

# REVIEW REGULATION

## **DKI JAKARTA PROVINCIAL GOVERNMENT REGULATION NUMBER 12 YEAR 2013 ON ONE STOP SERVICE (OSS) IMPLEMENTATION**

*A Cooperation between:*

Indonesia Regional Autonomy Watch (KPPOD) and  
Foreign and Commonwealth Office (FCO)-British Embassy



Foreign &  
Commonwealth  
Office

## FOREWORD

Indonesia's Investment Climate is described in Global Doing Business research conducted by IFC in 2012. The research mentions that the process of starting a business in Indonesia, represented by Jakarta viewed from procedure, cost, and time aspects are difficult. This can be seen from declining rank of Indonesia. Presently Indonesia represented by Jakarta is ranked 120 out of 189 countries surveyed. In particular to start a business, Indonesia's position declined from 171 to 175.

Declining of Indonesia's position indicates declining of Indonesia's competitiveness internationally. Businessmens perceive the process of starting a business in Indonesia is not efficient with n average number of procedures amounting to 10, needs 48 days, and costs about 20.5% of per capita income.

Long procedure of licensing which authority belongs to Provincial Government of Jakarta in Doing Business has become the main reason for making licensing process in Indoneisa lengthy. To process Business Trading License (SIUP) and Company Registration Certificate (TDP) in Jakarta, businessmen needs 15 days at a cost of Rp 500.000. Whereas Central Government Regulation, i.e. Minister of Trade Regulation No 36/M-DAG/PER/9/2007 has stated 3 days for processing SIUP and TDP with no charge imposed for the licensing. The situation indicates that licensing process in DKI Jakarta is still an impediment in increasing Indonesia's competitiveness.

The data showed that implementation of Licensing Service in DKI Jakarta been through One Stop Shop Service (OSS), however its implementation is not good. Currently, OSS acts just as a place to receive documents while licensing process is still held by related technical local government agency (SKPD). Such condition certainly is far from the concept of ideal OSS, where all the licensing processes started from submission of application until issuance of license are made integratively at one institution i.e. OSS. Unclear standard regulation on OSS institution and authority has caused many problems in business licensing process.

In its effort to improve public service, Provincial Government of DKI Jakarta makes a legal base enhancement for implementation of OSS by issuing a local regulation on One Stop Shop Service Implementation (Perda BPTSP). Intention of local regulation is to increase investment figure and to support for good investment climate In one of its clauses the local regulation determines formation of BPTSP as One Stop Shop Service agency. By formation of BPTSP it is expected that all the licensing process are carried out at one place and completed at the same place so that licensing process is more effective and efficient viewed from the aspects of procedure, time, and cost.

Basic spirit from the local is integrate all the licensing service at one agency and increase authority of OSS institution. DKI Jakarta OSS in the future will have not only authority in general administration service but also authority in processing documents, and authority in signing until issuing license/ non-license documents. However due to wide characteristics of the regulation, some substances contained in local regulation are still needed to be described further to make them more clear, comprehensive and not to cause multi interpretation.

To ensure its implementation is as good as expected, KPPOD with support of the Foreign and Commonwealth Office (FCO)-British Embassy contribute to the success of the implementation this local regulation by reviewing the Local Regulation on OSS Implementation in DKI Jakarta Province. This study is expected that implementation of Local Regulation can be well promoted in accordance with prevailing regulations and will not inflict a loss upon the stakeholders in particular private sector as the main beneficiaries.

