

Analytical Study on District Planning and Budgeting Processes
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Mission Report: Kebumen, Central Java

Mission Period: 26 February – 29 February 2008

Study and Mission Backgrounds

In the past one decade or so, Indonesia has been undergoing at least two major transformations to improve the quality of governance and development in the country. First, decentralization aims at putting public decision-making processes closer to the people through empowering local governments and communities. Second, democratization is a drive to allow more public voices and participation in governance through empowering legislature and civil society. Through these policy reforms, local governments now have much greater autonomy in the making of public policies and their implementation. In addition, civil society does not only have rooms for participation but also considerable roles to play in the public processes. One of the key areas influencing the success or failure of such reforms is the overall process of local or district development planning and budgeting.

Participation, transparency and accountability have been seen as essential attributes that can improve the effectiveness and efficiency of planning and budgeting processes, which ideally then help transform available resources and labors into poverty reduction, welfare improvement and justice advancement. Various efforts have been made in this regard, though still mostly in the planning parts and much less in the budgeting parts of the theoretically-linked process. Some of the efforts have been in the forms of providing legal bases—at the national as well as at the local level—for participatory planning processes. However, the results of such efforts vary from district to district and from case to case. In fact, despite of all of these efforts, the ability of the overall planning processes to result in annual district budget that meets people’s aspirations and wisely uses or transforms limited resources into the achievement of development goals remains precarious.

In the meantime there are still many districts that—for some reasons—have not seriously attempted any significant effort to improve the quality of their respective planning and budgeting processes, and have instead been doing “business as usual.” One result of such practices has been the denigration of legally-required participation in planning (the Musrenbangs) into a mechanistic yet costly process of collecting the people’s wishes, which may or may not be financially accommodated in the eventual district budget or which may or may not actually deserve the limited resources available. In such a situation, the achievement of the afore-mentioned broader development goals is even less certain.

The above state of affairs leads to the key question of integration in the district planning and budgeting processes, which is the core of this study. In addition, the study also attempts to see how any relevant donor-supported project has significant bearings on such an integration, how people have been participating in such multi-layered processes, how far the processes have been pro-poor, gender-sensitive and responsive to any existing social conflict within the locality and what the implications of such conditions have been on the overall achievement of local development goals.

To those ends, five (5) districts are to be visited, including Kabupaten Kebumen in Central Java Province. Kebumen has been widely known as one of a few districts that have attempted to implement principles of good governance—such as participation and transparency—ever since the introduction of decentralization. The kabupaten has been headed by a reform-minded lady (Bupati Rustriningsih), who has been reported to be not afraid of introducing innovations or measures that are outside the bureaucratic routines. In addition, there are a number of donor-supported programs—such as the ILGR (P2TPD), UPP (P2KP), KDP (PPK), LGSP, PBET and others—that attempt to assist governance reforms in Kebumen. The Study Team’s visit to Kebumen is therefore meant to understand further the planning and budgeting processes in the district and the factors that have made Kebumen a widely-touted example of decentralization at work (and an object of study for many other districts). The study also seeks to learn the various limitations that are undoubtedly still there even in a place widely regarded as a well governed district like Kebumen.

Mission Objectives and Research Questions

The mission to Kebumen aims at answering the following specific questions (which also apply to all other districts being surveyed in this study):

[1] Questions related to **planning-budgeting integration**: How integrated are the planning and budgeting processes in Kebumen? What have been the problems as well as examples of good practices in the planning and budgeting processes as implemented in the district?

[2] Questions related to **donor-supported projects’ integration to formal planning – budgeting processes**: How have mechanisms in district planning and budgeting introduced in donor-supported projects in Kebumen (such as ILGR, UPP and the like) been different or apart from the legally-sanctioned processes? Why has there been any difference or separation? What have been the implications of such differences? Have such conditions been positively contributing to the betterment (and integration) of the “mainstream” planning and budgeting processes in Kebumen?

