

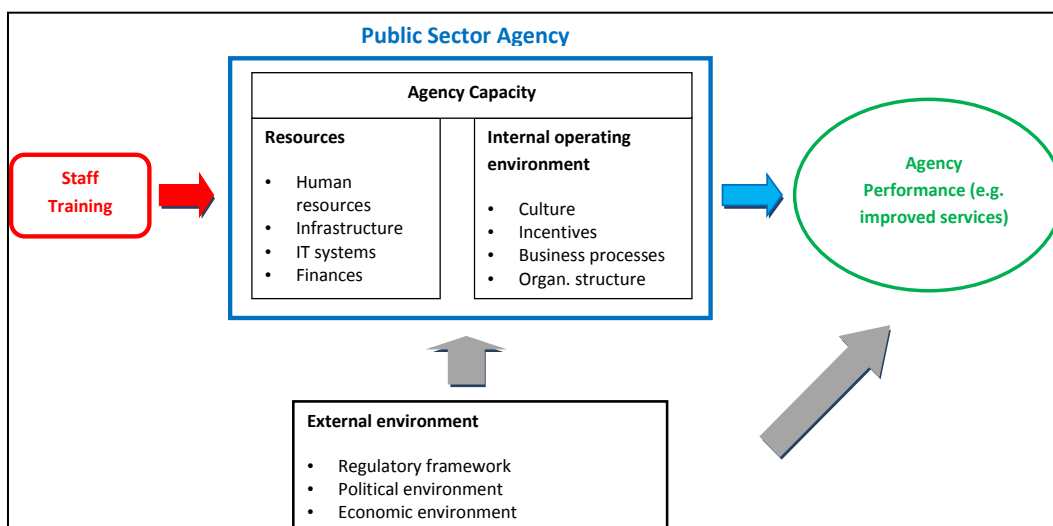
SCHOLARSHIPS PROGRAM FOR STRENGTHENING REFORMING INSTITUTIONS (SPIRIT) PROJECT

Objectives

Training of staff for the purposes of impacting the internal determinants of agency capacity.

It is expected that agency capacity will be built by:

- a) improving the agency's human resources through the development of the technical, managerial, and leadership skills of civil servants working in the *core functional areas* of the agency; and
- b) improving the internal operating environment through the enhanced ability of these civil servants to implement Bureaucracy Reform within the agency as well as the impact on organizational culture and processes of sufficient numbers (or a 'critical mass') of skilled and reform-minded staff in the agency.



Graph 1. Framework for Capacity Building

The broader aim is for this scholarships program to become one key component of the Bureaucracy Reform Roadmap that all central government agencies are currently in the process of preparing. There are three concrete ways in which this can happen:

1. The concept of staff training anchored in an agency institutional development strategy, what in the Project is referred to as agency **Human Capital Development Plans / HCDPs** (see Graph 3), becomes one component of each agency's Roadmap. This would not be limited to the participating agencies for this project but would extend eventually to all government agencies.
2. Suggested results indicators for the Project become a subset of the key performance indicators to monitor progress of Bureaucracy Reform.
3. The implementation modalities for the Project — selection of scholars, re-entry, monitoring arrangements, quality assurance — become part of the standard operating procedures (SOP) for reforming agencies.

Description

Component 1: Degree Scholarships Program for Ministry of Finance (\$34.5 million)

- Sub-component 1.1: Competitive selection of candidates and provision of pre-departure language training to selected candidates.
- Sub-component 1.2: Award of scholarships for overseas and joint domestic and overseas (link) degrees to successful candidates in fields relevant to the work of the Ministry of Finance.

Component 2: Degree Scholarships and non-degree training, for the Bappenas cluster of Participating Agencies (\$70.3 million)

- Sub-component 2.1: Competitive selection of candidates and provision of pre-departure language training to selected candidates.
- Sub-component 2.2: Award of scholarships for domestic, overseas, and joint domestic and overseas (link) degrees and overseas and domestic non-degree training to successful candidates in fields relevant to the work of the respective Participating Agency.

The 10 participating agencies coordinated by the Bappenas PIU are:

