characteristic of each region. After established on 2000, APEKSI already has a Strategic Plan which become a framework of APEKSI activities.

APEKSI Objectives

To work for the interest of its members for the implementation of autonomy through the democratic means, to develop community role, and private sector according to their potentialities and based on the characteristic region.

In details, these objectives are describe in AIM Strategic Plan, are:

1. Represent the view and interest of Indonesian cities to the Center Government and other relevant organization and stakeholder.
2. In efficiency and effectively way manage and implement of association framework to produce a revision in service quality and public order in Indonesian municipalities.
3. Assist to strengthen and develop local government capacity through consultation, advise and development of structure in decentralization way.
4. Propose the information to public and to develop a positive image in local authority contribution.
5. Develop proactive respond to issues development and manage the changing in city development empowerment through co-operation between municipalities.
6. Be come a broker and conference facilitator, meeting, and learning activity to increase knowledge and experience.
7. Maintain a good relationship among association and other professional group internal and abroad, so that the interest and willingness members of AIM and development programs can be run.
8. Work together with donor agency and other stakeholder to get support in the frame of developing cities capacity

Mission

AIM will perform into mission as a sound and professional association serving the interest and supporting the implementation of best practices in municipal governments through democratic, transparent, and accountable autonomy, and to accelerate the formation of new society within the government structure of Republic of Indonesia.

Vision

It is the vision of AIM that it will act as a strategies organization for the empowerment of the municipalities for the implementation of autonomy in Indonesia

AIM will provide guidance for the local authority in Indonesia for better management in the future through development of human resources, in order to have more professional staff. Municipalities are expected to be more democratic and independent in matters of administration of its budget and more effective and efficient in its managerial and administrative system.

Activities

1. Support accomplishment of local autonomy:

- Furnish input and recommendation to the government and other stakeholders on legal aspect that serve the municipalities interest, such as: local authority, the balance budget between the central-regional government and etc.
- Good governance application to city community
- Furnish input into representatives of the association in DPOD

2. City Services

- Furnish recommendation for the centralization for on the local and national level
- Development of infrastructure and empowerment to community
- Provide consultation and services, to promote professionalism in municipalities government staff
- Represent the city in appropriate forum, which aims to promote good governance
- To enhance beneficial cooperation among cities and stakeholders

3. Development of Networking and Communication System

- To help six (6) regional Area of commissariats work for decentralization application based on “*bottom up*” principle
- Collect and review information from cities in order to provide better information for good governance, with e-mail and other media

4. City Data Base

- Provide reliable data base and profile of 96 members of municipalities
- Provide city development data

5. Co-operation between agencies

- Working together with government agencies, non-government organization, or other agencies internal and external that are relevant with AIM's vision on good governance for cities members.

Issues on Cities Development in Indonesia

A long with founding of AIM to work for the interest of its members to implement of autonomy, AIM programs based on 2 (two) activities. First, in actively work in implementation process of local autonomy on municipalities in Indonesia. Second, assist cities to develop in General things. These activities can work by role of internal administration and two-way system of management communication amongst members and colleagues.

The main issues of local autonomy never less from 3 (three) basic problems, there are power sharing, local income and local administration system. Are known as the central distribution of authority from Central to Region and City, accomplish with staff arrangement and asset, and to increasing local finance.

Through survey of “Municipalities issues in the implementation of Autonomy” that finished on March - April 2001, issues that faced of local government in distribution of Authority are:

- In Level of Constitutional Law, issue that come up is contradiction of Regulations of some activities. For example the Presidential decree (Keppres) No. 10 / 2001 on implementation of autonomy in land field which not a long with regulation above (UU No. 22/1999 and PP No. 25/2000).
- In these national level there also another issue, so many technical regulation that unmade by central Government making confused of Local Government. There was some case about authority as consequence that undistributed local authority to the city; For example authority to land Use, forest, tax, environment research, and etc. that undistributed to local government.
- Assumption that Provincial Government disagree to share their authority to Region, and Municipalities.
- Some Region and Municipalities reject/neglect the authority that distribute to them in reason that it will make their Budget of Local out come (APBD) overweight.