[3] Questions related to **participation**: How participatory have planning and budgeting processes been implemented in Kebumen? What have been the problems as well as positive qualities of the participatory processes in planning and budgeting in this particular district? What have been the main factors affecting the participatory processes? Is there any particular pattern of participation?

[4] Other questions: How **pro-poor** have planning processes (and the resulting plans) as well as budgeting processes (and the resulting budget allocations) been implemented in Kebumen? How sensitive have they been in incorporating **gender** issues? How have **horizontal social conflicts**—if any—in Kebumen been considered in the planning and budgeting processes? How have the conflicts—again, if any—affected people’s participation? Or, is there any impact

Brief Profile of Kabupaten Kebumen

Kebumen is a kabupaten with a population of approximately 1.2 people, density of approximately 947 people/sq.km. According to the district’s official website, Kebumen’s overall income (after revision) in 2006 was Rp. 642 billion while expenditure (after revision) in the same year was Rp. 734 billion. (source:

<http://www.kebumenkab.go.id>). The district receives General Allocation Grant or DAU nearly Rp. 363 billion in 2007 (http://id.wikipedia.org/wiki/Kabupaten_Kebumen). At the time of writing this report, the Study Team has not rechecked these figures (that the DAU only consists of roughly half of the total budget seems to be too good to be true, although it might very well be true).



Mission Agenda

- 26 February 2008 : Leaving Jakarta in the afternoon (after attending a preparatory meeting for the related half-day workshop on methods and tools in donor-supported local capacity building projects), by land via Bandung and arriving in Kebumen well over mid-night (1:30 a.m. on 27 February 2008)
- 27 February 2008 : Setting the mission agenda with Mr. Yusuf (the Team's contact person and chairman of Formasi – Forum Masyarakat Sipil, a local NGO network which has a concern on planning and budgeting transparency, participation, efficiency and effectiveness, among others); attending a Forum SKPD of the district's Bappeda; conducting an interview with Mr. Prahen (the Secretary of the Bappeda, in the absence of the Bappeda's chair); holding a group discussion session with a number of FORMASI activists; conducting an interview with Mr. Suroso (the District Secretary); carrying out an interview with Mr. Wahid Setiawan (a DPRD councilor and member of the Budget Committee).
- 28 February 2008 : Conducting an interview with Ms. Nanik (ILGR's district facilitator), interviewing Mr. Zulfikar (UPP's district coordinator), and holding an internal discussion and evaluation of the mission (Team's members only).
- 29 February 2008 : Conducting an interviews with Mr. Probo Indartono (Chairman of DPRD), having informal conversations with some members of GAMPIL (another local NGO networks) during a relevant event (a public review of Bupati's Decree on the price standards for local government procurement) organized by the NGO network; conducting an interview with Ms. Nunung Awaliya of KPI (Koalisi Perempuan Indonesia) for the gender dimension of planning and budgeting in Kebumen. Returning

to Jakarta late afternoon, arriving well over midnight/early morning the next day.

Preliminary Notes and Analysis

Based on the Team's interview notes (interview transcripts attached, in Bahasa Indonesia) and the Team's observation, the following paragraphs are preliminary findings and analysis with regard to planning and budgeting processes in Kebumen. More elaborate analyses of all inputs acquired during this mission (as well as the missions to other districts) and more structured synthesis of the overall findings are to be presented in the study's main report. Similarly, the necessary content analyses and other possible "evidence" to support some of the arguments are also to be presented in the study's main report. Therefore, the notes below may rather be unsystematic.