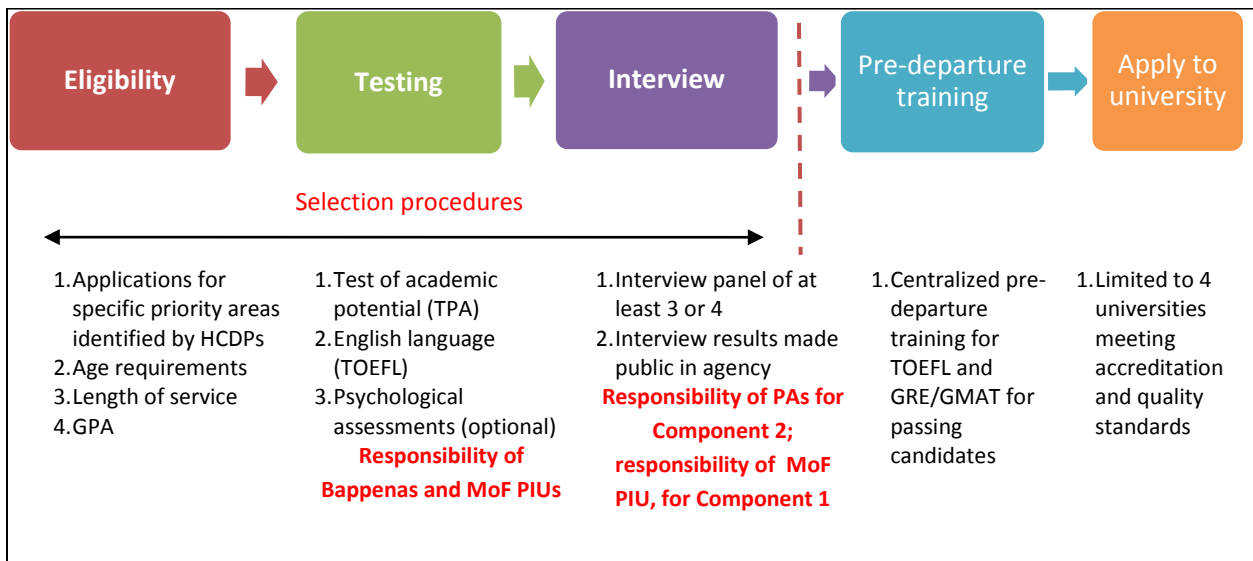
1. Bappenas,
2. National Civil Service Agency (BKN)
3. Investment Coordination Board (BKPM)
4. Supreme Audit Board (BPK)
5. Financial and Development Supervisory Board (BPKP)
6. National Land Agency (BPN)
7. Ministry of Foreign Affairs (MoFA)
8. Ministry of Home Affairs (MoHA)
9. National Institute of Public Administration (LAN)
10. State Ministry for Administrative and Bureaucracy Reforms (MenPAN)

These particular agencies were selected for participation in the program as they are either: (a) key government agencies that are responsible for public sector financial, economic, and human resource management (Bappenas, MenPAN, LAN, BKN, BPK, BPKP); (b) key agencies responsible for improving the investment climate in Indonesia (MoFA, BKPM, BPN); or (c) agencies that are responsible for managing and implementing Bureaucracy Reform (MenPAN, and MoHA).

Component 3: Program support (\$7.9 million)

- Sub-component 3.1: Program management
- Sub-component 3.2: Quality assurance, and monitoring and evaluation

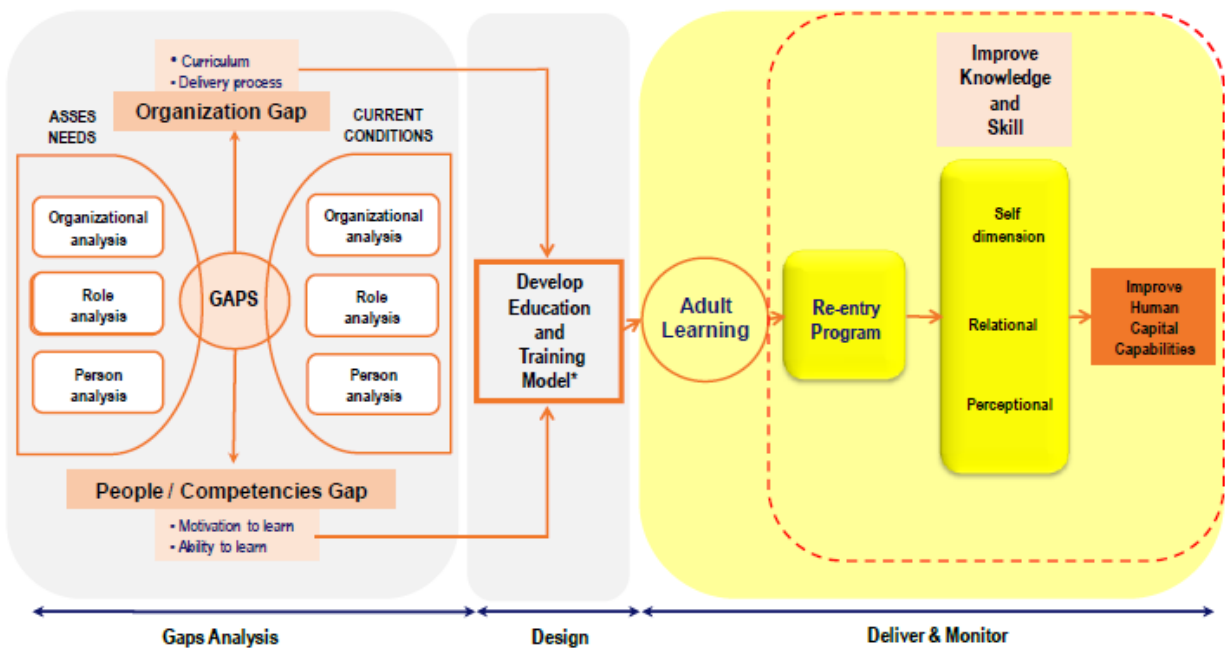
Selection of Scholars:



Graph 2. Selection Modalities for Degree Programs

Re-entry Program:

The Re-entry program is an essential part in the HCDP and act as controlling tool to assure that the Plan and Program is well accomplished.



Graph 3 .Methodology for Human Capital Development Plan (HCDP) and Re-entry Program

The Re-entry program will be aligned to the HCDP and will be able to support the implementation of the HCDP to maximize the impact of any development initiatives in each agency.

It helps to better facilitate a better management of the capabilities and critical knowledge and skills in the agencies. Having a comprehensive Re-entry program will ensure that a highly motivated and qualified candidate will return to the agency with new technical capabilities and network and relationship building skills, hence improving Return on Investments (ROI) of the scholarship program.

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