LOCAL REGULATION MANUSCRIPT	ANALYSIS	RECOMMENDATION
<p><b>AUTHORITY</b></p> <p><b>CHAPTER VI</b>  <b>Section One</b>  <b>Authority</b>  <b>Article 8</b></p> <p>(1) Degree of authority on OSS implementation consists of:</p> <ul style="list-style-type: none"> <li>a. Acceptance of licensing and non-licensing application documents;</li> <li>b. Examine/ Check licensing and non-licensing application documents;</li> <li>c. Carry out technical examination/physical test on licensing/non-licensing application;</li> <li>d. Sign license/non-licence documents;</li> <li>e. Deliver license/non-licence document to the applicant;</li> <li>f. Manage license/non-licence archives;</li> <li>g. Determine and impose sanction/punishment for misuse of license and non-licence permit; and</li> <li>h. Have coordination with technical local government agencies (SKPD)/local government work units (UKPDs) in relation with the service, supervision, control, and evaluation of licensing and non-licensing implementation.</li> </ul>	<p>➤ OSS authority as stated in the Local Regulation (Perda) is approaching an ideal OSS concept and conforms to Minister of Home Affairs Regulation Number 24 Year 2006 concerning Guidelines on One Stop Shop Service Implementation, i.e. all the licensing services started, processed, and completed at OSS. This approach will shorten bureaucracy chain of licensing in Jakarta since people do not need to come to many places to process various licensing/ non-licensing documents.</p> <p>➤ Transfer of authority to BPTSP in determining and imposing sanction/punishments for misuse of license and non-licence permits, have a potency to create problems, such as:</p> <ol style="list-style-type: none"> <li>1. OSS has no authority in supervision and nurturing because imposition of sanction/punishment is part of supervision and nurturing functions which belong to local government agencies.</li> <li>2. OSS does not have function of nurturing and supervision, therefore determination and imposition of sanction/punishment attached to OSS will result in lengthy bureaucracy chain</li> <li>3. OSS in general has the task to conduct services so license can be issued; services starts since administrative process, examination by technical team, whereas post issuance of license the authority belong to relevant local government agencies including determination of sanction/punishment. It appears that OSS does not have a backup study in determining sanction/punishment.</li> </ol>	<p>➤ By and large, degree of authority stated in local regulation conforms with stipulations contained in Minister of Home Affairs Regulation No 24 Year 2006, except for point g concerning Determination and Imposition of Sanction/punishment upon Misuse of License and Non-License Permit, therefore it is recommended to leave out point g. <b>Determination and imposition of sanction/punishment are part of tasks and function of local government agencies, and not of BPTSP.</b></p>

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<p><b>AUTHORITY</b></p> <p>(2) Further stipulations on technical examination/physical test as mentioned in Article (1) point c and point d shall be arranged in a Governor Regulation.</p>	<p>➤ Technical Team and relevant local government agencies are obliged to involve in conducting technical examination/physical test in particular for specific licensing process that needs field inspection. If there is no involvement of technical team, it may cause in physical result being not conform to such requirements of each local government agencies (SKPD). SKPD has the tasks to supervise and nurture all the licenses that have been issued. In addition, relevant SKPD has higher capacity in terms of human resource as well as infrastructure to carryout technical test required.</p> <p>➤ If there is no involvement of technical SKPD in licensing process, it would be difficult for SKPD to conduct its function in supervision and nurturing of licenses that have been issued.</p>	<p><b>This Article remains exist (is not to be revised or left out)</b>, but in arranging Governor Regulation related to Technical Team, it is important to described again several substances that shall be included . Some of the substances are:</p> <ul style="list-style-type: none"> <li>➤ Determination of Technical Team structure in relation with OSS. Ideally, technical team contains OSS employees, but during implementation it works in coordination with relevant technical agencies (conforms to stipulations contained in Bangda Circular Letter)</li> <li>➤ Tasks and functions of technical team in carrying out technical examination/physical test.</li> <li>➤ Structure and status of technical team employees in relation with OSS (ideally, involvement of Technical Agencies is possible).</li> <li>➤ Coordination mechanism undertaken by Technical Team in OSS with sectoral SKPD.</li> <li>➤ Classification on kinds of licensing which require technical team.</li> </ul>
<p><b>Section Two</b> <b>Kinds of Licensing and Non-Licensing</b> <b>Article 9</b></p> <p>(1) Kinds of licensing and non-licensing services which authority belongs to OSS agency consist of licensing and non-licensing in:</p> <p>26 kinds of government affairs stated in Law on Regional Government (kinds of licenses attached to the local regulation)</p>	<p>➤ From initial mapping carried out by DKI Jakarta Provincial Government, it is found that there are <b>196 kinds of licensing and 86 kinds of non-licensing</b> that will be included into the degree of authority of BPTSP. Having such enormous number, <b>OSS workload will be increased by delegation of all licensing to OSS without a clear delegation mechanism.</b></p>	<ul style="list-style-type: none"> <li>➤ Determination of degree of authority that will be delegated to OSS shall be undertaken through a mechanism of systematic delegation stages .</li> <li>➤ Determination of kinds of licensing prioritized to be directly delegated to OSS. Licensing that belongs to OSS authority. The list of prioritized licensing and non-licensing which become the main focus of improvement are:</li> </ul>