With regard to planning – budgeting integration:

- * A few key stakeholders (a number of BAPPEDA officials, members of DPRD and civil society activists) in the district have been aware of the need to strengthen the integration (or connectivity) between what have been the results of local development planning processes and the eventual APBD. There have therefore been various attempts in Kebumen to "connect" planning processes with budgeting ones, particularly through more communication among key stakeholders and by increasing transparency as well as participation in some parts of the planning – budgeting processes.
- * As an apparent attempt to "guard" the proposals discussed throughout the Musrenbang process, there has been a selection of delegates who will have to represent the communities and attend in the higher-level Musrenbang. Unfortunately, in the case of Kebumen, these delegates could not go beyond the Musrenbangs (such as in the budget formulation or other Post-Musrenbang activities). Although this Musrenbang delegation system may potentially improve the quality of the planning process (and the resulting plans) in term of accommodating people's aspirations, such a limited role of these delegates in the critical phase when plans are transformed into budget items certainly did not help much in strengthening the planning – budgeting integration.
- * Moreover, there does not seem to be a formal or official mechanism for those Musrenbang delegates to report-back to the population that they represent (their constituents) which over a longer-term could actually have improved the quality of the planning – budgeting processes.
- * Another apparent attempt to narrow the gap between the aspirations put forward in the Musrenbangs and the aspirations "collected" by members of DPRD in their "*Jaring Asmara*" (*Penjaringan Aspirasi Masyarakat* – a popular term for the practice of "collecting people's aspiration" by DPRD members commonly conducted during their recess time), there has been an "instruction" from the Head of Kebumen DPRD that its members regularly visit their constituents and attend or participate in the related Musrenbang-*desa* or Musrenbang-*kecamatan*. Such a way certainly has the potential to improve the integration between planning and budgeting processes in the district.

- * Strong roles of civil society members in participating in and monitoring the processes can potentially improve the integration of planning and budgeting. As indicated by the activism of local NGOs or coalitions of NGOs in Kebumen such as FORMASI and GAMPIL, the district could be said to have a relatively strong civil society, although this may be limited to a few civil society organizations instead of the whole civil society in the district. These NGOs generally have good enough understanding and technical capacity to discuss or argue on matters relevant to planning and budgeting with the sectoral SKPDs of the local government as well as with the members of DPRD.
- * Transparency and ability of civil society members to access relevant information are also factors influencing the integration of planning – budgeting. As also acknowledged by some activists at FORMASI, the current district administration led by Bupati Rustriningsih has opened up many parts of governance processes—including in planning and budgeting—to the public. As one of the results, information on what the local government is doing is now relatively easier to access than it was in the previous district administrations. The district has also set up a website (<http://www.kebumenkab.go.id>), which could potentially improve public access to information regarding Kebumen. However, it is still unclear whether such fact of openness is generally known by local citizens or only known by a limited number of civil society activists.
- * One of the main problems seen by the activists at FORMASI is the lack of clear rules—in the face of limited available budget—on how to accommodate the participatorily assembled proposals of the lower level Musrenbang processes (the village and *kecamatan* level) *vis-a-vis* the technocratically-considered proposals of the sectoral SKPDs as well as the politically-blanketed needs for funds by local elected officials (especially DPRD members). On the latter's budget needs, however, the Head of DPRD argued that it is not a problem because such needs by DPRD members to fulfill their promises to their respective electorates are already discussed with and accommodated by the sectoral SKPDs. Yet, what concerns the FORMASI activists is that such a process is not entirely transparent.
- * It's been suggested by some NGO activists that attempts to reduce potential differences among different needs and aspirations (that were gathered through different bottom-up, participatory, top-down, technocratic and political processes) could be in the form of more communications among those key stakeholders in as early in the process as possible. For example, it was pointed out that some technical information from technical agencies (SKPDs) could be brought in to the earlier Musrenbang(s) so that community proposals would also fit in with the technical sectoral needs. This can be expanded by bringing in political aspirations as well in the earlier Musrenbang(s). Yet there has also been a concern that such an approach would limit people's ability to raise their concerns because they would be "easily" trampled by technical arguments and political intimidations (or political "gimmicks").
- * At the village (*desa*) level, Kebumen has been implementing the nation-wide policy of Alokasi Dana Desa (ADD – Village Allocation Fund) that provides block grant for villages to finance their own village-level initiatives or projects as well as village administration operational costs. However, there has been a debate about the amount of fund to be allocated for ADD. Kebumen's Local Regulation (Perda) No. 3/2004 states that total ADD should amount to 10% of the total APBD. Yet, the local government could not meet this requirement and instead chose to use Government Regulation (Peraturan Pemerintah) No. 72/2005 which regulates that total ADD should amount to 10% of the General Allocation Grant (DAU) that

the district receives (which certainly is smaller—though not much smaller in districts with little “own-income” or PAD—than the total APBD). With such a reference, the amount of money allocated for ADD in Kebumen is Rp. 20 billion.¹

