

ANNEX 1

STRATEGIC PLAN OF TII

Background

It has to be admitted that a lot of progress has been achieved since the implementation of the good governance programme ten years ago (1998) following the economic crisis which hit Indonesia at the end of 1997; even though the progress has yet to create a significant impact in lowering the corruption in Indonesia. The Corruption Perception Index for Indonesia in the last ten years has moved at a snail's pace from a score of 2.0 in 1998 to 2.6 in 2008.

It is worth noting that amongst these important progress are the reformation in political accountability through the reorganization of the election system and the management of political funding, bureaucratic reformation and decentralization of government, privatization and anti-monopoly, the fiscal system and the performance based budget, reformation in the legal system through the establishment of the Corruption Eradication Commission (*Komisi Pemberantasan Korupsi, KPK*), special court for corruption cases, the judicial commission, the prosecutor commission, the police commission, the commission for money laundering and the witness protection system. Also freedom of the press and the freedom of expression, which are supported by a transparent public information system, are quite a significant progress.

The orientation of these institutional reformation which were done by transplanting the system and the anti corruption agencies which are successful abroad into the national system may be based on the point of view which sees corruption as a failure on the government's part as opposed to an imbalance in the relationship between the society, state and the business sector. Judging from the experience in many countries such as Singapore, Hong Kong and South Korea, this institutional reform approach is relatively successful because it is supported by a strong political will.

There is nothing wrong with reforming a government institution; however, amidst a weak political will this type of approach shall face insurmountable challenge in its implementation.

The numerous attempts to discredit the new anti-corruption agencies such as the KPK and the Special Court for Corruption Cases are relentless. This may be seen as an expression of the counter attack from those who are beginning to feel that their interests are being trampled upon. The Judicial Commission, the Prosecutor Commission and the Police Commission are facing real obstacles in conducting their supervisory functions because they are not welcomed as the essential institutions in the reformation of law enforcement, even though the performance of these anti-corruption agencies has yet to reach their maximum potential.

Truth be told the regional autonomy policy is intended to reduce the centralized power of the Central Government, which is quite vulnerable to misuse of power and abuse, as commonly practiced by the New Order government. However, in its current development this policy has only managed to distribute the aforementioned misuse and abuse of power to the regions.

Mass demonstrations against the unfair Regional Budget (*Anggaran Pendapatan dan Belanja Daerah, APBD*) are getting more frequent, because many of the posts in the budget are allocated for the benefit of regional government's official as opposed to improving the quality of public services or strengthening the people's economy. Meanwhile the business sector has to face numerous regional regulations issued by the local government in their attempt to raise the regional revenues, which in turn is creating a high cost economics.

A number of experts see this development as the result of the regional autonomy programme, which only transfer the authority in policymaking, administration and budgeting to the region, which in turn is providing a wider access for the elites and local

politicians to the region's resources, which are susceptible to misuse, and corruption. This transfer of power is not followed by democratization programme to open up the opportunity for public participation in the regional government. For all practical purposes the check and balance system in the region is not functioning due to the collusion between Regional Parliament (*DPRD*) and the local government, meanwhile control from the public is far from being adequate due to the insufficient presence of civil society in the region. In general, the Indonesian has yet to gain the experience to live in a democratic culture, which has just returned after being absent for a long time.

The main root of corruption in Indonesia stems from the patronage relation between politics and business. Even though this relationship is no longer permanent and the fact that it had been seriously fragmented post the Suharto era. This patronage cannot be eradicated by merely reforming an institution without considering the changes in the political and economic structure.

In this case, the most crucial need is one big initiative to change the relationship between the state, the people and the business community into something more balanced as opposed to merely reforming a government institution or modernizing the bureaucracy.

The corruption typology in Indonesia shows the level of state capture type of corruption which is as bad as the bureaucratic corruption (petty corruption) and an appalling state of governance (ranging from poor to fair), hence the willingness to reform from within the government is quite low, therefore, the anti-corruption reform must be promoted from the outside of the system.

The civil society and the private sector must be empowered in order to raise their external need to push forward a reformation (both political and economic). Unfortunately, the national's anti-corruption programme chooses to ignore this condition.

The fact is, even though the anti-corruption movement has grown and spread to every corner of the nation, it does not possess a strong foundation to support it; therefore, its impact has yet to be felt. Regrettably, the resources to strengthen the civil society are declining. Proposals for widening the corridor for public participation in government monitoring and eradicating corruption are falling on deaf ears, hence the lack of support from the government and the parliament.