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<p><b>AUTHORITY</b></p>	<p>➤ Important aspect to be given special attention in transfer of authority upon licensing/non-licensing is OSS readiness to receive delegation authority of all kinds of licensing and non-licensing service, i.e. in human resource, facility and infrastructure, and operating procedure of the service</p> <p>➤ There is a potency of unclear and inefficient licensing service occurrence in particular during transition period if there is no guidance upon transition period and time limit of licensing delegation process to OSS.</p>	<p>1) Basic permits required to start business, such as Location Permit/Pre-Approval Letter, Land Use Permit, HO/Business Location Permit, Building Construction Permit, and so on.</p> <p>2) Business permits that shall be obtained to operate the business, such as Industrial Registration Certificate, Industrial Business License, Business Trading License, Company Registration Letter, and so on.</p> <p>3) Permits that are related to primary economic sector development, or those related to business sectors involving many businesses (micro, small, and medium scale enterprises/UMKM).</p> <p>➤ Conducting needs identification and placement mechanism of human resource, facility and infrastructure which support authority transfer process.</p>
<p>(2) The breakdown on kinds of licensing and non-licensing as stipulated in point (1) shall be arranged in Governor Regulation.</p>	<p>➤ Delegation of all kinds of licensing/non-licensing services from relevant SKPD/UKPD to BPTSP which is not supported by a clear mechanism of delegation will only result in many problems occurring in its implementation, such as SKPD/UKPD reluctance to delegate licensing service to BPTSP due to unclear mechanism of delegation, the absence of appropriate infrastructure, and unclear licensing service during the transition period. Such problems may just cause inefficiency in licensing process.</p>	<p><b>This point REMAINS EXIST (not to be revised or left out)</b>, however in formulating Governor Regulation it is important to emphasize some substances, i.e.:</p> <ol style="list-style-type: none"> <li>1. Mechanism of licensing delegation shall refer to government decision concerning policy package on business ease launched by the Vice President together with a number of Ministers.</li> <li>2. Mapping of licensing (licensing/non-licensing, commercial/non commercial, PM)</li> <li>3. Licensing arrangement (cancellation, combination, simplification, and delegation)</li> </ol>

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<b>AUTHORITY</b>		
<p>Article 10</p> <p>(1) In order to provide an ease for the public in obtaining service, in addition to licensing and non-licensing services as mentioned in Article 9, certain administration service is delegated as part of the service degree of OSS implementator.</p> <p>(2) Delegation of certain administration service as mentioned in point (1) shall be arranged in Governor Regulation.</p>	<p>➤ If such process of authority transfer is not supported by a study focusing on people needs, the administration service may potentially be more inefficient. Ideally, if a certain administration service has been carried out effectively at former agency, for example at the Subdistrict or at the Urban Village Administration, then such administration service is not necessary to be delegated to BPTSP.</p> <p>➤ Services conducted by OSS will not be optimally run without OSS institutional balancing.</p>	<p>4. Preparation of rule for parallel licensing (combined permits) for such permits having similar substance.</p> <p>5. Governor Regulation substances shall be adjusted with stipulations contained in the Circular Letter of Director General of Regional Development (Bangda), Ministry of Home Affairs.</p> <p><b>This point REMAINS EXIST (not to be revised or left out)</b>, however, there are some points to be considered in authority transfer process of certain administration service as follows:</p> <ol style="list-style-type: none"> <li>1. Effectivity in the implementation of certain administration service;</li> <li>2. Human resource quantity and quality;</li> <li>3. Provision of facility and infrastructure;</li> <li>4. Budget allocated to BPTSP.</li> </ol>
<b>INSTITUTIONAL ASPECT</b>		
<p><b>Section Three</b> <b>ORGANIZATION STRUCTURE</b> <b>Article 20</b></p> <p>(1) The organization structure of BPTSP is as follows:</p> <ol style="list-style-type: none"> <li>a. Chairman of the Board;</li> <li>b. Vice Chairman of the Board;</li> <li>c. Secretariat, consists of four (4) subdivision;</li> <li>d. Division (5 divisions);</li> <li>e. OSS Office consists of:</li> </ol>	<p>➤ In the Ministry of Home Affairs Regulation Number 20 Year 2008 it is stipulated that the organization of the Board shall consist of:</p> <ol style="list-style-type: none"> <li>a. One (1) general affairs division which control maximum three (3) subdivision;</li> <li>b. Maximum of four (4) division;</li> <li>c. Technical team;</li> <li>d. A group of Functionary officials.</li> </ol>	<p>➤ It is necessary to make further analysis on the number of and the role of each division at BPTSP. After that a governor regulation arranging kinds of and tasks of each division shall be made.</p> <p>➤ Existence of a technical team will be determined based on the needs to have a certain number of service areas that will be handled by BPTSP. To find out the number it will highly depend on the mapping result of licensing and non-licensing conducted so far.</p>