- * In some villages, FORMASI has assisted the respective village administrations and communities to develop RPJM-desa (Village’s Medium Term Development Plan). Then, still with the assistance of the NGO coalition, the medium-term plan was used as a reference in developing sets of village-level activities, allocating the use of funds managed by the villages (that may consist of fund from the ADD scheme as well as village’s own income) and selecting activities that were to be proposed to the higher level Musrenbangs. The village-level Musrenbang was officially open to public although invitations are only extended to representatives of RTs, RWs or dusuns (two smallest neighborhood units) as well as some informal leaders (women groups, religious groups, youth groups, etc.). No public announcement (such as banners or posters put on public spaces) was made in order to inform the public beyond those invited community leaders.
- * At the *kecamatan* level, the local government provides indicative budget (*pagu indikatif kecamatan*) to accommodate “internal needs” of the *kecamatans* such as *kecamatan* office’s operational expenses as well as *kecamatan*-level sectoral projects. In addition, there is also quota for *kecamatan* (*kuota kecamatan*) that have been pre-allocated to accommodate some (if not all) proposals in the *kecamatan* that cannot be funded by the ADD or sectoral projects. FORMASI has also assisted a few *kecamatans* in such a process.
- * The ADD [and to some extent the *kuota kecamatan*] if implemented well and with a “good enough quantity,” is seen by a number of NGO activists in Kebumen as having the potential to positively bring back and improve village self-governing capacity. Village’s independence and ability to govern itself is seen as a good traditional value that unfortunately has been in decline in the last several decades as the result of various government policies and political interventions. The civil society activists then pointed out a number of cases where community’s needs—that had been by-passed during the planning processes in the past previous years—were accommodated through the ADD scheme. This has reduced the frustration that some community members have had in the past because their proposals of important community projects had not been accommodated through the Musrenbang processes for a number of years.
- * Some of the observed problems in this district include the limited knowledge and capacity for general public to participate in the officially already open parts of the planning and budgeting processes. Participation seems to have been dominated by a small number of NGOs, most prominent among them are FORMASI and, probably to a lesser extent, GAMPIL (which apparently is supported by younger activists). Both are actually coalitions of local NGOs, which were to some extent supported by donor-supported projects.
- * In the SKPD Forum that the Study Team attended during the mission, participation by NGOs appeared to be very modest. Interestingly, no objection was raised or no real discussion took place during the SKPD Forum but more especially during the session that set priorities. List of priorities was read out by a BAPPEDA official and then previously-prepared documents stating such priorities were signed by a selected number of representatives from *dinases* and the

¹ “Alokasi Dana Desa Belum Bisa Berjalan” (“Village Allocation Fund Has Not Been Working”), *Suara Merdeka*, 22 June 2006

communities, including NGOs (represented by FORMASI) and P2KP (it was not very clear whether P2KP here represented all donor-supported projects in Kebumen or simply included as one of the signatories without any specific reason).