The same thing is also occurring in the business world, besides the issue of independence that is still curbed by the issue of state corporatism with the business associations from the autocratic government in the past, they also have to face their own big problem of corporate governance. The universalities in the regulations regarding business competition and procurement of goods and services become meaningless when the business world itself is in a problematic state.

For that reason, the efforts to realize the good governance in Indonesia must be continuously revitalized, and they will bear a significant result if these efforts are the result of collective actions from the society, the business world and government. In this case, the Pact Integrity approach is still quite relevant to realize the free corruption islands, as the foundation to build the national integrity system in the future.

VISION

Increased economic and social development in Indonesia through the implementation of good governance principles.

MISSION

1. To monitor the performance of corruption eradication through Corruption Perception Measurement;
2. To reform the enabling environment to improve economic governance;
3. To strengthen political accountability and transparency in political financing;
4. To develop models of successful bureaucratic reform for public resource management and public service provision;
5. To raise public awareness on and participation in good governance initiatives;
6. To strengthen forest governance system to increase economic development, and curb environmental destruction;
7. To operate a sustainable, effective, and efficiently managed growing organization.

**STRATEGIC ISSUES AND WORKING PLAN FOR 2009 - 2013
TRANSPARENCY INTERNATIONAL INDONESIA**

1. Development of measurement tools focusing on business communities as the mean of performance verification of corruption eradication effort in Indonesia

Program:

- 1.1. Developing and socializing corruption measurement index in Indonesia and campaigning for the public and government reception of the index

Activities:

- 1.1.1. Corruption Perception Index Survey
 - 1.1.2. Socialization and publication
 - 1.1.3. Lobbying and advocating the index
 - 1.2. Developing an in-depth analysis of corruption phenomena in Indonesia
- Activities:**
- 1.2.1. Qualitative survey on corruption phenomena in cities in Indonesia
 - 1.2.2. Socialization and publication
 - 1.3. Developing corruption intervention strategy base on analysis of the phenomena
- Activities:**
- 1.3.1. Piloting Participatory public reform activities in cities around Indonesia

2. To reform the enabling environment to improve economic governance

Program:

- 2.1. Developing models of engagement of business sector in corruption eradication effort

Activities:

- 2.1.1. Research on good business principle and practices
- 2.1.2. Establishing working groups from private sector stakeholders to develop and implement strategy in fighting corruption

- 2.2. Developing in –depth analysis on private sector intervention in public policy and government (state capture)

Activities:

- 2.2.1. Research on state capture in local government

- 2.2.2. Research on state capture in bank loan policy

3. To promote transparency and accountability on government revenue

Program:

- 3.1. Promoting transparency and accountability in extractive industries

Activities:

- 3.1.1. Research on transparency and accountability of extractive industries revenue

- 3.1.2. Promoting transparency and accountability of extractive industries with other CSO's within Publish What You Pay-Indonesia coalition

- 3.1.3. Lobby and advocacy for Government of Indonesia endorsement of Extractive Industries Transparency Initiatives (EITI)

- 3.2. Study and intervention program on transparency and accountability in fishery sector

Activities:

- 3.2.1. Study on governance in fishery sector in two areas in Indonesia

- 3.2.2. Intervention program to promote transparency and accountability in fishery sector

- 3.3. Study on transparency and accountability of tax

Activities:

- 3.3.1. Pilot research on transparency of tax service

4. To Strengthen Political Accountability and Transparency in Political Financing

Program

- 4.1. Transparency and Accountability of Political Party Funds (individual contribution/ corporate/ government subsidies etc)

Activity:

- 4.1.1. Research on the flow pattern of political funds and business activity in regards Politic and Business Patronage

- 4.2. Transparency in the political process of policy making in the Parliament (*DPR*) : Legislative Body, the Special Committee and the Budget Committee (*Baleg, Pansus, Panggar*) by enabling a real time public access to these process as a substitute for the lack of available information

Activities

- 4.2.1. Advocating the Political Party Laws and the Election Laws to improve the transparency and accountability of political party funding
- 4.2.2. Reviewing and advocating the political party's accountability to the constituents as opposed to accountability to the contributors

- 4.3. Political Education and People Participation

Activities

- 4.3.1. Promoting the System of Political Party Accountability to the constituents
- 4.3.2. Increasing the Public Capacity as a Control Function over the Political Parties and Politicians in the political process
- 4.3.3. Establishing a database on decision/position tracking
- 4.3.4. Voters education

