

The Implementation of Planning and Budgeting System Redesign in Efforts to Reform Planning and Budgeting

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ABSTRACT

Keywords: redesign, planning, budgeting, output.

The Redesign of the Planning and Budgeting System (RSPP) is one of the government's efforts to realise effective and efficient planning and budgeting at the central and regional levels. The implementation of RSPP is expected to be able to answer problems in the planning and budgeting system, including the inconsistency of central and regional expenditure programs, differences in programs used in planning and budgeting documents, the formulation of program nomenclature and normative outcomes, and development performance information in planning and budgeting documents that are difficult for the public to understand. However, in its implementation, there are still problems faced by Ministries/Institutions so the Ministry of Finance together with the Ministry of National Development Planning/Bappenas need to periodically evaluate the formulation of RSPP in Ministries/Institutions through the Work Plan and Budget documents that have been issued. The process of improving the implementation of RSPP in Ministries/Institutions is followed by improving the guidelines and rules that oversee the implementation of RSPP in Indonesia. Several policies need to be taken to support the implementation of RSPP, namely the Logical Framework policy in the Formulation of Performance and Performance Indicators as well as the Synchronization of Planning and Budgeting Documents through the Integration of Planning and Budgeting Applications so that planning and budgeting documents become harmonious and easy to understand. For the implementation of RSPP to be effective and efficient, the Ministry of Finance together with the Ministry of National Development Planning/Bappenas need to periodically evaluate the performance information that has been prepared by the Ministries/Institutions by the Regulation on the Implementation of Planning and Budgeting System Redesign.



Introduction

Planning and budgeting are two things that are interrelated and require synergy to realize effective and efficient planning and budgeting (Sodikin, 2020). Efforts to improve the quality of planning and budgeting in Indonesia began with the launch of the reform of state financial management (Suryadi, 2023). This reform was marked by the enactment of Law Number 17 of 2003 concerning State Finance, Law Number 1 of 2004 concerning the State Treasury and Law Number 15 of 2004 concerning the Audit of State Financial Management and Responsibility. Meanwhile, related to planning, was marked by the enactment of Law Number 25 of 2004 concerning the National Development Planning System (Zunaidi & Santoso, 2021).

By the mandate of Law Number 17 of 2003 concerning State Finance, the preparation of planning and budgeting by Ministries/Institutions are guided by 3 (three) budgeting systems, namely (1) Unified Budgeting Approach, (2) Performance-Based Budgeting Approach and (3) Medium Term Expenditure Framework Approach (Rahim, 2022). The Integrated Budgeting Approach is carried out by integrating the entire planning and budgeting process within the Ministries/Institutions to produce RKA-K/L documents with budget classifications according to organization, function and type of expenditure (economy). The performance-based budgeting approach is a budgeting system that pays attention to the relationship between funding and performance and pays attention to efficiency in achieving this performance (Anggriawan, 2023). Meanwhile, the KPJM Approach is a policy-based budget preparation that causes budget implications for more than 1 (one) year (Purnomo, 2021).

The implementation of the Law package in the field of State Finance does not automatically result in effective and efficient state financial management (Madjid, 2020). To improve Performance-Based Budgeting, especially regarding the measurement and evaluation of budget performance, the Government issued Government Regulation (PP) Number 90 of 2010 concerning the Preparation of Work Plans and Budgets of Ministries/Institutions (RKA-K/L) (Pratama, 2017). Ministries/Institutions and Local Governments (Pemda) are introduced to the reward and punishment system and the application of fee standards. In addition, to answer the challenge of disintegration in program and budget planning, the government passed Government Regulation Number 17 of 2017 concerning Planning and Budgeting Synchronization which regulates the role of institutions and responsibilities for the preparation of national development plans and budgets as well as the control of the achievement of development goals (Sihaloho, Ariza, & Munandar, 2024).

