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ANALYSIS OF FINANCIAL PERFORMANCE IN THE GOVERNMENT OF NORTH SULAWESI

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ABSTRACT

The objective of this research was to determine the financial performance of North Sulawesi Provincial Government and was measured from the Independence Ratio, Effectiveness Ratio, Degree of Fiscal Decentralization Ratio, Harmony Ratio, and Growth Ratio. The results showed that the Independence ratio of North Sulawesi Province in 6 years from 2010-2015 has increased and included in the category of Participatory which means it is quite independent and has reduced the level of dependence on external parties and manage the existing funds such as Domestic Revenue as well as describe that the people of North Sulawesi is quite prosperous because it is able to participate in tax payments which is one of the largest regional income. The Effectiveness Ratio of Domestic Revenue shows effective criteria to the Regional Financial Performance, because based on the effectiveness ratio of Domestic Revenue in 6 years of research only last 2 years namely 2014 and 2015 which include in the category of Not Effective which means decreasing on the performance of local government of North Sulawesi province. The Decentralization Degrees for Government of North Sulawesi Province shows that they still has not fully fulfilled the total revenue with they own-source revenue. The Harmony Ratio represents more realization of operating expenditures than capital expenditures, this is not so good especially for developing regions such as North Sulawesi Province. The Growth Ratio shows an unstable number from 2010 to 2015. The instability is caused by the implementation of money follows functions which are considered not optimal yet, so the work that must be done by some Regional Work Unit at the same time according to expertise and the division is not going well.
Keywords : regional financial performance, APBD

1. INTRODUCTION

In managing its governance, regions need an assessment to see whether the financial management has been done efficiently and effectively by assessing the performance of local financial management. Assessment of the performance of financial management is done to the Regional Government Budget (RGB/*APBD*). Budget as an instrument of government policy should be able to show good performance. The goal is to assess internally and in encouraging economic growth so it is expected to cause a positive domino effect that can reduce unemployment and poverty level. Performance associated with the budget is a financial performance in the form of a comparison between the components contained in the budget. Halim (2001: 167) explains that the main characteristic of a capable region of implementing autonomy, namely (1) the capacity of regional finances, meaning that the regions must have the authority and ability to extract financial resources, manage and use its own finances sufficiently to finance the government administration, (2) the dependence on central assistance should be as minimal as possible, so that the Original Local Government Revenue (OLGR/*PAD*) can be part of the largest financial resources so that the role of local government becomes greater. But in fact, it has been twelve years since regional autonomy came into effect, while the financial capacity of some local governments is still heavily dependent on revenues from the central government.

Comparison between the components contained in the budget according to Halim (2004) was measured using several ratios developed based on financial data from the Regional Government Budget (RGB) such as independence ratio, effectiveness ratio, efficiency ratio, PEG (Price/earnings to growth) ratio, and harmony ratio. Based on the background, the issues discussed can be formulated, namely how is the financial performance of the Government of North Sulawesi viewed from Independence ratio, OLGR Effectiveness ratio, Fiscal Decentralization ratio, Harmony ratio and PEG ratio? The purpose of this study is to determine the financial performance of the Government of North Sulawesi seen from the Independence ratio, OLGR Effectiveness ratio, Fiscal Decentralization ratio, Harmony ratio and PEG ratio.

2. LITERATURE REVIEW

2.1. Government Accounting

Halim (2007: 1) states that local financial accounting in Indonesia is one of the areas in public sector accounting that has received great attention from various parties since the reformation of 1998. Government accounting is the technical mechanism and accounting analysis applied to the management of public funds in the state institutions and the ministries below (Mursyidi, 2009: 1).

2.2. Central and Regional Government Accounting

2.2.1 Central Government Accounting

Central Government Accounting System (CGAS/*SAAP*) is "a series of manual and computerized procedures ranging from data collection, recording, summarizing to reporting on financial position and financial operations of the central government." (Institutional Accounting System Module: p.1).

Central Government Accounting System (CGAS) applies to all central government organizational units and local governments accounting units in the context of implementation of deconcentration or co-administration and financing and calculation budget implementation. (Institutional Accounting System Module: p.4).

