

The Republic of Indonesia
National Development Planning
Agency (BAPPENAS)

THE REPUBLIC OF INDONESIA

**PLANNING AND BUDGETING REFORM
FOR THE PERFORMANCE-BASED
BUDGETING (PBB) SYSTEM
IMPLEMENTATION PHASE TWO**

PROJECT COMPLETION REPORT

October 2017

Japan International Cooperation Agency (JICA)

International Development Center of Japan Inc.
Mitsubishi UFJ Research & Consulting Co., Ltd

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PLANNING AND BUDGETING REFORM
FOR THE PERFORMANCE-BASED BUDGETING (PBB) SYSTEM IMPLEMENTATION
PHASE 2

PROJECT COMPLETION REPORT

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ABBREVIATIONS

ABC	Activity Based Costing
ABM	Activity Based Management
ADIK	Revised Performance Based Budgeting Framework (Architecture and Performance Information)
AIPEG	Australia Indonesia Partnership for Economic Governance
APBD	Local Budget
APBN	National Budget
BAPPEDA	Regional Development Planning Agency
BAPPENAS	National Development Planning Agency
BSC	Balanced Score Card
COFOG	Classification of the Functions of Government
C/P	Counterpart
DAK	Specific Allocation Fund
DAU	General Allocation Fund
DFA	Directorate for Allocation of Development Funding, BAPPENAS
DP	Development Partner
DPD	Peoples Representative Council
DPR	House of Representative
E-MONEV	Internet based monitoring and evaluation system
GOI	Government of Indonesia
GPF	Government Partnership Fund of the Australian government
IAA	Incorporated Administrative Agency
IDCJ	International Development Center of Japan
IDR	Indonesian Rupiah
IFMIS	Integrated Financial Management Information System
JCC	Joint Coordinating Committee
JICA	Japan International Cooperation Agency
KCC	Knowledge Co-creation
K/L	Line ministry and agency
KPIs	Key Performance Indicators
LAKIP	Government Institution's Performance Accountability Report
MenPAN	State Ministry of State Apparatuses and Bureaucratic Reform
MOF	Ministry of Finance
MOHA	Ministry of Home Affairs
M/M	Minutes of Meetings
MTEF	Medium-Term Expenditure Framework
MURC	Mitsubishi UFJ Research & Consulting
NI	New Initiatives
NOICS	National Outcome Indicator Classification System

ORTALA	Planning Bureau of BAPPENAS
PBB	Performance-based Budgeting
PDM	Project Design Matrix
PI	Performance Information / Performance Indicator
PO	Plan of Operations
PPP	Pubic Private Partnership
R/D	Record of Discussions
Renja-K/L	Ministry/Agency - Annual Work Plan
Renstra-K/L	Ministry/Agency – Five Year Strategic Plan
RKP	Annual Government Work Plan
RPJMN	National Medium Term Development Plan
SIMU	Multilateral Information System
SISDUR	Directorate of System and Procedures of Development Funds
SPAN	Treasury System and the State Budget
WG	Working Group

CHAPTER 1 PROJECT FRAMEWORK

1.1 Background

The Indonesian economy has been managed prudently since the aftermath of the Asian financial crisis in 1997/98, and has been developing steadily in recent years with an annual economic growth rate of around 5-6% (2010-2013). With the continued increase in infrastructure investment, maintaining about 6% (2012) annual growth, which is regarded as essential for employment expansion and poverty reduction, may be achieved in the medium-run. However, to maintain high economic growth over the medium- and long-term, it is believed to be crucial to establish a solid budget framework, which links the country's medium-term development plan and performance evaluation with its annual budget preparation and implementation process, as Indonesia has been facing needs in improving efficiency, transparency and capacity in the areas of public finance and budget control.

Indonesia's national development plan is based on the long-term (20-year period) national development plan and consists of the following: medium-term national development plan (5-year period, RPJMN), overseas loan demand planning (5-year period), medium-term foreign loans and grant aid medium-term national development plan planning list (also known as the Blue Book: 5-year period). These medium-term plans have been prepared in accordance with the President in term. Among them, the Badan Perencanaan Pembangunan Nasional (BAPPENAS) or otherwise known as the Indonesian Ministry of National Development Planning is responsible for the development of the development budget allocation proposal to the sector ministries and development planning. However, international commitment and national priority are only reflected in the annual program and budget compilation, and the budget compilation with performance target is not done sufficiently. Additionally, some inefficiencies have been found in Indonesia's budget execution. Therefore, the improvement in economic strength and budget control and transparency in the budgeting and execution process have become pressing issues.

Under these circumstances, along with developed laws and regulation, such as the "Finance Act" (2003), "National Development System Law" (2004), "Local Government Act" (1999, 2004), etc., the Government of Indonesia (hereinafter referred to as "GOI") introduced the concepts and methods of Medium Term Expenditure Framework (MTEF) and Performance-Based Budgeting (PBB). These play a role in linking the mid-term and annual budgeting and management as well as development planning. The Planning and Budgeting System Reform consists of three phases: 2005 – 2009 is the introduction stage, 2010 – 2014 is for framework enhancement and 2015 – 2019 is for framework improvement.

Since 2005, JICA has provided a series of the Development Policy Loans to the GOI to support the improvement of financial management, as well as set the policy action across the PBB/MTEF and conducted the monitoring of it. Furthermore, JICA undertook the "Planning and Budgeting Reform for the Performance-Based Budgeting (PBB) System Implementation" (hereinafter referred to as Phase 1) (June 2009 – February 2014), a technical cooperation project implemented by BAPPENAS. For this project, JICA has proposed the method to introduce PBB as well as support the development of manuals and guidelines.

Based on the results of the terminal evaluation of Phase 1 (conducted in March 2013), BAPPENAS expressed a need for medium- to long-term support for the full-scale introduction of PBB. BAPPENAS has requested the following when implementing the next phase: (1) supports on effective and efficient budget allocation; (2) supports on coordination between central and local government; (3) output-based costing; and (4) capacity building for PBB activities. In response, in January 2014, a detailed planning study has been conducted. This embodies the basic framework of the cooperation plan (draft) and has been agreed with by the BAPPENAS side. Thereafter, the Record of Discussion (R/D), aimed to implement Phase 2, was concluded on 19 May.

1.2 Outline of the Project

Overall goal, purpose and outputs of the Project as well as corresponding indicators are summarized in the form of a *Project Design Matrix* (PDM1) as shown in Table 1.1. Similarly, activities of the Project are shown in Table 1.2.

Table 1.1 Overall Goal, Purpose, Outputs and Indicators of the Project (PDM1)

Narrative Summary	Objectively Verifiable Indicators
<p>Overall Goal: Performance-based budgeting (PBB) is further operationalized in Indonesia.</p>	<p>[Reference] MTEF-PBB linkage is enhanced more (i.e. continued progress of creating fiscal space; use of PBB for budget allocation).</p>
<p>Project Purpose: Framework of planning and budgeting reform is further enhanced.</p>	<ol style="list-style-type: none"> 1. PBB framework (e.g. operational result-chain and KPIs) is understood and applied in BAPPENAS sector directorates and the selected line ministries. 2. More operational result-chain and KPIs are developed by the selected line ministries. 3. Guiding framework of budget preparation documents and budget scrutiny are enhanced. 4. [Reference] The quality of budget proposal is improved in the selected line ministries in PBB context. <ul style="list-style-type: none"> · The new initiatives are justified properly (e.g. how to justify the necessity of the new initiatives in the relevant result-chains, how to use KPIs to justify the necessity, what the expected achievements by the new initiatives are, what the expected activities to achieve those goals are, etc.) · The quality of costing is improved (e.g. the cost standard designated by MOF is used properly. The quantity for input is set more appropriately, etc.) · Cost benefit analysis is conducted properly when necessary. 5. [Reference] The quality of budget preparation documentation submitted (i) from the selected line ministries to BAPPENAS, and (ii) from BAPPENAS to MOF are improved. 6. Coordination efforts are made continuously.
<p>Output 1 The quality of result-chain and KPIs is improved in the selected line ministries.</p>	<ol style="list-style-type: none"> 1-1. Understanding on the MTEF-PBB framework and its practices is improved in the selected line ministries. 1-2. [Reference] The quality of result-chain is improved in the selected line ministries. 1-3. [Reference] The quality of the KPIs is improved in the result-chains of indicator 1-2. in the selected line ministries.
<p>Output 2 Guiding framework for improving the quality of budget preparation documentation is enhanced.</p>	<ol style="list-style-type: none"> 2-1. The guidelines on new initiatives are revised. 2-2. Budget preparation process is standardized in the selected line ministries in accordance with the relevant rules and regulations. 2-3. Budget preparation format is standardized in the selected line ministries in accordance with the relevant rules and regulations. 2-4. Type of information and description in the documents is standardized in the selected line ministries in accordance with the relevant rules and regulations.
<p>Output 3: Guiding framework for improving the quality of budget scrutiny is enhanced at BAPPENAS and MOF.</p>	<ol style="list-style-type: none"> 3-1. Budget scrutiny process is standardized in BAPPENAS in accordance with the relevant rules and regulations. 3-2. Guidelines of checkpoints of budget scrutiny for BAPPENAS officers (sector directorates and the Directorate of Development Funding Allocation) are developed. 3-3. The developed checkpoints of budget scrutiny are used by

	BAPPENAS (sector directorates and Development Funding Allocation).
<p>Output 4: The experiences and lessons learnt for improvement of allocation and operational efficiency are shared by stakeholders.</p>	<p>4-1. Opportunities for sharing experiences and lessons learnt are continuously arranged in the areas of allocation and operational efficiency.</p> <p>4-2. Topics are covered in 4-1 opportunities properly (e.g. means for ensuring aggregate fiscal discipline, allocation efficiency, and operational efficiency).</p>
<p>Output 5: A framework development for further elaborating PBB implementation system is facilitated.</p>	<p>Advisory services are provided by the Project. More specifically, solutions of critical topics for further elaborating PBB implementation system are explored; (i) various options are explored; (ii) pros and cons of each option are examined; (iii) implication of options on aggregate fiscal discipline, allocation efficiency and operational efficiency are examined respectively, etc. List of prospective topics is as follows:</p> <ol style="list-style-type: none"> (1) How to set the ceiling in a more persuasive manner, (2) Cost approach (e.g. full cost approach), (3) Availability of performance assessment results in a timely manner, (4) Use of internal and external audits etc., and (5) Social accountability etc.

Table 1.2 Activities of the Project (PDM1)

<p>Activity 0 To conduct capacity assessment of BAPPENAS and the other related ministries for implementing the MTEF-PBB</p>
<p>Activity for Output 1 “The quality of result-chain and KPIs is improved in the selected line ministries.” 1-1. To set up joint working group(s)(*) in the selected line ministries and prepare the work plan, 1-2. To conduct seminar(s) on the MTEF-PBB framework and practices and provide practical consultation opportunities to the selected line ministries, and 1-3. To develop/refine result-chain and KPIs in accordance with the relevant guidelines and manuals. (*Working group(s) consists of representatives from (i) Directorate of Development Funding Allocation, (ii) the relevant sector directorates, and (iii) selected line ministries.</p>
<p>Activity for Output 2 “Guiding framework for improving the quality of budget preparation documentation is enhanced.” 2-1. To set up joint working group(s) in the selected line ministries and prepare the work plan, 2-2. To discuss various practices of budget preparation documentation to meet the PBB requirements e.g. the practices of other countries, 2-3. To discuss the current relevant rules and regulations in Indonesia on the MTEF-PBB, 2-4. To review the current practices in the selected ministries, 2-5. To prepare recommendation papers to revise the guidelines for the new initiatives, 2-6. For BAPPENAS to revise the guidelines for the new initiatives, 2-7. To deliver training programs and provide practical consultation opportunities to the selected line ministries, and 2-8. To produce review reports on quality of budget preparation documentations in the selected line ministries.</p>

Activity for Output 3

“Guiding framework for improving the quality of budget scrutiny is enhanced at BAPPENAS and MOF.”

- 3-1. To set up joint working group (s) in the selected BAPPENAS sector directorates and DFA,
- 3-2. To discuss various practices of budget scrutiny to meet the PBB requirements e.g. the practices of other countries,
- 3-3. To discuss the current relevant rules and regulations in Indonesia MTEF-PBB,
- 3-4. To review the current practices in the selected BAPPENAS sector directorates and DFA,
- 3-5. To prepare recommendation papers to improve budget scrutiny,
- 3-6. To deliver training programs and provide practical consultation opportunities to the selected BAPPENAS sector directorates and DFA, and
- 3-7. To produce review reports on the quality of budget scrutiny in the selected BAPPENAS sector directorates and DFA.

(* Main beneficiaries of these activities will be both BAPPENAS and MOF (DG of Budget).

Activity for output 4

“The experiences and lessons learnt for improvement of allocation and operational efficiency are shared by stakeholders”.

- 4-1. To identify the issues to be shared among BAPPENAS, MOF and MOHA (e.g. means for ensuring aggregate fiscal discipline, resource efficiency, operational efficiency),
- 4-2. To hold dialogues (*) continuously on selected topics for sharing framework, experiences, and lessons learnt among BAPPENAS, MOF, MOHA and selected provincial governments, and
- 4-3. To prepare reports on the results of those dialogues.

(* Dialogues will be organized in Jakarta and provinces.

Activity for output 5

“A framework development for further elaborating PBB implementation system is facilitated.”

- 5-1. To explore and list various options on selected topics from the experiences of Japan and other countries through in-country and outside country activities,
- 5-2. To examine (i) pros and cons of the options listed and (ii) implications on aggregate fiscal discipline, allocation efficiency and operational efficiency in the Indonesian context,
- 5-3. To discuss the possibility of applying those options to Indonesia,
- 5-4. To produce reports on those topics,
- 5-5. To assess the status of the practices on the topics in each BAPPENAS sector directorate line ministry and produce status report.

1.3 Implementation Structure

The roles and assignments of relevant organizations are as follows:

(1) BAPPENAS

- (a) Project Director:
Director of Development Funding Allocation (DFA) of BAPPENAS will be responsible for the overall administration and implementation of the Project.
- (b) Project Manager:
Deputy Director of DFA will be responsible for managing implementation of the Project.

(2) JICA Experts

The JICA experts will give necessary technical guidance, advice and recommendations to the DFA on any matters pertaining to implementation of the Project.

(3) Joint Coordinating Committee

The Joint Coordinating Committee (JCC) will be established in order to facilitate inter-organizational coordination. The JCC meeting will be held at least twice a year and whenever necessary. The JCC will approve an annual work plan, review overall progress, conduct monitoring and evaluation of the Project,

and exchange opinions on major issues that arise during the implementation of the Project. The prospective functions and composition of the JCC are as follows:

- (a) Functions:
- a) To approve the Annual Plan of Operation to be formulated in accordance with the R/D;
 - b) To review overall progress and achievement of the Project;
 - c) To monitor and evaluate the implementation of the Project;
 - d) To examine major issues arising from or in connection with the Project;
 - e) To work out the modification of the PDM and the PO as necessary; and
 - f) To recommend and request necessary actions to the organizations concerned.

(b) Composition:

Chairperson	Director for Development Funding Allocation, BAPPENAS
Members	<p><Indonesian Side></p> <p><u>BAPPENAS</u></p> <ul style="list-style-type: none"> - Directorate for Development Funding Allocation - Directorate for Evaluation System and Reporting of Development Performance - Directorates for Sector - Directorate for Autonomies for Region <p><u>MOF</u></p> <ul style="list-style-type: none"> - Suitable member from Directorate General of Budget <p><u>MOHA</u></p> <ul style="list-style-type: none"> - Directorate for Regional Finance/Developing Regions <p><Japanese Side></p> <ul style="list-style-type: none"> - Representative(s), JICA Indonesia Office - Expert(s) of the Project - Official(s) in charge, Embassy of Japan in Indonesia

Note: The JCC can invite other personnel and development partners as necessary.

(4) Working Group

Working Groups will be formed as necessary for smooth implementation of activities/tasks of the Project with related organizations.

1.4 Project Site and Beneficiaries

- (1) **Primary Project Site:** Jakarta
- (2) **Direct Beneficiaries:** Officials of BAPPENAS, MOF, selected line ministries¹, and MOHA
- (3) **Indirect Beneficiaries:** all line ministries, and local governments²

1.5 Duration

The duration of the Project was the following

Before the extension: September 2014 to July 2017 (3 years)

After the extension: September 2014 to November 2017 (3 years and 4 months)

¹ The following seven ministries are considered as candidates of the beneficiaries of the project, which are the Ministry of Health, the Ministry of Education and Culture, the Ministry of Public Works and Community Housing, the Ministry of Environment and Forestry, the Ministry of Agriculture, the Ministry of Law and Human Rights, and the Ministry of Marine Affairs and Fisheries.

² North Sumatra Province and Special Region of Yogyakarta was chosen as pilots in the first half of the project.

CHAPTER 2 ACTIVITIES OF THE PROJECT

The progress of the project from its inception until the completion is described in the following pages.

2.0 Overall activities

Joint Coordinating Committee (I)

The first Joint Coordinating Committee (JCC) Meeting was held on 15 October 2014. Mr. Erwin, the chairperson and the Director for Allocation of Development Funding (DFA), BAPPENAS, explained the background and the expected outputs of the project. At this meeting, DFA suggested that the expert team should look at the actual annual work plans of selected ministries, and promised that the directorate provided the data of the plans to the expert team.

Joint Coordinating Committee (II)

The second JCC Meeting was held on 4 March 2015. The objectives of this meeting were to review the overall progress, to exchange views on major issues, and to ensure a common understanding on the ways ahead, with reference to the project. DFA informed that a new regulation was being prepared following the direction of the President. The role of BAPPENAS was expected to be strengthened with this regulation. Moreover, DFA requested that the expert team should provide practical consultation to the pilot ministries so that they would be able to improve the quality of the annual work plan of the next year.

Joint Coordinating Committee (III)

BAPPENAS, in cooperation with JICA, convened the third JCC Meeting on 25 November 2015. The objectives of this meeting were to review the overall progress and achievement, to exchange views on major issues, and to ensure a common understanding on the ways ahead, with reference to the project.

JICA Project Advisory Mission

The JICA Project Advisory Mission team, headed by Mr. Ryuichi Tomizawa, visited from 23rd to 26th February 2016 for the purpose of monitoring the Project. During its stay in Indonesia, the Mission had a series of discussion with relevant authorities concerned, and made valuable recommendations, including the revision of PDM.

Joint Coordinating Committee (VI)

The fourth JCC Meeting was held on 11 March 2016, just after the JICA Advisory Mission to the Project finished its advisory work in late February. One of the main issues discussed at this JCC was the revision of PDM. Referring to the Recommendation on the MM signed by BAPPENAS DFA and the Project Advisory Mission, the participants agreed to revise the original PDM by adding one statement as the Important Assumption for Output 3. In addition, Mr. Graha, a staff of Directorate of System and Reporting of Monitoring, Evaluation and Development Control, BAPPENAS, introduced their plan to organize 'Evaluation Summit' between September and October of 2016.

Second JICA Project Advisory Mission

The second JICA Project Advisory Mission team, headed by Mr. Taichi Sakano, visited from 20 to 24 March 2017 for the purpose of monitoring the Project. The mission visited MOF, President Office and BAPPENAS and examine the progress of the project. Following the recent revision of the planning and budgeting framework in the government, moreover, the mission examined the possibility to extend the project and discussed this at DFA of BAPPENAS.

Joint Coordinating Committee (V)

The fifth JCC Meeting was held on 26 May 2017. One of the main issues discussed at this JCC was the extension of the project. Firstly, the expert team presented the progress of the activities and their

achievements. Then, the Director of DFA introduced the newly issued government regulation (PP NO.17/2017). This regulation is concerned with the synchronization of planning and budgeting procedures. According to the director, this new regulation should give BAPPENAS a clear authority to assess project proposals for financing. He said that the assessment of the project proposals should become a critical task for BAPPENAS, and explained that this was a reason why he requested JICA to extend the project to support this task. Following his explanation, Mr. Takato, the senior representative of the JICA Indonesia Office, mentioned that JICA would follow up the expected steps about the project extension.

The signed Minutes of JCCs are attached as Appendix VI in this report.

Collaboration with Relevant Organizations

JICA expert team held regular meetings with the Australia Indonesia Partnership for Economic Governance (AIPEG) project team in order to accelerate the harmonization activities between the two projects. Two projects have been working very closely on the standardization of both generic and technical outputs, and outcome, for instance. The expert team and AIPEG have also jointly developed TOR for the modification of an existing AIPEG funded web-based application, which is intended to: 1) integrate outputs and outcomes of planning with those of budget; 2) rationalize the number of outputs and outcomes of line ministries; 3) automate the aggregation of budget from working unit level to ministry level; and 4) facilitate improved performance indicators for both outputs and outcomes.

Besides, the expert team continues to liaise with Australian Department of Finance officers working with the Indonesian Ministry of Finance under the umbrella of the Government Partnership Fund (GPF). Moreover, in the early part of project implementation, the Project liaised with the World Bank's PFM experts and attended development partners coordination meetings³.

2.1 Output 1: Improvement of result-chain and KPIs

Set up joint working groups

It is expected to establish joint working group(s) in the selected line ministries at first, and prepare the work plan. This joint working group, however, was not officially established. The expert team, instead, has been mainly working with the taskforce team, which consists of representatives of various directorates of BAPPENAS. This taskforce team was established in February 2015 and hosted by the Directorate of Allocation for Development Funding (DFA). The team member included the officers of following BAPPENAS directorates.

<Taskforce Team>

- Directorate of Allocation for Development Funding
- Directorate of Health and Community Nutrition
- Directorate of Education
- Directorate of State Apparatus
- Directorate of Law and Human Rights
- Directorate of Cooperative Empowerment and Small Medium Enterprises
- Directorate of Poverty Alleviation
- Directorate of State Treasury and Monetary Analysis
- Directorate of Industry, Technology, Tourism and Creative Economy
- Directorate of Forestry and Water Resources Conservation
- Directorate of Marine and Fishery
- Directorate of Waterways and Irrigation
- Directorate of Transportation

³ World Bank downsized its support to the Public Financial Management reform of the country, and many of the international experts on this issue left the country in the early 2015. Therefore, World Bank did not host the coordination meeting after June 2015.

- Directorate of Regional Development
- Directorate of Specific and Disadvantaged Area
- Directorate of Development Funding and Planning
- Directorate of Evaluation for Regional Development Performance
- Directorate of Evaluation System and Reporting of Development Performance

The taskforce meetings were occasionally held to examine the work plan to develop the guidelines, etc. The members were also invited to attend the MTEF-PBB Framework seminars to discuss the guidelines drafted by the project.