- 4.4. Compiling Tools (modules) to increase the political accountability of the members of the Parliament to the voters

Activities

- 4.4.1. Conducting a Public Consultation between the members of the Parliament (*DPR*) and their constituents
- 4.4.2. Develop a decision tracking database in order to identify and communicate the position of political parties with regard to governance, media freedom, economic development, poverty reduction, health, education, etc

4.5. Public Funds Utilization for Increasing the Constituents Political Basis

Activities :

- 4.5.1. Research of Political Parties influence on the Community Based Government Programme
- 4.5.2. Develop guidelines/handbook on how to influence and monitor the policy making process
- 4.5.3. Develop and socializes a database of rotten politicians (*Politisi Busuk*) (politicians involved in corruption, environment destruction, money laundering, etc)

5. Developing Transparency and Accountability of Procurement and Public Services at Selected Public Services Dept. and Local Government

Program:

5.1. Procurement Policy Analysis :

Activities:

- 5.1.1. Analysis on the Policy's Products : Presidential Decree Number 80, the Construction Service Law, Regional Regulations (*Perda*) etc
- 5.1.2. Advocating the Procurement Law (a product integration/ regulation on procurement : Presidential Decree Number 80, Construction Service Law, Regional Regulations (*Perda*))

5.2. Promoting Procurement Transparency :

Activities:

- 5.2.1. Procurement Transparency Project (supported by CIPE in cooperation with TI USA)
- 5.2.2. Research and Mapping the relationship Politico - Business (beneficiaries) in the Procurement Process: how far the PBJ process favors the public and campaign the Result of Research. (as an input in the participative budget intervention process).
- 5.2.3. Survey on transparency of Public Procurement
- 5.2.4. Social Audit on Strategic Projects (Civil Works, education, agriculture, health, energy, forestry etc) in the strategic sector (projects which are related the people's well-being)

6. Strengthening Public Participation on Reform of Public Services.

Program

6.1. Improving the transparency and accountability of public services in accordance with the principles contained in Law Number 25/2009

Activities:

- 6.1.1. Facilitating civil society input into the design of public service reform and the minimum standard guidelines
- 6.1.2. Initiating a pilot project to implement the guidelines and provide examples of best practice

6.2. Increasing the Public Capacities and Participation in Supervising the Process and Procurement System

Activities:

- 6.2.1. Promoting IP in the strategic sectors (Civil Works, education, agriculture, health, energy, forestry etc) and strategic projects (projects which are related the people's well-being in the Region
- 6.2.2. Improving the Media's role and control function on PBJ process

6.3. Increasing the public participation in the development planning process

Activities:

- 6.3.1. Producing guidelines for public participation in the development planning process (*Musrenbang*)
- 6.3.2. Strengthening the capacity of local CSO and community groups to participate in the (*Musrenbang*)

7. To raise public awareness on good governance initiatives.

Program :

- 7.1. Promote the Acceleration of Corruption Eradication by providing comprehensive information (centralized and accessible) and reliable so that TI-Indonesia can become a clearinghouse for anti-corruption tools.**

Activities:

- 7.1.1. Website redesign to better accommodate rapid growing information and anti-corruption activities in Indonesia.
- 7.1.2. Production of electronic communication materials (forums, e-newsletters, mailing lists), with specific target reader from TI-Indonesia social networks.
- 7.1.3. Provide information and analysis pertaining to the development of anti-corruption issue in Indonesia, emphasis on the English version
- 7.1.4. Facilitate access to anti-corruption resources (research, tools) for Indonesian CSOs
- 7.1.5.** Strengthen the communication with TI-S in Berlin, TI-Indonesia Boards and members

7.2. Anti-Corruption Issue Advocacy for and by the Media

Activities:

- 7.2.1. Local Media Roadshow
- 7.2.2. Quarterly press briefing by IMO: briefing on investigation reports and new cases
- 7.2.3. Do press briefings on corruption issues
- 7.2.4. Launch events for TI and TI-I research material/press conference (with KPK representatives comment on the result of the studies)
- 7.2.5. Production of a multi-media kit
- 7.2.6. Public Social Announcement on national radios for anti-corruption day
- 7.2.7. Public Social Announcement on local radios for anti-corruption day

8. To raise public participation in good governance initiatives.

Program :

8.1. Develop network of TI-I supporters for campaigning and fundraising to increase public participation in TII's activities and to support TII's strategic goals

Activities:

- 8.1.1. Develop a network of TI-Indonesia supporters for campaigning and fundraising
- 8.1.2. Establish TI-Indonesia supporters membership policies and mechanisms
- 8.1.3. Establish communication channels for mobilization (E-newsletter, mailing list)
- 8.1.4. Youth education and creative productions sponsorship by and for youth groups

- 8.1.5. Facilitate dialogues on corruption
- 8.1.6. Media tracking and monitoring
- 8.1.7. Develop public fundraising

9. Promoting Good Forest Governance to Combat Illegal Logging

Program

- 9.1. Development of strategies and mechanisms to combat forestry criminals and the associated corruption.

