

**[Coat of Arms]**  
**THE PRESIDENT OF THE REPUBLIC OF INDONESIA**  
**R.I. GOVERNMENT REGULATION**  
**NUMBER 20 OF 2001**  
**ON FOSTERING AND SUPERVISION OF**  
**LOCAL GOVERNANCE**  
**THE PRESIDENT OF THE REPUBLIC OF INDONESIA**

Considering:

- a. that the Local Government is a subsystem in the state governance, there is a need for fostering and supervision in the endeavor to realize harmony in order to safeguard the wholeness of territory and existence of the unitary state of Republic of Indonesia;
- b. that to realize the Local Governance that is clean and free from corruption, collusion and nepotism, it is necessary to foster and supervise the Local Governance;
- c. that in the scheme of fostering and supervision under a and b and the implementation of the stipulations of Article 112 of Law Number 22 of 1999 on Local Government, it is necessary to stipulate a government regulation on the Fostering and Supervision of Local Governance;

Recalling:

- 1. Article 5 para (2) and Article 18 of the 1945 Constitution;
- 2. Law Number 4 of 1999 on the Formation and Position of the People's Consultative Assembly, the House of Representatives, the Regional Council of the People's Representatives (R.I.

- Government Official Gazette of 1999 number 24, Annex of Government Official Gazette number 3811);
3. Law Number 22 of 1999 on Local Government (R.I. Government Official Gazette of 1999 number 60, Annex to Government Official Gazette number 3839);
  4. Law Number 25 of 1999 on financial balance between the Central Government and the Local Governments (R.I. Government Official Gazette of 1999 number 72, Annex to Government Official Gazette number 3848);
  5. Law Number 28 of 1999 on State Governance that is clean, free from corruption, collusion and nepotism (R.I. Government Official Gazette of 1999 Number 75, Annex to Government Official Gazette Number 3851);
  6. Law Number 31 of 1999 on the eradication of crime of corruption (R.I. Government Official Gazette of 1999 Number 140, Annex to Government Official Gazette Number 3874);
  7. Law Number 25 of 2000 on the National Development Program (R.I. Government Official Gazette of 2000 Number 206);
  8. Law Number 34 of 2000 on the Amendment to Law Number 18 of 1997 on Regional Taxes and Retribution (R.I. Government Official Gazette of 2000 Number 246, Annex to Government Official Gazette Number 4048);

9. Government Regulation Number 68 of 1999 on Procedure for the Community's Participation in the state governance (R.I. Government Official Gazette of 1999 Number 129, Annex to Government Official Gazette Number 3866);
10. Government Regulation Number 25 of 2000 on the authority of the Government and the authority of the provinces as autonomous regions (R.I. Government Official Gazette of 2000 Number 54, Annex to Government Official Gazette Number 3952);
11. Government Regulation Number 84 of 2000 on the Guidelines for the Organization of the Regional Apparatus (R.I. Government Official Gazette of 2000 Number 165);
12. Government Regulation Number 104 of 2000 on Funds of Balance (R.I. Government Official Gazette of 2000 Number 20, Annex to Government Official Gazette Number 4021);
13. Government Regulation number 105 of 2000 on the Management and Accountability of Regional Finances (R.I. Government Official Gazette of 2000 Number 202, Annex to Government Official Gazette Number 4022);
14. Government Regulation Number 106 of 2000 on the Management and Accountability of Finances in the Implementation of Deconcentration and Secondment (R.I. Government Official Gazette of 2000 Number 203, Annex to Government Official Gazette Number 4023);

15. Government Regulation Number 107 of 2000 on Regional Loans (R.I. Government Official Gazette of 2000 Number 204, Annex to Government Official Gazette Number 4024);
16. Government Regulation Number 108 of 2000 on Procedure for Accountability of the Head of Region (R.I. Government Official Gazette of 2000 Number 209, Annex to Government Official Gazette Number 4027);
17. Government Regulation Number 109 of 2000 on the Financial Position of the Head of Region and the Deputy Head of Region (R.I. Government Official Gazette of 2000 Number 210, Annex to Government Official Gazette Number 4028);
18. Government Regulation Number 110 of 2000 on the Financial Position of the Regional Council of the People's Representatives (R.I. Government Official Gazette of 2000 number 211, Annex to Government Official Gazette Number 4029);