There are two reasons why the joint working group was not established at the beginning of the project period. First, BAPPENAS decided to revise the Guidelines for Performance Based Budgeting (PBB) before start providing technical assistance to line ministries. The project was originally expected to use the PBB guidelines and manuals developed in the Phase 1 of the project and to provide technical support to the line ministries. BAPPENAS, however, considered it needed to revise the guidelines before start working with these ministries. BAPPENAS considered the guidelines and manuals developed by the Phase 1 team of the project as very valuable and useful, and they helped the officers to deeply understand the PBB framework and tools. However, BAPPENAS also found it necessary to revise the documents so that they could be more practically focused. The practical guidelines were supposed to contain a variety of examples from actual planning documents of line ministries, as well as hands-on suggestions to revise the statements. Reflecting this intention of BAPPENAS, therefore, the JICA expert team decided to concentrate on the revision of the PBB Guidelines in order to make them more practical.

Second, BAPPENAS found it important that its staff members should correctly understand the PBB framework before BAPPENAS provides technical support to line ministries. Despite a series of seminars and workshops during the Phase 1, some officers of BAPPENAS still had a difficulty to comprehend the concepts of PBB. It was needed that all officers, particularly those working at the sector Directorates, should be fully familiar with these concepts. Hence, the activities of the project were focused on the capacity development of BAPPENAS officers.

After having extensive discussion with the taskforce members, the draft PBB Guidelines were completed and ready to be presented to line ministries in September 2015. Representatives of pilot line ministries were invited to the third MTEF-PBB seminar, on 30 September, and the final draft of the PBB Guidelines was presented to the participants. These participants were requested to look into the draft document, and present their comments on the next seminar, the fourth MTEF-PBB seminar, on 17 November. Following their comments, the JICA expert team finalized the Guidelines.

Regarding the selection of the pilot line ministries for the project's consultation, BAPPENAS picked up the following six ministries. They were selected because their amount of spending was significant, and because their types of business were various. Ministry of Marine Affairs and Fisheries was added to the list of the pilot ministries after the 5th MTEF-PBB seminar in March 2016. This ministry implemented substantial reform of its program structure, so it was considered useful to add this ministry in the pilots and to request the ministry to share its experience. It was expected that the JICA expert team should work with these seven ministries for the rest of the project period.

- Ministry of Health
- Ministry of Education and Culture
- Ministry of Agriculture
- Ministry of Public Works and Community Housing
- Ministry of Environment and Forestry
- Ministry of Law and Human Rights
- Ministry of Marine Affairs and Fisheries (since March 2016)

In April 2016, DFA of BAPPENAS published a Guidance for the preparation of 2017 Annual Plan of

line ministries (*Pedoman Penyusunan Renja-KL Tahun 2017*⁴). The main part of the PBB Guidelines was used in this official document. The JICA expert used the Guidelines and the BAPPENAS Guidelines to provide practical consultation to the pilot line ministries.

Among the seven pilot ministries, the Ministry of Agriculture and the Ministry of Law and Human Rights, in particular, showed a keen interest in the PBB Guidelines. Among the Directorate Generals (DGs) of the two ministries, two DGs were selected as ‘pilot DGs’ for the JICA project. These pilots are DG of Agricultural infrastructure from the Ministry of Agriculture and DG of Correction from the Ministry of Law and Human Right. The JICA experts provided extensive and continuous supports to these two pilot DGs of the pilot ministries from November 2015.

Before providing consultation to line ministries the JICA expert team also provided technical consultation to the planning bureau of BAPPENAS (ORTALA) from September 2015. JICA expert team had weekly meetings with the staff of ORTALA and discussed the way how the BAPPENAS’s annual plan could be revised based on the methodology described in the PBB Guidelines. The experience of this exercise at ORTALA was presented by its staff at the fourth MTEF-PBB Seminar.

Conduct MTEF-PBB framework seminars

MTEF-PBB framework seminars were held seven times by the end of the project. The participants to these seminars were requested to participate to the discussion to make the PBB Guidelines practically oriented and useful to the government officers. The main topics and participants to these seminars were described as follows.

1st MTEF-PBB seminar

The project implemented the first MTEF-PBB seminar at BAPPENAS on 4 December 2014. The topic was “streamlining the outputs and indicators of the performance based budgeting framework in Indonesia”. Basic terms for PBB implementation were presented and discussed with some exercises. More than 30 participants attended the workshop from BAPPENAS (DFA, Sector Directorates), MenPAN and development partners (AIPEG and GPF of Australia, and the World Bank). After this workshop, the expert team made a similar presentation at the DG Budget of MOF in the following week.

Based on the discussion at the workshops, the expert team drafted the guidelines for PBB implementation. The document is titled “Performance-based Budgeting: Guidelines for Creating K/L Outputs, K/L Outcomes and Indicators”. The first draft was submitted to DFA at the end of February 2015. With the comments from DFA and DG Budget of MOF, the second draft was prepared and presented to the second JCC on 4 March 2015.

2nd MTEF-PBB seminar

The second MTEF-PBB seminar was held on 2 July 2015. The participants included the taskforce members of BAPPENAS and the consultants of AIPEG project. The main subjects of this seminar were the discussion of the revised guidelines as well as the review of *Renja* (annual plan) 2016 of selected line ministries. JICA expert team firstly presented how the guidelines were revised, and then requested the participants to discuss the revised parts. Some of the participants pointed out that the guidelines should be in line with the recently introduced ADIK⁵ structure of MOF as well as LAKIP⁶ of MenPAN.

The JICA expert team also presented the findings of the review of *Renja* 2016 of selected ministries, including the Ministry of Education and Culture, the Ministry of Public Works and Community Housing, the Ministry of Transport, the Ministry of Environment and Forestry, the Ministry of Industry, and the Ministry of Finance. Their output and outcome statements as well as their indicators were examined. The problems of these statements and indicators were summarized, and the ways to improve them were discussed.

⁴ <https://www.bappenas.go.id/files/Renjaki/2017/Pedoman%20Penyusunan%20Renja-KL%20Tahun%202017.pdf>

⁵ ADIK: Arsitektur dan Informasi Kinerja (Architecture and Performance Information)

⁶ LAKIP: Laporan Akuntabilitas Kinerja Instansi Pemerintah (Performance Accountability Report of Government Agencies)

Box 1: Problematic statements and indicators in the existing *Renja-K/L*

JICA expert team looked into the outcome and output statements as well as their indicators presented in *Renja* and summarized their problems. These problems and the way to solve them were discussed at the seminar. The problems of the output statements and their indicators, for instance, were presented as follows. The suggested ways to solve the problems are also presented.

(1) Problems of output statements and their solutions

- Use of objective statements to describe outputs
 - Revise statements in accordance with the guidelines. Describe simply what the good or service delivered to clients external to *Kegiatan*⁷
- Confusion in hierarchal levels. Use of input or project descriptions as output descriptions.
 - Revise descriptions as goods or services delivered to clients external to *Kegiatan* in accordance with the guideline
- Descriptions too long
 - Revise. Each Output description should be expressed concisely in, say, 5-8 words
- Too many outputs for *Kegiatan*
 - Revise to ensure that intermediate and internal outputs have not been listed. Group similar outputs under a single description
- Unclear Output description
 - Revise to simply describe the good or service delivered to a client external to *Kegiatan*

(2) Problems of output indicators and their solutions

- Hierarchical Issues: Objectives included as indicators. Indicators related to intermediate or internal outputs used. Must only relate to delivery of outputs to clients external to *Kegiatan*, not internal management.
 - Need to replace or revise wording. Need to replace indicators that relate to internal outputs or intermediate outputs. Can only relate to delivery of outputs to clients external to *Kegiatan*
- Unrelated Indicators: Some indicators did not appear to have any logical connection with the output to which they are supposed to relate
 - Revise indicators to clearly relate to the output produced. PI should be quantity, quality, timeliness or cost related.
- Immeasurable Indicators: Some indicators were not written in a way that would allow them to be measured. Indicators often refer to subjective concepts and do not show how to measure the performance.
 - Revise the indicator description in accordance with the guideline.
- Multiple variables: Some indicators related to more than one variable.
 - An indicator MUST only incorporate one variable. Revise descriptions and separate variables into separate indicators.
- Un-clear descriptions: Some descriptions were simply indecipherable, so it was unclear what the subject was or how it should be measured.
 - Redefine indicators.
- Targets embedded in descriptions: Some indicator descriptions included the target.
 - The target must be separated from the description

⁷ *Kegiatan* is an Indonesian word for 'activity', which shows a set of activities implemented by a specific directorate in a ministry.

3rd MTEF-PBB seminar

By September 2015, the draft PBB Guidelines were almost finalized. So BAPPENAS requested the JICA expert team to present this document to the selected line ministries at the third MTEF-PBB seminar on 30 September. BAPPENAS sent an invitation letter to the planning bureau of six line ministries as well as that of MOF. The officers of the related sector directorates of BAPPENAS were also invited. Representatives of the Ministry of Health, the Ministry of Education and Culture, the Ministry of Public Works and Community Housing, and the Ministry of Law and Human Rights attended this seminar.

The final draft of PBB Guidelines was presented to the participants for discussion. Moreover, the use of standardized output statements for generic activities in the planning document was argued. JICA expert team also presented the possibility to use common output statements for some of the non-generic activities.

The participants of these line ministries were requested to comment the draft guidelines at the next, the fourth, MTEF-PBB seminar. Besides, it was agreed that the participants of the Ministry of Health, the Ministry of Education and Culture, the Ministry of Law and Human Rights should test the guidelines to revise a part of their planning document, and present the results at the next workshop.



Co-chaired by BAPPENAS and MenPAN



Presentation by JICA Expert Team

4th MTEF-PBB seminar

The fourth seminar was held on 17 November. As agreed at the previous seminar, the officers of the planning bureau of six line ministries presented their comments to the draft PBB Guidelines. Those of the Ministry of Education and Culture, and the Ministry of Law and Human Rights, moreover, presented the result of testing the guidelines to revise their planning documents. ORTALA also made the same presentation.



Presentation by Ministry of Law and Human Rights



Q&A and Discussion

Box 2: Main issues discussed at the 4th MTEF-PBB seminar

The seminar started with the opening remarks by Director of DFA BAPPENAS. His remark was followed by presentations given by the planning bureaus of three ministries, which were BAPPENAS, the Ministry of Law and Human Rights and the Ministry of Education and Culture.

First of all, ORTALA described its view of using the PBB Guidelines. The head of the bureau mentioned that the lessons learned from the practice were the following three.

1. Simplified description of performance at the ministry level
2. Standardization of output statements
3. Simplified structure of performance indicators

Then, the Head compared the old and new statements of BAPPENAS outcomes, and demonstrated how the revised statements were simplified. Output statements of the secretarial services of BAPPENAS were also presented as an example of simplifying the statements following the methodology proposed in the PBB Guidelines.

Secondly, the Ministry of Law and Human Right presented how they had adjusted program outcomes and their performance indicators. The outcome statements of the three programs of the ministry were presented as examples, which were ‘Secretary General’, ‘Director General of Correction’ and ‘Director General of Immigration’. Revised outcome statements of these programs as well as output statements of their activities were presented for discussion.

Thirdly, the Ministry of Education and Culture also presented how they changed the statements of outcomes and outputs of the ministry by showing the tables of comparison between old and new statements. Some statements became short and much simplified, but the methodology in the PBB Guidelines might not have been fully utilized in this exercise.

Following the presentations of these ministries, the participants from the other ministries discussed the way to revise the statements and indicators. Some participants also expressed their concern that the new structure of budgeting document (ADIK), which was proposed by MOF, was not yet reflected in the structure of the planning document, which was designed by BAPPENAS. JICA expert team replied that the PBB Guidelines were already shared and discussed by DG Budget of MOF in order to avoid any structural inconsistency between the budgeting and planning practices.

5th MTEF-PBB seminar

The planning officers of the pilot ministries as well as those of BAPPENAS attended to the fifth MTEF-PBB seminar in March 2016. At this seminar, the head of Planning Bureau of the Ministry of Marine Affairs and Fisheries presented how the ministry developed its annual budget for 2016. The Ministry’s experience of restructuring its program and organization was introduced and discussed among the participants. After this discussion, the expert team presented the list of standardized output type, and demonstrated how the outputs stated in the annual plan of the selected pilot ministries could be revised using the standardized descriptions. At this seminar, moreover, it was decided that the Ministry of Marine Affairs and Fisheries became the seventh pilot ministry of the JICA project.

6th MTEF-PBB seminar

At the sixth MTEF-PBB seminar was particularly arranged for the planning officers of the Ministry of Marine Affairs and Fisheries in August 2016. This was due to the fact that this ministry was newly nominated as the pilot ministry of the JICA project at the 5th MTEF-PBB seminar. Its officers did not attend the previous seminars and lacked basic understandings about the MTEF-PBB framework. Therefore, it was considered as important to provide an opportunity to review the lessons learned before. At this seminar, the expert team introduced the basic concept of PBB using the PBB Guidelines, and also presented its findings and suggestion on the output description in the ministry’s annual plan for 2017.

7th MTEF-PBB seminar

The seventh MTEF-PBB seminar was held in December 2016 for the planning officers of various directorates of BAPPENAS. The newly established *SISDUR* (Directorate of Systems and Procedures Development Fund) presented the way how the sector directorates should start preparing the next government work plan (RKP) from January 2017. The lessons learned from the previous RKP were also discussed at this seminar. The JICA expert presented the list of standardized outcome indicators (NOICS) to the participants and demonstrated how it could be used in assessing project proposals submitted by the line ministries.

2.2 Output 2: Improvement of budget preparation

Revision of the new initiatives guidelines

The expert team examined various practices of budget preparation documents of the Philippines, New Zealand and the federal as well as the state governments of Australia, and the findings were presented and discussed at the taskforce team meetings. The existing BAPPENAS's Ministerial Regulation regarding Procedures for New Initiative Drafting (No.1, 2011) was also examined by the expert team. Moreover, the expert team obtained various types of new initiatives proposals, which were submitted by the line ministries to BAPPENAS, and examined the problems found in the documents.

New initiatives proposals were required to be assessed by both BAPPENAS and MOF. BAPPENAS was expected to examine the effectiveness of the proposed new initiatives to achieve development targets, while MOF mainly looked at financial efficiency. Since 2015, MOF has introduced a new analytical framework to describe logical structure of the activities in the budget document, which is called ADIK⁸. This framework was expected to facilitate performance information in the budget document to be more clear, relevant and measurable. Line ministries were required to follow the standardized output description in costing their activities. Following the introduction of *ADIK* framework, it was considered necessary to modify the structure and description of new initiatives proposals. Particularly, the use of the standardized output description in the proposals is required.

The expert team prepared a recommendation paper to revise the new initiatives drafting guidelines, and discussed them at the taskforce meeting. BAPPENAS requested that two versions of the new guidelines be produced, with one set involving marginal changes to the existing new initiatives regulation, and the second set being a major revision to the existing regulation encompassing all aspects of PBB. However, BAPPENAS deferred amending the new initiative guidelines after receiving the recommendation paper. Partly because the GOI decided not to receive new initiative proposals after 2015, the draft guidelines were not finalized as scheduled. Therefore, the expert team was not able to implement a series of activities using the revised guidelines.

This issue was discussed between BAPPENAS DFA and the JICA Advisory Mission Team in February 2016. Advisory Mission Team requested that BAPPENAS should take necessary steps to finalize the draft.

Development of Guidelines for National Priority Projects

BAPPENAS introduced a new conceptual framework of National Priorities in 2016, which were supposed to be applied to the annual plan of 2017. National Priorities for the 2017 plan consisted of 23 development agendas as shown in the following table. Each of the National Priorities was composed of several programs, which was called National Priority Programs. The total number of the National Priority Programs was 125. National Priority Programs were then composed of 511 National Priority Activities.

⁸ ADIK (Architecture and Performance Information) was introduced with the aim of clearly describing the logic model among inputs, activities, outputs, and outcomes in each ministry's annual budget document. ADIK was introduced because planning officers tended to misunderstand the concept of input and output. The increase in the number of outputs presented in the budget documents was another reason for the introduction.

List of National Priorities for the 2017 plan

1	Food sovereignty
2	Energy sovereignty
3	Maritime and Marine
4	Mental revolution
5	Border area
6	Underdeveloped regions
7	Health services
8	Education services
9	Inter-group revenues
10	Villages and Rural Areas
11	Housing and Settlement
12	Stability of Security and Order
13	Regulatory reform, Certainty and Law Enforcement
14	Consolidation of Democracy and Effectiveness of Diplomacy
15	Bureaucratic Reform
16	Urban
17	Acceleration of Growth Industrial and Economic Zone (SEZ)
18	Tourism development
19	Improvement of Investment Climate and Business Climate
20	The increase in Non-Oil Exports
21	Development of National Connectivity
22	Fiscal reform
23	Agrarian reform

The annual plan of the line ministries used to be composed of their programs, activities and components. After the introduction of this new framework, the annual plan of the line ministries was required to show the logical linkage between their activities and the National Priorities. All activities of line ministries, regardless of new or ongoing, were supposed to be assessed with respect to their level of contribution to National Priorities. These 23 development agendas were closely linked to the President's Promises, which were presented by the President in 2015. With this framework, therefore, it was expected that BAPPENAS could easily identify the activities of line ministries that should effectively contribute to the National Priorities.

It was, however, not as easy as expected to identify the line ministries' activities that should contribute to the National Priorities. These National Priorities and their programs and activities were not always clearly defined, so they were often broadly interpreted by line ministries. Line ministries tended to insist that many of their activities were closely linked to the National Priorities expecting that these 'prioritized' activities should receive a sufficient amount of budget. BAPPENAS, moreover, did not have clear guidelines to examine the linkage between these activities and the National Priorities. There were some confusion and unclearness in the budget preparation and assessment process in 2016. So, it was needed to improve the process before preparing the next annual plan.

In 2017, BAPPENAS significantly reduced the number of the National Priorities/Programs/Activities. The number of National Priorities was only ten. Instead, a new concept of the National Priority Projects was added in the framework. Each of the National Priority Activities is attached with several National Priority Projects, whose scope, target, etc. were more clearly defined. The total number of the National Priority Projects was over 600. Moreover, line ministries were requested to present their projects in the planning and budget documents, and to demonstrate the linkage between their projects and the National Priority Projects.

List of National Priorities for the 2018 plan

1	Education
2	Health
3	Housing and Settlements
4	Business Promotion and Tourism
5	Energy Security
6	Food security
7	Poverty Reduction
8	Infrastructure, Connectivity, and maritime
9	Regional development
10	Politics, Defense and Security

Then, BAPPENAS requested the expert team to produce new guidelines to prepare and assess the line ministries' project proposals. The expert team had a series of extensive discussion with the officers of DFA and several sector directorates of BAPPENAS, and produced a recommendation paper on the guidelines in March 2017.

BAPPENAS requested the expert team that it should also help BPPENAS produce draft guidelines themselves based on the suggestion in the recommendation paper. This request was presented to the JICA Advisory Mission Team when it visited BAPPENAS in March 2017. After this visit, it was agreed that JICA would extend the project period until the end of October 2017, so that the expert team would be able to support BAPPENAS to produce the draft guidelines.

2.3 Output 3: Improvement of budget scrutiny

Structured outcome and output descriptions for budget scrutiny

JICA expert team worked consistently to drive change toward implementing an outputs-outcomes framework that could be used to facilitate budget scrutiny. The expert team was, in particular, working to reform the definitions of outputs and their performance indicators (PI), along with developing an outcomes classification framework for outputs that will facilitate comparisons between outputs/programs targeting the same or similar outcomes.

Without a rigorous and coherent framework governing these three aspects of PBB (outcomes, output descriptions and output PI), integrated and logically coherent budget scrutiny will remain an elusive goal. To this end, the expert team worked with AIPEG to develop budget software that incorporates the ideas inherent in the draft PBB Guidelines including establishing an outcomes classification framework consistent with the OECD/UN/IMF Classification of Functions of Government (COFOG) system, within which outputs can be grouped and impact indicators classified⁹. Furthermore, the new initiatives guidelines were structured around an outcomes classification framework and the analysis of investment projects in terms of their expected impact on output indicators.

A budget scrutiny discussion paper was prepared for distribution to BAPPENAS. This discussion paper was expected to draw together the various elements of budget scrutiny including the MTEF, new initiatives, outcome indicators and output indicators which should be used in a coordinated manner by MOF, BAPPENAS and MenPAN. The discussion paper on budget scrutiny was also expected to reinforce the work done by the JICA expert team in respect of budget preparation and improving the results chain and key performance indicators (KPI).

⁹ AIPEG developed the IT application system for *Renja* (and also RKA) preparation. In this system, line ministries are expected to select the most appropriate output and outcome statements in the pre-populated drop down menu. JICA expert was requested to elaborate this drop down menu by providing classified lists of output and outcome statements.

Box 3: Main issues discussed in the budget scrutiny discussion paper

This paper illustrates the budget scrutiny process, consisting of ‘Budget preparation’, ‘Budget ratification and authorization’, ‘Budget implementation’ and ‘Budget evaluation’. The roles of BAPPENAS and MOF are described for each step in the process. Basic concepts of PBB in the budget scrutiny process are also described. The paper emphasizes that scrutiny of budget preparation is designed to achieve the following:

- Alignment of expenditures with government policies and priorities
- Effective allocation of funding with the highest marginal impact on intended outcomes
- Operational efficiency
- Consistency of overall budgetary allocations with macroeconomic targets

In order for appropriate budgeting and planning analysis to take place, the paper points out that it is critical that government programs and outputs are spanned by a complete set of outcome descriptions and outcome indicators. Within this framework, shifting government priorities may be reflected not by changing the set of outcome description classifications, but by changing the outcome indicator targets and allocating funds to those outputs that are linked (in an electronic database) to one or more relevant outcome indicators associated with government’s stated priorities. This approach ensures an inter-temporally stable analytical framework that is useful over many, many years, which can be used to assess the relative effectiveness of government’s outputs in delivering outcomes.

SIMU for budget scrutiny

BAPPENAS introduced a new planning tool called ‘SIMU (*Sistem Informasi Multilateral*)¹⁰’ in January 2016, which requested line ministries to visualize the causal relationship between their proposed activities and the National Priorities. The expert team realized that this SIMU should affect the process of budget scrutiny in BAPPENAS. BAPPENAS’ planning officers, however, still found it difficult to utilize the tool. Therefore, the expert team held a workshop on SIMU in December 2016. The planning officers of the newly established Directorate of System and Procedures of Development Funding (SISDUR), as well as those of DFA, Directorate of System and Reporting of M&E and sector directorates participated in this training.