2.2.2 Local Government Accounting

The Local Government Accounting System (LGAS/*SAPD*) can be divided into the following two sub-systems:

1. Accounting system of Local Government Agencies (LGA/*SKPD*)
    a. Local Government Agencies (LGA) is an accounting entity that is obliged to prepare financial statements and submit it to the regional head through RFAO.
2. Accounting system of Regional Financial Administration Officer (RFAO/*PPKD*)
   Accounting system of Regional Financial Administration Officer (AS-RFAO) is divided into two integrated subsystems, namely:
    a. AS-RFAO as a budget user (accounting entity) which will produce RFAO financial report consisting of BRR RFAO, RFAO balance sheet, and *CaKKK* RFAO.
    b. AS-Consolidator as representative of regional government (reporting entity) who will record reciprocal transactions between LGA and RFAO (as *BUD*) and process the consolidation of financial report (financial report from all LGA and RFAO become financial report of local government consisting of RGB Realization Report (*LRA)*, Local Government balance sheet, *LAK*, and *CaLK*).

2.3. Budget Concept

Mulyadi (2001:56) states that the budget is a work plan that is expressed quantitatively, measured in monetary units. Mahsun (2013:145) states that the budget is a financial planning for the future that generally covers a period of one year and expressed in monetary units.

2.4 Budget User Accounting System

By definition, the work unit is the power user/budget user of the goods that is part of an organizational unit that carries out one or more activities of a program. Budget Realization Report (BRR/*LRA*) is a report that is used to display the position of budget realization up to a certain period that has been realized. This BRR reflects the total income and expenditure of the Work Unit (*SATKER*) after deducting the withdrawal (*Permendagri* Number 13 of 2006).

2.5 Budget Realization Report

The Budget Realization Report reveals the financial activities of central/local governments that demonstrate compliance with the State Budget/Regional Government Budget. SAP (2010:31) states the Budget Realization Report presents an overview of the sources, allocations and uses of economic resources managed by the central/regional government within a reporting period.

The Budget Realization Report presents at least the following elements:

a. Earnings-BRR;
b. State expenditure;
c. Transfer;
d. BRR's surplus/deficit;
e. Receipts-Financing;
f. Expenditures;
g. Net Financing;
h. The remaining budget (*SiLPA/SiKPA*).

2.6 Regional Financial Performance

According to Mohamad Mahsun (2012:25), performance is a description of the level of achievement of the implementation of an activity/program/policy in realizing the goals, objectives, mission and vision of the organization contained in strategic planning of an organization. In relation to the Regional Financial Performance, according to a research conducted by Oesi Agustina (2013:3), in the journal, the Regional Financial Performance is the level of achievement of a work in the area of regional finance which includes revenue and expenditure by using financial indicators established through a policy or statutory provision during a budget period. The performance form is the financial ratios formed from the element of Accountability Report of Regional/District Head in RGB calculation. There are several ways to measure the Regional Financial Performance, and one of them is by using the Regional Financial Performance ratio. Some of the ratios that can be used are: OLGR Effectiveness ratio, Regional Financial Efficiency ratio, Harmony ratio, Growth ratio, and Regional Financial Independence ratio.

a. OLGR Effectiveness Ratio

The OLGR Effectiveness ratio shows the ability of local governments to mobilize OLGR revenue as targeted (Mahmudi 2010:143). The OLGR Effectiveness ratio is calculated by comparing the realization of OLGR revenue with the previously budgeted revenue. Below is the formula of the ratio:

$$\text{OLGR Effectiveness Ratio} = \frac{\text{OLGR Realization}}{\text{OLGR Budget}} \text{ x } 100\%$$

The Criteria of Ratio Effectiveness by Mohammad Mahsun (2012:187), are:

1. If the value is less than 100% ($x < 100\%$) it means that it is not effective
2. If the value is equal to 100% ($x = 100\%$) it means balanced effectiveness.
3. If the value is more than 100% ($x > 100\%$) it means that it is effective.

b. Fiscal Decentralization Degree

The decentralization degree is calculated based on the ratio between the amount of original regional revenue to total local revenue. This ratio indicates the contribution of OLGR to total local revenue. The higher the contribution of OLGR, the higher the ability of local governments to implement decentralization. Ratio is formulated as follows:

$$\text{FDDR} = \frac{\text{OLGR R}}{\text{TR}} \times 100\%$$

FDDR : Fiscal Decentralization Degree Ratio
OLGR R : Original Local Government Revenue Realization
T R : Total Revenue