- * Limited local government officials' capacity in managing participatory planning processes (in a more meaningful and less mechanistic way) has been seen by a number of local NGO activists associated with FORMASI as one of the constraints in promoting such participatory planning and budgeting processes.
- * FORMASI has assisted not only a number of village-level and *kecamatan*-level planning processes but also a selected number of SKPDs in formulating their RKA (*Rencana Kerja dan Anggaran*) more efficiently. In addition, the NGO coalition has also conducted budget analysis to see if there are still rooms for budget efficiency. And the result of efficiency measures have been a financial room for additional community-oriented activities. Earlier in the process, FORMASI has also directly lobbied DPRD members and brought up some funding proposals of activities that they deemed to be in the public interest but have somehow not been accommodated in the Musrenbang processes (note: such a lobbying activity, while well-intentioned, certainly needs to be scrutinized further because it could potentially short-cut and weaken the Musrenbang process.
- * In addition, FORMASI has organized a number of public forums, either by itself or in cooperation with other organizations, to scrutinize the budget final draft (RAPBD).
- * In the meantime, GAMPIL has also conducted critical budget analysis. During the mission, the Study Team attended a public session in which GAMPIL and the public examined unit-prices (*harga satuan*) in the proposed budget in order to see whether they were already the "right prices" and therefore mitigating possible "mark-ups."
- * One of the observed weaknesses in the planning – budgeting processes in the district (which actually also happens in most districts in Indonesia) is that mechanism for evaluation of the immediate past planning – budgeting implementation has not been very strong and decisive, if conducted at all. This situation gives ways for the overall processes to slip into repetitive, mechanistic and bureaucratic activities. [*The Law No. 25/2004 Articles 28 and 29 actually require such an evaluation although elaboration may be needed for an evaluation to become an important part of the overall planning – budgeting processes*].
- * In order to have relatively more time for planning and budgeting processes, Kebumen has now moved up (earlier) the start of the process from January to November of the preceding year (14 months prior to the budget implementation year). On one hand this could potentially give more time for better participatory planning processes, especially at the village and sub-village levels; but on the other hand the longer time also opens up more possibility that things have changed by the time activity proposals are executed. As shown in the following table of budget cycle, the time dedicated for participatory Musrenbang (October – March) is still much less than the time dedicated to the post-Musrenbang phases (March – December) that generally are not very public, if at all.

Planning and Budgeting Cycle in Kebumen

	Planning – Budgeting Cycle in Kebumen
Oktober (y-2)	<i>Dusun</i> (sub-village) public consultation forum Inter- <i>dusun</i> planning workshop
November (y-2)	Musrenbang-desa (4 th week of November – 1 st week of December)
December (y-2)	
January (y-1)	Musrenbang-kecamatan (2 nd – 4 th week of December)
February (y-1)	Forum SKPD (1 st – 3 rd week of February)
March (y-1)	Musrenbang-kabupaten (2 nd – 3 rd week of March)
April (y-1)	Formulation of RKPD (4 th week of March – 3 rd week of May)
May (y-1)	
June (y-1)	General Budgeting Policy / KUA (4 th week of May – 3 rd week of June)
July (y-1)	Preliminary Draft Budget Priority and Ceiling / PPAS (4 th week of June – 3 rd of July)
August (y-1)	Head of District's Circular (4 th week of July – 1 st week of August)
September (y-1)	Verification of the Sectoral Work Plans / RKA-SKPD (1 st week of August – 2 nd week of September)
October (y-1)	Formulation of Draft of APBD (3 rd week of August – 4 th week of September)
November (y-1)	
December (y-1)	Enactment of APBD (1 st week of Oct – 1 st week of Dec)
January (y)	Verification of the Budget Implementation Document / DPA (2 nd week – 4 th week of December)
February (y)	
March-December (y)	
	Implementation

Note: y = budget year

With regard to the roles of relevant donor-supported projects:

- * There have been a number of donor-supported activities in Kebumen, either supported by international financial organizations such as the World Bank (ILGR/P2TPD and UPP/P2KP) or by international NGOs such as the Ford Foundation or National Democratic Institute (Participatory Budgeting and Expenditure Tracking, which is in cooperation with ILGR).
- * Donor-supported projects in Kebumen, such as ILGR, UPP and the like, are operating through mechanisms and with requirements that have been directed by the designs of the individual nationwide projects. UPP (P2KP), for example, has its own participatory processes to tap the people's aspirations and needs that then are adopted in its own plans (the RPJ-Pronangkis).