In manage a personal, a clearly issue that exist is local government structure.

In managing the asset, there was no guidance of implementation from central government of managing the asset to local government, it caused trouble.

According with local finance, the main issue that being discuss, is the issue on General Allocations Budget (DAU). Indicator that use is not so sufficient by municipalities. As Indicator to determine the Wight of DAU which local government receive, this indicator doesn't pay attention the conditions of municipalities. Example; there are no function by city management as one of indicators. It cause, some cities only can pay the expending routine in 2001.

Beside DAU, in relationship with issue to increase local income, there some new regulation that needed in different technical issue, such a contribution regulation which come from national company level that exist in local to city development; special management units as local income such a Driven license management (Driving License/SIM, License to Own Vehicle/STNK, etc.)

Outside main issue of the autonomy, other issue is a problem that city have to face to develop their self, which is human resources (SDM) and lack of other resources. Providing of Human Resources must create new alternative in developing cities according with the implementation of decentralization.

AREA PROGRAMS OF APEKSI are:

1. Advocacy

The Goals of this program are: 1). Monitoring and research in every regulation that related on the implementation of autonomy; 2). Provide advise to central government (especially through DPOD); 3). Monitoring the implementation of autonomy issues in cities. These goals demanded of continuing discussion in intern area of AIM as well as with some experts from university and practices.

2. Empowerment of Commissariat in AIM.

The wide of Indonesian area and the complex of different issues that face the member of AIM, make every Komwil have to make an efficient and effective routine activity. For that *every Komwil and backup with solid work of unit needs "Operational Plan"* by local government.

3. Municipalities training program, Advocacy, research, consultation, Provisioning Infrastructure and Investment.

Based on survey, there are 5 (five) major sectors demanded by cities in managing issues, which are:

- Garbage Disposal
- Strategy on City Development
- Provisioning Clean Water
- Public Transportation and City Traffic
- City Layout

Every issue in this sector, then being implemented with selected programme; there are Training, Assistance, Research, Consultation, Provisioning Infrastructure and Investment, modified with request and demand from every cities. Donor Agency in this case has an important meaning.

4. Web Communications by Media and Internet.

Every problems and input from cities must be catching as soon as possible, so that the existence of AIM must be Optimal. How to being communicate in active way; are, to set-up web in every members cities, training, data polling as actual (routine). Beside Internet, increasing the dissemination for it monthly can do developing Newsletter "Kota Indonesia".

5. Public Relation (PR)

Communications internal and external in AIM as part that can be manage by itself. With the result that programs and every role of AIM can be communicate to the cities, Ministry Department, Donor Agency, Partners and Public. And then Expecting that they will give us a useful feedback to increase the function and professionalism of AIM.

6. Relationship with International Agency.

As a New Organization (AIM), the assistance from Donor Agency and Partners from International Institutions are needed to implement the program. Now AIM open up chance and opportunity to learn and discuss with them.

7. Managerial Administration

To assist all the activities, AIM must have an excellent managerial administration. It will work if all infrastructures such as Office and its equipment are provided. More importance is to develop Human Resource, which can be happen with several training and studying.

APEKSI ON GOING PROGRAMMES

1. Workshop on "Traditional Market"

On July 26 - 27 2000, in Jakarta, a National Level Workshop of Traditional Market in Theme "Empowerment Traditional Market towards the Implementation of Regional Autonomy" has been held. The purposed of this Workshop was to decrease poverty in Indonesia and to embrace Bank people to fund traditional market which almost never been looked by investors. Cause, they thought that traditional market was profitable.

100 participant were attend on that workshop whose are delegates by cities, specially market official duty, representative from KADIN organization and it members. These 2 days workshop presented 12 speakers, Prof. DR. Ryaas Rasyid was one of Key Speakers, plus moderator. There were 2 topics that have been discussed, there were: Map of Issues in Developing Traditional Market Towards Empowerment of Economy based on community, Role on Information System to assist the Empowerment of Traditional Market and People's Economy Empowerment.