Activities

- 9.1.1. Analysis of forest crimes that associated with corruption behaviour mechanisms operating within the forestry sector and analysis of lessons learned in combating forest crimes and the associated corruption in the forestry sector in Asia and the Pacific, including an analysis of the impact of specific country initiatives and experience in TI Chapters.
 - 9.1.2. Analysis of the institutions and governance mechanisms outside the forestry sector that influence operations within it (including the political economy, political party financing, regulatory institutions, judicial sector, civil service, revenue and expenditure management, and strength of civil society and rural communities) in the context of Asia and the Pacific.
- 9.2. Reducing foreign bribery in supply countries: Improved transparency, accountability and anti-corruption measures by forest sector companies in their overseas operations and in their transactions with foreign public officials.

Activities

- 9.2.1. Case studies in 3 countries of the governance diagnostic: could be undertaken in (for example) Indonesia, China, and Malaysia in partnership with country authorities and those working on the FLEG initiative. An alternative would be to consider the PNG as a unit for the purposes of the Study.
- 9.2.2. Piloting a forestry anti-corruption intervention in one or two countries, based on the diagnosis and strategy emerging from the FLEG assessment.

9.3. Promoting Transparency and Participatory in Policy Decision (Land conversion)

Activities

- 9.3.1. Analysis of forest management and agency procedures that create rent-seeking opportunities. This will involve compilation of documents, forms, licenses and permits; documentation of planning and approval and review procedures; and assessment of the degree of standardization and potential for falsification and fraud.

9.4. Promoting Transparency in Financial Management of Forest Resources

Activities

- 9.4.1. Promoting Transparency in implementation of global climate change mitigation mechanisms such as CDM and REDD
- 9.4.2. Linking improved forest governance with innovative carbon finance instruments.

10. Strengthening TI Indonesia's Capacity to operate a sustainable, effective and efficiently managed growing organization.

Program

- 10.1. Institution Transparency and Accountability.

Activities

- 10.1.1. Registering Intellectual Rights (HAKI). The Transparency International logo has been registered as an Intellectual Property Right (HAKI)
 - 10.1.2. Completing the accreditation
 - 10.1.3. Improving the Standard Operating Procedure (SOP)
 - 10.1.4. HR Audit
 - 10.1.5. Management Audit
 - 10.1.6. Improving/ Migrating the accounting system
 - 10.1.7. Concluding the general audit and publication on the website
- 10.2. Monitoring and Evaluation (Monev). Monitoring institutional performance by measuring the programme / project accountability through the following activities
- #### Activities
- 10.2.1. Building guidance of Monitoring and Evaluation (Reporting Format, Forms, committee, Procedures etc)
 - 10.2.2. Various Organization Level s of Evaluation Meetings
 - 10.2.3. Half Year Meetings (Board level)

- 10.2.4. Monthly Meetings (staffs)
- 10.2.5. Project Monitoring and Evaluation
 - 10.2.5.1. Field Visits
 - 10.2.5.2. Mid-Year Evaluation
 - 10.2.5.3. End-Year Evaluation (Eksternal Evaluation)
- 10.3. Improving the staff's capacity
 - Activities
 - 10.3.1. Establishing a Performance Appraisal Staff (adjustment of staff's job description and establishing Key Performance Indicator Staff)
 - 10.3.1.1. Fulfilling the required number of additional staff (the entire recruitment process for all departments is in accordance with the 3 years Projection plan)
 - 10.3.1.2. Knowledge sharing between staff through informal discussion is held once a month.
 - 10.3.1.3. Conducting trainings by inviting trainers. Experts from the outside or sending the staff for outside trainings).
 - 10.3.1.4. Common skills (English Language)
 - 10.3.1.5. Specialization (Facilitator, Advocating, Lobbying, Monev)
 - 10.3.1.6. Program/Project Management (Proposal making, Finance, Risk Management, Fundraising, Database).
 - 10.3.1.7. Tematic Issues (Gender Training, Taxes)