**HAS DECIDED**

**To stipulate: GOVERNMENT REGULATION ON FOSTERING AND SUPERVISION OF THE LOCAL GOVERNANCE.**

**CHAPTER I**

**GENERAL STIPULATIONS**

**Article 1**

In this Government Regulation:

1. The Central Government, subsequently called the Government, is the apparatus of the Unitary State of the Republic of Indonesia consisting of the President and the Ministers.
2. The Local Government is the Provincial Government, the Regency (*Kabupaten*) Government and the City Government.
3. The Provincial Government is the Governor and the apparatus of the Autonomous Region as the Regional Executive Body.
4. The Regency Government and the City Government are the Bupati and the Mayor and the apparatus of the Autonomous Region as the Regional Executive Body.
5. The Local Government is the Governance of Autonomous Region by the Local Government and the Regional Council of the People's Representatives according to the principle of Decentralization.
6. Regional policies are the rules, directives, references, stipulations and guidelines in the Local Governance contained in Regional Regulations, Decisions by the Head of Region, Decisions by the Regional Council of the People's Representatives and Decisions by the Leaders of the Regional Council of the People's Representatives.
7. Fostering of the Local Governance is the endeavor by the Government and or its representative in the Region.
8. Supervision of the Local Governance is the process of activities aimed at ensuring that the Local Government runs in accordance with the plans and stipulations of the regulations and laws in force.
9. Repressive supervision is the supervision of policies determined by the Region both in the form of Regional Regulations, Decisions by the Head of Region, Decisions by the

Regional Council of the People's Representatives and Decisions by the Leaders of the Regional Council of the People's Representatives in the framework of the Local Governance.

10. Functional supervision is supervision conducted by an Institute/Body/Unit with the task and function of supervising through investigation, testing, examination and evaluation.
11. Legislative supervision is supervision conducted by the Regional Council of the People's Representatives of the Local Government according to its tasks, authority and rights.
12. The community's supervision is the supervision carried out by the community.

## **CHAPTER II FOSTERING**

### **Article 2**

- (1) The Government conducts the fostering of Local Governance.
- (2) In the framework of fostering by the Government referred to in paragraph (1) the Ministers and the Leaders of Non-ministry Government Institutions conduct the fostering in accordance with the authority of each.

### Article 3

The fostering referred to in Article 2 paragraph (2) includes guidance, training, directives and supervision.

### Article 4

The Government can delegate the fostering of the Kabupaten and City Governance to the Governor in his capacity of the Government's representative in the Region in accordance with the prevailing regulations and laws.

#### Article 5

In the framework of fostering the Local Governance, the Ministers and the Leaders of Non-ministry Government Institutions conduct coordination among them.

#### Article 6

- (1) Fostering by the Ministries and Non-ministry Government Institutions of the Provincial Local Governance is reported to the President with a copy to the Minister of the Interior and Regional Autonomy
- (2) Fostering by the Governor of the Kabupaten and City Governance is reported to the President through the Minister of the Interior and Regional Autonomy with copies to the related Ministries/Non-ministry Government Institutions.

### **CHAPTER III SUPERVISION**

#### Article 7

- (1) The Government carries out supervision on the Local Governance.
- (2) The Government can delegate the supervision on the the Kabupaten and City Local Governance to the Governor as the Government's representative in the Region in accord with legislation.

#### Article 8

The supervision referred to in Article 7 is done:

- a. in a repressive way toward the policies of the Local Government in the form of Regional Regulations and or Decisions by the Head of Region and Decisions by the Regional Council of the People's Representatives and Decisions by the Chairperson of the Regional Council of Representatives.
- b. in a functional way toward the implementation of the policies of the Local Government.