However, as the planning and budgeting process in Indonesia has been running for approximately 8 (eight) years, Budget Reform is considered to still not show the effectiveness of planning and budgeting through the results of evaluations conducted by the Ministry of Finance and the National Development Planning Agency (Bappenas). The results of the evaluation include 4 (four) things, namely (Ministry of Finance, 2020):

1. Central and regional spending programs are not synchronized so their performance achievements have not met the target;

2. The programs used in planning and budgeting documents are different so they are difficult to consolidate;
3. The formulation of program nomenclature and the outcome of a program are not directly visible (normative); and
4. Development information contained in budgeting planning documents is difficult for the public to understand.

The results of the evaluation show that the challenges and needs to improve the quality of the budget and the implementation of the Money Follow program reflect the duties and functions of the Ministries/Institutions as well as the program objectives (outcomes) (Amin, 2019). In addition, the preparation of planning, budgeting, implementation, monitoring, evaluation and reporting becomes easier to consolidate. This is what prompted the Ministry of Finance and the Ministry of National Development Planning/Bappenas to redesign the Planning and Budgeting System (Biswan & Grafitanti, 2021).

The redesign of the Planning and Budgeting System, hereinafter abbreviated as RSPP, is an alignment between performance-based planning and budgeting, changing budgeting from an input base to an output base to improve the quality of planning and budgeting as well as the effectiveness of state spending. RSPP is one of the planning and budgeting approaches to implement the money-follow program so that it has an impact on the community (value for money). The RSPP was first implemented during the preparation of the 2021 State Budget. Guidelines for the preparation of Programs, Activities and Outputs (outputs) of Ministries/Institutions used in the preparation of planning and budgeting documents are outlined in the Joint Circular Letter of the Deputy for Development Financing of the Ministry of National Development Planning/Bappenas and the Directorate General of Budget of the Ministry of Finance Number: S-122/MK.2/2020 and B-517/M.PPN/D.8/PP.04.03/05/2020, Date: June 24, 2020, Matter: Guidelines for Redesigning the Planning and Budgeting System. The general purpose of implementing RSPP is to realize more targeted and flexible planning and budgeting as well as to improve the relationship between budget allocation and performance.

Planning and budgeting reform is one of the efforts to realize effective and efficient planning and budgeting. However, over time, planning and budgeting reforms and various regulations that have been drafted have not succeeded in realizing effective and efficient planning and budgeting. Therefore, the Indonesian government launched the Redesign of the Planning and Budgeting System in 2020 which was used for the preparation of the 2021 State Revenue and Expenditure Budget (APBN).

The redesign of the Planning and Budgeting System can help to accelerate economic growth and recovery as well as strengthen reforms with detailed and thorough socialization, as well as periodic supervision and evaluation of each program that is being implemented. The Redesign of the Planning and Budgeting System will facilitate the synchronization process between planning and budgeting documents and the information contained in the Budget Implementation Entry List (DIPA) can be easily understood by the public (Ministry of Energy and Mineral Resources, 2020).

Challenges and needs to improve the quality of planning and budgeting in Indonesia which reflect the functional duties of ministries and ministries and objectives (*outcomes*) that reflect the results of national program performance so that an initiative to redesign the planning and budgeting system has emerged. The implementation of RSPP is expected to be able to overcome the problem of central and regional spending programs that are out of sync so that the performance achievements have not met the target. One example of program missynchronization occurs in the physical Special Allocation Fund (DAK) regarding road construction between national, provincial and district/city road priorities. The construction of the road infrastructure is a program of the central government so that when the infrastructure has been completed and will be handed over to the Regional Government, the Regional Government refuses because it is not to the needs of the Regional Government and the consequence is to carry out infrastructure maintenance that has been programmed by the central government.

