LESSONS LEARNED FROM THE PRO-POOR PLANNING, BUDGETING AND MONITORING PROGRAM (P3BM):

A RAPID ASSESSMENT IN NINE DISTRICTS

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I. BACKGROUND

To help the Government of Indonesia to faster achieve the targeted MDGs, BAPPENAS has since 2007 provided capacity building with the support of ADB and UNDP for regional governments in Pro-Poor Planning and Budgeting (P3B) processes. In 2009, to add a monitoring component, the activity was renamed to the Pro-Poor Planning, Budgeting and Monitoring program (P3BM).

P3BM consist of four main components, i.e.: 1) MDGs Scorecard to examine the status of district's achievement of MDGs; 2) poverty mapping to analyze the suitability of local planning and budgeting allocations, 3) analysis of district budgets (APBD) using pivot table method to see if budgets are pro-poor and sensitive to socio-economic differences, and 4) an instrument that assists local governments to choose the most need sub-district projects. These components were implemented between 2007-2010 in a total of 29 districts through three main activities: introducing the tools and seeking commitments from districts; training of trainers tools for officials, government staff, NGOs and other program stakeholders in regions; and technical assistance in pro-poor planning and budgeting.

II. OBJECTIVES AND METHODOLOGY

The objectives of this rapid assessment are to capture lessons learned from the utilization of P3BM analysis and tool and to identify challenges and barriers in the utilization of the P3BM analytical tools as well as gathering information to improve and enhance the P3BM tools and approach methodology. This study was conducted in 9 districts that previously have received training/facilitation either from P3BM. The research methods used were interviews and FGDs involving former participants of P3BM training. In order to enrich the information, the researchers also studied related documents. The study locations were districts/municipality of Wakatobi, Bau-Bau, Sikka, South Timor Tengah, Manggarai, Southwest Sumba, West Sumbawa, West Lombok and Pekalongan. The study took place from July to October 2011.

III. BENEFITS AND WEAKNESSES OF P3BM TOOLS

The study indicates that P3BM has begun to benefit the regions, particularly in areas of shaping and monitoring local planning and budgeting processes to be oriented towards poverty reduction and MDGs, specifically in the following three fields:

In the context of identifying problems of pro-poor district planning, P3BM tools can:

- Guide districts to identify underlying poverty-related problems in the field.
• Improve districts’ perspective to understand priorities in reducing poverty and improve the quality of human resources.
• Complement initial poverty analysis through participatory poverty assessment (PPA) promoted by PNPM-Mandiri.

In the context of planning and budget allocation, P3BM can:
• Analyze and determine program/activity and pro-poor budget allocations.
• Direct SKPDs to draft their planning document according to their Strategic Plan (Renstra).
• Assist SKPDs to determine the poverty priority of program locations.
• Evaluate appropriate poverty targets of planning and budgeting, particularly with regard to sectors and priority locations.

In the context of local monitoring and evaluation, P3BM can:
• Improve measurable databases and types of data
• Be utilized to monitor and evaluate districts’ progress in achieving MDGs.

From the above descriptions it appears that as a ‘technocratic instrument’, P3BM can made a contribution to the development of data systems, identify districts’ issues and their locations, and guide districts to allocate their budgets in response to issues encountered and to achieve objectives within the context of poverty reduction.

However, the study also identified weaknesses in P3BM implementation. The most important qualification is that P3BM is nothing but a tool and software – it does not by itself address issues around commitment and why local governments should become more pro-poor. Thus, we use the word can quite consciously above: in the hands of a reform-minded chair of Bappeda, the P3BM tool can be used to ensure that plans budgets are more sensitive to socio-economic differences and can achieve MDG targets. Another weakness is that P3BM has to date also been heavily focused on the planning, and is not yet linked to implementation and spending quality of service delivery. This has limited the impact of the toolkit, since there is a discrepancy between planning, budgeting and actual service delivery.

Other challenges identified include: 1) some districts are still faced with technical problems in database maintenance which require continuous assistance, 2) at present, the P3BM tools do not respond to the issues of budget limitation in addressing poverty issues (although they can help districts to effectively manage their budget constraints); 3) the use of P3BM tools to track service/program delivery and budget accountability is still hardly noticeable; 4) provincial governments has insignificant role in training and facilitation. These weaknesses are exacerbated by staff rotation policies and the absence of incentives for district officials and staff working hard to adopt the tools.
IV. SUCCESS STORIES

Nevertheless, as mentioned, with a committed leadership and under the right conditions, P3BM has the potential to improve budget allocations and improve MDG targeting. Research was carried out in selected districts that have shown some progress, as follows.