#### Article 9

- (1) The repressive supervision referred to in Article 8 paragraph a is done by the Minister of the Interior and Regional Autonomy after coordination with the related Ministries/ Non-ministry Government Institutions.
- (2) The Government can delegate the supervision referred to in paragraph (1) to the Governor as the Government's representative of Regional Regulations and or Decisions by the Head of Region and Decisions by the Regional Council of the People's Representatives and Decisions by the Leader of the Regional Council of Representatives of Kabupatens and Cities after coordination with the related agencies.

#### Article 10

- (1) The Minister of the Interior and Regional Autonomy issues on behalf of the President a Decision on the Cancellation of Regional Regulations and or decisions by the Provincial, Kabupaten and City Head of Region, Decisions by the Provincial/Kabupaten/City Council of the People's Representatives, which are contrary to public interest or higher legislation and or other legislation.

- (2) The Governor as the Government's representative issues a Decision of Cancellation of Regional Regulations and or Decisions by the Kabupaten or City Head, Decisions by the Regional Council of the People's Representatives, Decisions by the Leader of the Regional Council of Representatives of Kabupatens and Cities in accordance with the authority referred to in Article 9 paragraph (2).
- (3) The Provinces, Kabupatens and Cities that cannot accept the Decision on the Cancellation of Regional Regulations, the Head of Region's decisions, the Regional Council of the People's Representatives' decisions and the decisions by the Leader of the provincial Regional Council of the People's Representatives can submit their objection to the Government through the Minister of the Interior and Regional Autonomy.
- (4) Kabupatens and Cities which cannot accept the Decision on the Cancellation of Regional Regulations, the Head of Region's decisions, the Regional Council of the People's Representatives' decisions and the decisions by the Leaders of the Kabupaten/City Council of the People's Representatives by the Governor in accordance with the authority delegated to him can submit their objection to the Governor as the Government's representative in the Region.

#### Article 11

Functional supervision referred to in Article 8 paragraph b above is carried out by an Institution/Body/Unit in accordance with legislation.

#### Article 12

- (1) In the context of carrying out functional supervision on the Local Governance, the Ministers and the Leaders of Non-ministry Government Institutions coordinate with the Minister of the Interior and Regional Autonomy.
- (2) The coordination of supervision referred to in paragraph (1) involves the planning, implementation, reporting and follow-up to the results of the supervision.

#### Article 13

The functional supervision carried out by ministries and Non-ministry Government Institutions referred to in Article 12 is reported to the President.

#### Article 14

The supervision delegated to the Governor is reported to the President through the Minister of the Interior and Regional Autonomy.

#### Article 15

- (1) The Local Government and the Regional Council of the People's Representatives follow up the results of the supervision.
- (2) The follow-up to the results of supervision by the Government are reported by the Governor, Bupati and Mayor to the President through the Minister of the Interior and Regional Autonomy with copies to the related Ministers or the Non-ministry Government Institution Leaders.
- (3) The follow-up to the results of the supervision of the Governor as the Government's representative are reported by the Bupati and the Mayor to the President through the Governor with copies to the Minister of the Interior and Regional Autonomy and the related Ministers or Leaders of Non-ministry Government Institutions.

#### Article 16

The Government can sanction the Local Government of a Province, Kabupaten or City and or its apparatus who refuses the implementation and the follow-up to the results of the supervision based on legislation.

#### Article 17

- (1) The Regional Council of the People's Representatives conducts legislative supervision of the implementation of regional policies.
- (2) The legislative supervision referred to in paragraph (1) is done in accordance with the council's task and authority through hearings, work visits, establishment of special committees and work committees regulated in rules and or in accordance with legislation.

#### Article 18

- (1) The community can individually or in a group and or in a community organization carry out supervision of the Local Governance.
- (2) The supervision referred to in paragraph (1) can be conducted directly or indirectly both orally and in writing in the form of request for information, the provision of information, suggestions and opinions to the Government, Local Government, Regional Council of the People's Representatives and other institutions according to the rules determined in legislation.

