

Action brief

Budget Tagging, Tracking and Evaluation in Indonesia

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Country: Indonesia **Themes:** Financial tracking **Sub-themes:** National-level budget processes
Date: January 2023



Overview



Nutrition budget tagging, tracking and evaluation can be effectively integrated into broader public financial management reforms and lead to better budget planning and expenditure across sectors. Additionally, improved nutrition budget performance and accountability support increased investment and faster realization of national nutrition goals.



Period covered

The period of work covered the 2019 to 2022 budget cycles. However, some necessary preconditions were met before 2019, including the development and costing of the national nutrition plan and the development of financial management information systems.



Objectives of the action brief

This action brief describes the effective measures taken in Indonesia to improve nutrition budget processes.



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What action was taken?

In 2018, Indonesia began with a national nutrition strategy to reduce stunting. The strategy prioritized and costed 21 nutrition-specific and 12 nutrition-sensitive interventions. Implementation roles and responsibilities for these interventions were detailed among line ministries and agencies, from the central Government down to provincial and district authorities. Each level of implementation identified baseline information, key performance indicators and targets based on available national and subnational budget resources. Specific processes undertaken included:

- The Ministry of National Development Planning (Bappenas) and the Ministry of Finance (MoF) developed joint technical implementation guidelines for budget tagging, tracking, monitoring and evaluation to align and synchronize work that was previously done on different timelines and with different operating standards.
- Bappenas and the MoF identified and summarized activities and programmes in the state budget lines that would be tagged to expenditures associated with the stunting reduction programme. With these budget lines tagged, it became possible to produce an annual expenditure and performance review report on

those activities. This was submitted to Parliament and informed performance-based budget allocations for the following year.

- Bappenas and the MoF annually identified and summarized activities that would be tagged to expenditures associated with stunting reduction. Those activities already tagged would be monitored and evaluated.
- Bappenas and the MoF also produced performance reviews every semester to identify the performance in the current year and to conduct an annual review of the previous year. This cooperation was facilitated by a government regulation requiring the two ministries to synchronize their budget processes and another regulation mandating the implementation of a performance-based budgeting approach for multisectoral programmes, such as nutrition.
- Accountability in the programme to reduce stunting has improved with better identification of high and low performers and the mainstreaming of this work into the plans of relevant line ministries.



What would the country do differently?

- There should be a stronger regulation and simpler mechanism for ministries and agencies to submit self-evaluation reports. Stronger regulations could increase the commitment of ministries and agencies for budget tagging and tracking activities.
- More effort could have been made to better implement budget tagging at the subnational level and to better link government spending on nutrition to specific outcomes.
- It remains a fundamental challenge that the systems for budget classification and chart of accounts from the central and subnational governments are different.
- Addressing this issue will improve the process of tagging and tracking budgets from the central government level down to the local levels. This would be further supported by a unified financial management information system.



Adaptation and Applicability

- **Work should be done to integrate financial and non-financial data systems for better monitoring and evaluation.**
- **Budget tagging and tracking remains a labour-intensive task that must be repeated every year. Opportunities should be taken to systematize this work through the creation of cross-agency programmes that can be funded jointly.**
- **Work should be done to improve the accuracy and relevance of budget lines for specific output targets through the provision of data-related activities to increase the accuracy of estimating budget line items in terms of their contributions to nutrition.**



What was the role of the SUN Movement in this good practice?

The Ministry of National Development, led by the SUN Focal Point, and the Ministry of Finance worked closely with other government representatives to establish the budget tagging and tracking system. In addition, experts in the SUN Academia Network and professional organizations assisted

the Government during the budget tagging confirmation process. Later, the World Bank, as part of the SUN Donor Network, encouraged the Government of Indonesia to share details about the creation of this budget tagging and tracking system as a good practice in nutrition finance.



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Next steps

- Consolidate central and subnational financial management information systems.
- Standardize nomenclature across systems.
- Use performance reviews to support planning, budgeting and allocating resources for the following budget year.
- Optimize an integrated system and dashboard to automate data utilization from various report dashboards in ministries and agencies.



Further information



Hari Purnomo, Lubina Qureshy, Ali Winto Subandoro, Kyoko Okamura, and Patrick Sullivan, *Strengthening Public Financial Management Systems for Better Nutrition Results: Budget Tagging, Tracking, and Evaluation in Indonesia* (World Bank Group and Global Financing Facility)

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