The Fiscal Decentralization Degree is the ability of local governments to increase local revenues to finance development. The degree of Fiscal Decentralization, especially the OLGR component compared to the *TPD*, according to the results of UGM's Fisipol team research using the interval scale is shown in the table below (Anita W, 2001: 22):

Tabel 1 Interval Scale of Fiscal Decentralization Degree

%	**Regional Financial Capability**
0,00-10,00	Very Less
10,01-20,00	Less
20,00-30,00	Enough
30,01-40,00	Medium
40,01-50,00	Good
>50,00	Very Good

Source : Anita Wulandari (2001: 22)

Harmony illustrates how local governments prioritize their allocation of funds in their routine spending and development expenditures optimally. The higher the percentage of funds allocated for routine expenditure means that the percentage of investment expenditure (Development Expenditure) used to provide economic facilities and infrastructure will tend to be smaller (Halim 2007:236). There are two types of calculations in this Harmony Ratio, namely: Operating Expense Ratio and Capital Expenditure Ratio. Operating expenditure ratio is the ratio between total operational expenditure with total regional expenditure. This ratio informs the reader of the report on the portion of local expenditure allocated for operational expenditure. Operational expenditure are expenditures that for only consumed in one fiscal year, making it short-term and in certain respects routine or recurring. In general, the proportion of Operational Expenditure dominates the total regional expenditure, which is between 60-90%. High-income regional governments tend to have a higher share of operating expenditure than low-income local governments (Mahmudi 2010:164). Operating expense ratio is formulated as follows:

$$\text{Operation Expenditur Ratio} = \frac{\text{Total Operation Expenditure}}{\text{Total Regional Expenditure}} \times 100\%$$

Capital Expenditure Ratio is the ratio between total capital expenditure realization with total regional expenditure. Based on this ratio, the report reader can know the portion of regional expenditure allocated for investment with the form of capital expenditure in the fiscal year concerned. Capital expenditure provides long-term and long-term benefits, which are also routine. In general the proportion of capital expenditures with regional expenditure is between 5-20% (Mahmudi 2010:164). Capital expenditure ratio is formulated as follows:

$$\text{Capital Expenditure Ratio} = \frac{\text{Total Capital Expenditure}}{\text{Total Regional Expenditure}} \times 100\%$$

There is no definite benchmark on how much Operational Expenditure Ratio or Capital Expenditure to ideal RGB, because it is influenced by the dynamics of development activities and the amount of investment needed to achieve the targeted growth. However, as a region in developing countries the role of local governments to spur development implementation is still relatively large. Therefore, the relatively small ratio of Capital Expenditure (development) needs to be improved in accordance with regional development needs.

d. Growth Ratio

Growth ratio is useful to know whether the local government in the budget year or during some budget period are having experience growth of income or expenditure positively or negatively (Mahmudi 2010:138). This ratio measures how much the local government's ability to maintain and improve success that has been achieved before from one period to the next. Knowing the growth of each component of the source of income and expenditure, it can be used to evaluate which potentials need more attention (Halim 2007:241). Below is the formula for calculating the Growth ratio:

$$r = \frac{Pn - P0}{P0}$$

Information :

R = Growth Ratio

Pn = Total Regional Revenue/OLGR/Capital Expenditure/Operational Expenditure calculated in year n

P0 = Total Regional Revenue/OLGR/Capital Expenditure/Operational Expenditure calculated in year 0 (year before n)

e. Regional Financial Independence Ratio

Regiona Financial Independece Ratio (RFIR/*RKKD*) indicates the level of ability of a region in self-financing government activities, development and services to people who have paid taxes and levies as a source of income required by the region. The Regional Financial Independence Ratio is indicated by the amount of OLGR compared to the regional revenues originating from other sources (Transfer-Income) namely: Tax-sharing, non-tax revenue sharing of natural resources, general allocation and special allocation funds, emergency funds and loans (Halim 2007:L-5). The formula used to calculate the Independence ratio is:

$$\text{RFIR} = \frac{\text{Transfer - Income}}{\text{OLGR}} \times 100\%$$

Table presented below is a guide in looking at the pattern of relationships with local capacity (from the financial side):