### **CHAPTER IV**

### **METHOD OF FOSTERING AND SUPERVISION**

#### Article 19

The further method of fostering and supervision by the Government of the Local Governance are regulated in a Presidential Decree.

**CHAPTER V  
CONCLUSION**

Article 20

This Government Regulation comes into effect on the date of enactment.

In order that everybody is informed, this Government Regulation is included in the Government Official Gazette of the Republic of Indonesia.

Stipulated in Jakarta

on April 27, 2001

THE PRESIDENT OF R.I.

ABDURRAHMAN WAHID

Enacted in Jakarta

on April 27, 2001

STATE SECRETARY

REPUBLIC OF INDONESIA

DJOHAN EFENDI

**GOVERNMENT OFFICIAL GAZETTE OF THE REPUBLIC OF INDONESIA**

**OF THE YEAR 2001 NUMBER 41**

Copy conform to its original

R.I. Cabinet Secretariat

Head of Bureau of Legislation II

Edy Sudiby

**EXPLANATION OF  
R.I. GOVERNMENT REGULATION  
NUMBER 20 OF 2001 ON THE  
FOSTERING AND SUPERVISION OF THE  
LOCAL GOVERNANCE**

1. GENERAL

The Republic of Indonesia as a unitary state in its governance adheres to decentralization, deconcentration, and secondment. The implementation of the principle of decentralization is carried out entirely in Kabupatens and Cities to give the opportunity to Autonomous Regions in regulating and organizing the local community's interest according to their own initiative and based on the community's aspirations, in accordance with legislation in force.

The principles of granting the regional autonomy according to Law number 22 of 1999 on Local Government puts emphasis on the aspects of democracy, justice, equalization and the community's participation and the consideration of Regional potential and diversity in the framework of the unitary state of the Republic of Indonesia.

To realize the emphasis of the various principles above, a very wide opportunity has been opened for the autonomous region to carry out its authority in an independent, extensive, concrete and responsible way.

The new paradigm of decentralization offers a big challenge to the entire Indonesian nation. But if the understanding of national scope is wrong, it will give rise to demands that weaken the cohesion and unity of the nation. These include the demands on the shifting of the resources of the state revenues, even the demands for a separation of the Region from the state outside the unitary state of the Republic of Indonesia.

Governance is actually not free from the principles of modern management in which the managerial functions always run simultaneously and proportionately in the framework of obtaining the objectives of the organization.

The organic functions of management involving planning, implementation, supervision and evaluation are compulsory and must be carried out by the management in a professional way in the framework of obtaining the targets and objectives of the organization in an effective and efficient way.

In order to realize clarity and consistency in the governance that is useful and effective for national development and people's welfare, the fostering and supervision of the authority of the autonomous region must be carried out to prevent said authority from heading toward sovereignty.

The Local Government is basically a subsystem of the national government and implicitly the fostering and supervision of the Local Government is an integral part of the system of governance.

The fostering and supervision of the implementation of regional autonomy are meant to attain a number of objectives:

- a. to reach a certain level of performance;
- b. to ensure the best administration structure in the operation of Local Government units both internally and in relation to other institutions;
- c. to obtain maximum integration in the management of regional and national development;
- d. to protect the community from power abuse in the Region;
- e. to attain national integrity;

- f. to maintain fostering and supervision in order not to curb initiative and responsibility of the Region, moreover this is an effort to harmonize the values of efficiency and democracy.

The Government is obliged to foster and supervise the Local Governance.

In the framework of fostering and supervision, the Minister of the Interior and Regional Autonomy receives and processes the reports on the Local Governance and forwards them to the President.

As chairperson of the Advisory Council of Regional Autonomy, the Minister of the Interior and Regional Autonomy has the task of giving his consideration to the President in the evaluation of the conditions in the Autonomous Region including the financial balance between the Central Government and the Local Government.