- * Some projects, such as ILGR, require and provide technical supports for the enactment of bylaws (*perda*) on participation, transparency and accountability. This certainly influences and improves the integration of planning and budgeting in the participating districts, including Kebumen. It is generally expected that better participation, transparency and accountability in planning – budgeting processes would improve the processes’ effectiveness and efficiency in the (limited) resource utilization.
- * ILGR, PBET and LGSP also have supported a number of activities that could be seen as improving the quality of planning – budgeting processes, mostly in terms of people’s participation in and monitoring of the processes. The afore-mentioned critical budget evaluation and scrutiny of “unit prices” in APBD by FORMASI or GAMPIL have also been supported by such projects.
- * Meanwhile, the Kebumen’s District Secretary pointed out during the interview that some donor-supported projects’ requirements for the district to have particular local regulations—such as local bylaws on participation, transparency and accountability or on procurement) have slowed down the whole processes because the draft regulations have to through DPRD deliberations—which in many cases could not be rushed—while actually there are already some related regulations from the central government that need to be respected and could be used as the bases in the projects’ implementation.
- * The district secretary also called our attention to another potential duplication in what a district is required to have by nationwide projects or by national regulations. For example, he took an example of the requirement that a district should have a Local Poverty Reduction Strategy (*Strategi Penanggulangan Kemiskinan Daerah – SPKD*) while at the same time the same district is also required to have a Medium-Term Local Development Planning (*Rencana Pembangunan Jangka Menengah Daerah – RPJM-D*), which theoretically should also have covered the issues of and solutions to poverty. Individually, SPKD and RPJM-D supposed to function as the main reference in local planning and budgeting processes. Why couldn’t the SKPD just be included in RPJM-D?
- * Such a dualism also potentially happens at the village level with Urban Poverty Project (P2KP) promoting the formulation of PJM-Pronangkis (which is to be referred to in the participatory P2KP processes), while at the same time all villages are required to have RPJM-desa, which has also been supported by various projects and should also have covered poverty reduction measures.
- * The above duplications may not necessarily be contradictory, but they could potentially be confusing. Moreover, such redundant requirements could be seen as squandering the limited resources available to the district or villages.
- * In the meantime, the Secretary of BAPPEDA pointed out to a situation where national projects require “matching budget” from the APBD. While in principle this requirement is well understood (to increase local ownership of the projects), such local budget allocation could potentially “trample” or “push aside” the priorities that have been worked out through the participatory Musrenbang processes.
- * The separate or parallel processes conducted by such projects could also have impacts on how people participate. It was not very clear from the round of interviews that people have become “tired” of participating in the various processes. Yet it has been strongly indicated (especially by some NGO activists)

that such parallel processes could potentially weaken the significance or perhaps the attractiveness of the official “mainstream” planning – budgeting processes. There have been reports that many community members “preferred” to participate in such projects’ participatory processes than in the official “mainstream” planning – budgeting processes because the implementation of the approved community proposals in such projects tend to be faster than in the official “mainstream” process (in which approved proposals would take more than a year to get executed).

With regard to participation in the planning and budgeting processes:

- * The planning and budgeting processes in Kebumen have been relatively participatory, allowing people to participate in various steps of the planning processes as well as in some of the points during the budget formulation. There are certainly still some problems with the final outcome of the process (the APBD).
- * Participation seemed to be especially strong in the early stages of the planning processes (Musrenbang-desa, or even in the so-called ‘Pra-Musrenbang’ or processes prior to the Musrenbang-desa), particularly in a few villages where local NGOs assisted the processes. Yet, as the process moved up to the higher levels of Musrenbangs and stages, people’s direct participation and access to the process gradually diminished. The official processes of formulating KUA and drafting of APBD were still relatively closed for public (only the DPRD’s and local government’s budget committee members are involved). Despite such a situation, however, a few ‘prominent’ (‘well-connected’) NGO activists have a certain degree of access to these officially closed parts of the planning – budgeting processes and have used such an access to promote some changes or activities that were said to be in the interest of the public or local communities.
- * A number of factors have contributed to the implementation of more participatory planning processes in Kebumen and to the continuous improvement of the processes. Among others are: (i) the district already possesses an active and open-minded civil society, (ii) the election of the first woman to head a district in Indonesia after the introduction of decentralization has attracted various donors to come to Kebumen and to provide assistance for local capacity building and reforms, (iii) the Bupati herself is also very supportive to reforms although not all initiatives come from the Bupati.
- * Ability of local officials and members of communities to facilitate and carry out the Musrenbang processes varies considerably from village to village. Some of the Musrenbangs were conducted smoothly and relatively participatory (with special attention to gathering women’s voices) while others had been slow or lacking rigorous participation. While such an assistance may help improve the quality of the processes in the few assisted villages, this situation could also potentially result in the problem of unbalanced quality of plans and/or proposals among all villages in the district. This situation necessitates rapid replication of successful village-level assistance (including the assistance to Pra-Musrenbang processes; yet it has been hindered by limited number of capable officials and community facilitators.
- * Facilitation techniques, knowledge and even philosophy are needed by those facilitating participatory processes. Such skills and knowledge are important partially in order to avoid making the participatory processes a mechanistic, or

worse, procedural ones. They are also important to deal with possible elite-capture or domination of the processes. To this end, FORMASI members have been trained to facilitate participatory planning processes.

- * FORMASI assisted participatory planning processes in a number of sub-village (dusun) prior to the Musrenbang-desa (perhaps this is similar to the so-called Pra-Musrenbang facilitated by PTD in Poso).
- * Preparation before any Musrenbang is seen to be very important. However, some information that is needed before a Musrenbang-desa or Musrenbang-kecamatan before or during the Musrenbang.
- * *With regard to how contents and processes of planning and budgeting address the issues of poverty, gender inequality and potential social conflicts:*
- * Pro-poor? With regard to the pro-poor nature of Kebumen planning and budgeting processes, activists at FORMASI have not seen measured targets to be achieved by the district.
- * Overall, the “pro-poorness” of the planning – budgeting processes and their outputs are still understood in three different fashions: (i) that the poor could participate in [parts] of the processes, (ii) free education and health services for the poor, (iii) physical infrastructure for the poor, which mainly came in the form of improving roads to areas where many poor residents live. As observed by some local NGO activists in Kebumen, an integrated and structural approach to reduce poverty does not yet seem to be expressed in the current local development plans and budget. What seem to be already in existence is “budgets for the poor” (whatever small they are proportionately) and not yet “pro-poor budget.”
- * Similarly, gender sensitive planning and budgeting is still largely understood in the following forms: (i) that women participate in [parts of] planning and budgeting processes, and (ii) that there are budget allocations for women groups and activities.
- * With regard to horizontal social conflicts, interviews and field observations did not reveal the existence of any serious social conflict in Kebumen, despite a strong perception of a relatively dynamic political environment (with civil society organizations engage in various political discourse and “manouvering”). In such a situation, it is understood that the planning – budgeting processes in the district has not paid serious attention to such a conflict potential.

Other notes and preliminary overall conclusions:

- * People—government officials, NGO activists and members of local communities—are still learning the new ways of doing things as well as the values behind them. This has not always been easy as people need to consider which new values are appropriate for the local contexts and which of them are not.
- * Often the problems are not necessarily procedural or related to the processes. Some problems are because of limited capacity (in terms of skills as well as of knowledge on relevant matters) of the people and institutions carrying out the processes.

Notes

- ILGR : Initiatives for Local Governance Reform, also known as *Prakarsa Pembaruan Tata-Pemerintahan Daerah* (P2TPD)
- UPP : Urban Poverty Project, also known as *Program Penanggulangan Kemiskinan di Perkotaan* (P2KP)
- KDP : Kecamatan Development Programme, also known as *Program Pengembangan Kecamatan* (PPK)
- LGSP : Local Government Support Program (*Program Dukungan bagi Tata Pemerintahan Daerah*)
- ADD : Alokasi Dana Desa (Village Allocation Fund)