**South Timur Tengah District (TTS)**
After receiving P3BM training in 2009, the TTS District Government established a Joint Secretariat (Sekber) to coordinate the implementation of programs in the district financed by APBD (local budget), APBN (national budget) and donors. This Sekber was set up by the TTS Government, Plan International, CWS and local NGOs and its office is located at Bappeda. The Sekber uses regularly updated P3BM tools in coordinating planning, monitoring and evaluation of district government and NGOs’ activities. Bappeda has used the skills in APBD analysis since FY2009 to present. As the result, the APBD analysis of the current year provides the basis for budget allocation in the following year. Many activities had been affected by the budget reallocation due to the tool and analysis showed that the budget allocation for the activities were considered inefficient.

**Southwest Sumba District**
Southwest Sumba District (Sumba Barat Daya, or SBD) has carried out three P3BM trainings. The first training in June 2009 was funded by the central government with topics to introduce the P3BM analytic tools. The second training in June 2010 was funded by APBD on the same topics (adding more skilled trainees), and the third activity in December 2010 was funded by APBD with the topic of MDG database management. Even though the training in SBD has not led to improved planning documents yet, awareness of the importance of the P3BM tools has been raised, at least among policy makers and parties involved in P3BM activities. In order to actualize this awareness, in the fiscal year 2011, Bappeda has allocated a budget to strengthen its data management team and procured laptops for the all SKPD planning staff. P3BM analysis has also been used to determine program locations for a number of Pemda poverty reduction initiatives, i.e. *Desa Bercakahaya* (villages with sufficient power supply), *Desa Berkecukupan Pangan* (villages with sufficient food supply), *Desa Berkecukupan Air* (villages with sufficient water supply) and *Desa Aman dan Tertib* (peaceful and orderly villages).

**Sikka District**
P3BM training activities in Sikka District on the island of Flores in NTT were carried out in May 2009. Bappeda used the data analysis output gathered from training simulation to coordinate all SKPDs to complete the existing database. During the preparation of the initial draft of RKPD 2010 and SKPD’s draft Work Plan (Renja), Bappeda’s Socio-Cultural and Economic Division coordinated the Education, Health, Family Planning and Manpower and Transmigration (Nakertrans) Offices to consolidate their MDGs target achievements. Earlier, these MDGs target achievements were shared with SKPD before preparing the draft RKPD and SKPD’s draft Renja. The data analysis output gathered from the training
simulation was introduced during sub-district Musrenbang in 2010 and 2011. Poverty mapping program and pivot analysis tools are still being used today as they are considered the most useful. These tools are applied in annual planning and budgeting within Bappeda and in preparation of SKPD’s proposal for special allocation fund (DAK). However, a weakness is that data and analysis produced from the training have to data not been updated, with the excuse of being busy with daily tasks, staff turnover and no policy governing it. For the fiscal year 2011, Bappeda therefore has allocated funds to track the achievement of MDGs from 2006 to 2010 under 18 indicators for goals 1-7 and update data. This activity will be implemented by Bappeda’s small team in coordination with SKPD and will start with refresher training in P3BM tools.

Wakatobi District
Activities carried out to support the achievement of MDG targets are: (i) utilization of MDG score cards, poverty mapping and APBD analysis in Musrenbang 2009; (ii) operation of MDGs and development program database by Bappeda’s Statistics and Reporting Division; (iii) improvement of Annual Work Plan Budget (RKA) documents; (iv) conduct biannual data coordination forum/meetings started in 2009; and (v) needs analysis for achievement of MDG targets in Wakatobi District. As a result of this process, since 2009, the government has provided free medical services and free school fees ranging from Kindergarten to Senior High School level. Wakatobi has also launched PERAK (Program Ekonomi Kerakyatan/People’s Economic Program) in which locations refer to data developed by the P3BM joint secretariat. As a result of the district’s commitment and achievement to alleviate poverty, Wakatobi District won MetroTV 2009 MDGs Award and earned the national nomination in providing quality public services. This achievement has strengthened the district government’s commitment to apply P3BM tools consistently.