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<b>INSTITUTIONAL ASPECT</b>		
<p>1) Office Head; 2) Head of General Affairs Subdivision; 3) Administration Team; and 4) Technical Team.</p> <p>f. To provide an ease in licensing and non-licensing and administration documents services for the community, a Sub District OSS Implementing Unit is formed at the Subdistrict level; the Unit is led by a Chief of Section.</p> <p>g. To bring licensing and non-licensing services and administration documents services close to the community, an Urban Village Administration OSS Implementing Unit is formed at the Urban Village Administration level; the Unit is led by a Chief of Section; and</p> <p>h. Group of Functionary Officials.</p>	<p>➤ In this local regulation, BPTSP consists of five (5) areas, thus exceeding maximum number allowed as stipulated in the aforementioned Minister of Home Affairs Regulation. Decision on implementing division to conduct licensing service which is not based on characteristics of licensing service required by the business community will result in ineffectiveness of licensing service.</p> <p>➤ This local regulation does not contain arrangement on technical team in the organisational structure of BPTSP. Technical Team is only attached at OSS office at the Administrative City/Regency level. BPTSP organization which has no technical team may potentially impede licensing and non-licensing services that need technical observation/tests.</p> <p>Each division has its own technical team which will make recommendation upon licensing process being conducted, so that decision on division will conform to the kinds of licensing which will become OSS's authority.</p> <p>➤ Transfer of authority to the Subdistrict and Urban Village Government Administration levels without considering capacity of the institutions may cause an adverse impact as since the bureaucracy chain that must be passed by the community will be longer.</p> <p>➤ Wide authority of BPTSP shall be balanced with good organization management.</p>	<p><b>(referring to the previous recommendation in relation with authority transfer staging)</b></p> <p>➤ Following aspects:</p> <ol style="list-style-type: none"> <li>1. Distribution of tasks and authorities including degree of authority and kinds of licensing which will be handled (following scale of business or kinds of licensing).</li> <li>2. Availability of human resources, facilities and infrastructure which will be used by the implementing unit including budget allocation.</li> <li>3. Coordination mechanism between the implementing unit with BPTSP or with OSS Office and technical SKPD/UKPD in particular licensing service of technical permits.</li> </ol> <p>➤ There should be a clear authority distribution within each institution at BPTSP therefore there is no overlapping of authority (based on mapping result on licenses conducted).</p>
<p><b>Section Four Task and Function Part 1 BPTSP Article 21</b></p>	<p>➤</p>	<p>➤ Refer to recommendation on Article 10 on transfer of authority.</p>

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<b>INSTITUTIONAL ASPECT</b>		
<p>(1) BPTSP has a task to carry out nurturing, controlling, monitoring, and evaluation on OSS implementation by OSS office, Sub District OSS Implementing Unit, and Urban Village Administration OSS Implementing Unit, conduct services and sign license, non-license, and administration document which become its authority.</p> <p>(2) To carry out tasks as stipulated in point (1), BPTSP undertakes the following function:</p> <ol style="list-style-type: none"> <li>a. Arrange and execute work program and budgeting of BPTSP;</li> <li>b. Formulate technical policy upon OSS implementation in accordance with law and regulation stipulations;</li> <li>c. Nurture, control, monitor, and evaluate services conducted on licensing and non-licensing and administration document by OSS Office, Sub District OSS Implementing Unit, and Urban Village Administration OSS Implementing Unit;</li> <li>d. Receive application document for licensing and non-licensing process and administration document, all are within its authority;</li> <li>e. Examine/check application documents for licensing and non-licensing and administration documents, all are within its authority;</li> <li>f. Carry out technical examination/physical test upon licensing, non-licensing and administration documents;</li> <li>g. Sign license, non-license, and administration documents within its authority;</li> <li>h. Delivery of license, non-license, and administration documents within its authority;</li> </ol>	<p>➤ Good organization management includes:</p> <ul style="list-style-type: none"> <li>• Good management of the human resource as OSS employees;</li> <li>• Clear tasks and function in BPTSP organization structure;</li> <li>• Facilities and infrastructure support.</li> </ul>	<p>➤ A governor letter of decree containing stipulations related to implementation of BPTSP authority is required. In formulation of a policy it is necessary to arrange the following matters:</p> <ol style="list-style-type: none"> <li>1. A firm and clear SOP of BPTSP service shall be determined;</li> <li>2. Determination of mechanisms of evaluation and monitoring which are BPTSP's authority;</li> <li>3. Distribution of BPTSP's authority in nurture and supervision;</li> <li>4. Transition period during BPTSP establishment;</li> <li>5. A clear distribution of authority within BPTSP, OSS Office, Sub District OSS Implementing Unit, and Urban Village Administration OSS Implementing Unit.</li> </ol>