In addition, the implementation of the Redesign of the Planning and Budgeting System is expected to overcome the problem of programs used in different planning and budgeting documents that it is difficult to consolidate. Before the implementation of the RSPP, 428 programs overlapped between ministries/institutions. This is because each echelon official in one ministry/institution submits a program proposal. Therefore, periodic synchronization is needed between the budget document in Bappenas and the planning in the respective ministries and agencies with the programs in the budgeting document (DIPA). For example, there is a Stunting program involving 18 ministries/institutions and local governments, so a cross-ministry/institution program involved in the program is needed. With the reform of the budget for the implementation of RSPP in 2021, it can reduce the number of programs from ministries/ministries from 428 to 102 programs consisting of 1 generic program, 17 cross-ministry/institution programs and 84 specific programs (Sri Mulyani, Media Indonesia 2020).

The next problem is that the formulation of program nomenclature and *the outcomes* of a program are not directly visible (normative) so it is difficult to connect *the output* and the outcome of the budget. For example, we want the Farmer Exchange Rate (NTP) to be above 100, which means that farmers have an advantage from the production of agricultural commodities compared to the amount of farmers' consumption (farmers' spending). However, the written program nomenclature is normative or cannot be measured so it will have an impact on the achievement of *outcomes* (Sri Mulyani, Antara 2020).

The development performance information contained in budgeting planning documents is difficult for the public to understand, and it is also a problem in the planning and budgeting system that must be overcome. The development performance information contained in the planning document (Renja K/l) and the budgeting document (DIPA) is very normative and has too many descriptions, this has caused criticism from various parties who find it difficult to understand the document which has an impact on the principle of accountability. Therefore, it is necessary to improve the performance

information structure so that the relationship between inputs, *outputs*, *outcomes* and *impacts* can be seen (Olfah et al, 2023).

The four problems and evaluation of the planning and budgeting system in Indonesia are used as the basis for redesigning the budgeting system which is expected to be able to clarify the relationship between programs, activities, *outputs* and *outcomes* and can increase synergy between Echelon I work units or between ministries and agencies in achieving development goals so that spending efficiency is maximized.

The objectives of this study are:

1. Examining the effectiveness and challenges of implementing the Redesign of the Planning and Budgeting System by Ministries/Institutions;
2. Identify the implementation of the Redesign of the Planning and Budgeting System at the Central Statistics Agency;
3. Provide recommendations for improvement strategies related to the implementation of Planning and Budgeting System Redesign in the future to realize effective and efficient planning and budgeting.

This policy paper will be useful for the Ministry of Finance and the Ministry of National Development Planning/Bappenas to improve the implementation of a more effective and efficient Planning and Budgeting System Redesign as well as for Ministries/Institutions in compiling performance information by the program objectives (outcomes) to be achieved.

Research Methods

The analysis of the discussion in this policy paper uses a descriptive approach based on literature and a study of laws and regulations related to the Redesign of the Planning and Budgeting System. The literature used is in the form of documents produced by Ministries/Institutions as guidelines in the implementation of the Redesign of the Planning and Budgeting System as well as various rules prepared by the Ministry of Finance and the Ministry of National Development Planning/Bappenas as guidelines for the implementation of the Redesign of the Planning and Budgeting System of all Ministries/Institutions. Until now, there has not been much research or policy paper related to the implementation of the Redesign of the Planning and Budgeting System in Indonesia, so the literature is limited to documents made by the Ministry of Finance and the Ministry of National Development Planning/Bappenas. In addition, the collection of documents through correspondence with the Ministry of Health and the Supreme Court related to the implementation of the RSPP.

A case study was also conducted on the implementation of the Redesign of the Planning and Budgeting System at the Central Statistics Agency (BPS), to see the effectiveness of the RSPP in the preparation of planning and budgeting documents as well as the obstacles in the preparation of the RSPP structure in BPS. The data used related to the implementation of the RSPP at the Central Statistics Agency was obtained from the Work Plan and Budget (RKA) document in 2021.

Results and Discussion

Effectiveness and Challenges of the Implementation of Planning and Budgeting System Redesign

The implementation of the Planning and Budgeting System Redesign policy is a policy rolled out by the government to answer the gap between planning and budgeting. With the implementation of RSPP, it is hoped that planning and budgeting can go hand in hand and synchronously to realize effective and efficient planning and budgeting. The implementation of the RSPP which began in the preparation of the 2021 State Budget has shown its effectiveness slowly as shown in Table 1.