In that connection the Ministers and the Leaders of Non-ministry Government Institutions in carrying out the fostering and supervision coordinate with the Minister of the Interior and Regional Autonomy.

## II. ARTICLE BY ARTICLE

### Article 1

Self-explanatory.

### Article 2

Self-explanatory.

### Article 3

The Guidelines given on the Provincial, Kabupaten and City Governance include the accountability, reports and evaluation on the accountability of the performance of the Governor, Bupati and Mayor. The fostering has to do with the composition of

procedure and work method of the Provincial Governance Government, the Kabupaten Government and the City Government. The training is in the framework of improving the quality of human resources of the Provincial Government, the Kabupaten Government and the City Government apparatus in the form of education and training. The directives has to do with planning, programs and activities/projects which are national and regional in nature in accordance with their division in periods.

The supervision has to do with the Provincial, Kabupaten and City Governance.

#### Article 4

The Governor in his capacity as the Government's representative carries out the fostering of Kabupaten Government and City Government based on the characteristics of each of the Autonomous Regions.

In the execution of the fostering the Governor gives:

- a. elaboration of the guidelines on the Kabupaten and City Governance includes the accountability, reports and evaluation on the accountability of the performance by the Bupati and the Mayor;
- b. further fostering of the composition of procedure and method of work for the Kabupaten and City Governance;
- c. training of the human resources of the apparatus of the Kabupaten and City Governments;
- d. further guidance aimed at the making of plans, programs and activities/projects which cross Kabupatens and Cities in the Province concerned according to the division in periods while referring to government policies and the settlement of disputes between regions;

- e. supervision of the implementation of Kabupaten and City Governments.

#### Article 5

The coordination between the Ministers and the Leaders of Non-ministry Government Institutions is meant to obtain integration of fostering. In this case priority is given to the coordination with the Minister of the Interior and Regional Autonomy considering that the reports on the Local Governance is submitted to the President through the Minister of the Interior and Regional Autonomy.

#### Article 6

##### Para (1)

The reports on the fostering to the President is meant to be on matters which are strategic in nature in the sense that they are influential towards the wide community or towards the policies on a national scale. A copy is given to the Minister of the Interior and Regional Autonomy in his capacity as chairperson of the Advisory Council of Regional Autonomy and is meant that there is one agency that documents and processes the activities of fostering by the Government.

##### Para (2)

Self-explanatory.

#### Article 7

Self-explanatory.

#### Article 8

Self-explanatory.

#### Article 9

##### Para (1)

In the implementation of repressive supervision the Minister of the Interior and Regional Autonomy is assisted by a team with members from ministries/Non-ministry Government Institutions and others according to requirement.

Para (2)

In the implementation of repressive supervision the Governor is assisted by a team with members from the apparatus of the provincial Local Government and others according to requirement.

Article 10

Para (1)

In the framework of repressive supervision the Minister of the Interior and Regional Autonomy can take steps in the form of suggestions, considerations, corrections and perfections and at the final level can cancel the Regional policy.

Para (2)

In the framework of repressive supervision the Governor as the Government's representative can take steps in the form of suggestions, considerations, corrections and perfections and at the final level can cancel the policies of regencies/cities.

Para (3)

Self-explanatory.

Para (4)

Self-explanatory.

Article 11

The Institution/Body/Unit in this article is the Inspectorate General of the Ministry, the Supervisory Unit with Non-ministry Government Institutions and the Regional Supervisory Board.

Article 12

Para (1)

To coordinate in this paragraph is meant to integrate and mutually facilitate the implementation of functional supervision in order not to create overlapping.

Para (2)

Self-explanatory

Article 13

Self-explanatory.

Article 14

The supervision is meant to be repressive and functional supervision.

Article 15

Self-explanatory.

Article 16

Self-explanatory.

Article 17

Self-explanatory.

Article 18

Self-explanatory.

Article 19

Self-explanatory.

Article 20

Self-explanatory.

**ANNEX TO R.I. GOVERNMENT OFFICIAL GAZETTE NUMBER 4090.**