2. TECHNICAL MEETING OF CITY ADMINISTRATIVE BECOME OTONOM CITY

In August, 23-24th 2000, The Technical Mayors Meeting of City Administrative all over Indonesia has been held. The purposed of this meeting to recognized cities aspiration and how far the preparation witch being done by cities presently Regional Autonomy. These meeting assist by polling of data "Potential and characteristic Administrative City" and all equipment.

These Meeting attended by 21 Administrative Mayors, there were 8 Mayors whom being in a recommendation team purposed on formulating recommendation or their statement. Based on AIM's data that received, measures on each indicator, AIM arrange level of Administrative City.

The Indicator are: (1) Area; (2) Density; (3) Number of Kecamatan; (4) Local Income; (5) Transportation Access / City main Street; (6) Local Commodity in agriculture, mining, fish product, Farm; (7) Recommendation from second Local Board of Council (DPRD II); (8) Recommendation from Bupati; (9) Recommendation from First Local Board of Council (DPRD I); (10) Recommendation from Governor.

3. REGIONAL KOMISARIAT FORUM (In AIM Area Members)

Describing decentralization principal, one of priority is to develop AIM as an organization that has 96 city of interest in Indonesia. That's the purposed of this forum in 6 (six) Regional Commissariat / Commissariat Wilayah, who have been success to arranged board for the period in 2000-2002. This Board will accommodate cities aspiration in a fast manner and in appropriate objectives.

Schedule of Regional Commissariat / Komisariat Wilayah Forum (MUSKOMWIL) it will accomplish by other KOMWIL are:

1. First MUSKOMWIL IV in Surabaya (dated September, 20-21 2000)
2. First MUSKOMWIL II in Palembang (dated October, 6-7 2000)
3. First MUSKOMWIL III in Bandung (dated November, 6-7 2000)
4. First MUSKOMWIL V in Balikpapan (dated November, 9-10 2000)
5. First MUSKOMWIL I in Medan (dated November, 23 2000)

6. First MUSKOMWIL VI in Makassar (dated November, 25-26 2000)

4. COOPERATION AIM WITH OTHER INSTITUTION AND DONOR AGENCY SUCH AS UNCHS, UNCHS, UNDP, TUGI, CITY net & ESFAHAN CITY

Dated September 4 - 6 2000, AIM sent delegates to attend a workshop “Building Partnership for Good Urban Governance” in Esfahan, Iran, attended by 27 cities from 13 countries. This Workshop presented a view about the implementation of Good Urban Governance in every city in the world. The AIM’s delegate consists of Executive Director, Cooperated Program Director and several mayors of AIM’s members.

There are some problems that all mayors have to aware, such as the important of distinct scale in implementation of Good Governance and the important of dissemination of issues through out all city community level. There are also important to develop some web to learn about implementation methods which effective and useful from other cities experiences.

5. HABITAT AGENDA

Dated October 19-22 2000, in Hangzhou, China have been held regional level high meeting. Meaning of this meeting in preparing process before United Nations General Assembly towards United Nations Conference on Human Settlement (UNCHS-Habitat II), which being held in New York, June 2001. This meeting sponsored by UNCHS and UNESCAP, collaborated with ADB, UNCHS Fukuoka, TUGI and CityNet.

The purposed of this meeting are to observe strategy, it success, possibility and challenge the implementation of Habitat Agenda, especially in Asia Pacific Region. The theme of this meeting is Settlement, Social Development, Decreasing Poverty, Natural Environmental Management, Economic Development, Good Governance and International Relationship. The result of this meeting will be come an input for UN General Assembly in New York, June 2001.

This meeting in Hangzhou attended by Asia Pacific countries. There are Bangladesh, Bhutan, China, Cambodia, India, Indonesia, Iran, Japan, Korea, Malaysia, Maldive, Myanmar, Nepal, Pakistan, Philippines, Sri Lanka, and Thailand. From International Agencies are UNCHS, UNDP, CityNet, UNOPS, and IULA.