Tabel 2 Relationship Pattern and Regional Capability Level

Capability	Financial 100%	Indenpedency (%) Relantionship Pattern
Very Low	0% - 25%	Instructive
Low	25% - 50%	Consultative
Medium	50% - 75%	Partisipative
High	75% - 100%	Delegayive

Source : Reksohadiprojo dan Thoha dalam Hermi Oppier (2013:82)

1) Pattern of instructive relations, which the role of the central government is more dominant than the autonomy of local governments (regions that are unable to implement regional autonomy).
2) Pattern of consultative relations, which central government intervention has begun to decrease as the region is considered slightly more capable of implementing regional autonomy.
3) Pattern of participative relationships, which the role of the central government has begun to decrease, considering the level of independence of the relevant region is close to being able to carry out the affairs of regional autonomy.
4) Pattern of delegative relations, which the interference of the central government is no longer exist because the region has been fully capable and independent in carrying out the affairs of regional autonomy.

3. RESEARCH METHODS

3.1. Types of research

This research is conducted using quantitative descriptive research method, that is by doing calculations to the financial data obtained to solve existing problems in accordance with the purpose of research.

3.2. Place and time of research

The research is conducted at the Office of the Regional Finance and Asset Management Board of North Sulawesi on 17th August street, Manado City, North Sulawesi and the time the study began was in January-May 2017. Objects studied are the Government of North Sulawesi through Local Government Financial Report of 2010-2015 budget year.

3.3. Data collection technique

3.3.1 Types of data

Data is a collection of information needed for decision making, and according to Kuncoro (2009), the types of data are divided as follows:

1. Quantitative data, ie data measured in a numeric scale (number).
2. Qualitative data, ie data that describes the actual condition (which relates to categorization, words characteristics and numbers).

3.3.2 Data sources

The data sources in this research is divided into two sources:

1. Primary data

   Primary data is directly procceses data from the source or directly from the company or data that occurs in the field of research, obtained from interviews, observations, and then will be processed by the author. The primary data source in this research is to conduct direct research through interview with the appointed party directly to the Office of the Governor of North Sulawesi to obtain the necessary data related to the research problem.

2. Secondary Data
   Secondary data is the supporting and supplementary data collection that is not undertaken alone by the author or research, obtained by researchers indirectly through media intermediaries. Secondary data is generally in the form of evidence, records or historical reports that have been compiled in publicated and unpublished documentary (documentary) files. Source of data used in this research is secondary data. Secondary data required is obtained directly from the Office of Regional Finance and Assets Management Board of Kotamobagu City to get the history of the overview of object under study.

3.6 Analysis Method

The method of data analysis used in this research is descriptive analysis method that is by collecting data, compiling, then interpreting and analysis by recovering the data obtained so as to give complete information about the problems encountered.

4. RESULT AND DISCUSSION

4.1. Research object description

North Sulawesi has a long historical background before becoming a province. In North Sulawesi's governmental history, as in other parts of Indonesia, North Sulawesi has undergone several changes in government administration, along with the dynamics of the administration of the nation. At the beginning of independence of the Republic of Indonesia, this area used to be a resident status which is also part of Sulawesi Province. The capital of Sulawesi Province at that time was Governor DR.G.S.S.J. Ratulangi.

In subsequent developments, an important momentum was recorded in gold ink in this region's history sheet, namely the *UU* No. 13 Year 1964 in September 23, 1964 establishing the status of the First Level Region of North Sulawesi as an autonomous region of Level I with Manado City as the capital.

The enactment momentum of *UU* No. 13 Year 1964 was then established as the birthday of North Sulawesi as First Level Region. Since then de facto areas of North Sulawesi extends from north to southwest, from the northern tip of Miangas Island in Sangihe Talaud Regency to Molosipat in the western part of Gorontalo Regency. The second level region that is included in North Sulawesi is; Manado, Gorontalo, Minahasa Regency, Gorontalo Regency, Bolaang Mongondow Regency, and Sangihe Talaud Regency. The first Governor North Sulawesi was F.J. Tumbelaka.

North Sulawesi Provincial Election Commission (*KPU*) assigned the pair Olly Dondokambey and Steven Kandouw as governor and vice governor of North Sulawesi elected period of 2016-2021 in plenary of governor and deputy governor election result on December 9, 2015.