At this workshop, approaches to linking the activities of line ministries to SIMU were presented and discussed. The possibility to align the national priorities with the stable set of outcome indicators was also discussed. For the purpose, the concept of NOICS (National Outcome Indicators Classification System)¹¹ was introduced as a tool for this alignment.

2.4 Output 4: Experience sharing

JICA expert team is expected to conduct a series of experience-sharing seminars at both national and provincial level in this project. Seminars at national level aim to study experiences and lessons of the issues of MTEF-PBB learnt from other countries that could be applied in Indonesia, while seminars at provincial level aim to share the MTEF-PBB implementation in central government as well as to synchronize the development plan of local governments with national priorities. The main topics and participants of each seminar were described as follows.

Conduct experience-sharing seminars at the national level

1st Experience-sharing seminar at the national level

¹⁰ It was prepared as an attached document to each ministry's annual plan. It is a table that shows which activities of each station contribute to the National Priorities. Because the National Priorities themselves were widely defined, and because the interpretation of "contribution" was varied by stakeholders, SIMU was not effectively used for analysis.

¹¹ Based on the arrangement of COFOG which is the classification of international administrative functions, the outcome of the executive branch and its indicators are organized. After carefully examining the administrative activities of the Indonesian government, the expert team finally proposed 687 indicators.

The first experience-sharing seminar was held at Sari Pan Pacific Hotel, Jakarta on Thursday 5 February 2015. The staffs of BAPPENAS DFA were invited to the seminar, and all of the invited members participated in the meeting. There were 24 participants in the seminar.

The seminar was composed of mainly two parts. The first part was a presentation on PBB and management accounting given by Mr. Taichi Sakano, a former team member of the project. He introduced the concept of management accounting in public sector and its methods such as Activity Based Costing (ABC), Activity Based Management (ABM) and Balance Score Card (BSC) as well as some experiences of other countries. The second part was presented by Team Leader, Mr. Hisaaki Mitsui, on the main points of the draft of PBB Guidelines developed by the team.

2nd Experience-sharing seminar at the national level

The second experience-sharing seminar was held at Akmani Hotel, Jakarta on Thursday 27 August 2015. The objectives of the seminar were: 1) to present the findings of the New Zealand trip by the participants; 2) to present the findings of the BAPPENAS Renja 2016 review by the project; and 3) to present the structure of the revised PBB Guidelines developed by the JICA expert team.

The staffs of BAPPENAS DFA, the taskforce team members and the participants of the New Zealand study trip from BAPPENAS, MOF, and MenPAN were invited to the seminar. There were 21 participants in the seminar.

The agenda of the seminar was as follows.

Session Title	Presenter / Facilitator
1. Opening remarks	
2. Review of the New Zealand visit	Mr. Sumariyandono, BAPPENAS DFA Mr. Taichi Sakano, JICA Expert Team
3. Review of BAPPENAS <i>Renja</i> 2016	Mr. Hisaaki Mitsui, JICA Expert Team
4. Presentation of the revised PBB Guidelines	Mr. Hisaaki Mitsui, JICA Expert Team
5. Closing remarks	



Presentation on New Zealand visit



Presentation on revised PBB Guidelines

3rd Experience-sharing seminar at the national level

The third experience-sharing seminar was held at Hotel Royal Kuningan, Jakarta in the morning of Tuesday 13 December 2016. The objective of the seminar was to share the experiences on planning, performance evaluation and Public Private Partnership and others in Japan. The representatives of the participants for the Knowledge Co-creation (KCC) presented their findings for the purpose. Also, a guest speaker from Japan, Mr. Hideaki Yamakawa from the United Nations Centre for Regional Development (UNCRD), was invited to the seminar, and shared Japanese monitoring and evaluation practices with examples. Many questions were raised from the floor.

The staffs of BAPPENAS DFA, SISDUR, Planning and Enhancing Development Funding and PPP Engineering, and the pilot ministries, including the participants of the KCC programs, participated in

the seminar. There were 14 participants in the seminar.

The agenda of the seminar was as follows.

Session Title	Presenter / Facilitator
1. Opening remarks	
2. Finding 1: Planning and performance evaluation	Mrs. Wulandari, BAPPENAS DFA Mr. Takahide Yamakawa, UNCRD
3. Finding 2: PPP	Mr. Mohammad Taufiq Rinaldi, BAPPENAS PPP Engineering
4. Closing remarks	



Presentation on planning and performance evaluation by BAPPENAS



Presentation by Mr. Yamakawa, UNCRD

4th Experience-sharing seminar at the national level

The fourth experience-sharing seminar was held at Hotel Royal Kuningan, Jakarta in the morning of Tuesday 18 April 2017. The objective of the seminar was to share the experiences of India Visit in October 2016. The representatives of the participants presented their findings for the purpose. Planning and budgeting mechanism of India was compared with that of Indonesia. Many questions were raised from the floor. In his closing remarks, Mr. Erwin Dimas, the Director of DFA revealed BAPPNAS's plan to build a knowledge center of planning and budgeting practices in Indonesia as a reference for Southeast Asian countries.

The staffs of BAPPENAS DFA, SISDUR and M&E participated in the seminar. There were 12 participants in the seminar.

The agenda of the seminar was as follows.

Session Title	Presenter / Facilitator
1. Opening remarks	Mr. Erwin Dimas, Director, BAPPENAS DFA
2. Presentation on the Findings of India Visit	Mr. Tri Wibobo, BAPPENAS DFA Ms. Rina Asriyani, BAPPENAS DFA
3. Closing remark	Mr. Erwin Dimas, Director, BAPPENAS DFA



Presentation on India Visit by BAPPENAS



Presentation on India Visit

Conduct experience-sharing seminars in pilot provinces

Year 1

Experience-sharing seminars in North Sumatra Province were held at Grand Swiss-Belhotel in Medan in two stages, on 6th October and 10th November 2015. Participants were invited from across provincial government offices, including the governor's office and main sector directorates, in both occasions, and the number was 66 (Seminar I) and 42 (Seminar 2) respectively. The purposes of the seminars are: 1) to share experiences in the implementation of the planning and budgeting reform in the central government; 2) to suggest the methodology to better synchronize planning and budgeting between central and local governments by elaborating strategic issues of regional development; and 3) to practice the suggested methodology on their midterm and annual work plans, facilitated by the JICA expert team and BAPPENAS.

These seminars were intended to be co-chaired with MOHA and MenPAN because they showed a keen interest in the topic. Representatives of MOHA and MenPAN, however, were unable to attend due to their busyness.

The following is the agenda of the seminars:

Session	Speaker/Facilitator
Seminar I: 6th October 2015	
Opening	Mr. Ismail Sinaga, Secretary of BAPPEDA Mr. Sumariyandono, BAPPENAS DFA
Presentation on planning and budgeting reform in central government	Mr. Tri Wibowo, BAPPENAS DFA
Discussion and Q&A	Mr. Sumariyandono, BAPPENAS DFA
Presentation on synchronization of central and local planning and budgeting by elaborating local strategic issues	Mr. Irianto, JICA Expert Team
Discussion and Q&A	Mr. Sumariyandono, Mr. Ismail Sinaga and Mr. Irianto
Closing	Mr. Ismail Sinaga, Secretary of BAPPEDA
Seminar II: 10th November 2015	
Opening	Mr. Tri Wibowo, BAPPENAS DFA
Introduction on synchronization of central and local planning and budgeting	Mr. Irianto, JICA Expert Team
Presentation on the methodology to elaborate local strategic issues	Mr. Irianto, JICA Expert Team
Exercise on elaborating local strategic issues	Provincial Government Offices
Closing	Mr. Tri Wibowo, BAPPENAS DFA



Opening Remarks by BAPPEDA North Sumatra



Participants from North Sumatra Province Offices



Courtesy visit to Head of Bappeda North Sumatra



Group Exercise

Special Region of Yogyakarta was also chosen as a pilot, recommended by MenPAN. MenPAN has a high opinion of Yogyakarta as good practices of implementing PBB in local governments¹². One day experience-sharing seminar was held in Yogyakarta on 23 November at Melia Purosari Hotel.

Besides the agenda of the first seminar of North Sumatra Province, sessions to learn good practices from Special Region of Yogyakarta, and Sleman District were added. Participants were invited from across all provincial government offices, and BAPPEDA of Sleman District, totaling 76. Head of BAPPEDA delivered a presentation, and chaired through the seminar.

In addition to BAPPENAS DFA, officers from BAPPENAS Area Development and MenPAN joined the seminar from Jakarta.

Year 2

Experience-sharing seminar in West Nusa Tenggara Province was held at Santika Hotel, Mataram on 1 September 2016, facilitated by the JICA expert team and BAPPENAS. Participants were invited from across West Nusa Tenggara Provincial Offices, and the number was 49. The purposes of the seminar were: 1) to share experiences and information on the implementation of the planning and budgeting reform in the central government with the regional government; and 2) to share the regional government's planning and budgeting process with the central government.

A similar seminar was also held in Central Sulawesi Province at Best Western Plus, Palu on 29 September 2016. 84 participants attended from across Central Sulawesi Provincial Offices. The purposes and contents were identical to the above-mentioned seminar. Head of BAPPEDA Province delivered a presentation, and chaired the seminar.

The following is the agenda of the seminars:

Session	Speaker/Facilitator
West Nusa Tenggara: 1st September 2016	
Opening	Mrs. Ratna Tunjungluwih, Head of Social Affairs of BAPPEDA West Nusa Tenggara Province (on behalf of the Head of BAPPEDA West Nusa Tenggara Province)
Presentation on the introduction of planning and budgeting reform in central government in cooperation with the Project	Mr. Sumariyandono, BAPPENAS DFA
Discussion and Q&A	Mr. Sumariyandono, BAPPENAS DFA
Presentation on the concept and approach of RKP (Annual Government Work Plan) 2017 preparation	Mr. Tri Wibowo, BAPPENAS DFA
Discussion and Q&A	Mr. Tri Wibowo, BAPPENAS DFA
Presentation on the preparation mechanism and process of	Mr. Fikri Muslim, BAPPENAS DFA

¹² PBB is often introduced by the local government with its own initiatives. Yogyakarta is an example of the provinces having such initiatives. MenPAN strongly suggested BAPPENAS that this province should be included in the pilot provinces.

RKP (Annual Government Work Plan) 2017	
Discussion and Q&A	Mr. Fikri Muslim, BAPPENAS DFA
Presentation on the preparation of RKPD (Annual Regional Work Plan) 2017	Head of Control and Evaluation of BAPPEDA West Nusa Tenggara Province
Discussion and Q&A	Head of Control and Evaluation of BAPPEDA West Nusa Tenggara Province
Closing	Mr. Sumariyandono, BAPPENAS DFA

Central Sulawesi: 29th September 2016	
Opening	Mr. Patta Tope, the Head of BAPPEDA Central Sulawesi Province
Presentation on the introduction of planning and budgeting reform in central government in cooperation with the Project	Mr. Firmansyah, BAPPENAS DFA
Presentation on priority scale on proposed activity of the Central Sulawesi Regional Development	Mr. Patta Tope, the Head of BAPPEDA Central Sulawesi Province
Discussion and Q&A	Mr. Patta Tope, the Head of BAPPEDA Central Sulawesi Province
Presentation on the concept and approach of RKP (Annual Government Work Plan) 2017 preparation	Mr. Tri Wibowo, BAPPENAS DFA
Discussion and Q&A	Mr. Tri Wibowo, BAPPENAS DFA
Presentation on the preparation mechanism and process of RKP (Annual Government Work Plan) 2017	Mr. Fikri Muslim, BAPPENAS DFA
Discussion and Q&A	Mr. Fikri Muslim, BAPPENAS DFA
Closing	Mr. Firmansyah, BAPPENAS DFA



Experience-sharing seminar in West Nusa Tenggara



Experience-sharing seminar in Central Sulawesi



Presentation by the Head of BAPPEDA Central Sulawesi province



Presentation by Mr. Tri Wibowo, BAPPENAS DFA

Similar seminars were held in Kabupaten Wakatobi and Kabupaten Bima, on 1 December 2016 and 21 December 2016 respectively.

The follow up of experience-sharing seminar in West Nusa Tenggara Province was held at Santika Hotel, Mataram on 23 May 2017, facilitated by the JICA expert team and BAPPENAS. Participants were invited from across West Nusa Tenggara Provincial Offices, and the number was 40. The

purposes of the seminar were: 1) to share experiences of HITS approach¹³ and PBB in central government; and 2) to introduce the concept of RKP 2018 to the provincial government.

The following is the agenda of the seminars:

Session	Speaker/Facilitator
West Nusa Tenggara: 23rd May 2017	
Opening	Mr. Mahjulan, Head of Social and Culture Division of BAPPEDA West Nusa Tenggara Province (on behalf of the Head of BAPPEDA West Nusa Tenggara Province)
Presentation on the experiences of planning and budgeting in central government: the issue of Strengthening National Development Priority Control in the preparation of RKP (Government Annual Plan) of 2018	Mr. Tri Wibobo, BAPPENAS DFA
Discussion and Q&A	
Closing	Mr. Istiyono, BAPPENAS DFA

2.5 Output 5: A framework development for further elaboration

Stable set of Outcome Indicators (NOICS)

Currently, there are a variety of national development goals, priorities or agenda in the country, which are described in ‘Nawa Cita’, ‘RPJMN 2015-2019’, ‘President Promises’ or ‘National Priorities’¹⁴. Line ministries are required to show how their programs and activities could contribute to these priority agendas in their annual plan (*Renja K/L*). It is not very difficult for line ministries to make linkages between their activities and the national priorities, as these priority descriptions are often very broad, overlapping and unclear. This results in almost all activities being classified as priorities. However, these priorities are not stable and likely to be revised every year, so line ministries need to reconnect their activities with the newly described priorities again and again.

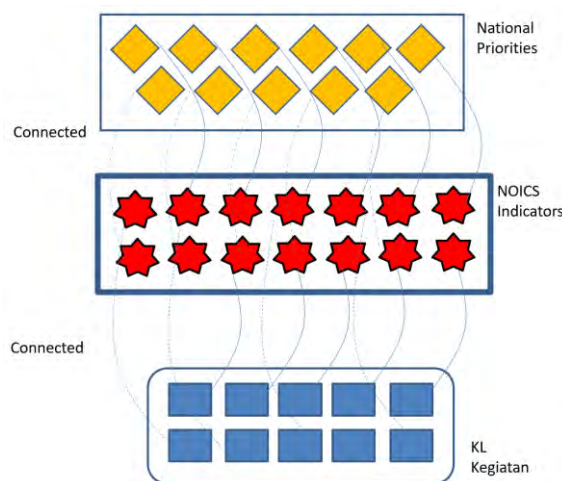


Figure: Lining National priorities to KL Kegiatan with NOICS Indicators

In order to stabilize the linkage between line ministries’ activities with the national outcomes, the JICA expert team proposed to introduce a set of stable national outcome indicators, which was called NOICS. NOICS aligns with the UN classification of government functions (COFOG), which means

¹³ HOLISTIC - INTEGRATIVE - THEMATIC - SPATIAL. It requests that stakeholders should coordinate with different stakeholders in designing development projects in specific areas.

¹⁴ ‘Nawa Cita’ is based on what the current president announced as a promise at the election in 2014. It is summarized as nine priority issues. The Medium-Term National Development Plan (RPJMN 2014-2019) was compiled by BAPPENAS in consultation with ministries in 2014. President's Promises were announced by the president office in May 2015 and consist of over 100 project lists to realize Nawa Cita. National Priorities were announced by BAPPENAS at the end of 2015. It was aimed to utilize it as a standard for assessment of each ministry project.

that the classification system will span all government expenditures. National priority agendas may then be connected to the relevant outcome indicators in this system in accordance with the priority agenda. All activities of line ministries should also be linked to one or more of these indicators under NOICS.

Once national priorities are revised, the new priorities may be linked with the relevant NOICS indicators. However, line ministries do not need to re-examine their activities' connections with the NOICS indicators, because those linkages are fixed. Thus, the introduction of NOICS should significantly reduce the complexity of connecting line ministries' activities with the national priorities and result in a more rational identification of the relevant activities with the national priorities.

The expert team has developed a tentative list of indicators for the NOICS, and demonstrated its usefulness to the planning officers of BAPPENAS and the pilot ministries. At the seventh MTEF-PBB seminar in December 2016, SISDUR of BAPPENAS mentioned that it would follow up the development of the NOICS list, and this list is now being examined in this directorate.

Multi-year trend analysis

The annual plan of line ministries (*Renja K/L*) specifies outputs and performance indicators for each of their activities. The performances of these activities are recorded by the directorates of the ministry/agency and reported to its planning bureau. Then, planning bureaus enter their performance records quarterly into E-MONEV database, which is managed by Directorate of Reporting and System of M&E and Development Control, BAPPENAS. This directorate is responsible for consolidating the performance information of all line ministries and local governments and publishes both quarterly and annual performance reports. Such performance information of line ministries, however, is not fully shared by the sector directorates of BAPPENAS. The performance information of the previous years in a sector does not seem to be thoroughly examined by the sector directorates in discussing the sector plans for the next year.

In order to make more use of performance information in the planning process, a practice of multi-year trend analysis of performance information was discussed with BAPPENAS. JICA expert team presented a new planning format, which encompassed a cell of recording the performance of activities in the previous years. The expert team also demonstrated this practice to the participants of the KCC Program held in October 2016, as the multi-year trend analysis was widely practiced in Japan both in central and local governments.

2.6 Across Outputs: KCC and Third Country Visit Programs

In order to list and examine the activity options for the Government of Indonesia, two major activities were conducted outside Indonesia: third country visits and training in Japan.

Third Country Visit (New Zealand)

Objectives

The overarching objective of this program was to provide a New Zealand perspective on the practical experience and lessons of public sector budget reform process and outcomes. Detailed objectives are below:

1. To understand how to develop performance information and measure public sector performance for PBB;
2. To understand how to manage performance information from the viewpoint of planning agency and each ministry;
3. To understand how to utilize performance information for budget allocation at a national level and within a ministry level; and
4. To understand how to adopt lessons from NZ's performance management reform across Indonesia, having in mind lessons from countries which have already adopted NZ types of

reform.

Program

The visit program was as shown below. The program was roughly composed of five parts, 1) Overviews of New Zealand’s performance management, 2) NZ’s performance management in territorial/ local government focus, 3) NZ’s performance management in agency level, 4) NZ’s practices in development countries’ context, and 5) Workshop on performance management.

Program of New Zealand Visit

Day	Activities	Stay
July 25 (Sat)	Leave Jakarta	In flight
26 (Sun)	Arrive in Wellington	Wellington
27 (Mon)	AM Program Overview Introduction to NZ Government Overview of performance information in practice PM Overview of performance information in practice (continued)	Wellington
28 (Tue)	AM Power, Roles Functions, Constitution of Local Government Local Government NZ Performance Uplift Programme Role of the Office of the Auditor-General PM Wellington City Council Site Visit •Financial planner presentation •Performance Framework presentation	Wellington
29 (Wed)	AM Performance Improvement Framework International Perspective of Performance Management Systems PM International Perspective of Performance Management Systems (continued) New Zealand Transport Authority Ministry of Health Statistic NZ	Wellington
30 (Thu)	AM Tour of New Zealand Parliament PM Workshop: Putting the Theory into Practice	Wellington
31 (Fri)	AM Workshop: Putting the Theory into Practice (continued) PM Final session – Te Herenga Waka Marae	Wellington
August 1 (Sat)	Free time	Wellington
2 (Sun)	Leave for Jakarta	

Participants

Composition of Indonesian participants is below. In choosing participants, the expert team consulted with the BAPPENAS DFA and decided on the level of appropriate officers (position), and the number of people to be assigned in other ministries. After that, BAPPENAS issued a formal letter and BAPPENAS made final judgment for the participants recommended by each ministry and agency.

Composition of Participants

	BAPPENAS	MOF	MenPAN	total
Deputy Director	3	1	1	5
Staff	5			5
total	8	1	1	10

Results

According to the evaluation sheets filled by the participants, achievements of the NZ visit are below.

Overall evaluation:

Participants, in total 10, evaluated overall this course as “very appropriate” (6) and “appropriate” (4). According to this result, this course was considered to meet the expectations of all the participants.

For all four objectives, participants evaluated objective were either “fully achieved”, or “achieved”. And most of the participants found that the information and knowledge obtained were useful for their functions. All in all, it is fair to consider that all four objectives were achieved to an expected level.

Lessons

Although participants highly evaluated this course, three issues can be raised as lessons.

(1) More technical methods were expected by some technical staff.

As this course was limited to five days, detailed technical methods such as priority-setting, database-management employed in NZ were not included in the program. However, the JICA expert team learned that some technical staff expected such detailed technique as well.

(2) Country’s overview of budget system development was expected by most of the participants.

Many participants pointed out that they wanted to have more information on overview about planning, budgeting and evaluation process in New Zealand. In this course, a half-day was spent to explain overview of NZ’s budgeting practices’ evolution. However, it is understandable that more information is required to understand NZ’s system. In order to provide such a detailed overview, a little longer period for the program is indispensable. Ideally, before coming to NZ, participants would have learnt NZ system by themselves with the help of the JICA expert team.

(3) Information on application of NZ experience to Indonesia or other developing countries was expected by most of the participants.

Although the JICA expert team intended to provide information on application of NZ experience to Indonesia or other developing countries, this was not discussed in depth in the course. This issue has been discussed since late 90’s, but not well explored so far. It is indispensable to organize a course including how the advanced countries’ experience can be adopted. As participants were impressed a lot by NZ’s experience, it might be better for the JICA expert team to continue to provide information concerning how NZ’s experience can be digested by participants.

Towards the next third country visit

As discussed in Lessons part above, applicability of the third country’s experience should be more considered at the next third country visit. Ideally, before leaving for and after returning from the third country, a study group should be set up and read some documents as preparation or review purpose. Unfortunately, it is difficult for participants to do so as they are heavily occupied with their daily tasks. JICA expert team has to ponder the practical solution to overcome this situation.



Lecture by David Shand



Presentation by James Picker, Operations Manager of Select Committees

Third Country Visit (India)

Objectives

The objectives of this program were to provide Indonesian government officials with an opportunity to learn the Performance-Based Budget (PBB) or Outcome Budget (OB) framework and its practices in India and to identify policy and strategic implications for the PBB implementation in Indonesia through Triangular/South-South Cooperation.

Program

The program was undertaken in the following curriculum table. It consisted of two components: lectures and site-visits, and focused on overviews of Public Financial Management (PFM) reforms, Outcome Budget (OB) reforms; intergovernmental relations in planning and budgeting; development project initiatives; and policy and strategic implications for the Indonesian PBB reforms. The site-visits included the National Institute for Transforming India (NITI Aayog/the former Planning Commission), the Ministry of Finance, the State Government of Rajasthan, the International Centre for Environment Audit and Sustainable Development (iCED), and the Delhi Metro Railway Cooperation (DMRC). The design and delivery of the program were outsourced to the National Institute of Financial Management (NIFM) in Faridabad under the Ministry of Finance of India.