Mayors from Indonesia are: Baso Lamakarate (Palu), Darlis Ilyas (Payakumbuh), Djarot Syaiful Hidayat (Blitar), H.A. Maschut (Kediri), Medi Botutihe (Gorontalo), Samsir Andili (Ternate) Wan Syamsir Yus (Dumai), serta DPRD Palu, Rusdi Mastura.

6. COOPERATION AIM / APEKSI - UNDP (BUILD)

AIM / APEKSI Strategic Plan have been made by assistance of Dr. Keith Solomon, Municipalities Expert

UNDP through BUILD Program send Dr. Keith Solomon (Municipalities Expert) to assist Association in Indonesia in the way of making the Strategic Plan 2001-2005. The making of this Strategic Plan collaborated with Board of AIM / APEKSI so that can be presented and discussed with AIM / APEKSI members.

The long-term of BUILD Project is:

A well functioning decentralised system of governance in Indonesia, in which municipalities have institutionalised democratic, effective, efficient and accountable governance practices and where the interests of local authorities are well represented at national level.

As medium-term development objective this project aims to:

Effectively support local authorities in Indonesia to take on their new responsibilities through enhanced cooperation and the establishment of a well-functioning, professional (regionalized) association of municipalities that is supported by a vast majority of its members.

To achieve this medium-term development objective, the support under this project is provided on two, closely interrelated levels:

- 1) Direct support to municipalities in selected provinces/regions to introduce governance reform, by enhancing inter-municipal collaboration and the provision of technical assistance
- 2) Enhancing the professional capacity of the association of Indonesian cities, AIM / APEKSI, both the national and regional chapters.

To make this Strategic Plan of AIM / APEKSI 2001-2005, Municipalities Association Experts (MAE) in this case Dr. Keith Solomon do his job through 3 (three) medium-term mission monthly. The three missions are:

1st Phase, data polling about role and function of AIM / APEKSI with survey questionnaire

2nd Phase, arranging Strategic Plan of AIM / APEKSI 2001-2005

3rd Phase, arranging Operational Plan for each KOMWIL of AIM / APEKSI.

Program title: *'Regional Decentralization of Strategic and Operational Planning for the Association of Indonesian Municipalities (APEKSI)'*. Submission Date: February 2001.

Unfortunately the arranging of this Operational Plan cannot be accomplished in this present time.

7. COOPERATION ICMA – AIM / APEKSI

A) Background

In cooperate relationship with United States Agency for International Development (USAID), International City/County Management Association (ICMA) work with Association of Regional Government from Regional Government units in Indonesia and in the way to empowerment the role and capacity of regional government as part as decentralization process.

Activities that offering by ICMA:

- Association Strategic Development, Communication Network, and services to members as far as needed by Association.
- Training for Regional Government in field of management, fund and costs, consist of specific public services under control / authority of regional government administration
- Study Tour and attending Conferences

- Work together between Indonesia and United State Regional Government by mean of participation other cities stakeholders who have international scales
- Technical assistance for innovative and creative programs pass through institution that cities and region have
- Assistance in developing advocacy program for associations
- Become a house for conference and regional and national

B) Sign Turing MoU between AIM / APEKSI - ICMA

Sign Turing MoU (*Memorandum of Understanding*) between ICMA-USAID with AIM / APEKSI held on Friday February 2nd 2001 at Executive Directorate Secretariat of AIM /APEKSI Jl. Margonda Raya No. 545 Depok – West Java. Persons who signed the MoU from ICMA /USAID represent by J. Endi Rukmo as Chief of Party, meanwhile from AIM / APEKSI represent by H. Abdul Munir as Executive Director of AIM / APEKSI, known by Board of AIM / APEKSI.

The major point of MoU, ICMA will give assistance to AIM /APEKSI in the way to strengthen organization management. The assist from ICMA consist in 2 things, which are:

1. Technical Assistance:

Some training that being given direction, standards and information about the best practices in management association, also services and other resources that needed and selected in work plan; Staff and consultation assistant giving information about management, strategic plan, and other resources that needed to increase AIM / APEKSI role;

Bring about other stakeholders who related and needed by AIM / APEKSI to become an independent organization that oriented to members need, and in the same time build basic fund that will guarantee prosperity itself;

Looking for another co-operation between cities relationship (Resource-Cities partnership) that appropriate.