West Lombok District
To speed up the achievement of MDG targets, the West Lombok government has rolled out an innovative social, economic, infrastructure and physical program called GarduBangdes (Integrated Movement for Village Development). In the social sector, the innovative program includes synergy in improving HDI (Human Development Index) through education for all, awareness of health, and awareness of literacy. The activities include free education, revitalization of traditional health institutions, village newspapers, total sanitation through Koran recital groups and development of polytechnic “patut patuh patju”. The budget allocated to achieve the MDGs targets in 2008 was 19.2% of the total district budget and increased to 22.6% in 2009 and 22.0% in 2010, partly based on re-allocations from the P3BM analysis.

East Lombok District
East Lombok’s experience provides lesson learned on relationships’ pattern between district government and CSO in implementing P3BM. Civil society involvement in socializing P3BM tools, participation in workshops and training have inspired the tools’ development of practices to strengthen organizational
works and advocacy that focus on the achievement of MDG targets and the empowerment of poor community. The development process builds on the existing national network capacity. This includes capacity development on budget tracking from FITRA (the Indonesian Forum for Budget Transparency) and citizen report cards from JIKEP and PPKM, and development of database system from ACE. These tools were piloted in the organization of four poor women groups in coastal areas of East Lombok which range from introduction and training in Community Scorecard preparation and budget analysis, facilitation of training for district legislators in Gender Budget Analysis and advocacy for the district government. A direct impact was that the 2010 APDD in East Lombok was an increase in budget allocations to women capacity building programs. These programs include: (i) political education for women; (ii) empowerment of women SMEs; (iii) provisions and increase incentives for Posyandu cadre from zero in APBD 2008 to Rp 10,000 in APBD 2009/2010 and Rp 20,000 in APBD 2010/2011.

V. RECOMMENDATIONS

Referring to the benefits, weaknesses and lessons learned from good practices existing in the districts, this study proposes the following recommendations in order to improve effective application and development of the P3BM tools in poverty reduction:

*Need for policy and regulatory support from national and local governments:*
  a) Joint policy document (i.e. Joint Circular Letter) between BAPPENAS, Ministry of Finance and Ministry of Home Affairs to support the mobilization of various resources dedicated to achieve the MDG targets in districts, particularly districts far below the national average, and using P3BM as a main instrument
  b) Establish a special team or secretariat with more functional nature within provincial Bappeda to act as planner to guide the achievement of MDG targets by districts.
  c) Relevant local regulations to assign local apparatus who had received training and competent in utilizing P3BM tools to be the team to supply data for annual planning and budgeting who coordinates regularly with SKPD and provide input to the governments and DPRD’s budget teams with regard to budget preparation and discussion.
  d) Local regulation to mainstream P3BM analysis into Musrenbang forum from village to district level, to ensure community proposals are revolving around poverty reduction targets. Consequently, the poverty mapping analysis should be extended to the village level.

*Improved strategy for program implementation.* P3BM could be more effective if it is not only consisted of training packages but also as intensive technical assistance for districts with a minimum period of 1-2 years. Some key components to be developed by P3BM within the program framework are:
  a) Expand training participants not only from government officials and staff but also from provinces, universities, Central Bureau of Statistics (BPS),
CSO, PNPM stakeholders and NGO activists. Further, provincial and non-local government participants should be involved as facilitators. Provinces should also be involved in training and monitoring of P3BM activities at the district level.

b) Improvement of district-level poverty data and information. Organize alumni of the training in one local data forum/team and provide a vehicle for knowledge transfer to peer groups who may replace their position during staff rotation;

c) Create a forum to share experiences to improve the quality of planning and budgeting for poverty reduction at the national level. This could include regular activities to review and update SKPD achievements in utilizing P3BM tools.

d) Local regulation to discuss the results of P3BM analysis prior to budget discussion in DPRD so that legislators can understand the poverty situation in their areas and thus promote budget allocation priorities to achieve poverty reduction targets.

e) Finalize and pilot monitoring module.

*Enrich training material:*

a) The budget analysis module should be more in-depth to include budget reallocation analysis, fiscal capacity analysis and budget tracking;

b) Poverty mapping should include village data;

c) Link the target achievement of MDGs to MSS (Minimum Service Standards) because in regulatory terms districts are more bound by the MSS.

d) Provide additional module on SKPD’s program indicators matrix (*input, output, outcome, impact*) so that it is easier to track SKPD funding.

In order to develop training modules and delivery techniques of the above programs, P3BM program implementers must also build networks with other programs in the district, such as PNPM. This is particularly important to support the diffusion of P3BM into other program schemes and to regular planning and budgeting.