Table 1
Restructuring of Performance Information for 2020-2021 at the Ministry/Lembaga

Performance Information	2020	January 2021	July 2021
Program	414	102	102
Program Objectives	1.077	954	965
Output Program	1.252	830	846
Activities	3.021	2.521	2.502
Activity	7.076	-	-
Output			
KRO	-	231	238
RO	-	20.995	21.408

Table 1. shows that the number of programs decreased in mid-2021 after the implementation of RSPP. The number of programs in 2020 was 414 programs, which decreased in 2021 to 102 programs consisting of 1 Generic Program, 17 Cross-Ministry/Institution Technical Programs and 84 Ministry/Institution Specific Technical Programs. This is the principles of RSPP implementation, where programs can be carried out by one or more Echelon I Units, and even one program can be carried out by one or more Ministries/Institutions. Simplification also occurred in activities, in 2020, the number of activities was 3,021 activities, which decreased in mid-2021 to 2,502 activities. The implementation of activities can be carried out by one or more Echelon II Units within the same Echelon I scope or across Echelon I Units in one Ministry/Institution to increase synergy in achieving activity goals. The restructuring of performance information can overcome duplication of budgeting so that it becomes more effective and efficient.

According to the Ministry of Finance (2020), the implications of the implementation of RSPP cause changes in the process of formulating performance information nomenclature at the following levels:

1. The program, not only describes the duties and functions of Echelon I but also describes the functions of the Ministries/Institutions themselves which are formulated directly by the Ministry of Finance and the Ministry of National Development Planning/Bappenas as the coordinator of the relevant Ministries/Institutions;

2. Outcome (Program Objectives), reflects the results of the program's performance to be achieved at the national level. If the program formulated is cross-Ministries/Institutions, the nomenclature of program objectives and indicators is formulated by their respective duties and functions and by their contribution to achieving the program objectives;
3. Activities, formulated by the activities carried out by the Echelon II unit to produce output to support the realization of the above goals. Activities can also be cross-Echelon II units and cross-Echelon I within the same Ministry/Institution;
4. The output, in formulating the output, must reflect the final product produced as "real work and eye-catching". The formulation of output is divided into Classification of Output Details (KRO) and Output Details (RO).

The information structure of Program performance, Outcomes (program objectives), Activities, KRO and RO in the Work Plan and Budget Work Plan of Ministries/Institutions after the Redesign of the Planning and Budgeting System is explained in the following figure:

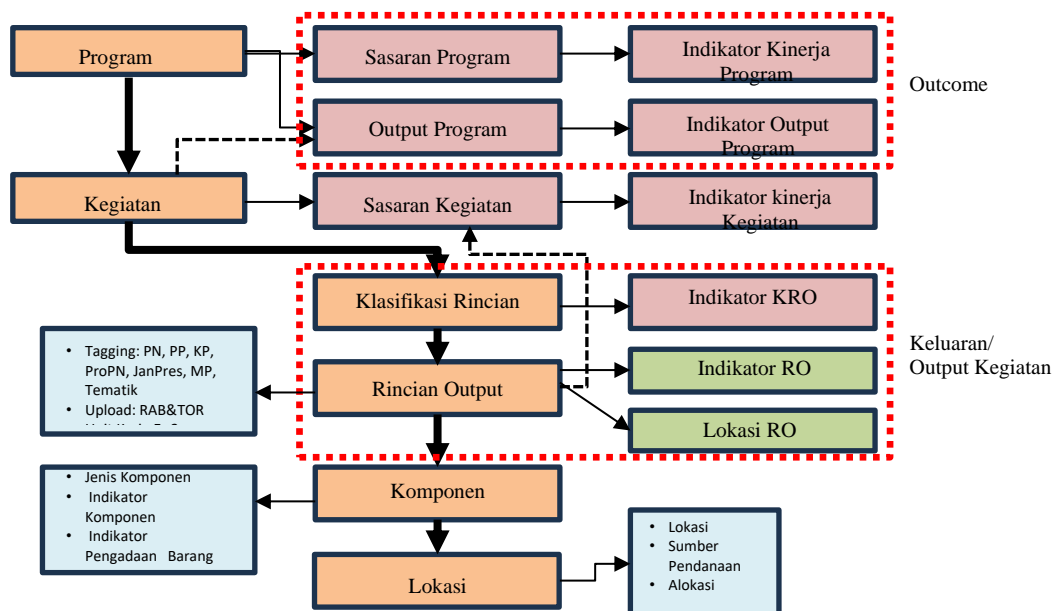


Figure 1. Renja and RKA-K/L Data Structure in RSPP

The implementation of RSPP in the 2021 fiscal year carried out by Ministries/Institutions is still not optimal in the preparation of performance information on both KRO and RO programs, and activities. Issues on the implementation of RSPP from Ministries/Institutions in 2021 include (Ministry of Finance, 2021):

1. The technical program of the Ministry of Agriculture and Forestry still contains the Detailed Classification of Output (KRO) and Detailed Output (RO) for Generic Programs in some ministries and agencies.
2. The technical program of the Ministry of Ministries and Agencies still contains non-specific ROs, including:
 - a. The nomenclature of RO is the same as KRO

- b. RO units in the form of packages/activities
 - c. RO is not an end product and/or the beneficiary of RO is not external to the Ministry of Ministries
3. The Technical KRO still contains generic components
 4. RO with units that are not of the same type/equivalent/cognate with KRO so that the sum of the RO volume becomes biased.
 5. RO that is not the same as KRO

The existence of implementation issues as a result of the initial evaluation conducted by the Ministry of Finance can be used as a guideline by Ministries/Institutions to improve performance information in the process of preparing the K/L Work Plan in the following year.

Based on the RSPP principles set by the Ministry of Finance together with the Ministry of National Development Planning/Bappenas, the programs of Ministries/Institutions are grouped into 2 (two), namely:

1. Generic Program (supportive)

The nomenclature formula used in the RSPP is a management support program. The management support program is a program designed to support the implementation of the Ministries/Institutions in running the government (bureaucracy). The KRO and RO used are KRO and RO that support the internal administrative activities of the Ministry/Institution.

2. Technical Programs

The technical program is a program designed to implement national development priorities that have been set out in the 2020-2024 RPJMN and the Government Work Plan (RKP). The technical programs of Ministries/Institutions are grouped into 2, namely:

- a. Technical programs are Cross-Ministries/Institutions, which are the government's flagship programs that are implemented by more than 1 () Ministries/Institutions that are thematic and sustainable.
- b. Specific technical programs implemented by 1 Ministry/Institution

The management support program is a merger of several supporting programs of Ministries/Institutions that have currently been implemented in Ministries/Institutions, namely the technical management support program of the Ministry/Institution, the apparatus supervision program, the facilities and infrastructure program, the training program/BPSDM and the R&D program as long as it does not produce products that will be mass-produced/implemented. The training program in question is as long as the participants or beneficiaries are the State Civil Apparatus (ASN) or the participants come from the general public but the graduates will become ASN.

The implementation of the Redesign of the Planning and Budgeting System has not been fully by expectations. Some Ministries/Institutions still exist where the Management Support Program is used by the Technical Work Units, for example, internal services spread across the Technical Work Units. This will result in duplication of the budget because the Management Support Program should only be used by the supporting Work Unit. Therefore, special guidelines are needed related to the standardization of

KRO and RO which should be in the Management Support Program and the Technical Program so that there is no confusion of duties and functions. In addition, implementation issues also occur in technical programs that still contain non-specific RO, for example, the same RO nomenclature as KRO, the RO unit of the package/activity and the RO is not the final product and/or the beneficiary of the RO is not external.