2. Cooperation assistance:

- ICMA will involve the executives and staffs from AIM / APEKSI in every activities and regional / national / international workshop, to increasing quality and skill of AIM's / APEKSI's staffs;
- AIM / APEKSI will have advocacy assistance from ICMA that related with problems of strengthening association to become more effective for regional government in Indonesia as its members. ICMA will send an expert from US to give knowledge in technical way that needed and actively involve in every process of this project.

8. COOPERATION FLUID TECH (AUSTRALIA) and AIM / APEKSI

In effort to assist Municipalities as safe, Environmental friendly in garbage issues, AIM / APEKSI and Fluid Tech Australia have a relationship with several cities in Indonesia. Garbage that cities produced will take care of to make as a fuel to produce electricity that can help cities to fulfill their need. In First step, as a pilot project starting from 2 cities, Bogor and Palembang.

9. COOPERATION USAID-RUDO (Regional Urban Development) and AIM / APEKSI

RUDO – India and Indonesia have been held Seminar for 3 days in theme “*Cities Infrastructure funding*”, on October 18 - 20th 2000 at Manila, Philippine. One of the issue in this seminar, was how to developed project of infrastructure in municipalities, and the possibilities of fund, as Municipal Bond in Philippine.

10. COOPERATION APEC Energy and AIM / APEKSI

AIM / APEKSI is one of representative from APEC Energy related with: “*Energy for Sustainable Communities*” Problem. Using energy as efficient has been an old problems that cities in Indonesia have. Bogor and Semarang have become benchmarking city in APEC Energy Program in Indonesia Program. One of those program is Interpreted Urban Energy Plan training.

11. Cooperation with GTZ (Program Urban Quality.

On August 27 – 29, 2001 in Yogyakarta was Launched a GTZ program on Urban Quality. The program title of GTZ was; “ Civil Society and inter-Municipal Cooperation for Better Urban Services – URBAN QUALITY”. Purposed of this program were to Local Government and civil society stakeholders at community, municipal and inter-city levels cooperate to upgrade urban services and to priorities urban development needs. This Program schedule were allocated in 4 different cities, which are; Yogyakarta, Central Java, NTT and NTB. The timetable of this program was in 4 years.

12. Cooperation with local University (ITB – Bandung Institute of Technology)

ITB has a relationship with USAID to increase civil aware on disaster integrities, especially on earthquake. ITB and APEKSI will make a seminar on that case in Bandung. Purpose of seminar to attend cities that susceptible on earthquake. The seminar will Fund by USAID. The Seminar planned on last August 2001.

13. Cooperation League of Oregon Cities (Loc)

ICMA (International Cities/County Management Association) funded by USAID have sponsored 3 (three) Local Government Associations (APEKSI, APKASI and APPSI) to join:

- Annual Conferences International City/Country Management Association (ICMA) year 2001 in Salt Lake City starting from September 22nd – 26th, 2001
- Study visit at League of Oregon Cities in Portland and Salem dated September 26th – 30th, 2001
- Study visit at Washington DC dated October 1st – 5th, 2001

Each delegate chose their own schedule, in choosing every session that they thought important, and also there were an exhibition from ICMA bookstore. They were using that time to share about their problem and issues, and also to build their own network.

Visited to League of Oregon City in Portland and Salem were visited to saw the application of association function in delivering services to their members which handle it in professional way.

It was a great opportunity when visited in Washington to saw role of association that could be a comparison in servicing the members.

So many places that all delegates can learn and see beside ICMA, there were City of Richmond to see Virginia Association of County, University of Virginia Center for Public Service and Virginia Municipal League.

And also opportunity to went to United States Agency for International Development / Washington, National League of Cities, Council of State Governments, National Association of Counties, Government Finance Officers Association.

At visited to Global Resource Center at American Society of Association Executives we can learn in the future know-how to manage the Local Government Association, from Non Profit Organization but can be manage the association with sufficient fund.