Program of India Visit

Day	Activities	Stay
19 Oct (Wed)	Jakarta/Bangkok/Delhi	Faridabad
20 (Thu)	AM Introduction & Overview of the Visit Program Public Financial Management Reforms & Medium-Term Expenditure Framework Performance Indicators with Empirical Examples PM Performance Budgeting and Outcome Budgeting & Performance Measurement and Performance Indicators Sector Exposure: Ministry of Defense	Faridabad
21 (Fri)	AM Evaluation and Monitoring Techniques: Visit to the National Institute for Transforming India (NITI Aayog)/the former Planning Commission PM Overview of the Budget Process in India & Classification and Documentation: Visit to the Ministry of Finance (MOF)	Faridabad
22 (Sat)	Faridabad/Agra/Jaipur	Jaipur
23 (Sun)	Free Time	Jaipur
24 (Mon)	AM Visit to the Office of the State Government of Rajasthan Visit to the International Centre for Environment Audit and Sustainable Development (iCED) PM Jaipur/Faridabad	Faridabad
25 (Tue)	AM Private Public Partnerships PM Activity Based Costing	Faridabad
26 (Wed)	AM Sector Experiences: Migration to Outcome Budget in Indian Railways: Issues and Challenges PM PPP Project Site Visit: Delhi Metro Rail Corporation (DMRC)	Faridabad
27 (Thu)	AM Lessons so far from the Indian Experience Wrap Up, Feedback and Valediction PM Delhi/Bangkok	In flight
28 (Fri)	Bangkok/Jakarta	

Participants

Six government officials from BAPPENAS, led by Mr. Erwin Dimas, Director for Development Funding Allocation, participated in the program as follows:

Composition of Participants

	Director	Deputy Director	Staff	Total
BAPPENAS	1	1	4	6

Results

The results of the questionnaire survey also showed that this program was reasonably evaluated as ‘Excellent’ or ‘Good’¹⁵ at an average in terms of its relevance, duration, clearness of lectures, materials and facilities, administrative support, and expectation. The levels of understanding on the main agenda, including the Outcome Budget, the Public Private Partnership, the intergovernmental relations, and its policy and strategic implications were also ranked as ‘Good’ although one participant put ‘Below Expectation’ on the intergovernmental relations. In terms of usefulness among the subjects of the program, the site-visit programs to the NITI Aayog (the former Planning Commission), the Ministry of Finance and the State Government of Rajasthan, and Lessons from Indian Experiences were most popular while Activity Based Costing was not so. The participants might consider that Activity Based Costing was not so relevant to BAPPENAS because the Ministry of Finance takes charge of costing in the planning and budgeting process in Indonesia though the JICA expert team believes knowledge and skills on the costing are essential for improving the quality of the national planning.

Lessons

It was found that the NIFM delivered the quality of the program through reasonable coordination with external lectures and the government officials. However, there were some presentations which were a little deviated from the objectives of the program due to some misunderstanding in the preparatory process among three parties: the expert team, the NIFM and external speakers. For instance, the NITI Aayog delivered a presentation on how to monitor and evaluate programs while the intention of the expert team was to provide a lecture on how to use information from monitoring and evaluation for budget allocation in practices. From this point of view, some lessons can be drawn that it is important to cross-check the objective, content and scope on each lecture by the expert team and the NIFM in advance. This time, the course curriculum was finalized just a few days in advance, and all presentation materials were distributed before each lecture started.

Achievements

This was the first attempt to conduct the third country visit program in developing country in the form of Triangular/South-South Cooperation. It resulted from lessons learnt from the previous New Zealand program in terms of relevance or applicability to the Indonesian context. In this regard, this program successfully met needs of BAPPENAS through providing an opportunity to explore the PBB reforms in the similar development context. In fact, the Indonesian participants were satisfied with this program through active interactions with Indian lecturers and government officials at central and local levels. For example, Director, BAPPENAS was impressed by a lecture of ‘Improving the Effectiveness of Public Expenditures: Lessons from India’s Experience’ delivered by Dr. Anand P. Gupta. The Director proposed to invite him to Indonesia for making a lecture on the theory of change to BAPPENAS.

Moreover, the findings of this visit were presented at the fourth MTEF-PBB Seminar on 18 April 2017 by the Director of DFA of BAPPENAS. The participants discussed the pro and cons of the strategies and reforms introduced by the Indian government. It was also discussed how the lessons of India could be reflected in the country.

¹⁵ The rating scale includes ‘Excellent’, ‘Good’, ‘Below Expectation’, and ‘Poor’.



Lecture by Dr. Anand P. Gupta at NIFM, India



Presentation at NITI Aayog, India

Third Country Visit (Sri Lanka)

Objectives

The Third Country Visit Programme was undertaken in Sri Lanka from 11th to 16th September, 2017. The objectives of this program were to provide Indonesian officials with an opportunity to learn the planning and budgeting framework and its practices in Sri Lanka and to seek policy and strategic implications for the PBB implementation in Indonesia through Triangular/South-South Cooperation.

Program

The design and delivery of the programme were outsourced to the Sri Lanka Institute of Development and Administration (SLIDA) under the Ministry of Public Administration in Sri Lanka.

The program consisted of two components: lectures and site-visits. The former was conducted at the SLIDA by lecturers of the SLIDA and the University of Colombo. The latter was undertaken through visiting senior executives at the Ministry of National Policy and Economic Affairs, the Ministry of Finance, the Ministry of Education, and the Municipal Council Kandy. Please see more details in the following curriculum table.

This was the second time to conduct the third country visit program in developing country in the form of Triangular/South-South Cooperation. It resulted from lessons learnt from the previous programme in India which was highly appreciated by BAPPENAS participants in terms of relevance or applicability to the Indonesian context. In this regard, this program successfully met needs of BAPPENAS through providing an opportunity to explore the planning and budgeting reforms in the similar development context. In fact, the Indonesian participants were satisfied with this programme through active interactions with Sri Lankan lecturers and executives at central and local levels. In the last session, BAPPENAS participants had an opportunity to deliver their presentation to Director General, the Department of National Budget, the Ministry of Finance and Director General, the SLIDA to share Indonesian experiences on planning and budgeting reforms and discuss how to learn from both countries' experiences each other.

Third Country Visit Program in Sri Lanka

Date	Duration	Programme
11/09/2017 (Monday)	8.30 am – 9.30 am	Registration /Welcome and Inauguration Vision 2025 of Sri Lanka Mrs. Wasantha Perera, Director General, SLIDA
	9.30 am – 10.30 am	Public Administrative Structure of Sri Lanka Mrs. K.M.S.D. Jayasekara, Additional Director General (Trg.& Lng.), SLIDA
	10.30 am – 11.00 am	<i>Group Photograph & Tea/ Coffee</i>
	11.00 am – 12.00 pm	National Policy and Economic Development in Sri Lanka Dr. Sepali Sudasinghe Additional Director General (Postgraduate) cover-up duties
	12.00 pm – 1.00 pm	<i>Lunch</i>

	2.00 pm – 3.00 pm	Cultural Site Visit- `Ape Gama ` & Refreshments
	3.30 pm – 5.00 pm	Monitoring, Evaluation & Budgeting in Education Dr. M.M. Wehella, Additional Secretary, Educational Quality Development
12/09/2017 (Tuesday)	9.00 am – 10.30 am	Treasury Performance Based Budgeting (PBB) framework, strategies and its practices, Output-focused performance management and informed budgetary decision-making - Discussion with Mr. K.D.S. Ruwanchandra, Director General, Department of National Budget
	10.30 am – 11.00 am	<i>Tea/ Coffee</i>
	11.30 am – 1.00 pm	Lecture on Fiscal Policy outlook of Sri Lanka Mr. A.A. Sarankan, Director, Fiscal Policy
	1.00 pm – 2.00 pm	<i>Lunch</i>
	2.00 pm- 4.00 pm	National planning reforms, inter-governmental planning framework, and its practices Discussion with Mr. S. Mudalige, Director General, National Planning
	4.00 pm	<i>Tea/ Coffee</i>
13/09/2017 (Wednesday)	9.00 am-11.00 am	Central Bank of Sri Lanka Lecture on National mechanism on Project Monitoring Ms. Ayanthi De Silva, Director General, Department of Project Management and Monitoring
	12.30 pm – 1.30 pm	<i>Lunch</i>
	1.30 pm - 4.00 pm	Visit to Kandy, Temple of Tooth Relic and site seen Overnight stay at Kandy
14/09/2017 (Thursday)	09.00 am – 3.00 pm	Local Government Kandy General Overview On Local government and examples of Local government Project Management and Monitoring systems Mr. Chandana Tennakoon, Commissioner
	3.00 pm onwards	Ms. Dileepa Piyadasa, Deputy commissioner Municipal Council Kandy Back to Colombo
15/09/2017 (Friday)	9.00 am- 11.00 pm	Discussion on Digital Health applications in Sri Lanka Dr. A.U. Jayathilaka, SenioJr Lecturer, Postgraduate Institute of Medicine
	11.00 am – 01.00 pm	Experience-sharing by BAPPENAS (The National Development Planning of GOI) on Planning and Budgeting in Indonesia & Evaluation & Award of certificates
	01.00 am – 02.00 pm	Farewell Lunch by SLIDA End of the Programme

Participants

Seven officials from BAPPENAS, led by Mr. Erwin Dimas, Director for Development Funding Allocation, participated in this program.

Results

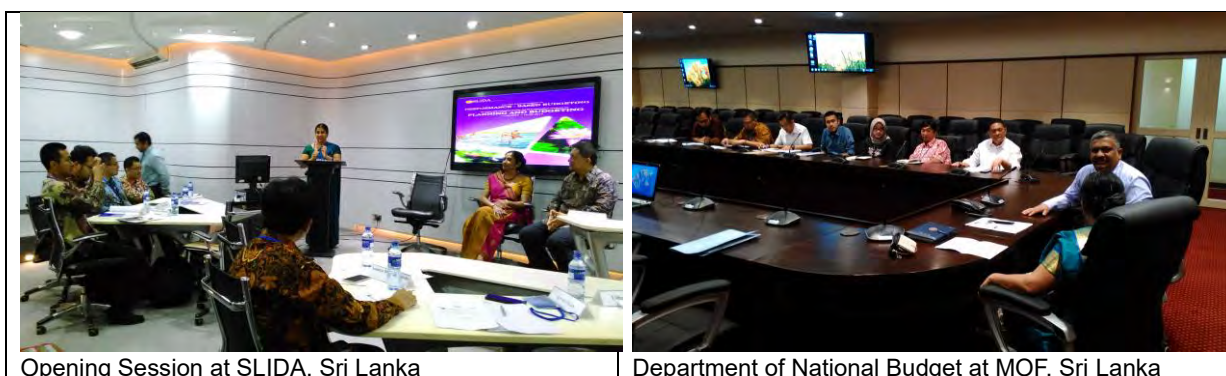
The results of the questionnaire survey also showed that this program was reasonably evaluated as ‘Very Good’ or ‘Good’¹⁶ at an average in terms of its relevance, duration, clearness of lectures, materials and facilities, administrative support, and expectation. The levels of understanding on the main agenda, including the planning and budgeting systems and its practices, and its policy and strategic implications were also ranked as ‘Good’ at average. In terms of usefulness among the subjects of the program, the Department of Project Management and Monitoring under the Ministry of National Policy and Economic Affairs was most appreciated by participants. The Municipal Council Kandy and their project sites in Kandy, such as a water purification plant, a sewage plant under construction and a sports gym, were followed as the second useful programme. Then, the Department of National Budget, the Ministry of Finance and the Department of National Planning were also appreciated to learn from their budgeting and planning systems and its practices.

¹⁶ The rating scale includes ‘Very Good’, ‘Good’, ‘Fair’, ‘Poor’ and ‘Very Poor’.

Lessons

The JICA expert team have found that the SLIDA delivered the quality of the programme through good coordination with the government officials and external lectures. As a result, it enabled BAPPENAS officials to explore the Sri Lankan context on planning and budgeting reforms through exchanging views, experiences and knowledge with Sri Lankan officials.

Although it doesn't show clearly through the questioner results, the JICA expert team have had some observations that a visiting to Fiscal Policy Department, which takes responsible for tax policy and administration, was not so relevant to the BAPPENAS interests in the expenditure side. Similarly, a lecture of the University of Colombo on e-health project was not so attractive in terms of planning and budgeting although a quality of the academic lecture was highly appreciated. From this point of view, some lessons can be drawn that it is essential to reconfirm whether the content and scope on each lecture align with the objectives of the programme in advance.



Knowledge Co-Creation (KCC) Program on Performance Measurement in Central and Local Governments in Japan

Year 1

Objectives

Training in Japan was conducted from Monday 12th October to Saturday 24th October.

The training was designed to study the experiences of performance measurement in the central and the local governments in Japan. In detail, the following four topics were covered in the training:

1. To study the practices and challenges of performance measurement in central government of Japan;
2. To learn the experiences of Japanese local governments in performance measurement and how they utilize performance measurement system;
3. To study how Japanese local governments overcame challenges in the operation of performance measurement system; and
4. To review the situation in Indonesia and to consider suggestions for improvement by utilizing what is learnt from the central and the local governments in Japan

Program

The training program was as shown below. At the beginning of the training, an orientation on “Japanese Government” as well as an introductory lecture to understand the overview of performance measurement in local governments was conducted. Then, staffs from Administrative Evaluation Bureau in Ministry of Internal Affairs and Communications as well as General Affairs Department in JICA were invited to give lectures on policy evaluation in central government and performance measurement in Incorporated Administrative Agency (IAA) respectively. In addition, four municipalities, Chichibu-city, Toyohashi-city, Nagoya-city and Atsugi-city, were visited to explore their practices and challenges in performance measurement.

Program of Training in Japan

Day	Activities	Stay
October 11 (Sun)	Leave Jakarta	In flight
12 (Mon)	Arrive in Tokyo	Tokyo
13 (Tue)	AM JICA Briefing PM General Orientation "Japanese Government" Program Orientation	Tokyo
14 (Wed)	AM General Orientation "Society and Culture in Japan" PM "Experiences of Local Government in Performance Measurement" – MURC consultant	Tokyo
15 (Thu)	AM "Policy Evaluation Practices and Challenges in Central Government" –Ministry of Internal Affairs and Communication PM "Practical Example of Performance Measurement System in Incorporated Administrative Agency (IAA)" – JICA	Tokyo
16 (Fri)	AM Travel to Chichibu PM "Experiences of Chichibu-city in Performance Measurement System"	Chichibu
17 (Sat)	AM Visit tourism development sites of Chichibu (Matsuri-kaikan and Nagatoro) PM Travel to Tokyo	Tokyo
18 (Sun)	Holiday	Tokyo
19 (Mon)	AM Travel to Toyohashi PM "Experiences of Toyohashi-city in Performance Measurement System" Travel to Nagoya	Nagoya
20 (Tue)	AM Documentation PM Visit Nagoya Castle "Experiences of Nagoya-city in Performance Measurement System"	Nagoya
21 (Wed)	AM Workshop "Utilizing the Experiences of Local Governments in Performance Measurement" PM Travel to Tokyo	Tokyo
22 (Thu)	AM Travel to Atsugi PM "Experiences of Atsugi-city in Performance Measurement System"	Tokyo
23 (Fri)	AM Wrap-up session PM Evaluation meeting, Closing	Tokyo
24 (Sat)	Leave for Jakarta	Tokyo

Participants

Eleven officers participated in the training: nine from BAPPENAS, one from MenPAN and one from MOHA¹⁷. Originally fifteen people were invited to join the program, yet three staffs from MOFA cancelled their participation due to their busy schedule and one staff from BAPPENAS also cancelled due to her medical condition.

Results

Throughout the training, the participants were eager to learn from the above lectures, and many questions ranging from system design to practical operation were actively raised in each session. In the questionnaires collected from the participants, many responded that the training provided them with sufficient opportunities to acquire direct experience, and the satisfaction level of the participants revealed to be high.

¹⁷ Participants were from the three ministries constituting JCC and the MenPAN, which plays a leading role in performance evaluation of ministries and agencies. From BAPPENAS, planning officers from DFA, Evaluation System Directorates, and major Sector Directorates participated in the program.

Lessons

There was a difficulty in selecting participants in the training. Based on the request from DFA, directorates of related ministries selected the participants on their own. Therefore, there were cases where staff who did not directly engage in project activities were selected. These officials lacked basic knowledge of PBB, and sometimes did not engage in discussions at the time of training. The expert team realized that DFA and experts should be involved in the selection of training participants.

Achievements

In addition to extending knowledge and learning lessons from the experience of Japan, the challenges and recommendations in implementing performance measurement in Indonesia were discussed and shared by the participants in the training. Although the participation from MOF was cancelled, having staffs from relevant ministries—BAPPENAS, MOHA and MenPAN—gathered and sit in face-to-face discussions was another meaningful benefit of the training. It was confirmed in the workshop and wrap-up session that a major challenge of promoting PBB in Indonesia was that currently multiple ministries are redundantly requesting line ministries to prepare documents in relation to performance measurement. Coordination between those relevant ministries is a significant step forward for implementing PBB, and through the training the project was able to ensure contact persons from these ministries¹⁸.



Presentation by Chichibu-city



Workshop

Year 2

Objectives

The program in 2016 was conducted from 27 September to 8 October. It intended to provide BAPPENAS and BAPPEDA officials with an opportunity to see:

1. How PBB practices have been implemented in Japan's local governments;
2. How development funds are allocated among sector divisions;
3. How local governments attempt to synchronize their development plans to that of the central government; and
4. How PPP has been practiced at the local government.

Program

The participants were provided with a series of lectures from the Japanese local government officers of planning as well as M&E divisions. At the last part of the program, a half-day was allocated to discuss and digest the findings from these lectures. The participants seemed to realize that the

¹⁸ Participants from the sector ministries were officials at the planning bureau of each ministry. In providing practical consultation to ministries after the training in Japan, the planning bureau of each ministry will be a direct counterpart. The network cultivated at the training in Japan helped to conduct this consultation.

multi-year trend analysis of performance information should be a powerful tool to connect M&E with planning.

The training program was as shown below.

Program of KCC

Day	Activities	Stay
Sep. 26 (Mon)	Leave Jakarta	In flight
27 (Tue)	Arrive in Nagoya	Nagoya
28 (Wed)	AM JICA Briefing PM Program orientation by the JICA Expert Team	Nagoya
29 (Thu)	AM Lecture "Local Government in Japan" – Prof. Shigeru Yamashita, Meiji University PM Lecture "Local Government Renovation by Introducing Performance Management System" – Mr. Yoshiaki Hoshino, GRI Inc.	Nagoya
30 (Fri)	AM Visit to Toyohashi City Office PM Visit to a PPP project (Biogas plant) in Toyohashi City	Nagoya
Oct. 1 (Sat)	Documentation	Nagoya
2 (Sun)	Holiday	Nagoya
3 (Mon)	AM Visit to Aichi Prefecture Office PM Visit to a PPP project (Water treatment plant) in Aichi Prefecture	Nagoya
4 (Tue)	AM Visit to Toyota City Office PM Visit to Asuke Branch of Toyota City Office	Nagoya
5 (Wed)	AM Visit to Togo Town Office PM Visit to a PPP project (Environment) in Toyota City	Nagoya
6 (Thu)	AM Workshop "Use of Japanese Planning and M&E Practices in Indonesia" Lecture "Regional Development in Japan" – Ms. Nana Urakami, UNCRD PM Lecture "Policy Evaluation in Japan's National Government" – Mr. Hisao Tsukamoto, Waseda University	Nagoya
7 (Fri)	AM Discussion and Reporting Evaluation and Closing	Nagoya
8 (Sat)	Leave for Jakarta	

Participants

In total, 14 government officers participated in the program. Three of them were from the pilot provincial governments, and another three were from the pilot line ministries of the Project. The remaining eight were BAPPENAS officers¹⁹.

Results

Based on the lessons learned from previous training in Japan, the expert team carefully selected the participants to the program. As a result, staff members who had deeply involved in PBB practice were selected from the relevant organizations. Therefore, discussions on lectures and visits became vigorous.

Lessons

Although it was not planned, the expert team held a mini workshop the day before the final day. Based on the experiences of Japan, it was intensively discussed how to reflect the results of monitoring and evaluation in planning. As the participants have different affiliation, after returning to their home countries, opportunities to discuss each other should be limited. Hence, the expert team realized that it

¹⁹ In the selection of training participants, the expert team took the step of receiving multiple nominations from relevant ministries and agencies and finally DFA to decide. As a result, officers who played a key role in implementing the project were selected.

was effective to have a mini workshop to provide opportunities for discussion during the training period.

Achievements

It was found that line ministries changed a significant number of performance indicators in their annual work plan based on their own decision. Unless the same indicator remains used to monitor the performance of the activity, it is rather difficult to see whether the performance has improved or not. If line ministries are required to present the performance records of three to five years for the multi-year-trend analysis, they are discouraged to change the indicators every year. It is expected that the format of the annual work plan should introduce the methodology of this multi-year-trend analysis.



Visit to Aichi Prefecture Office



Closing Ceremony at JICA Chubu

CHAPTER 3 ISSUES AND THEIR SOLUTIONS, AND LESSONS LEARNT

3.1 Collaboration with the Australian AIPEG project

The planning and budgeting reform in the country has been supported by a variety of development partners' (DP) projects. World Bank, the Australian government and JICA are among the major DPs in the area of public financial management in Indonesia. During the Phase 1 of the project, these DPs had a meeting every month to share the information and discuss critical issues.

The expert team fully realized the importance of collaborating with other DPs' projects, and participated in the DPs meeting at the World Bank office soon after the second phase started in September 2014. Monthly meetings continued until the end of 2014. It was, however, not held from the early 2016 because the World Bank decided not to continue its support after it completed its support to introduce SPAN (IFMIS²⁰) at the MOF. Only JICA and the Australian AIPEG actively supported the reform at BAPPENAS and at MOF from 2016 onward. Therefore, the expert team proposed an informal bilateral meeting with the AIPEG team at regular basis.

JICA project office was located at a flat house near BAPPENAS, and this house also accommodates the AIPEG project team. Therefore, it was very easy for the two teams to sit together and discuss the progress of the reform. Besides, one member of JICA expert team was an Australian consultant, who used to be an Australian long-term expert working at MOF of Indonesia a few years ago. He fully understood the framework of the Australian assistance in this area, so the communication between the two teams was very smooth, and their collaboration was practically oriented.