LOCAL REGULATION MANUSCRIPT	ANALYSIS	RECOMMENDATION
<b>INSTITUTIONAL ASPECT</b>		
<p>i. Manage archives of license, non-license, and administration documents within its authority;</p> <p>j. Determine and impose sanction/punishment upon misuse of license, non-license permits and administration documents within its authority;</p> <p>k. Manage information technology system for OSS implementation;</p> <p>l. Conduct service and solve problems related to complaint upon OSS implementation;</p> <p>m. Conduct service and solve problems related to complaint upon services performed by OSS office, Sub District OSS Implementing Unit, and Urban Village Administration OSS Implementing Unit which can not be settled at OSS Office;</p> <p>n. Manage employee affairs, finance affairs, goods, general affairs and archives of BPTSP; and</p> <p>o. Report and be responsible upon implementation of BPTSP tasks and function.</p>		
<p style="text-align: center;"><b>Part 2</b> <b>OSS Office</b> <b>Article 22</b></p> <p>(1) OSS Office has tasks to conduct service and to sign license, non-license and administration documents within its authority.</p> <p>(2) To carry out the task as mentioned in point (1), OSS Office conduct the following functions:</p> <p>a. Arrange and implement work program and budgeting of the OSS office;</p>	<p>➤ Similar function between BPTSP and OSS Office has the potential to cause an overlapping of tasks and functions of both institutions. To avoid it, distribution of tasks and functions between the two levels of OSS institutions must be clear.</p>	<p>➤ Referring to the recommendation made for Article 20, a governor letter of decree containing stipulations related to implementation of OSS Office authority is required. Among others, it shall contain the following points:</p> <ol style="list-style-type: none"> <li>1. Distribution of tasks and function on services and kinds of license and non-license which are the authority of OSS Office.</li> <li>2. A firm and clear SOP on service standard to be performed by OSS Office.</li> <li>3. Distribution of authorities in nurture and supervision within the authority of OSS Office;</li> </ol>

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<p>b. Receive application documents for licensing, non-licensing, and administration documents within its authority;</p> <p>c. Examine/check application documents for licensing, non-licensing, and administration documents within its authority;</p> <p>d. Implement technical examination/physical test upon application documents for licensing, non-licensing, and administration documents;</p> <p>e. Sign license, non-license, and administration documents within its authority;</p> <p>f. Deliver license, non-license, and administration documents within its authority;</p> <p>g. Determine and impose sanction/punishment upon misuse of license, non-license and administration documents within its authority;</p> <p>h. Control services at Sub District OSS Implementing Unit;</p> <p>i. Manage archives of license, non-license and administration documents within its authority;</p> <p>j. Apply information technology system in OSS implementation;</p> <p>k. Conduct service and follow up action upon public complaint on OSS implementation;</p> <p>l. Conduct service and follow up action upon public complaint on service conducted by OSS Office;</p> <p>m. Conduct service and follow up action upon public complaint on service conducted by Sub District OSS Implementing Unit (Satpel OSS Kecamatan) or Urban Village Administration OSS Implementing Unit (Satpel OSS Kelurahan);</p> <p>n. Manage employee affairs, finance affairs, goods, general affairs, and office archives of the OSS Office; and</p>		<p>4. Mechanism on coordination between OSS Office with other OSS institutions and with relevant SKPD/UKPD;</p> <p>5. Clarity in budgeting and facility and infrastructure supports.</p> <p>6. OSS Office employee affairs;</p> <p>7. Transition period;</p>