4.2 Result

4.2.1 OLGR Effectiveness Ratio

Table 3. OLGR effectiveness ratio of North Sulawesi, 2010-2015

YEAR	PERCETAGE	CATEGORY
2010	107%	EFFEKTIVE
2011	104%	EFFEKTIVE
2012	106%	EFFEKTIVE
2013	103%	EFFEKTIVE
2014	104%	NOT EFFEKTIVE
2015	105%	NOT EFFEKTIVE

The OLGR Effectiveness Ratio represents the ability of local governments to realize the planned OLGR compared to the target set based on the real potential of the region. The higher the OLGR Effectiveness Ratio, the better the performance of local government.

Based on the table above, it can be seen that the highest percentage value is in 2010 that is equal to 107%, it means that in 2010 sector/public institutions in North Sulawesi performed well, so all the plans really happened. In 2011-2013, the OLGR effective ratio of North Sulawesi fluctuated by 3 basis points, decreased by 104% in 2011. Then in 2012, it increased of 2 basis points to 106% and in 2013 it decreased again by 3 basis points to 103%. There was a decline in 2011-2013. This decrease is still considered good because it is still above 100%. Different thing happened in 2014 where the percentage of OLGR effectiveness drops significantly that is equal to 95%. This is related to the phenomenon that occurred in 2014 that North Sulawesi experienced *banjir bandang* (flood) disaster, and it affects the performance of the public sector that suffered damage both physical and administration. Similarly, in the previous year, in 2015 the percentage of OLGR in North Sulawesi decreased by 93%, this is due to the long drought in the third quarter of 2015 and Governor's election.

4.2.2 Harmony Ratio

Table 4 Harmony ratio of North Sulawesi, 2010-2015

YEAR	OER PERCENTAGE	CER PERCENTAGE
2010	73%	14%
2011	67%	18%
2012	69%	20%
2013	68%	19%
2014	51%	26%
2015	68%	32%

Harmony ratio is the ratio used to describe the ability of local governments to prioritize their funding allocation in optimum Operational Expenditure and Capital Expenditure. The higher percentage of funds allocated for operational expenditure means that the percentage of capital expenditure used to provide public economic infrastructure is likely to decrease. Based on the table above it can be seen that in 2010, OER is equal to 73% and is the highest achievement in the year of research and CER fell to 14% which is the lowest percentage in the year of research, which is also the highest compatibility that can be achieved by the government of North Sulawesi. In 2011 the OER dropped to 67% and CER rose to 18% which means a decrease. In 2012 OER rose to 69% and RBM also rose to 20% meaning that there was instability in harmony because if the OER rises then the CER should go down. In 2013 there was a slight decrease to 68% and CER dropped to 19% meaning that it is still in a state of unstablity. And in 2014 the percentage of OER dropped to 51% and was the lowest achievement in the research year and CER increased to 26%, whereas in 2015 OER increased again to 68% while the percentage of CER increased to 32%, which means a decrease in the ratio between the two values, but still there is stability and still in good enough condition because still in percentage >50%.

4.2.3 Growth Ratio

Table 5 Growth ratio of North Sulawesi, 2010-2015

YEAR	OLGR Growth	TOTAL REVENUE Growth	OPERATIONAL EXPENDITURE Growth	CAPITAL EXPENDITURE Growth
2010	26%	13%	28%	-32%
2011	28%	4%	4%	42%
2012	18%	41%	41%	50%
2013	25%	12%	13%	10%
2014	19%	12%	-17%	52%
2015	8%	9%	40%	29%

Growth Ratio (Growth Ratio), intended to know the components such as revenue, OLGR, expenditure, etc. that needs more attention. From the data calculation above, the growth of revenue and expenditure realization of 2010-2015, both in the original revenue, total revenue, operational expenditure and capital expenditure showed an unstable trend or fluctuation that does not show a trend that continues to rise or continue to decline. This is certainly a homework for the North Sulawesi Revenue Service in terms of managing the sources of local revenue, especially taxes. Instability in terms of operating expenditures and capital expenditures is caused the implementation of money follows function or main tasks and functions to adjust to the budget plot that has been set. One solution to this problem is to remain focused on the money follows function. Growth of budget will be maximal if there is already a definite program and budget. The current government will apply the money follows priority pattern. In other words, the Government will prioritize the priority programs, and after that the budget will be set. If there is an activity program that is not included in the government priorities, the less budget will be set for the program.