One of the notable examples of the collaboration was the development of standard list of output descriptions. Both teams realized the importance of standardizing the output descriptions for the improvement of the quality of budget preparation and scrutiny. JICA expert team produced an initial set of output description in the draft PBB guidelines and presented them at the 3rd MTEF-PBB seminar in September 2015. This initial set was examined by the two teams on a frequent basis. AIPEG team tested this set at the Ministry of Health and the Ministry of Public Works and Community Housing, in which AIPEG consultants were based at. JICA expert team also tested the same set at the Ministry of Law and Human Rights and the Ministry of Agriculture, which were selected as pilot ministries of the project. These findings were used for finalizing the standardized list of output descriptions. AIPEG team submitted this list to MOF, and MOF approved this list in 2016. Then, this list was introduced at the 7th MTEF-PBB seminar by SIDUR of BAPPENAS, and accepted by the participants from its sector directorates. It is expected that line ministries should use this standardized list to describe their outputs for both planning and budgeting documents for 2018.

After the output description is improved, it is needed to improve the structure of logic model to show how the output contribute to achieve the national priorities. For the improvement of the logic model, it is also needed to standardize the outcome description. Appropriate outcome should be identified to link to each of the National Priority. Therefore, the expert team produced a list of standardized outcomes and attached to the National Priority Project Guidelines. Each of the National Priority Program is linked to a set of standardized outcomes. Using the list of standardized outcomes, the methodology to construct the logic model is presented in the Guidelines.

3.2 Coordinating BAPPENAS with other stakeholders

The counterpart of the project has been only BAPPENAS. However, the project was designed to support the planning and budgeting reform in both BAPPENAS and MOF. It was clearly stated in the PDM that the main beneficiaries of the project included DG Budget of MOF. The director of

²⁰ Integrated Financial Management Information System

MOF was a member of the JCC Meeting.

From the beginning of the project, however, the MOF showed some reluctance to participate in the activities of the project. The director of MOF attended the first JCC Meeting in October 2014, but he did not attend the following meetings. MOF officers were invited for the series of MTEF-PBB seminars, but none of them have ever come to the seminars. One MOF officer attended the first third country visit program to New Zealand in July 2015, but he and his colleagues canceled their participation in the first KCC program in Japan in October 2015, and did not participated in any of the following overseas training programs.

The limited participation of the MOF officers to the project activities became the agenda for discussion when the first JICA Advisory Mission came to Indonesia in February 2016. It was agreed between the mission and DFA that ‘official request from MOF’ was a precondition for BAPPENAS to consider the possibility that the expert team offer practical consultations to MOF. Besides, the PDM was suggested to be revised to state that ‘BAPPENAS and MOF agreed on the guiding framework’ to be an important assumption to realize the project’s outputs.

The reluctance of MOF to participate in the project activities was not caused by a lack of interest of its officers to the activities. This reluctance seemed to be caused by some political factors, which were beyond the control of the expert team. Under the new administration from October 2014, the division of roles between BAPPENAS and MOF in the planning and budgeting processes became a little unclear and unstable. Under the circumstances, MOF became increasingly cautious to attend any seminars at BAPPENAS that discussed the planning and budgeting framework.

The expert team believed that it should be necessary that both BAPPENAS and MOF should have the same views toward the enhancement of planning and budgeting reform. The team took every possible measure to coordinate the two institutions. First, a retired former director of Budget System in MOF was asked to join the expert team as a local consultant. This former director provided the team with valuable information about the budgeting process in the country at the beginning of the project. He also played a significant role in communicating with MOF. However, he stayed at the project in less than one year, because he suddenly passed away.

Second, the expert team frequently made informal visits to MOF to discuss the progress of the activities. After the MTEF-PBB seminars, the expert team visited MOF and often made the same presentation in front of the finance officers. Draft guidelines were all presented to MOF as well, and comments from MOF officers were informally collected. Following comments from MOF, for instance, the expert team even changed the name of guidelines from ‘PBB Guidelines’ to ‘PI (performance information) Guidelines’.

Third, as stated, the expert team has made much effort to collaborate with the AIPEG team. This Australian project was hosted by both BAPPENAS and MOF. From 2015 onward, however, AIPEG gradually shifted its main attention to the enhancement of budgeting reform at MOF. Two of the consultants have been resided at the DG Budget of MOF since 2016. Because of this presence of AIPEG team at MOF, the JICA expert team was able to obtain the most updated information about the progress of the budget reform. The expert team was also able to inform MOF about the progress of planning reform at BAPPENAS through the Australian counterparts. By collaborating with the AIPEG team, the expert team could fill communication gap between BAPPENAS and MOF to some extent.

In the late 2016, the government realized the importance of coordinating the functions of two ministries. A new presidential decree, PP 17/2017, was issued in 2017. The synchronization of planning and budgeting process was required by this new decree. It is expected that the coordination between BAPPENAS and MOF in enhancing planning and budgeting reform should become much effective and sustainable with this new decree.

Box 4: PP 17/2017

PP 17/2017 is the presidential decree promulgated in 2017. "Synchronization of National Development Plan and Budget Formation Process" is the theme. Until now, the formulation of the national development plan was prescribed by the National Development Planning System Act (Law Number 25) and Cabinet Order No. 40 (PP 40/2006) enacted in 2004. The budget formation was separately prescribed by the State Budget Act of 2003 (Law Number 17) and Directive 90 (PP 90/2010). It was acknowledged that these separate provisions should have caused process inconsistency and overlapping work. It is necessary to synchronize the two processes in order to effectively achieve the national development goals. Furthermore, this presidential decree defines the concepts of "National Priorities" and associated priority programs, priority activities, and priority projects.

BAPPENAS explains how the planning and budgeting process changes with this presidential decree in the following figure. It is clearly stated that the two parties jointly conduct such activities as baseline review or macroeconomic framework analysis.



Figure: Changes in the planning and budgeting process for BAPPENAS and MoF after PP17/2017

Source : "KEY POINTS OF GOVERNMENT REGULATION NO.17 YEAR 2017 SYNCHRONIZATION OF PLANNING AND BUDGETING FOR NATIONAL DEVELOPMENT PROCESS", Directorate for Budget Allocation, BAPPENAS,

3.3 New Initiatives and National Priorities

According to the State Finance Act in 2003, the authority for allocating the development budget has been more or less shifted from BAPPENAS to MOF. BAPPENAS was supposed to assess budget documents with DG Budget of MOF only for new business (New Initiatives). Therefore, this JICA project was designed focusing on improving the quality of the New Initiatives budget request submitted by the ministries and agencies (Outcome 2) and improving the ability to assess the request at BAPPENAS (Outcome 3). However, after the project started, BAPPENAS did not accept the request for a New Initiative budget from 2015, partly because there was not enough fiscal space to implement New Initiatives. Therefore, this JICA project, which was expected to work on the New Initiatives proposal submission, was obliged to re-examine the direction of cooperation.

BAPPENAS, on the other hand, introduced the concept of "National Priority" based on the President's Promises from 2016. And it was decided to assess all projects, whether new or existing, in accordance with the expected contribution to the National Priorities. In the same year, the BAPPENAS Regional Development Directorate introduced a new framework called SIMU (Multi User Information System)²¹. All programs and activities of ministries and agencies were requested to be organized under this framework. Furthermore, in 2017, the concept of "project" linked with national priorities was newly introduced in the annual work plan.

Thus, the team of experts faced the process of trial and error from 2016 to 2017 on a mechanism for allocating development budgets. Under these circumstances, the team decided to broadly interpret each activity on the PDM rather than restricting work to the activity originally assumed. The team has tried to be flexible to respond to requests from the counterpart, which were often very challenging.

It seems that the counterpart gradually came to appreciate this flexible approach of the expert team. At the beginning, the JICA expert team was considered as supplementary to the AIPEG project of Australia that had preceded BAPPENAS support. However, the expert team has gradually become required to contribute directly to the challenges faced by counterpart. In some cases, the team received unpublished information and was expected to play a role as a policy advisor. BAPPENAS decided to extend the project period to develop the draft of National Priority Project Guidelines, possibly due to the flexible approach of the JICA expert team.

Box 5: National Priority Project Guidelines (Draft)

From 2016, ministries and agencies have been asked to present how much each activity contributes to National Priorities in the annual work plan. Also, in 2017, a new concept of "project" was introduced in the annual work plan. 'A 'project' was required to be positioned under the "activities" of each ministry. DFA of BAPPENAS is expected to scrutinize the projects of each ministry and agency and examine how much projects would contribute to the National Priorities. The result of this examination should be reflected in allocating development budget.

Budget assessment based on National Priorities and also budget request per project are something new to the government. Therefore, the guidelines stipulating that method were urgently required. The expert team prepared a recommendation paper on the direction of the guidelines in March of 2017. In October 2017, a draft of the guidelines itself was prepared and submitted to DFA. The table of contents of the draft is as follows.

Table of Contents

- 1 Introduction
- 2 Project Submissions and Data Requirements

²¹ It was prepared as an attached document of each ministry's annual plan. It is a matrix that organizes which activities of each station contribute to the National Priorities. Since the National Priorities themselves were widely defined, the interpretation of "contribution" was varied by stakeholders, it was not effectively used for analysis.

2.1	Project Submission
2.2	Data Requirements
3	Steps for Assessment and Prioritisation
3.1	Call for proposals
3.2	Assessment of the Proposal Quality
3.3	Assessment of the Project Contribution
3.4	Allocation of funds to prioritized projects

Annex 1: Proposed Outcome Indicators for Program Prioritas Nasional

The features of this draft guideline are as follows.

- The standard format of project proposal is presented.
- The step of the assessment is divided into two. First, the sector directorates of BAPPENAS make a primary assessment and then submit the result to DFA. Second, DFA, in collaboration with DG Budget of MOF, make the final assessment.
- Project proposals are assessed from two viewpoints, which are "quality of proposal" and "degree of contribution to the national priorities".
- 'Quality of proposal' is evaluated with 5-point scales concerning 10 items.
- Regarding 'degree of contribution to the national priorities', each project is ranked according to its expected degree of the contribution. This step is as follows.
 1. Set a predetermined outcome for each of the National Priorities.
 2. Determine indicators for each outcome (Indicators could be extracted from national medium-term development plan etc.).
 3. Confirm the current target value of each indicator in the plan document. Then, BAPPENAS decides how much the target value will be enhanced after being prioritized.
 4. Each ministry and agency will present to what extent the proposed project contributes to the enhancement of the target value.
 5. The BAPPENAS sector directorate checks this contribution and ranks the project for each outcome.

CHAPTER 4 ACHIEVEMENTS OF THE PROJECT

Project Purpose: Framework of planning and budgeting reform is further enhanced.

The level of achievement in the project purpose is examined for each of the ‘Objectively verifiable indicators’ listed in the PDM.

4.1 Understanding of PBB framework

1. PBB framework (e.g. operational result-chain and KPIs) is understood and applied in BAPPENAS sector directorates and the selected line ministries.

Degree of achievement: Partially achieved

Participation in the MTEF-PBB seminars

In order to discuss the PBB framework, the expert team organized various MTEF-PBB seminars during the project period. The officers of the BAPPENAS sector directorates were invited to most of the seminars, and they made significant contribution toward the improvement of the PBB framework. Their contribution resulted in the finalization of the draft PBB Guidelines.

The officers of seven line ministries, including the Ministry of Marine Affairs and Fisheries, also attended several MTEF-PBB seminars. They were requested to comment on the draft PBB Guidelines at the seminars. Moreover, they were expected to test the methodology in the planning document to improve its quality. By commenting and testing the draft PI guidelines, the officers of these line ministries should also have deep understanding about the PBB framework.

Testing the methodology in the annual work plan

The methodology in the draft PBB guidelines was also tested at the planning bureau of BAPPENAS (ORTALA). Following the suggestion by the taskforce members at the third MTEF-PBB seminar, the expert team looked at the annual work plan (*Renja*) of BAPPENAS, and examined the quality of its output and outcome descriptions. The expert team made a series of weekly meetings at ORTALA from September to October 2015, and discussed how the methodology in the PBB guidelines could be applied in BAPPENAS’ *Renja*. The experience of applying the methodology was presented by ORTALA at the fourth MTEF-PBB seminar in November 2015²². The similar consulting services were also provided to the pilot ministries after this seminar.

It is assumed that the PBB framework should be sufficiently understood by BAPPENAS sector directorates and the selected line ministries by participating in the series of MTEF-PBB seminars as well as by testing the PBB focused methodology in their annual work plans.

Dissemination of BAPPENAS’s Guidance

The draft PBB Guidelines prepared by the expert team were submitted to BAPPENAS for consideration by the end of 2015. After the testing in the pilot ministries, BAPPENAS DFA agreed to apply the methodology in preparing the annual work plan for 2017. In April 2016, BAPPENAS DFA issued ‘the Guidelines for Formulating Renja-KL Year 2017 (*Pedoman Penyusunan Renja-KL Tahun 2017*)’. The second section of this document, titled ‘Preparation of output of activities and the performance indicators’, was mostly taken from the PBB Guidelines of the project.

It is expected that PBB framework should be sufficiently applied in the line ministries by referring to the BAPPENAS guidelines.

²² ‘ORTALA_Penganggaran Berbasis Kinerja’, 17 November 2015



Pedoman Penyusunan Renja-K/L Tahun 2017, BAPPENAS (2016)

4.2 Operationalized result-chain and KPIs

2. *More operational result-chain and KPIs are developed by the selected line ministries.*

Degree of achievement: Partially achieved

Impact of the practical consultations to pilot DGs

Among the seven pilot ministries, the Ministry of Agriculture and the Ministry of Law and Human Rights volunteered to apply the methodology of the draft PBB guidelines. One Directorate General (DG) from each ministry was selected as pilot DGs. They are the DG Agricultural Infrastructure of the Ministry of Agriculture, and the DG Correction of the Ministry of Law and Human Rights. The expert team visited these pilot DGs to provide practical consultations from March to July 2016. The expert team examined the description of outputs, outcomes and their indicators in the annual work plans of 2016, and provided suggestions for the plan of 2017.

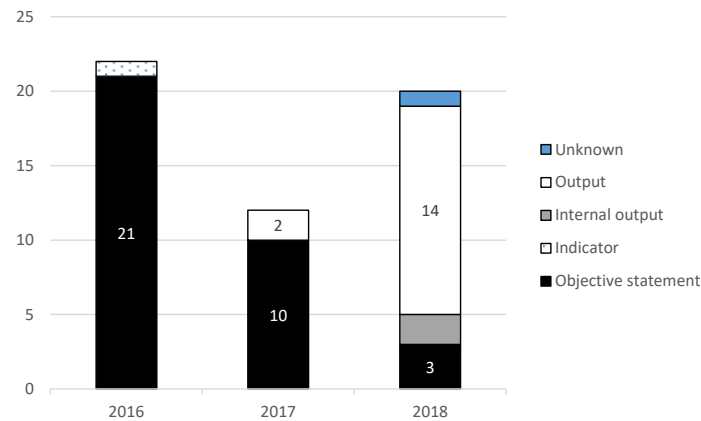
In order to see the impact of the practical consultation to these pilot DGs, the expert team obtained their annual work plan (*Renja*) of 2016, 2017 and 2018 and compared the descriptions of outputs and performance indicators. The findings of this comparison are the followings.

In *Renja* 2016, most of the outputs of directorates were objective statements for both directorates. DG Correction had six directorates with 22 outputs presented in *Renja* 2016. DG Agricultural infrastructure had five directorates with 6 outputs. Except one each, the remaining were all described as objectives, such as 'Increasing the quality of implementation of safety management' or 'Increased availability of irrigation water'.

These errors were partly caused by the unclear use of the term '*Sasaran*' in the format of *Renja*. '*Sasaran*' literally means target or objective in English. '*Sasaran Kegiatan*' is output of the directorate. However, '*Sasaran Program*' is considered as outcome of the program. Planning officers could be easily confused by two different interpretation of this word. This confusion was often pointed out at the series of MTEF-PBB seminars by the officers of both BAPPENAS and pilot ministries. Following these comments, the expert team suggested that another word should be used to indicate 'output' of directorates instead of '*Sasaran Kegiatan*'.

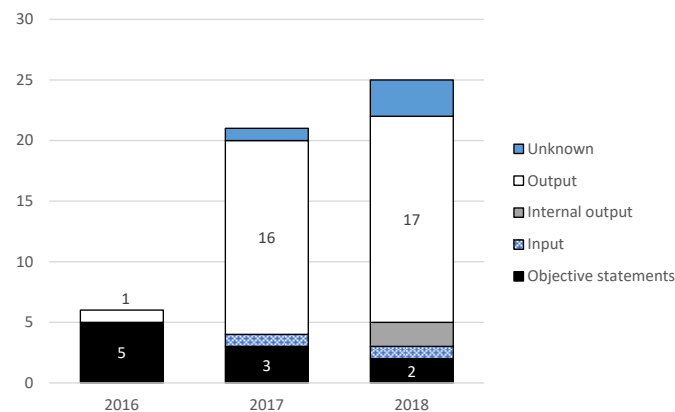
BAPPENAS seriously took these comments and revised the format of *Renja* in 2017. In the format of *Renja* 2018, each directorate is required to present two different sets of '*Sasaran Kegiatan*' and 'Output'. Both of them should present their own indicators, which are '*Indicator Sasaran Kegiatan*' and 'Indicator Output'. With this revision of the format, directorates came to present their objective statements as '*Sasaran Kegiatan*'. Directorates needed to identify their type of service delivery and present this as 'output'.

This revision of format should significantly affect the structure of output descriptions in *Renja* of the two pilot DGs. In *Renja* 2018, the numbers of objective statements are only few. Majority of the directorates used appropriate terms to present their outputs. Discussion at the series of MTEF-PBB seminars as well as subsequent practical consultations should help the DGs identify their outputs property (see the following figures).



Source: JICA Expert Team

Figure 4-1: Structure of output description in the annual plans of DG Correction



Source: JICA Expert Team

Figure 4-2: Structure of output descriptions in the annual plans of DG Agricultural Infrastructure

With regards to the performance indicators, there still is room for improvement. The PBB Guidelines and the BAPPENAS's 'Guidelines of *Renja* 2017 Preparation' show that the performance indicators should be possibly composed of four sets of indicators, which are quantity, quality, timeliness and financial indicators. The performance indicators in the pilot DGs are only concerned with either quantity or quality aspects. None of the directorates present a full set of performance indicators, which could fully indicate the performance of their output delivery.

Many of the performance indicators of the DG Correction, for instance, are concerned with the number of activities implemented "according to the standard". This type of indicator shows a quality aspect of the service delivery by presenting the number of cases following the standard. However, it does not show a quantity aspect of the service delivery, because we are not able to see how many cases did not follow the standard. The total number of cases is not presented as well.

During the practical consultation at the DG Correction, the expert team asked why only the quality aspect was looked at with indicators. The officers explained that the DG correction often cannot control the quantity of service delivery, because the number of inmates, for instance, cannot be controlled by the directorates. The officers seemed reluctant to use any indicators that they cannot

control for fearing that they might not be able to achieve the target of the service delivery.

From the discussion at the DG Correction and the other directorates at the pilot ministries, the expert team realized that planning officers generally perceived that poorly performed directorates are going to be penalized by reduction of budget or even the reduction of the office rating level. They tend to manipulate the performance indicators so that they can easily achieve the target every year. If most targets are achieved by many directorates, the performance information should be of no value for BAPPENAS, because such disguised information does not tell them what happens in the field of service delivery. The expert team picked out this issue at the MTEF-PBB seminar and frequently discussed this at BAPPENAS, MOF and MenPAN. However, it might take a long time to see the change of the mindset of the planning officers on the use of performance information.

4.3 Guiding framework of budget preparation documents

3. Guiding framework of budget preparation documents and budget scrutiny are enhanced.

Degree of achievement: Partially achieved

Use of Standardized Output and Outcome lists

When the project started, the government did not have standardized ways to describe outputs and outcomes in the budget preparation documents. BAPPENAS produced a list of standardized generic, or non-technical, outputs for the preparation of the mid-term plan of line ministries in 2014, but few ministries actually used these outputs to prepare their mid-term plan. Because of the lack of standardized list, each ministry or even each directorate tended to present its own outputs and outcomes in the planning and budgeting documents. Similar types of output or outcome were described in different manners.

This practice negatively affected the way to scrutinize the budget preparation documents by MOF and BAPPENAS. MOF and BAPPENAS were not able to compare the efficiency of the delivery of similar type of outputs, because they were described differently. It also happened that a ministry tended to generate more and more outputs in expecting that it could receive more budget for these newly generated outputs. MOF and BAPPENAS faced a bewildering variety of output descriptions every year. If the descriptions of output were standardized, it became easy to compare the cost efficiency of directorates that deliver similar type of outputs. MOF and BAPPENAS could also easily detect any redundant, overlapping or insubstantial outputs.

Without any standardized list of outcomes, moreover, BAPPENAS was not able to examine the effectiveness of service delivery to achieve the national priorities. It is likely that one national priority should be contributed by several programs of line ministries. When these line ministries create outcomes on their own and attached them to their programs, BAPPENAS finds it difficult to see which programs are mutually related and contributing to the same national priority. If line ministries use standardized outcomes for their programs, BAPPENAS could easily examine the logical connection between programs of line ministries and the national priorities and see how effective the national priorities are achieved by implementing the programs.

The importance of developing the standardized lists of output and outcome description was recognized by the expert team. The expert team frequently discussed this issue with the Australian experts at MOF in 2015. The expert team made a tentative list of the standardized output description, and presented this list at the third MTEF-PBB seminar in September 2015.

AIPEG team followed up this exercise and discussed at MOF in 2016. The list of standardized output descriptions was finalized by MOF, and it was presented in the MOF Regulation (PMK Nomor 163) in 2016. At the seventh MTEF-PBB seminar in December 2016, this list was presented by SISDUR to the sector directorates of BAPPENAS. It is expected that the same set of standardized output

descriptions should be used in both planning and budgeting documents from 2017. This practice should significantly enhance the efficiency analysis of the budget preparation document.

Following the development of the standardized list of outcome description, the expert team also attempted to standardize outcome descriptions. The expert team produced a new concept of NOICS (National Outcome Indicator Classification System) in 2016, and discussed this concept with DFA and SISDUR of BAPPENAS. At the seventh MTEF-PBB seminar in December 2016, NOICS was presented to the sector directorates of BAPPENAS. It was agreed that SISDUR should follow-up this concept and discuss the standardization of national outcomes.

The standardized list of outcome description was also attached to the draft National Priority Projects Guidelines, which was submitted to BAPPENAS DFA in October 2017. The use of standardized outcomes was considered as an important tool to assess the national priority projects. It is expected that BAPPENAS should follow-up the expert team to finalize the list of standardized outcome description as the part of the guidelines.