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INSTITUTIONAL ASPECT		
<p>o. Prepare reports and be responsible for implementation of overall tasks of OSS Office.</p> <p style="text-align: center;"><b>Part 3</b> <b>Sub District OSS Implementing Unit</b> <b>(Satpel OSS Kecamatan)</b> <b>Article 23</b></p> <p>Sub District OSS Implementing Unit (Satpel OSS Kecamatan) has the tasks to conduct services and to sign license, non-license and administration documents within its authority which are described as follows:</p> <ol style="list-style-type: none"> <li>a. Carry out work program and budgeting of the Satpel OSS Kecamatan;</li> <li>b. Receive application documents on licensing, non-licensing and administration within its authority;</li> <li>c. Examine/check application documents for licensing and non-licensing, and administration documents within its authority;</li> <li>d. Sign license, non-license, and administration documents within its authority;</li> <li>e. Delivery of license, non-license, and administration documents within its authority;</li> <li>f. Determine and impose sanction/punishment upon misuse of license, non-license permits and administration documents within its authority;</li> <li>g. Conduct control upon services carried out by Urban Village Administration OSS Implementing Unit (Satpel OSS Kelurahan);</li> <li>h. Manage archives of license, non-license, and administration documents within its authority;</li> <li>i. Apply information technology system for OSS implementation;</li> <li>j. Conduct service and solve problems related to complaint upon OSS implementation.</li> </ol>	<p>➤ Such authority to sign license which is delegated to Sub District level implies that the Sub District is given high responsibility. Therefore, transfer of authority to Sub District level in signing license should be equipped with necessary human resource capacity. Furthermore, it is not only the official who signs the license that should be capable, the technical team (if necessary) as the party to provide recommendation, and also administration division, need to have adequate technical capacity and skills to avoid mistakes in determining which license/non license should be approved and issued.</p> <p>➤ The authority to sign license/non-license which is delegated to Sub District level also has a consequence that it should be supported by budget allocation, facility and infrastructure to implement its tasks. Unclear budget structure of the Sub District and of the OSS has the potential to hinder the operation of licensing and non-licensing services.</p> <p>➤ If an analysis on workload is made, such additional tasks and function in public service, in particular in licensing and non-licensing at the Sub District will certainly add workload of its staff, i.e. as the Sub District apparatus and at the same time as the OSS Implementing Unit (Satpel) apparatus.</p> <p>➤ The absence of a regulation on clear authority distribution and availability of supporting facility and infrastructure for the Sub District OSS Implementing Unit (Satpel Kecamatan) will hamper the Sub District performance.</p>	<p>➤ Referring to the recommendation made for Article 20, it is required to make a governor letter of decree containing stipulations on implementation of Sub District OSS Implementing Unit (Satpel OSS Kecamatan) tasks. Among others, it shall contain the following points:</p> <ol style="list-style-type: none"> <li>1. Distribution of tasks and function on services and kinds of license and non-license which are the authority of Satpel OSS Kecamatan.</li> <li>2. A firm and clear SOP on service standard to be performed by Satpel OSS Kecamatan;</li> <li>3. Distribution of authorities in nurture and supervision within the authority of Satpel OSS;</li> <li>4. Mechanism on coordination between Satpel OSS Kecamatan with other OSS institutions and with relevant sectoral SKPD/UKPD;</li> <li>5. Clarity in budgeting and facility and infrastructure supports;</li> <li>6. Satpel OSS Kecamatan employee affairs;</li> <li>7. Transition period;</li> </ol>