4.2.4 Indepedence Ratio

Table 6 Independence ratio of North Sulawesi, 2010-2015

YEAR	PERCENTAGE	RELATIONSHIP PATTERN
2010	57%	PARTICIPATIVE
2011	64%	PARTICIPATIVE
2012	53%	PARTICIPATIVE
2013	62%	PARTICIPATIVE
2014	67%	PARTICIPATIVE
2015	67%	PARTICIPATIVE

The Regional Financial Independence Ratio indicates how much the funds (the Original Local Government Revenue) are used to finance all government activities, development and service to the community. The greater this ratio means less dependence on external assistance such as grants, or central and provincial government aid. This ratio also describes how much the community participate in doing development because OLGR is obtained from the community through taxes and levies. It can be seen in the table above that in 2010 the independence ratio is 57% which means has exceeded the limit of 50% and included in the category Participative, in 2011 it increased by 7 basis points to 64%, then in 2012 it fell to 53% but still in the same category of relationship pattern (Participatory) which is> 50%, in 2013 it rose to 62% that indicates the level of independence of the government of North Sulawesi increased again and in 2014 and 2015 it continue to rose to 67% which is the highest percentage of research year but it has not been able to move from its relationship pattern and still in the pattern of participative/moderative relationships where the role of central government has begun to decrease, considering the level of independence of region concerned is close to able to carry out the affairs of regional autonomy, meaning that the government of North Sulawesi can be categorized as capable to suppress regional dependence on external assistance lower. The opposite means as well as the level of community participation in regional development because the higher the Ratio of Regional Financial Independence, the higher the participation of the community in paying taxes and levies which are the main components of the Original Local Government Revenue. The higher the people pay the tax and levy area, the more it depicts that the level of welfare of the people of North Sulawesi is higher.

4.2.5 Decentralization Degrees Ratio

Table 7 Decentralization Degrees Ratio of North Sulawesi, 2010-2015

YEAR	PERCENTAGE	CATEGORY
2010	36%	MEDIUM
2011	39%	MEDIUM
2012	35%	MEDIUM
2013	38%	MEDIUM
2014	40%	MEDIUM
2015	40%	MEDIUM

From the calculation above it can be seen that from 2010 until 2015 there was no significant development on the Fiscal Decentralization degree of North Sulawesi. Each year shows the medium category. This means that North Sulawesi is still in a moderate condition in terms of placement of the Original Local Government Revenue portion of total regional revenue. It is ideal if the region has been able to allocate 100 percent of OLGR as a financial source in the implementation of development in the area. Currently, the Government of North Sulawesi manages several sources of local revenue such as cigarette taxes, vehicle taxes and vehicle refunds. There are some posts for retribution but tax posts still contribute more to local revenue.

5. CONCLUSION

Based on the results of the performance ratios and descriptions in this study, it can be concluded that the financial performance of North Sulawesi is in the middle level category.

1. OLGR Effectiveness Ratio shows effective criteria to the regional financial performance, because based on the effectiveness ratio of OLGR in 6 years of research consisting of year 2010 to 2013 has entered in the category of “Effective”. In 2014 and 2015, North Sulawesi entered the category “Not Effective” because there was a decrease in performance of the government of North Sulawesi. This is caused by the *banjir bandang* (flood) disaster that hit North Sulawesi in 2014 that caused many physical and administrative losses in the public service sector.
2. Harmonic Ratio shows more realization of operational expenditure than capital expenditure. This is not so good especially for developing area like North Sulawesi. Regions in developing countries should prioritize the development of the infrastructure or physical works that will surely support development.
3. Growth ratio shows an unstable number from 2010 to 2015. This instability is caused by the implementation of money follows functions that are considered “not optimal” yet, so the work that should be done at the same time according to the expertise and the field was not going well.

4. The percentage of Independence ratio of Regional Financial Performance of North Sulawesi from 2010 to 2015 has increased and included in the category of “Participative” which means that North Sulawesi is quite independent and has successfully reduced the level of dependence on the external parties and has successfuly managed the existing funds such as OLGR. It also describes that the people of North Sulawesi are quite prosperous because North Sulawesi is already able to participate well in tax payments, which is one of the largest regional income.
5. The Decentralization degree shows that the Government of North Sulawesi is still cannot fully manage the total income with the OLGR of this region.

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