At the inception of this project, it was expected that the expert team should also examine the way ‘how to set the ceiling in a more persuasive manner’ or examine the new ‘cost approach’ such as full cost approach. However, the expert team was not able to work on these issues due to the limited participation from the DG Budget of MOF. Therefore, the expert team has focused on the improvement of planning process, which is under the responsibility of BAPPENAS.

4.4 Improved quality of budget proposals

4. (Reference) The quality of budget proposal is improved in the selected line ministries in PBB context.
Degree of achievement: Almost not achieved

- *The new initiatives and National Priority projects are justified properly (e.g. how to justify the necessity of the new initiatives and National Priority projects in the relevant result-chains, how to use KPIs to justify the necessity, what the expected achievements by the new initiatives are, what the expected activities to achieve those goals are, etc.*
- *The quality of costing is improved (e.g. the cost standard designated by MOF is used properly. The quantity for input is set more appropriately, etc.)*
- *Cost benefit analysis is conducted properly when necessary.*

The guidelines on new initiatives proposals were not finalized and authorized by BAPPENAS. Moreover, the government has not received new initiatives proposals since 2016 due to the lack of fiscal space. Therefore, the expert team was not able to examine the quality of budget proposals for new initiatives during the project period.

Instead, the expert team submitted the draft Guidelines for National Priority Projects in October 2017, and BAPPENAS is supposed to finalize the guidelines for dissemination. It is still early to see whether national priority projects are justified property.

JICA expert team decided not to provide practical consultation to MOF in February 2016 as MOF did not make a necessary request to BAPPENAS as shown in the MM signed by BAPPENAS and the first JICA Advisory Mission. Therefore, the expert team was not in a position to see the improvement of the quality of costing. The expert team was not also involved in the cost benefit analysis for the same reason.

4.5 Improved quality of budget preparation documents

5. (Reference) The quality of budget preparation documentation submitted (i) from the selected line ministries to BAPPENAS, and (ii) from BAPPENAS to MOF are improved.

Degree of achievement: Almost not achieved

As described in the previous section, the government has not received new initiatives proposals since 2016, so it was not possible for the expert team to examine the quality of this document.

Concerning the preparation of other on-going expenditures, *Renja* K/L and RKA K/L are considered as the budget preparation documents. The expert team examined the quality of *Renja* K/L of the two plot DGs of the Ministry of Agriculture and the Ministry of Law and Human Rights. The findings of this examination were shown in the previous section of this chapter.

4.6 Continuous coordination efforts

6. Coordination efforts are made continuously.

Degree of achievement: Partially achieved

BAPPENAS, MOF and MenPAN are all closely concerned with the PBB framework, and the JICA expert team has made continuous efforts to enhance the coordination among them. The team members frequently visited MOF and MenPAN to report the progress of the project. The officers of all three ministries have been invited to the seminars of the project. In case that the MOF officers failed to attend the seminars, the JICA expert team visited the ministry and made similar presentations just to its officers.

JICA expert team has also frequently contacted the expert teams dispatched by other development partners, particularly those of AIPEG and GPF. The expert team considered it crucial to work in partnership with these experts, because their activities are much related to the improvement of PBB framework. As stated in the previous section, JICA expert team and AIPEG team jointly developed the list of standardized outputs, which should be used in both planning and budgeting documents. This result of this development was reported to BAPPENAS by the JICA expert team, and to MOF by the Australian team. The joint exercise by the two teams might have indirectly enhanced the communication between the two institutions.

4.7 Summary

There are three requirements to realize "performance based budgeting (PBB)". Firstly, the performance of each ministry and agency is measured properly and accurately (Output 1). Secondly, the measurement results of performance are reflected in planning. Thirdly, the business plan formulated is reflected in the budget allocation (Output 2 and 3). None of the above three requirements were adequate at the beginning of the second phase of this JICA project.

Among the three requirements, the first is the precondition for the second and the third. Hence, the expert team initially focused on improving performance measurement ability of administrative agencies. The expert team developed various guidelines, hold seminars, provided consultation on site, etc., so that the pilot ministries would be able to improve the description of output, outcome and key performance indicator (KPI). In consequence, the framework of output description and performance measurement was enhanced by 2017, and the quality of annual work plan of the pilot ministries was improved.

On the other hand, no visible impact has been found for the second requirement. Even though the performance measurement ability has improved, there is a time lag between the actual measurement of each performance and the reflection of it in the formulation of the plan. It was the annual plan of 2018 that was formulated in 2017, and its performance measurement result will be presented in 2019. In other words, what has arrived at the planning authorities so far is the result of performance measurements made within the conventional inappropriate framework. Based on this, it was difficult to propose a mechanism for reflecting performance measurement results in planning.

Regarding the third requirement, there was a difficult situation between BAPPENAS and MOF concerning the process of allocating development budget. In order to overcome this difficult situation, the expert team closely worked with the Australian expert team, whose main counterpart was MOF. Both teams tried to contribute to the alignment of planning and budgeting framework. The promulgation of the Presidential Decree requesting the synchronization of planning and budgeting process in 2017 also helped.

In addition, it was also aimed to introduce the practical experience of PBB at the central government to the sub national governments and disseminate this practice (Output 4). However, it was not easy to spread the PBB method to the sub national government, because PBB was not yet fully introduced in the central government.

Table: Changes before and after project implementation

	Before	After
Output 1: The quality of result-chain and KPIs is improved in the selected line ministries.	In the annual plan of the pilot ministries, the concepts of the output and outcome were not sufficiently understood, and the descriptions were not standardized. The quality of result chain was difficult to be examined with such poor descriptions. Also, the setting of KPI was inappropriate.	As the MOF proceeded to standardize the output description and BAPPENAS followed it, the output description in the pilot ministry's annual plan was greatly improved. The standardization of the outcome description is being examined at BAPPENAS following the suggestion of the expert team. Regarding how to set up KPI, BAPPENAS published a public document in 2016 based on expert team's guidelines.
Output 2: Guiding framework for improving the quality of budget preparation documentation for development funds is enhanced.	New Initiatives budget request was suspended for reasons such as financial difficulties. A mechanism for requesting the budget of development projects was not yet established and it was in a state of trial and error.	A mechanism has been established whereby ministries and agencies request project budget while indicating the degree of contribution to National Priorities. The draft guidelines prepared by the expert team became reference materials for this.
Output 3: Guiding framework for improving the quality of scrutiny of budget effectiveness is enhanced at BAPPENAS and MOF	There was no new mechanism to replace the New Initiatives budget request/assessment. The relationship between BAPPENAS and MOF was not intimate, and discussion to build a new mechanism between the two seemed suspended.	Presidential Decree (PP 17 2017) to promote synchronization of planning and budgeting process was announced, and discussions between the two ministries resumed. The draft of the National Priority Project Guidelines was made by the expert team, and this might have helped developing the new budget assessment method.
Output 4: The experiences and lessons learnt for improvement of	Experience of PBB in foreign countries was not sufficiently shared among the central government officials.	Experiences and lessons of PBB from several foreign countries were reported to stakeholders of central government.

allocation and operational efficiency are shared by stakeholders.	Experience of implementing PBB at the central government was not sufficiently shared by the officers at the Sub national government.	Since the PBB was in the trial stage even at the central government, there were some difficulties to spread this to the sub national governments.
Output 5: A framework development for further elaborating PBB implementation system is facilitated.	Performance monitoring was done periodically, but the result was not effectively utilized in the planning process.	The BAPPENAS Minister instructed to synchronize the planning and monitoring and evaluation process, and the expert team has supported it through various opportunities, but there was no visible impact during the project period.

CHAPTER 5 FOR THE ACHIEVEMENT OF OVERALL GOALS

Overall Goal: Performance-based budgeting (PBB) is further operationalized in Indonesia.

5.1 Synchronization of planning and budgeting processes

The planning and budgeting process in the country has been carried out by two ministries, BAPPENAS and MOF. The planning process is prescribed by the Government Regulation No. 44/2006, and BAPPENAS is responsible for this process. On the other hand, the budgeting process is presented in the Government Regulation No.90/2010, and MOF is in charge.

These two processes are not fully synchronized. Line ministries submit the annual work plan (*Renja K/L*) to BAPPENAS, and the annual budget plan (RKA K/L) to MOF. The two documents are composed of the similar set of formats, but the logical frameworks in the two are not necessarily the same. After the introduction of ADIK (Architecture and performance information)²³ to the line ministry's budget plan in September 2015 by MOF, in particular, the difference in the logical framework in the two documents became visible. This difference could confuse and frustrate the planning officers of line ministries. It is sometimes found that the set of outputs presented in the work plan directorates of a line ministry is different from that in the budget document.

This unsynchronized planning and budgeting process should have negatively affected the enhancement of the PBB system in the country. The expert team considered it necessary to synchronize the planning and budgeting process and presented this problem at the series of MTEF-PBB seminars. The expert team also discussed this problem with the Australian experts of AIPEG and GPF, who were mainly working at MOF. The concern of the expert team was fully shared by the Australian experts, which resulted in the intimate and frequent cooperation between the two teams.

The government also took this problem seriously, and the new presidential regulation was prepared to overcome this problem in 2017. Presidential Regulation No. 17 of 2017 was issued in May 2017, which aims to improve the synergy of planning and budgeting processes. The intimate and continuous cooperation between the Japanese and Australian expert teams in BAPPENAS and MOF could have generated a positive environment to prepare this new regulation. It is still early to see the impact of this regulation, but the good coordination between the planning and budgeting ministries should result in the improvement of framework of budget preparation document.

5.2 Integration of monitoring and planning database

Every year, the M&E Directorates of BAPPENAS collect the performance information from the government institutions, and uses this information to monitor the progress of the national mid-term development plan. The information is also delivered to the sector directorates of BAPPENAS. These directorates, however, do not seem to utilize this information to discuss the next year's plan with concerned line ministries, partly because of the poor quality of performance indicators. It seems that the monitoring and planning processes are not fully synchronized at BAPPENAS.

The poor quality of performance information was often discussed at the series of MTEF-PBB seminars, and also at consultations in pilot ministries. Based on the discussions at the seminars and consultations, the draft PBB Guidelines were developed and submitted to BAPPENAS at the end of

²³ The introduction of ADIK was done without adequate coordination with BAPPENAS. This limited coordination caused the problem that the structure of the annual budget plan and that of the annual work plan did not match. For example, in the annual budget plan, outcomes are presented at ministry level and DG level, while output is presented at the Directorate level. However, at ADIK, it was requested to present the output even at ministry and DG levels. Planning officers faced a technical difficulty how the outputs of ministries and DGs should be described.

2015. BAPPENAS used the guidelines to prepare its Guidelines for the preparation of *Renja* 2017, which was published in April 2016. The quality of performance information is expected to be enhanced as the PBB Guidelines are going to be disseminated and utilized in line ministries.

Besides, Minister of BAPPENAS made the instruction to prepare for the integration of monitoring and planning databases in 2016. Data and Information Center of BAPPENAS (PUDATIN) was assigned for this integration. Full synchronization of monitoring and planning processes should be the precondition of operationalization of PBB. It is expected that the integration of monitoring and planning databases should accelerate the synchronization of the two processes.

5.3 Finalization and dissemination of the National Priority Proposal Guidelines

The expert team submitted the draft National Priority Proposal Guidelines to DFA BAPPEAS in October 2017. The development of the Guidelines should be a significant step toward strategic operationalization of PBB in the budget preparation and scrutiny process. DFA should finalize the guidelines with sector directorates. The list of standardized outcome indicators should be elaborated. After the finalization, BAPPENAS is expected to disseminate the guidelines to all line ministries, so that they are able to make necessary preparation for the submission of *Renja* 2019.

APPENDICES

Appendix I:	Project Design Matrix
Appendix II:	Plan of Operation
Appendix III:	Indicative Staff Input
Appendix IV:	Seminars/Workshops/Trainings
Appendix V:	List of Participants for Third Country Visit/ KCC Program in Japan
Appendix VI:	Equipment
Appendix VII:	Minutes of Meeting

APPENDIX I Project Design Matrix

I.1 Project Design Matrix 1

Project Design Matrix 1 attached to the R/D was signed on 19 May 2014.

ANNEX1: Logical Framework

Project Design Matrix (PDM₁: Tentative Version)

Project Title: Project for Planning and Budgeting Reform for the Performance-Based

Project Period: Tentatively May/June 2014 to May/June 2017

Budgeting (PBB) System Implementation in Indonesia (Phase 2)

Target Areas: Indonesia

Target Group: Directorate of Development Funding Allocation, BAPPENAS etc.

Date : May XX, 2014

Narrative summary	Objectively Verifiable Indicators	Means of Verification	Important Assumption
<p>Overall Goal: Performance-based budgeting (PBB) is further operationalized in Indonesia.</p>	<p>[Reference] MTEF-PBB linkage is enhanced more (i.e. continued progress of creating fiscal space; use of PBB for budget allocation).</p>	<p>Diagnostic assessment based on the matrix, interviews</p>	<p>Continued motivation for further accelerating PFM reform at various levels in Indonesian Government.</p>
<p>Project Purpose: Framework of planning and budgeting reform is further enhanced.</p>	<ol style="list-style-type: none"> 1. PBB framework (e.g. operational result-chain and KPIs) is understood and applied in BAPPENAS sector directorates and the selected line ministries. 2. More operational result-chain and KPIs are developed by the selected line ministries. 3. Guiding framework of budget preparation documents and budget scrutiny are enhanced. 4. [Reference] The quality of budget proposal is improved in the selected line ministries in PBB context. <ul style="list-style-type: none"> · The new initiatives are justified properly (e.g. how to justify the necessity of the new initiatives in the relevant result-chains, how to use KPIs to justify the necessity, what the expected achievements by the new initiatives are, what the expected activities to achieve those goals are, etc.) · The quality of costing is improved (e.g. the cost standard designated by MOF is used properly. The quantity for input is set more appropriately, etc.) · Cost benefit analysis is conducted properly 	<ol style="list-style-type: none"> 1. Diagnostic assessment based on the matrix and Interviews 2. Ditto 3. Ditto 4. Ditto 	<ul style="list-style-type: none"> · MTEF is operationalized more substantially. · Budget classification is properly applied in PBB context. · Public Expenditure Review (PER) are conducted in a strategic and systematic manner under the established framework. · Performance management and performance culture is improved. · Internal and external audit are improved.

Narrative summary	Objectively Verifiable Indicators	Means of Verification	Important Assumption
	<p>when necessary.</p> <p>5. [Reference] The quality of budget preparation documentation submitted (i) from the selected line ministries to BAPPENAS, and (ii) from BAPPENAS to MOF are improved.</p> <p>6. Coordination efforts are made continuously.</p>	<p>5. Ditto</p> <p>6. Ditto</p>	
<p>Output 1 The quality of result-chain and KPIs is improved in the selected line ministries.</p>	<p>1-1. Understanding on the MTEF-PBB framework and its practices is improved in the selected line ministries.</p> <p>1-2. [Reference] The quality of result chain is improved in the selected line ministries.</p> <p>1-3. [Reference] The quality of the KPIs is improved in the result-chains of indicator 1-2. in the selected line ministries.</p>	<p>1-1. Diagnostic assessment based on the matrix, interview</p> <p>1-2. Ditto</p> <p>1-3. Ditto</p>	
<p>Output 2 Guiding framework for improving the quality of budget preparation documentation is enhanced.</p>	<p>2-1. The guidelines on new initiatives are revised.</p> <p>2-2. Budget preparation process is standardized in the selected line ministries in accordance with the relevant rules and regulations.</p> <p>2-3. Budget preparation format is standardized in the selected line ministries in accordance with the relevant rules and regulations.</p> <p>2-4. Type of information and description in the documents is standardized in the selected line ministries in accordance with the relevant rules and regulations.</p>	<p>2-1. Guidelines, project report</p> <p>2-2. Diagnostic assessment based on the matrix, interview</p> <p>2-3. Ditto</p> <p>2-4. Ditto</p>	
<p>Output 3: Guiding framework for improving the quality of budget scrutiny is enhanced at BAPPENAS and MOF.</p>	<p>3-1. Budget scrutiny process is standardized in BAPPENAS in accordance with the relevant rules and regulations.</p> <p>3-2. Guidelines of checkpoints of budget scrutiny for BAPPENAS officers (sector directorates and the Directorate of Development Funding Allocation) are developed.</p> <p>3-3. The developed checkpoints of budget scrutiny are used by BAPPENAS (sector directorates and Development Funding Allocation).</p>	<p>3-1. Description of budget scrutiny process, project report</p> <p>3-2. Guidelines, project report,</p> <p>3-3. Guidelines, project report</p>	
<p>Output 4: The experiences and lessons learnt for improvement of allocation and operational efficiency are shared by</p>	<p>4-1. Opportunities for sharing experiences and lessons learnt are continuously arranged in the areas of allocation and operational efficiency.</p>	<p>4-1 Reports on seminars and workshops</p>	<p>4 & 5. Importance of introducing PBB in the PFM is understood by</p>

Narrative summary	Objectively Verifiable Indicators	Means of Verification	Important Assumption
stakeholders.	4-2. Topics are covered in 4-1 opportunities properly (e.g. means for ensuring aggregate fiscal discipline, allocation efficiency, and operational efficiency).	4-2 Ditto	wider audiences and opinion leaders, e. g. media, lawmakers, general public, etc.
Output 5: A framework development for further elaborating PBB implementation system is facilitated.	Advisory services are provided by the Project. More specifically, solutions of critical topics for further elaborating PBB implementation system are explored; (i) various options are explored; (ii) pros and cons of each option are examined; (iii) implication of options on aggregate fiscal discipline, allocation efficiency and operational efficiency are examined respectively, etc. List of prospective topics is as follows: (1) How to set the ceiling in a more persuasive manner, (2) Cost approach (e.g. full cost approach), (3) Availability of performance assessment results in a timely manner , (4) Use of internal and external audits etc., and (5) Social accountability etc.	Project activity reports	
Activity 0 To conduct capacity assessment of BAPPENAS and the other related ministries for implementing the MTEF-PBB Activity for output 1, "The quality of result-chain and KPIs is improved in the selected line ministries" 1-1. To set up joint working group (s)(*) in the selected line ministries and prepare the work plan, 1-2. To conduct seminar (s) on the MTEF-PBB framework and practices and provide practical consultation opportunities to the selected line ministries, and 1-3. To develop/refine result-chain and KPIs in accordance with the relevant guidelines and manuals. (*)Working groups (s) consist of representatives from (i) Directorate of Development Funding Allocation, (ii) the relevant sector directorates, and (iii) selected line ministries.	INPUT [Indonesia side] 1. Personnel (1) Project Director (2) Project Manager (3) Counterpart personnel 2. Provision of the project offices and facilities in BAPPENAS DFA necessary for the project implementation 3. Administrative and operational expenses (e.g. electricity, water, communication, financial incentives for the Indonesian side official, etc.) 4. Others as necessary [JICA side] 1. Experts (1) Long-term and/or short-term experts from Japan and/or third countries 2. Trainings of counterpart personnel in Japan and/or third countries 3. Provision of machinery and equipment (1) Machinery and Equipment (if necessary)		

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Narrative summary	Objectively Verifiable Indicators	Means of Verification	Important Assumption
	(2) Other equipment used by the experts 4. Local expenses for the project activities 5. Others as necessary		
<p>Activity for output 2, "Guiding framework for improving the quality of budget preparation documentation is enhanced.</p> <p>2-1. To set up joint working group (s) in the selected line ministries and prepare the work plan, 2-2. To discuss various practices of budget preparation documentation to meet the PBB requirements e.g. the practices of other countries, 2-3. To discuss the current relevant rules and regulations in Indonesia on the MTEF-PBB, 2-4. To review the current practices in the selected ministries, 2-5. To prepare recommendation papers to revise the guidelines for the new initiatives, 2-6. For BAPPENAS to revise the guidelines for the new initiatives, 2-7. To deliver training programs and provide practical consultation opportunities to the selected line ministries, and 2-8. To produce review reports on quality of budget preparation documentations in the selected line ministries.</p>			<p>Precondition The following issues on the fiscal planning and allocation in Indonesia shall be explained clearly:</p> <p>(1) Annual procedures, schedule of the budget cycle, (2) Demarcation of the roles and responsibilities of provincial fiscal allocation, (3) Process of determining budget ceiling, (4) Criteria for accepting new initiatives, (5) Process of scrutinizing budget proposals</p>
<p>Activity for output 3, "Guiding framework for improving the quality of budget scrutiny is enhanced at BAPPENAS and MOF".</p> <p>3-1. To set up joint working group (s) in the selected BAPPENAS sector directorates and DFA, 3-2. To discuss various practices of budget scrutiny to meet the PBB requirements e.g. the practices of other countries, 3-3. To discuss the current relevant rules and regulations in Indonesia MTEF-PBB, 3-4. To review the current practices in the selected BAPPENAS sector directorates and DFA, 3-5. To prepare recommendation papers to improve budget scrutiny, 3-6. To deliver training programs and provide practical</p>			

Narrative summary	Objectively Verifiable Indicators	Means of Verification	Important Assumption
<p>consultation opportunities to the selected BAPPENAS sector directorates and DFA, and</p> <p>3-7. To produce review reports on the quality of budget scrutiny in the selected BAPPENAS sector directorates and DFA.</p> <p>(*) Main beneficiaries of these activities will be both BAPPENAS and MOF (DG of Budget).</p>			
<p>Activity for output 4, "The experiences and lessons learnt for improvement of allocation and operational efficiency are shared by stakeholders".</p> <p>4-1. To identify the issues to be shared among BAPPENAS, MOF and MOHA (e.g. means for ensuring aggregate fiscal discipline, resource efficiency, operational efficiency),</p> <p>4-2. To hold dialogues (*) continuously on selected topics for sharing framework, experiences, and lessons learnt among BAPPENAS, MOF, MOHA and selected provincial governments, and</p> <p>4-3. To prepare reports on the results of those dialogues.</p> <p>(*) Dialogues will be organized in Jakarta and provinces.</p>			
<p>Activity for output 5, "A framework development for further elaborating PBB implementation system is facilitated."</p> <p>5-1. To explore and list various options on selected topics from the experiences of Japan and other countries through in-country and outside country activities,</p> <p>5-2. To examine (i) pros and cons of the options listed and (ii) implications on aggregate fiscal discipline, allocation efficiency and operational efficiency in the Indonesian context,</p> <p>5-3. To discuss the possibility of applying those options to Indonesia,</p> <p>5-4. To produce reports on those topics,</p> <p>5-5. To assess the status of the practices on the topics in each BAPPENAS sector directorate line ministry and produce status report.</p>			

Note: DFA=Directorate of Development Funding Allocation, BAPPENAS

DG of Budget= Directorate General of Budget

RPJMN= Rencana Pembangunan Jangka Menengah Nasional (National Medium Term Development Plan)

I.2 Project Design Matrix 2

The original Project Design Matrix was revised at JCC4 on 11 March 2016, by inserting the phrase “Central agencies (BAPPENAS and MOF) acknowledge the guiding framework for improving the quality of budget scrutiny” as “Important Assumptions” for Output 3. The revision was made based on the Minutes of Meeting between BAPPENAS and JICA advisory team on 26 February 2016.