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<b>INSTITUTIONAL ASPECT</b>		
<p>k. Conduct service and solve problems related to complaint upon services performed by Satpel OSS Kecamatan;</p> <p>l. Conduct service and solve problems related to complaint upon services performed by Urban Village Administration OSS Implementing Unit (Satpel OSS Kelurahan) that can not be settled at Satpel OSS Kelurahan;</p> <p>m. Manage employee affairs, finance affairs, goods, and general affairs of Satpel OSS Kecamatan;</p> <p>n. Prepare reports and be responsible for implementation of the tasks of Satpel OSS Kecamatan.</p>		
<p><b>Part 4</b> <b>Urban Village Administration OSS Implementing Unit (Satpel OSS Kelurahan)</b> <b>Article 24</b></p> <p>Urban Village Administration OSS Implementing Unit (Satpel OSS Kelurahan) has the tasks to conduct services and to sign license, non-license and certain administration documents within its authority which are described as follows:</p> <ol style="list-style-type: none"> <li>Carry out work program and budgeting of the Satpel OSS Kelurahan;</li> <li>Receive application documents on licensing, non-licensing and administration within its authority;</li> <li>Examine/check application documents for licensing and non-licensing, and administration documents within its authority;</li> <li>Sign license, non-license, and administration documents within its authority;</li> <li>Delivery of license, non-license, and administration documents within its authority;</li> </ol>	<p>➤ Such authority to sign license which is delegated to Urban Village Administration (Kelurahan) level implies that Kelurahan is given high responsibility. Therefore, transfer of authority to the Kelurahan level in signing license should be equipped with necessary human resource capacity. Furthermore, it is not only the official who signs the license that should be capable, the technical team (if necessary) as the party to provide recommendation, and also administration division, need to have adequate technical capacity and skills to avoid mistakes in determining which license/non license should be approved and issued.</p> <p>➤ The authority to sign license/non-license which is delegated to Urban Village Administration level also has a consequence that it should be supported by budget allocation, facility and infrastructure to implement its tasks. Unclear budget structure of the Urban Village Administration and of the OSS has the potential to hinder the operation of licensing and non-licensing services.</p>	<p>➤ Referring to the recommendation made for Article 20, it is required to make a governor letter of decree containing stipulations on implementation of Urban Village Administration Implementing Unit (Satpel OSS Kelurahan) tasks. Among others, it shall contain the following points:</p> <ol style="list-style-type: none"> <li>Distribution of tasks and function on services and kinds of license and non-license which are the authority of Satpel OSS Kelurahan.</li> <li>A firm and clear SOP on service standard to be performed by Satpel OSS Kelurahan;</li> <li>Mechanism on coordination between Satpel OSS Kelurahan with other OSS institutions and with relevant sectoral SKPD/UKPD;</li> <li>Clarity in budgeting and facility and infrastructure supports;</li> <li>Satpel OSS Kelurahan employee affairs;</li> <li>Transition period;</li> </ol>

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<b>INSTITUTIONAL ASPECT</b>		
<p>f. Determine and impose sanction/punishment upon misuse of license, non-license permits and administration documents within its authority;</p> <p>g. Manage archives of license, non-license, and administration documents within its authority;</p> <p>h. Apply information technology system for OSS implementation;</p> <p>i. Conduct service and solve problems related to complaint upon OSS implementation;</p> <p>j. Conduct service and solve problems related to complaint upon services performed by Satpel OSS Kelurahan;</p> <p>k. Manage employee affairs, finance affairs, goods, and general affairs of Satpel OSS Kelurahan;</p> <p>l. Prepare reports and be responsible for implementation of the tasks of Satpel OSS Kelurahan.</p>	<p>➤ If an analysis on workload is made, such additional tasks and function in public service, in particular in licensing and non-licensing at the Urban Village Administration will certainly add workload of its staff, i.e. as the Urban Village Administration apparatus and at the same time as the OSS Implementing Unit (Satpel) apparatus.</p>	
<p><b>CHAPTER VIII</b> <b>FINANCE</b> <b>Article 12</b></p> <p>(1) Budget required for OSS implementation shall be funded by Regional Revenue and Expenditure Budget (APBD).</p> <p>(2) Revenue resulted from OSS implementation is a regional revenue.</p> <p>(3) Payment upon license/non-license retribution shall be paid through the Bank for the account of the regional treasury.</p> <p>(4) Management of APBD funds as mentioned in point (1) and point (2) shall be carried out in accordance with prevailing National/Regional laws and regulations.</p>	<p>➤ By having its own budget allocation (not depending on other institutions), OSS implementing unit will have the full authority in managing its own budget. Such condition may promote innovation to create various programs as well as facilities for OSS implementation which in turn can enhance efficiency, effectivity, and performance in providing licensing and non-licensing services for the community.</p> <p>➤ However, unclear budgeting within OSS implementing units of different level has the potential to hamper the operation of OSS.</p>	<p>➤ Budget allocation is needed for:</p> <ol style="list-style-type: none"> <li>1. Preparation of OSS establishment which contains: <ul style="list-style-type: none"> <li>- Budget for policy arrangement, including arrangement of Local Regulation or Governor Regulation</li> <li>- Budget for developing system and procedures (including SOP)</li> <li>- Budget for preparation of facility and infrastructure including for information technology system</li> <li>- Budget for preparing employees.</li> </ul> </li> <li>2. Operational budget after establishment of OSS.</li> <li>3. Budget for evaluation and monitoring carried out by OSS.</li> </ol> <p>➤ Alternative financial resources to be allocated for OSS employee incentives.</p> <p>➤ A guidance on clear mechanism of budgeting within OSS implementing units of different levels is required.</p>