Project Title: Planning and Budgeting Reform for the Performance-Based Budgeting (PBB) System Implementation Phase Two
Implementing Agency: BAPPENAS
Target Group: Directorate of Development Funding Allocation, BAPPENAS etc.
Period of Project: September 2014–August 2017
Project Site: Whole country

	Model Site: None			
	Narrative Summary	Objectively Verifiable Indicators	Means of Verification	
			Important Assumption	
Overall Goal	Performance-based budgeting (PBB) is further operationalized in Indonesia.	MTEF-PBB linkage is enhanced more (i.e. continued progress of creating fiscal space; use of PBB for budget allocation).	Diagnostic assessment based on the matrix, Interviews	Continued motivation for further accelerating PFM reform at various levels in Indonesian Government.
Project Purpose	Framework of planning and budgeting reform is further enhanced.	1. PBB framework (e.g. operational result-chain and KPIs) is understood and applied in BAPPENAS sector directorates and the selected line ministries. 2. More operational result-chain and KPIs are developed by the selected line ministries. 3. Guiding framework of budget preparation documents and budget scrutiny are enhanced. 4. [Reference] The quality of budget proposal is improved in the selected line ministries in PBB context. • The new initiatives are justified properly (e.g. how to justify the necessity of the new initiatives in the relevant result-chains, how to use KPIs to justify the necessity, what the expected achievements by the new initiatives are, what the expected activities to achieve those goals are, etc.) • The quality of costing is improved (e.g. the cost standard designated by MOF is used properly. The quantity for input is set more appropriately, etc.) • Cost benefit analysis is conducted properly when necessary. 5. [Reference] The quality of budget preparation documentation submitted (i) from the selected line ministries to BAPPENAS, and (ii) from BAPPENAS to MOF are improved. 6. Coordination efforts are made continuously.	1. Diagnostic assessment based on the matrix and Interviews 2. Ditto 3. Ditto 4. Ditto 5. Ditto 6. Ditto	• MTEF is operationalized more substantially. • Budget classification is properly applied in PBB context. • Public Expenditure Review (PER) are conducted in a strategic and systematic manner under the established framework. • Performance management and performance culture is improved. • Internal and external audit are improved.
Output 1:	The quality of result-chain and KPIs is improved in the selected line ministries.	1-1. Understanding on the MTEF-PBB framework and its practices is improved in the selected line ministries. 1-2. [Reference] The quality of result-chain is improved in the selected line ministries. 1-3. [Reference] The quality of the KPIs is improved in the result-chains of indicator 1-2. in the selected line ministries.	1-1. Diagnostic assessment based on the matrix, interview 1-2. Ditto 1-3. Ditto	
Output 2:	Guiding framework for improving the quality of budget preparation documentation is enhanced.	2-1. The guidelines on new initiatives are revised. 2-2. Budget preparation process is standardized in the selected line ministries in accordance with the relevant rules and regulations. 2-3. Budget preparation format is standardized in the selected line ministries in accordance with the relevant rules and regulations. 2-4. Type of information and description in the documents is standardized in the selected line ministries in accordance with the relevant rules and regulations.	2-1. Guidelines, project report 2-2. Diagnostic assessment based on the matrix, interview 2-3. Ditto 2-4. Ditto	
Output 3:	Guiding framework for improving the quality of budget scrutiny is enhanced at BAPPENAS and MOF.	3-1. Budget scrutiny process is standardized in BAPPENAS in accordance with the relevant rules and regulations. 3-2. Guidelines of checkpoints of budget scrutiny for BAPPENAS officers (sector directorates and the Directorate of Development Funding Allocation) are developed. 3-3. The developed checkpoints of budget scrutiny are used by BAPPENAS (sector directorates and Development Funding Allocation).	3-1. Description of budget scrutiny process, project report 3-2. Guidelines, project report, 3-3. Guidelines, project report	3. The central agencies (BAPPENAS and MOF) acknowledge the guiding framework for improving the quality of budget scrutiny.
Output 4:	The experiences and lessons learnt for improvement of allocation and operational efficiency are shared by stakeholders.	4-1. Opportunities for sharing experiences and lessons learnt are continuously arranged in the areas of allocation and operational efficiency. 4-2. Topics are covered in 4-1 opportunities properly (e.g. means for ensuring aggregate fiscal discipline, allocation efficiency, and operational efficiency).	4-1 Reports on seminars and workshops 4-2 Ditto	4 & 5. Importance of introducing PBB in the PFM is understood by wider audiences and opinion leaders, e. g. media, lawmakers, general public, etc.
Output 5:	A framework development for further elaborating PBB implementation system is facilitated.	Advisory services are provided by the Project. More specifically, solutions of critical topics for further elaborating PBB implementation system are explored; (i) various options are explored; (ii) pros and cons of each option are examined; (iii) implication of options on aggregate fiscal discipline, allocation efficiency and operational efficiency are examined respectively, etc. List of prospective topics is as follows: (1) How to set the ceiling in a more persuasive manner, (2) Cost approach (e.g. full cost approach), (3) Availability of performance assessment results in a timely manner, (4) Use of internal and external audits etc., and (5) Social accountability etc.	Project activity reports	

Activities	Inputs		Important Assumption
	The Japanese Side	Indonesian Side	
<p>1-1. To set up joint working group(s)(*) in the selected line ministries and prepare the work plan</p> <p>1-2. To conduct seminar(s) on the MTEF-PBB framework and practices and provide practical consultation opportunities to the selected line ministries</p> <p>1-3. To develop/refine result-chain and KPIs in accordance with the relevant guidelines and manuals. (*)Working group(s) consists of representatives from (i) Directorate of Development Funding Allocation, (ii) the relevant sector directorates, and (iii) selected line ministries.</p>	<p>1. Experts</p> <p>(1) Long-term and/or short-term experts from Japan and/or third countries</p> <p>2. Trainings of counterpart personnel in Japan and/or third countries</p> <p>3. Provision of machinery and equipment (1) Machinery and Equipment (if necessary) (2) Other equipment used by the experts</p> <p>4. Local expenses for the project activities</p> <p>5. Others as necessary</p>	<p>1. Personnel (1) Project Director (2) Project Manager (3) Counterpart personnel</p> <p>2. Provision of the project offices and facilities in BAPPENAS DFA necessary for the project implementation</p> <p>3. Administrative and operational expenses (e.g. electricity, water, communication, financial incentives for the Indonesian side official, etc.)</p> <p>4. Others as necessary</p>	<p>Precondition</p> <p>The following issues on the fiscal planning and allocation in Indonesia shall be explained clearly:</p> <p>(1) Annual procedures, schedule of the budget cycle, (2) Demarcation of the roles and responsibilities of provincial fiscal allocation, (3) Process of determining budget ceiling, (4) Criteria for accepting new initiatives, (5) Process of scrutinizing budget proposals</p>
<p>2-1. To set up joint working group(s) in the selected line ministries and prepare the work plan</p> <p>2-2. To discuss various practices of budget preparation documentation to meet the PBB requirements e.g. the practices of other countries</p> <p>2-3. To discuss the current relevant rules and regulations in Indonesia on the MTEF-PBB</p> <p>2-4. To review the current practices in the selected ministries</p> <p>2-5. To prepare recommendation papers to revise the guidelines for the new initiatives</p> <p>2-6. For BAPPENAS to revise the guidelines for the new initiatives</p> <p>2-7. To deliver training programs and provide practical consultation opportunities to the selected line ministries</p> <p>2-8. To produce review reports on quality of budget preparation documentations in the selected line ministries</p>			<p>Pre-Conditions</p> <p style="text-align: center;">↓</p> <p style="text-align: center;"><issues and countermeasures></p>
<p>3-1. To set up joint working group (s) in the selected BAPPENAS sector directorates and DFA</p> <p>3-2. To discuss various practices of budget scrutiny to meet the PBB requirements e.g. the practices of other countries</p> <p>3-3. To discuss the current relevant rules and regulations in Indonesia MTEF-PBB</p> <p>3-4. To review the current practices in the selected BAPPENAS sector directorates and DFA</p> <p>3-5. To prepare recommendation papers to improve budget scrutiny</p> <p>3-6. To deliver training programs and provide practical consultation opportunities to the selected BAPPENAS sector directorates and DFA</p> <p>3-7. To produce review reports on the quality of budget scrutiny in the selected BAPPENAS sector directorates and DFA (*) Main beneficiaries of these activities will be both BAPPENAS and MOF (DG of Budget)</p>			
<p>4-1. To identify the issues to be shared among BAPPENAS, MOF and MOHA (e.g. means for ensuring aggregate fiscal discipline, resource efficiency, operational efficiency)</p> <p>4-2. To hold dialogues (*) continuously on selected topics for sharing framework, experiences, and lessons learnt among BAPPENAS, MOF, MOHA and selected provincial governments</p> <p>4-3. To prepare reports on the results of those dialogues. (*) Dialogues will be organized in Jakarta and provinces.</p>			
<p>5-1. To explore and list various options on selected topics from the experiences of Japan and other countries through in-country and outside country activities</p> <p>5-2. To examine (i) pros and cons of the options listed and (ii) implications on aggregate fiscal discipline, allocation efficiency and operational efficiency in the Indonesian context</p> <p>5-3. To discuss the possibility of applying those options to Indonesia</p> <p>5-4. To produce reports on those topics</p> <p>5-5. To assess the status of the practices on the topics in each BAPPENAS sector directorate line ministry and produce status report</p>			

Note: DFA=Directorate of Development Funding Allocation, BAPPENAS
 DG of Budget= Directorate General of Budget
 RPJMN= Rencana Pembangunan Jangka Menengah Nasional (National Medium Term Development Plan)

I.3 Project Design Matrix 3

The Project Design Matrix was revised again reflecting the introduction of a new planning strategy called National Priorities. BAPPENAS requested a further support to make a draft of new initiative guidelines for National Priority Projects to achieve the Project Purpose “Framework of planning and budgeting reform is further enhanced.”. The revision was made based on the Minutes of Meeting between BAPPENAS and JICA advisory team on 13 July 2017.

Project Design Matrix1

Project Title: Planning and Budgeting Reform for the Performance-Based Budgeting (PBB) System Implementation Phase Two
 Implementing Agency: BAPPENAS
 Target Group: Directorate of Development Funding Allocation, BAPPENAS etc.
 Period of Project: September 2014–November 2017
 Project Site: Whole country

Model Site: None

Narrative Summary	Objectively Verifiable Indicators	Means of Verification	Important Assumption
Overall Goal Performance-based budgeting (PBB) is further operationalized in Indonesia.	MTEF-PBB linkage is enhanced more (i.e. continued progress of creating fiscal space; use of PBB for budget allocation).	Diagnostic assessment based on the matrix, interviews	Continued motivation for further accelerating PFM reform at various levels in Indonesian Government.
Project Purpose Framework of planning and budgeting reform is further enhanced.	1. PBB framework (e.g. operational result-chain and KPIs) is understood and applied in BAPPENAS sector directorates and the selected line ministries. 2. More operational result-chain and KPIs are developed by the selected line ministries. 3. Guiding framework of budget preparation documents and budget scrutiny are enhanced. 4. [Reference] The quality of budget proposal is improved in the selected line ministries in PBB context. • The new initiatives guideline for National Priority projects are justified properly (e.g. how to justify the necessity of the new initiatives for National Priority projects in the relevant result-chains, how to use KPIs to justify the necessity, what the expected achievements by the new initiatives are, what the expected activities to achieve those goals are, etc.) • The quality of costing is improved (e.g. the cost standard designated by MOF is used properly. The quantity for input is set more appropriately, etc.) • Cost benefit analysis is conducted properly when necessary. 5. [Reference] The quality of budget preparation documentation submitted (i) from the selected line ministries to BAPPENAS, and (ii) from BAPPENAS to MOF are improved. 6. Coordination efforts are made continuously.	1. Diagnostic assessment based on the matrix and interviews 2. Ditto 3. Ditto 4. Ditto 5. Ditto 6. Ditto	• MTEF is operationalized more substantially. • Budget classification is properly applied in PBB context. • Public Expenditure Review (PER) are conducted in a strategic and systematic manner under the established framework. • Performance management and performance culture is improved. • Internal and external audit are improved.
Output 1: The quality of result-chain and KPIs is improved in the selected line ministries.	1-1. Understanding on the MTEF-PBB framework and its practices is improved in the selected line ministries. 1-2. [Reference] The quality of result-chain is improved in the selected line ministries. 1-3. [Reference] The quality of the KPIs is improved in the result-chains of indicator 1-2. in the selected line ministries.	1-1. Diagnostic assessment based on the matrix, interview 1-2. Ditto 1-3. Ditto	
Output 2: Guiding framework for improving the quality of budget preparation documentation is enhanced.	2-1. The guidelines on new initiative for National Priority projects are revised. 2-2. Budget preparation process is standardized in the selected line ministries in accordance with the relevant rules and regulations. 2-3. Budget preparation format is standardized in the selected line ministries in accordance with the relevant rules and regulations. 2-4. Type of information and description in the documents is standardized in the selected line ministries in accordance with the relevant rules and regulations.	2-1. Guidelines, project report 2-2. Diagnostic assessment based on the matrix, interview 2-3. Ditto 2-4. Ditto	
Output 3: Guiding framework for improving the quality of budget scrutiny is enhanced at BAPPENAS and MOF.	3-1. Budget scrutiny process is standardized in BAPPENAS in accordance with the relevant rules and regulations. 3-2. Guidelines of checkpoints of budget scrutiny for BAPPENAS officers (sector directorates and the Directorate of Development Funding Allocation) are developed. 3-3. The developed checkpoints of budget scrutiny are used by BAPPENAS (sector directorates and Development Funding Allocation).	3-1. Description of budget scrutiny process, project report 3-2. Guidelines, project report, 3-3. Guidelines, project report	3. The central agencies (BAPPENAS and MOF) acknowledge the guiding framework for improving the quality of budget scrutiny.
Output 4: The experiences and lessons learnt for improvement of allocation and operational efficiency are shared by stakeholders.	4-1. Opportunities for sharing experiences and lessons learnt are continuously arranged in the areas of allocation and operational efficiency. 4-2. Topics are covered in 4-1 opportunities properly (e.g. means for ensuring aggregate fiscal discipline, allocation efficiency, and operational efficiency).	4-1 Reports on seminars and workshops 4-2 Ditto	4 & 5. Importance of introducing PBB in the PFM is understood by wider audiences and opinion leaders, e.g. media, lawmakers, general public, etc.
Output 5: A framework development for further elaborating PBB implementation system is facilitated.	Advisory services are provided by the Project. More specifically, solutions of critical topics for further elaborating PBB implementation system are explored; (i) various options are explored; (ii) pros and cons of each option are examined; (iii) implication of options on aggregate fiscal discipline, allocation efficiency and operational efficiency are examined respectively, etc. List of prospective topics is as follows: (1) How to set the ceiling in a more persuasive manner, (2) Cost approach (e.g. full cost approach), (3) Availability of performance assessment results in a timely manner, (4) Use of internal and external audits etc., and (5) Social accountability etc.	Project activity reports	

Activities	Inputs		Important Assumption
	The Japanese Side	Indonesian Side	
<p>1-1. To set up joint working group(s)(*) in the selected line ministries and prepare the work plan</p> <p>1-2. To conduct seminar(s) on the MTEF-PBB framework and practices and provide practical consultation opportunities to the selected line ministries</p> <p>1-3. To develop/refine result-chain and KPIs in accordance with the relevant guidelines and manuals.</p> <p>(*)Working group(s) consists of representatives from (i) Directorate of Development Funding Allocation, (ii) the relevant sector directorates, and (iii) selected line ministries.</p>	<p>1. Experts</p> <p>(1) Long-term and/or short-term experts from Japan and/or third countries</p> <p>2. Trainings of counterpart personnel in Japan and/or third countries</p> <p>3. Provision of machinery and equipment</p> <p>(1) Machinery and Equipment (if necessary)</p> <p>(2) Other equipment used by the experts</p> <p>4. Local expenses for the project activities</p> <p>5. Others as necessary</p>	<p>1. Personnel</p> <p>(1) Project Director</p> <p>(2) Project Manager</p> <p>(3) Counterpart personnel</p> <p>2. Provision of the project offices and facilities in BAPPENAS DFA necessary for the project implementation</p> <p>3. Administrative and operational expenses (e.g. electricity, water, communication, financial incentives for the Indonesian side official, etc.)</p> <p>4. Others as necessary</p>	<p>Precondition</p> <p>The following issues on the fiscal planning and allocation in Indonesia shall be explained clearly:</p> <p>(1) Annual procedures, schedule of the budget cycle,</p> <p>(2) Demarcation of the roles and responsibilities of provincial fiscal allocation,</p> <p>(3) Process of determining budget ceiling,</p> <p>(4) Criteria for accepting new initiatives,</p> <p>(5) Process of scrutinizing budget proposals</p>
<p>2-1. To set up joint working group(s) in the selected line ministries and prepare the work plan</p> <p>2-2. To discuss various practices of budget preparation documentation to meet the PBB requirements e.g. the practices of other countries</p> <p>2-3. To discuss the current relevant rules and regulations in Indonesia on the MTEF-PBB</p> <p>2-4. To review the current practices in the selected ministries</p> <p>2-5. To prepare recommendation papers to revise the guidelines of the new initiatives for National Priority projects</p> <p>2-6. For BAPPENAS to revise the guidelines of the new initiatives for National Priority projects</p> <p>2-7. To deliver training programs and provide practical consultation opportunities to the selected line ministries</p> <p>2-8. To produce review reports on quality of budget preparation documentations in the selected line ministries</p>			<p>Pre-Conditions</p>
<p>3-1. To set up joint working group (s) in the selected BAPPENAS sector directorates and DFA</p> <p>3-2. To discuss various practices of budget scrutiny to meet the PBB requirements e.g. the practices of other countries</p> <p>3-3. To discuss the current relevant rules and regulations in Indonesia MTEF-PBB</p> <p>3-4. To review the current practices in the selected BAPPENAS sector directorates and DFA</p> <p>3-5. To prepare recommendation papers to improve budget scrutiny</p> <p>3-6. To deliver training programs and provide practical consultation opportunities to the selected BAPPENAS sector directorates and DFA</p> <p>3-7. To produce review reports on the quality of budget scrutiny in the selected BAPPENAS sector directorates and DFA</p> <p>(*) Main beneficiaries of these activities will be both BAPPENAS and MOF (DG of Budget)</p>			<p><Issues and countermeasures></p>
<p>4-1. To identify the issues to be shared among BAPPENAS, MOF and MOHA (e.g. means for ensuring aggregate fiscal discipline, resource efficiency, operational efficiency)</p> <p>4-2. To hold dialogues (*) continuously on selected topics for sharing framework, experiences, and lessons learnt among BAPPENAS, MOF, MOHA and selected provincial governments</p> <p>4-3. To prepare reports on the results of those dialogues.</p> <p>(*) Dialogues will be organized in Jakarta and provinces.</p>			
<p>5-1. To explore and list various options on selected topics from the experiences of Japan and other countries through in-country and outside country activities</p> <p>5-2. To examine (i) pros and cons of the options listed and (ii) implications on aggregate fiscal discipline, allocation efficiency and operational efficiency in the Indonesian context</p> <p>5-3. To discuss the possibility of applying those options to Indonesia</p> <p>5-4. To produce reports on those topics</p> <p>5-5. To assess the status of the practices on the topics in each BAPPENAS sector directorate line ministry and produce status report</p>			

Note: DFA=Directorate of Development Funding Allocation, BAPPENAS
 DG of Budget= Directorate General of Budget
 RPJMN= Rencana Pembangunan Jangka Menengah Nasional (National Medium Term Development Plan)

APPENDIX II Plan of Operation

Below is the Plan of Operation with actual progress.

Table A.1 Plan of Operation

List of activities	Year	Month	2014					2015												2016												2017																					
			Actual	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12									
Activity 0: To conduct capacity assessment necessary for BAPPENAS and the other related ministries to implementing the MTEF-PBB	Stage		Preparation					-												Stocktaking					-												Stocktaking					-											
Conduct capacity assessment	Plan																																																				
	Actual																																																				
Revise the baseline on the Explanatory note of the Project M&E	Plan																																																				
	Actual																																																				
Take stock of the progresses and achievements and reflect the results into the Explanatory note	Plan																																																				
	Actual																																																				
Output 1.The quality of result-chain and KPIs is improved in the selected line ministries.	Stage		Preparation																	Practice												Wrap up																					
1-1. To set up joint working group (s) in the selected line ministries and prepare the work plan	Plan																																																				
	Actual																																																				
1-2. To conduct seminar (s) on the MTEF-PBB framework and practices and provide practical consultation opportunities to the selected line ministries	Plan																																																				
	Actual																																																				
1-3. To develop/ refine result-chain and KPIs in accordance with the relevant guidelines and manuals	Plan																																																				
	Actual																																																				
Output 2. Guiding framework for improving the quality of budget preparation documentation is enhanced.	Stage		Preparation																	Practice												Wrap up																					
2-1. To set up joint working group (s) in the selected line ministries and prepare the work plan	Plan																																																				
	Actual																																																				
2-2. To discuss various practices of budget preparation documentation to meet the PBB requirements e.g. the practices of other countries	Plan																																																				
	Actual																																																				
2-3. To discuss the current relevant rules and regulations in Indonesia on the MTEF-PBB	Plan																																																				
	Actual																																																				
2-4. To review the current practices in the selected ministries	Plan																																																				
	Actual																																																				
2-5. To prepare recommendation papers to revise the guidelines of the new initiatives for National Priority projects	Plan																																																				
	Actual																																																				
2-6. For BAPPENAS to revise the guidelines of the new initiatives for National Priority projects	Plan																																																				
	Actual																																																				
2-7. To deliver training programs and provide practical consultation opportunities to the selected line ministries	Plan																																																				
	Actual																																																				
2-8. To produce review reports on quality of budget preparation documentations in the selected line ministries	Plan																																																				
	Actual																																																				
Output 3.Guiding framework for improving the quality of budget scrutiny is enhanced at BAPPENAS and MOF.	Stage		Preparation																	Practice												Wrap up																					
3-1. To set up joint working group (s) in the selected BAPPENAS sector directorates and DFA	Plan																																																				
	Actual																																																				
3-2. To discuss various practices of budget scrutiny to meet the PBB requirements e.g. the practices of other countries	Plan																																																				
	Actual																																																				
3-3. To discuss the current relevant rules and regulations in Indonesia MTEF-PBB	Plan																																																				
	Actual																																																				
3-4. To review the current practices in the selected BAPPENAS sector directorates and DFA	Plan																																																				
	Actual																																																				

List of activities	Year Month	2014					2015												2016												2017																			
		Actual	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12							
3-5. To prepare recommendation papers to improve budget scrutiny	Plan																																																	
	Actual																																																	
3-6. To deliver training programs and provide practical consultation opportunities to the selected BAPPENAS sector directorates and DFA	Plan																																																	
	Actual																																																	
3-7. To produce review reports on the quality of budget scrutiny in the selected BAPPENAS sector directorates and DFA	Plan																																																	
	Actual																																																	
Output 4. The experiences and lessons learnt for improvement of allocation and operational efficiency shared by stakeholders.	Stage		Preparation												Practice												Wrap up																							
4-1. To identify the issues to be shared among BAPPENAS, MOF and MOHA (e.g. means for ensuring aggregate fiscal discipline, resource efficiency, operational efficiency)	Plan																																																	
	Actual																																																	
4-2. To hold dialogues continuously on selected topics for sharing framework, experiences, and lessons learnt among BAPPENAS, MOF, MOHA and selected provincial governments	Plan																																																	
	Actual																																																	
4-3. To prepare reports on the results of those dialogues	Plan																																																	
	Actual																																																	
Output 5. A framework development for further elaborating PBB implementation system is facilitated.	Stage		Preparation				Implementation																								Wrap up																			
5-1. to explore and list various options on selected topics from the experiences of Japan and other countries through in-country and outside country activities	Plan																																																	
	Actual																																																	
5-2. to examine (i) pros and cons of the options listed and (ii) implications on aggregate fiscal discipline, allocation efficiency and operational efficiency in the Indonesian context,	Plan																																																	
	Actual																																																	
5-3. to discuss the possibility of applying those options to Indonesia	Plan																																																	
	Actual																																																	
5-4. to produce reports on those topics	Plan																																																	
	Actual																																																	
5-5. to assess the status of the practices on the topics in each BAPPENAS sector directorate, line ministry and produce status report	Plan																																																	
	Actual																																																	
Major events																																																		
Training in Japan (Country focused)	Plan																																																	
	Actual																																																	
Third country training	Plan																																																	
	Actual																																																	
JCC meeting	Plan																																																	
	Actual																																																	

* The Indonesian fiscal year is as same as the calendar year.

* The timing of JCC meeting and review will be set bearing in mind the Indonesian fiscal year and the budgeting process.

* K/L: mass type of training for maximum 15 K/L (e.g. organizing seminars/WS), intensive consultation for 2 K/L per year (e.g. setting WGs, consultation) total 6 K/L in the project period.

* Province: 6 provinces in total in the project period.

** PO may be modified depending on the budget situations of both sides.

*** If the necessity confirmed and budget allowed

 Actual  Planned

APPENDIX III Indicative Staff Input

Assignment Area	Name	First Term																Person/Month										
		2014					2015											1st Term										
		Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Indonesia	Japan								
1. Team Leader□ PFM	Hisaaki Mitsui	7 (12)	18	7 (75)		20	18		7 (49)			3 (49)		20		9 (61)	8	6 (23)	28	8.97	0.00							
2. Performance-Based Budgeting 1	Taichi Sakano	8 (7)	14			23 (14)	6				1 (5)	14 (14)		15 (14)	28		24 (5)	5 (10)	24 (16)	8				16 (5)	1 (16)	3.47	1.00	
3. Performance-Based Budgeting 2	Shuhei Oguchi	7 (41)		17							1 (60)		29			2 (38)	8	7 (33)	9 (38)	25	1	7.00	0.00					
4. Performance Evaluation	Yukie Mori	7 (49)		25				18		21 (35)			16 (31)	16	15 (26)	10 (1)	18 (1)	19 (33)									5.80	0.80
5. Budget Preparation/Scrutiny	Peter Fane			12 (68)	8 (68)	10 (68)	20			1 (60)		1		10 (62)		10		23 (50)	11 (50)	25 (26)	14 (26)	21	8.87	0.00				
																		34.11	1.80									
	Submission Due (Name of Report)		□ (I/W)																									
	JCC		○																○									
	Training Abroad																											



Legend Work in Indonesia:  W : Work Plan PR□ Progress Report C : Completion Report
 Work in Japan:  T : Training in Japan T3 : Third Country Visit

Figure A1 Indicative Staff Input (Year 1)

Assignment Area	Name	Second Term																				Person/Month			
		2016												2017								1st Term	2nd Term		Total
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct		Indonesia
1. Team Leader/ PFM	Hisaaki Mitsui	21 █ (59)		19 █		8 █	4 █	10 █	30 █	21 █	17 □	16 █	15 █		19 █	1 █	1 █	8 █			1-14 █ (14)	8.97	9.73	0.50	19.20
2. Performance- Based Budgeting 1 (Predecessor)	Taichi Sakano		15 █ (17)	2 █																		4.47	0.57	0.00	5.04
2. Performance- Based Budgeting 1 (Successor)	Tomohide Uchida				22-31 █ (10)	5 □	17 █	30 █	9 □	5 █						27 █	8 █			17 █	30 █	0.00	3.67	0.75	4.42
3. Performance- Based Budgeting 2	Shuhei Oguchi	13 █ (36)	19 █		6 █	2 █	19 █	31 █	19 █	5 █	21 █	14 █		13 █	25 █		16 █	8 █		2-8 □ (6)	2-8 □ (7)	7.00	7.33	0.30	14.63
4. Performance Evaluation	Mitsuhiro Ishida	21 █ (31)	20 █		29 █	17 █		29 █	2 █						5 █	1 █	5 █	20 █			13-31 █ (19)	6.60	4.97	0.00	11.57
5. Budget Preparation/Scrutin y	Peter Fane		21 █	22 █	28 █	28 █	23 █	4 █	11 █	2 █	16 █	16 █		19-27 █ (15)	3-8 █		4-13 █ (10)		31 █	13 █		8.87	7.70	0.13	16.70
																						35.91	33.97	1.68	71.56
	Submission Due (Name of Report)		△ (W,MS)					△ (MS)				△ (PR)		△ (MS)							△ (C)				
	JCC			○									○						○						○
	Training Abroad							◇ (T)	◇ (T3)												◇ (T3)				

Legend Work in Indonesia: █ W : Work Plan PR : Progress Report C : Completion Report
Work in Japan: □ T : Training in Japan T3 : Third Country Visit MS : Monitoring Sheet

Figure A2 Indicative Staff Input (Year 2)

APPENDIX IV Seminars/Workshops/Trainings

List of seminars/workshops/trainings conducted during the project period is as follows.

Table A.2 List of Seminars/Workshops/Trainings Conducted (September 2014 to October 2017)

No.	Date	Title	Participants	Venue
1	16 Oct-14	JCC1	BAPPENAS (DFA, M&E), MOF, JICA, Expert team	BAPPENAS
2	3 Dec-14	MTEF-PBB Framework Seminar	BAPPENAS (DFA, M&E, Sectors), MenPAN, WB, AIPEG, Expert team: 30	BAPPENAS
3	9 Dec-14	MTEF-PBB Framework Seminar (follow-up)	MOF (DG Budget), Expert team	MOF
4	5 Feb-15	Experience-sharing Seminar	BAPPENAS (DFA), AIPEG, Expert team: 24	Sari Pan Pacific Hotel, Jakarta
5	4 Mar-15	JCC2	BAPPENAS (DFA, M&E), JICA, Expert team	BAPPENAS
6	17 Mar-15	Workshop on Budget Scrutiny	BAPPENAS (DFA, Sectors), Expert team	BAPPENAS
7	2 July-15	Workshop on Draft PBB Guidelines (MTEF-PBB Framework Seminar)	BAPPENAS (DFA, M&E, Sectors), AIPEG, Expert team: 19	Sari Pan Pacific Hotel, Jakarta
8	25 July to 2 Aug-15	Third Country Visit: A New Zealand Perspective on Performance-based Budget Reform	BAPPENAS (8), MOF (1), MenPAN (1): total 10	Victoria University of Wellington, New Zealand
9	27 Aug-15	Experience-sharing Seminar 2	BAPPENAS (DFA, Sectors), MOF, MenPAN, AIPEG, Expert team: 20	Akmani Hotel, Jakarta
10	30 Sep-15	Socialization of PBB Guidelines to Pilot Ministries (MTEF-PBB Framework Seminar)	BAPPENAS (DFA, M&E, Sectors, Planning), MenPAN, MOF (Planning), Pilot Ministries (Law, Education, Health, Public Works) AIPEG, Expert team: 42	Hotel Borobudur, Jakarta
11	6 Oct-15	Experience-sharing Seminar in North Sumatra Province	BAPPENAS (DFA), North Sumatra Provincial Offices, Expert team: 66	Grand Swiss-Belhotel Hotel, Medan
12	12 to 24 Oct-15	Knowledge Co-Creation (KCC) Program on Performance Measurement in Central and Local Governments in Japan	BAPPENAS (9), MenPAN (1), MOHA (1): total 11	Tokyo, Chichibu, Toyohashi, Nagoya, Atsugi
13	10 Nov-15	Experience-sharing Seminar in North Sumatra Province (follow-up)	BAPPENAS (DFA), North Sumatra Provincial Offices, Expert team: 42	Grand Swiss-Belhotel Hotel, Medan
14	17 Nov-15	Workshop on How to Use PBB Guidelines in Practice (MTEF-PBB Framework Seminar)	BAPPENAS (DFA, M&E, Sectors, Planning, IBKK), MOF (Planning), Pilot Ministries (Law, Education, Health, Public Works, Agriculture) AIPEG, Expert team: 40	Hotel Borobudur, Jakarta
15	23 Nov-15	Experience-sharing Seminar in Yogyakarta Special Province	BAPPENAS (DFA), Yogyakarta Provincial Offices,	Melia Purosani Hotel, Yogyakarta

			Expert team: 76	
16	25 Nov-15	JCC3	BAPPENAS (DFA, M&E), MOHA, JICA, Expert team: 17	BAPPENAS, Jakarta
17	1 Mar-16	Sharing the Results of Renja 2016 Review (MTEF-PBB Framework Seminar)	BAPPENAS (DFA, Sectors, Planning, IBKK), MenPAN, Pilot Ministries (Marine & Fisheries, Law, Public Works, Agriculture, Environment), AIPEG, Expert team: 43	Hotel Borobudur, Jakarta
18	11 Mar-16	JCC4	BAPPENAS (DFA, M&E), JICA, Expert team: 14	BAPPENAS, Jakarta
19	11 Aug-16	Review on Preparation of 2017 Performance Information of Min. Marine and Fisheries (MTEF-PBB Framework Seminar)	BAPPENAS (DFA, Marine & Fisheries Sector), Pilot Ministry (Marine & Fisheries), Expert team: 28	Hotel Sofyan Betawi, Jakarta
20	30 Aug-16	Workshop to Review the Role and Structure of SIMU (MTEF-PBB Framework Seminar)	BAPPENAS (DFA, System and Procedures, Regional Development, M&E, Sectors, Data, Policy Analysis), Expert team: 38	Hotel Borobudur, Jakarta
21	1 Sep-16	Experience-sharing Seminar in West Nusa Tenggara Province	BAPPENAS (DFA), West Nusa Tenggara Provincial Offices, Expert team: 54	Santika Hotel, Mataram
22	29 Sep-16	Experience-sharing Seminar in Central Sulawesi Province	BAPPENAS (DFA), Central Sulawesi Provincial Offices, Expert team: 90	Best Western Plus, Palu
23	26 Sep to 8 Oct-16	Knowledge Co-Creation (KCC) Program on Performance Measurement System in Central and Local Government in Japan	BAPPENAS (8), Pilot Ministries (3), BAPPEDA (3), Expert team (Mitsui): 15	JICA Chubu, Aichi Pref., Toyohashi, Toyota, Togo-cho
24	19 to 28 Oct-16	Third Country Visit: Performance-based Budget in India	BAPPENAS (6), Expert team (Uchida, Oguchi): 8	National Institute of Financial Management, Faridabad, India
25	1 Dec-16	Experience-sharing Seminar in Kabupaten Wakatobi	BAPPENAS (DFA), Wakatobi District Offices, Expert team: 60	Hotel Wisata Beach, Wakatobi
26	13 Dec-16	Experience-sharing Seminar 3	BAPPENAS (DFA, System and Procedures, Planning & Enhancement, PPP), Pilot Ministries (Agriculture, Law, Marine & Fisheries), UNCRD, Expert team: 22	Hotel Royal Kuningan, Jakarta
27	21 Dec-16	Experience-sharing Seminar in Kabupaten Bima	BAPPENAS (DFA), Bima District Offices, Expert team: 36	Hotel Mutmainah, Bima
28	23 Dec-16	Coordination Meeting for Renja 2018 (Budget Scrutiny)	BAPPENAS (System and Procedures, Planning, M&E, DFA, Regional Development, Sectors), Expert team: 71	Hotel Borobudur, Jakarta
29	18 Apr-17	Experience-sharing Seminar 4	BAPPENAS (DFA, System and	Hotel Royal

			Procedures, M&E), Expert team: 14	Kuningan, Jakarta
30	23 May-17	Experience-sharing Seminar in West Nusa Tenggara Province	BAPPENAS (DFA), West Nusa Tenggara Provincial Offices, Expert team: 45	Santika Hotel, Mataram
31	26 May-17	JCC5	BAPPENAS (DFA, M&E), JICA, Expert team: 12	BAPPENAS, Jakarta
32	11 to 16 Sep-17	Third Country Visit: Planning and budgeting framework and its practices in Sri Lanka	BAPPENAS (7), Expert team (Uchida): 8	Sri Lanka Institute of Development and Administration (SLIDA), Sri Lanka
33	26 Oct-17	JCC6	BAPPENAS (DFA, System and Procedures, M&E), JICA, Expert team: 17	BAPPENAS, Jakarta

APPENDIX V List of Participants for Third Country Visit/ KCC Program in Japan

List of participants is as follows.

Table A.3 List of Participants for Third Country Visit (New Zealand: 25 July to 2 August 2015)

	Name	Position
1	Sumariyandono (Mr.)	Deputy Director, Directorate of Allocation for Development Funding, BAPPENAS
2	Taufiek Bawazier (Mr.)	Deputy Director, Directorate of Industry, Science and Technology, and Tourism and Creative Economy, BAPPENAS
3	Setyawati (Ms.)	Deputy Director, Directorate of Marine and Fishery, BAPPENAS
4	Yonathan Setianto Hadi (Mr.)	Deputy Director, Directorate of System and Budgeting, MOF
5	Agus Uji Hantara (Mr.)	Deputy Director, Directorate of Policy Formulation for Bureaucratic Reforms, MenPAN
6	Angga Ekanata (Mr.)	First Planner, Directorate of Allocation for Development Funding, BAPPENAS
7	Yanuar Adiantoro (Mr.)	First Planner, Directorate of Development Funding and Planning, BAPPENAS, BAPPENAS
8	Lilis Widyawati Dwi Lestari (Ms.)	First Planner, Directorate of Evaluation System and Reporting of Development Performance, BAPPENAS
9	Rina Asriyani (Ms.)	Planning Staff, Directorate of Allocation for Development Funding, BAPPENAS
10	Istiyono (Mr.)	Administration/Secretariat Staff, Directorate of Allocation for Development Funding, BAPPENAS
11	Taichi Sakano (Mr.)	Member (Performance-Based Budgeting 1), JICA PBB2 Team
12	Shuhei Oguchi (Mr.)	Member (Performance-Based Budgeting 2), JICA PBB2 Team

Table A.4 List of Participants for Knowledge Co-Creation Program (Japan: 12 to 24 October 2015)

	Name	Position
1	Sumariyandono (Mr.)	Deputy Director, Directorate of Allocation for Development Funding, BAPPENAS
2	Firmansyah (Mr.)	Deputy Director, Directorate of Allocation for Development Funding, BAPPENAS
3	Inda Monita (Ms.)	Deputy Director, Directorate of Evaluation for Regional Development Performance, BAPPENAS
4	Akhmad Hasmy (Mr.)	Head of Monitoring Evaluation and Reporting Division, Bureau of Planning and Performance Management in Ministerial Secretariat, MenPAN
5	Rina Asriyani (Ms.)	Junior Planner, Directorate of Allocation for Development Funding, BAPPENAS
6	Jayadi (Mr.)	Junior Planner, Directorate of Regional Autonomy, BAPPENAS
7	Mohamad Firda Fauzan (Mr.)	Junior Planner, Directorate of Bilateral Foreign Funding, BAPPENAS
8	Rosianna Sianipar (Ms.)	Planning Staff, Directorate of Multilateral Foreign Funding, BAPPENAS
9	Moehamad Nawaludin (Mr.)	Junior Planner, Directorate of International Development Cooperation, BAPPENAS
10	Majeda Tri Utami (Ms.)	Planning Staff, Legal Bureau in Ministerial Secretariat, BAPPENAS
11	Adriani Achmadi Lelong (Ms.)	General Administration Staff, Directorate of Planning, Evaluation and Information of Local Development, MOHA

Table A.5 List of Participants for Knowledge Co-Creation Program (Japan: 26 Sep. to 8 Oct. 2016)

	Name	Position
1	Mukhtiali (Mr.)	Deputy Director, Directorate of Planning and Enhancement of Development Funding, <u>BAPPENAS</u>
2	Firman Edison (Mr.)	Secondary Planner, Directorate of System and Procedure of Development Funding, <u>BAPPENAS</u>
3	Mohammad Taufiq Rinaldi (Mr.)	Secondary Planner, Directorate of Public Private Partnership and Design, <u>BAPPENAS</u>
4	Lilis Widyawati Dwi Lestari (Mrs.)	Elementary Planner, Directorate of System and Reporting of Monitoring, Evaluation and Development Control, <u>BAPPENAS</u>
5	Wulandari (Mrs.)	Elementary Planner, Directorate of Allocation of Development Funding, <u>BAPPENAS</u>
6	Istiyono (Mr.)	Staff, Directorate of Allocation of Development Funding, <u>BAPPENAS</u>
7	Eko Agung Wibowo Paeran (Mr.)	Staff, Directorate of Allocation of Development Funding, <u>BAPPENAS</u>
8	Anang Budi Gunawan (Mr.)	Staff, Directorate of International Development Cooperation, <u>BAPPENAS</u>
9	Siddiq Pratomo (Mr.)	Head of Division, Bureau of Planning, <u>Ministry of Marine and Fisheries</u>
10	Maria Rosalin (Mrs.)	Head of Section, Bureau of Planning, <u>Ministry of Agriculture</u>
11	Putra Hendarwan Sudarsono (Mr.)	Staff, Bureau of Planning, <u>Ministry of Law and Human Rights</u>
12	Mohamad Wahyudi (Mr.)	Secondary Planner, <u>BAPPEDA West Nusa Tenggara</u>
13	Amar Maruf (Mr.)	Head of Social Culture Division, <u>BAPPEDA Bima District</u> , West Nusa Tenggara
14	La Ode Muhammad Aswinuddin (Mr.)	Head of Investment Division, <u>BAPPEDA Wakatobi District</u> , Sulawesi Tenggara

Table A.6 List of Participants for Third Country Visit (India: 19 to 28 October 2016)

	Name	Position
1	Erwin Dimas (Mr.)	Director, Allocation of Development Funding, BAPPENAS
2	Riza Hamzah (Ms.)	Deputy Director, Directorate of Planning and Enhancement of Development Funding, BAPPENAS
3	Tri Wibowo (Mr.)	Secondary Planner, Directorate of Allocation of Development Funding, BAPPENAS
4	Rina Asriyani (Ms.)	Secondary Planner, Directorate of Allocation of Development Funding, BAPPENAS
5	Moehammad Nawaluddin (Mr.)	Elementary Planner, Directorate of System and Procedures of Funding Allocation, BAPPENAS
6	Aprindra Wardhana (Mr.)	Project Manager, Secretariat of Strategic Coordination of Planning and Budgeting Reform, BAPPENAS
7	Tomohide Uchida (Mr.)	Performance-Based Budgeting 1, JICA PBB2 Team
8	Shuheii Oguchi (Mr.)	Performance-Based Budgeting 2, JICA PBB2 Team

Table A.7 List of Participants for Third Country Visit (Sri Lanka: 11 to 16 September 2017)

	Name	Position
1	Erwin Dimas (Mr.)	Director, Allocation of Development Funding, BAPPENAS
2	Anantyo Wahyu Nugroho (Mr.)	Head of Division, Allocation of Central Government Funding, Economic, Maritime and Natural Resources, BAPPENAS
3	Uthami Sary (Ms.)	Head of Division, Bilateral Funding of United States, Pacific and Middle East, BAPPENAS
4	Aprindra Wardhana (Mr.)	Project Manager, Secretariat of Strategic Coordination of Planning and Budgeting Reform, BAPPENAS
5	Yudhie Hatmadji Sudjarwo (Mr.)	First Planner, Directorate of System and Procedures of Funding Allocation, BAPPENAS
6	Eko Agung Wibowo Paeran (Mr.)	First Planner, Directorate of Allocation of Development Funding, BAPPENAS
7	Angga Ekanata (Mr.)	First Planner, Directorate of Allocation for Development Funding, BAPPENAS
8	Tomohide Uchida (Mr.)	Performance-Based Budgeting 1, JICA PBB2 Team

APPENDIX VI Equipment

List of procured items is as follows. Desktop and PDF Scanner were handed over to BAPPENAS on 16 October 2014.

Table A.8 List of Procured Items

No.	Item	Qty.	Condition	Date of Handover	Recipient	Description
1	Desktop PC with display and keyboard (Compaq Presario CQ4168L)	1	-	16 October 2014	BAPPENAS	Procured and handed over in Phase 1
2	PDF Scanner (EPSON GT-2500)	1	-	16 October 2014	BAPPENAS	
3	Color Printer (FUJI XEROX DocuPrint C1110B)	1	Good	31 October 2017	BAPPENAS (DFA)	Procured in Phase 1
4	LCD Projector (EPSON H-490)	1	Good	31 October 2017	BAPPENAS (DFA)	
5	Fax (Samsung SCX-4521F)	1	Good	31 October 2017	BAPPENAS (DFA)	
6	Laptop (TOSHIBA)	1	Good	31 October 2017	BAPPENAS (DFA)	Procured in this project