LOCAL REGULATION MANUSCRIPT	ANALYSIS	RECOMMENDATION
<b>INSTITUTIONAL ASPECT</b>		
<p style="text-align: center;"><b>CHAPTER VII</b> <b>HUMAN RESOURCE</b> <b>Article 11</b></p> <p>(1) Personnel assigned at OSS executor is an employee of the OSS implementator.</p> <p>(2) Personnel assigned at OSS executor shall have competencies in the area of public service.</p>	<p>➤ In this local regulation, OSS human resources are OSS employees. This is in line with the ideal concept of OSS in which human resource at OSS is an organic employee (permanent staff) of OSS, and not an employee of sectoral government agency appointed to assist OSS. Therefore, OSS hold the authority to manage its employees in order to enhance the quality of licensing and non-licensing services.</p> <p>➤ The role and commitment of the Regional Head is very important in regard to the employee's movement of position from sector agency to the OSS. In many cases at other provinces it often happens that the local government agency is resistant to release its employee to be placed to the OSS. In this case, Head of the Region having high commitment on OSS is expected to minimize resistance when it occurs.</p> <p>➤ Develop the way of thinking of OSS human resources so as to be able to conduct excellent and professional services.</p>	<p>➤ Transfer of authority from SKPD to OSS shall be carried out in stages, therefore preparation and placement of OSS human resources are also carried out in stages. Some initial steps can be done such as:</p> <p>➔ Identification of human resources presently owned by and work at sectoral SKPD as the basis to determine the need for human resources at BPTSP.</p> <p>➔ Prepare a framework of policy/regulation to anticipate resistency of technical SKPD to release its employees to work for OSS. An example of such policy is a Governor Regulation concerning mechanism of human resource position's movement from sectoral local government agency to the BPTSP.</p> <p>➤ In line with the transfer of employees from technical SKPD, some trainings are conducted to strengthen capacity of the employees to meet the standard of competency required for carrying out their tasks at OSS.</p> <p>➤ For this purpose a road map on transfer (and placement) of employees from SKPD to OSS, recruitment of OSS employees, employee's structural arrangement, human resource development plan, and enhancement of OSS employees' capacity in general, is required and shall be made.</p>
<p>(3) Such competencies as mentioned in point (1) consist of:</p> <ol style="list-style-type: none"> <li>a. Knowledge in licensing/non-licensing process;</li> <li>b. Knowledge in public service affairs;</li> <li>c. Skills in public service affairs; and</li> <li>d. Integrity upon public service conduct.</li> </ol>	<p>➤ Personnel to be placed at OSS must have special competency in public service so that he/she is able to carry out his/her duty and obligation optimally. This is very important considering that OSS has a broad degree of work, with cross-sectoral characteristic, and has certain specifications in particular those needed for technical licenses.</p>	<p>➤ It is required to make a Guidelines on Employee's competency criteria (Front office, Back office, Customer service and so forth).</p>



LOCAL REGULATION MANUSCRIPT	ANALYSIS	RECOMMENDATION
<b>INSTITUTIONAL ASPECT</b>		
	<p>Consequently, its placement process of the employees is rather different compared to that of other local government agencies.</p> <ul style="list-style-type: none"> <li>➤ The aforementioned required capacity of the human resource is not just limited to administrative skills; technical capability and skills are also needed especially in determining feasibility of the license/non-license to be issued, and to impose sanction/punishment to the offenders.</li> </ul>	<ul style="list-style-type: none"> <li>➤ With regard to employee assigned for performing direct service to the public such as Front Office and Customer Service, they must have a certain capacity to conduct good communication with external parties</li> </ul>
(4) In order to meet such competency requirements for the human resource as mentioned in point (1) and point (2), selection and nurturing processes are conducted appropriately.	<ul style="list-style-type: none"> <li>➤ Selection of human resource shall be made based on OSS needs and shall fulfill the needs for special capacity and competence which will be used in performing the tasks and responsibility of the OSS employee.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Preparation of policy framework (technical guidance) for recruitment process and indicators/criteria for OSS employee recruitment.</li> <li>➤ In line with authority transfer from sectoral SKPD to BPTSP, Provincial Government shall prepare and issue a Governor Regulation on employee's transfer mechanism.</li> </ul>

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Office

*Komite Pemantauan Pelaksanaan Otonomi Daerah*  
*Regional Autonomy Watch*

Permata Kuningan Building, 10<sup>th</sup> floor  
Jl. Kuningan Mulia Kav. 9C, Setiabudi, Jakarta Selatan 12980  
Phone: (+6221) 8378 0642/53, Fax.: (+6221) 8378 0643, Website: [www.kppod.org](http://www.kppod.org)