Table 2
Program Redesign at the Ministry of Health

Initial Programs (9 Programs)	Redesign 6 Programs
Management Support Program and Implementation of Other Technical Tasks of the Ministry of Health	Public Health Programs <i>Outcome:</i> Increasing the availability and affordability of quality health services for all communities
Program to Improve Supervision and Accountability of the Ministry of Health Apparatus	Health Service and JKN Program <i>Outcome:</i> 1. Implementation of strengthening national health insurance
Health Research and Development Program	2. Increasing access to basic health services and quality referrals for the community
Public Health Development Program	3. Increased access, independence, and quality of pharmaceutical preparations and medical devices 4. Increasing the fulfilment of health human resources according to standards
Health Service Development Program	Vocational Education and Training Program <i>Outcome:</i> Increasing the fulfilment of health human resources according to standards
Disease Prevention and Control Program	Disease Prevention and Control Program <i>Outcome:</i> Decrease in infectious diseases, non-communicable diseases, and improvement in mental health
Pharmaceutical and Medical Device Program	Science and Technology Research and Innovation Program <i>Outcome:</i> Improving the quality of research, development and its use for health program policy inputs
Health Human Resources Development and Empowerment Program (PPSDMK)	Management Support Program <i>Outcome:</i> 1. Increasing coordination in the implementation of duties, coaching and providing management support of the Ministry of Health
Program to Strengthen the Implementation of National Health Insurance	2. Increasing transparency and accountability of governance and achieving the goals of bureaucratic reform in the Ministry of Health

Table 2 shows the redesign of the program at the Ministry of Health, the number of initial programs is 9 programs after implementing the RSP into 6 programs, consisting of 1 generic program and 5 technical programs. Simplification of programs at the Ministry

of Health to realize more effective and efficient planning and budgeting. Simplification is also carried out on activities, KRO and RO at the Ministry of Health.

Table 3
Program Redesign at the Ministry of Finance

Initial Programs (12 Programs)	Redesign of 5 Programs
Management Support Program and Implementation of Other Technical Tasks of the Ministry of Finance (SETJEN)	Fiscal Policy Program (BKF, DGT, DJBC, DJA, DJPK and DJPPR)
Supervision and Accountability Improvement Program of the Ministry of Finance Apparatus (ITJEN)	
Education, Training and Competency Certification Program in the Field of State Finance (BPPK)	State Revenue Management Program (DJP, DJBC, DJA dan LNSW)
State Budget Management Program (DJA)	
Program to Improve the Quality of Central and Regional Financial Relations (DJPK)	State Expenditure Management Program (DJA, DJPK dan DJPPR)
Financing and Risk Management Program (DJPPR)	
Fiscal and Financial Sector Policy Formulation Program (BKF)	
State Treasury Management Program (DJPB)	Program Pengelolaan Perbendaharaan, Kekayaan Negara dan Risiko (DJPB, DJKN, DJPPR, ITJEN dan BLU LMAN)
Tax Revenue Enhancement and Security Program (DJP)	
Supervision, Service and Revenue Program in the Customs and Excise Sector (DJBC)	Management Support Program (All Echelon I Units – including BLU)
State Wealth Management Program, Settlement of State Receivables Management and Auction Services (DJKN)	
Indonesia Service Integration Program <i>National Single Window</i> (LNSW)	

Table 3 shows the restructuring of the Ministry of Finance's program before and after the implementation of the Redesign of the Planning and Budgeting System. The number of programs in the Ministry of Finance before the Redesign of the Planning and Budgeting System was carried out was 12 programs which were held by each Echelon I Unit. After the implementation of RSPP, the program was simplified into 5 programs which are an integration of several Echelon I Units. The RSPP at the Ministry of Finance not only has an impact on the planning and budgeting system but also encourages synergy and collaboration between echelon I units in the context of carrying out tasks so that they are more effective and efficient.

Activity Redesign

In addition to program redesign, activity redesign also needs to be carried out to simplify activities in Ministries/Institutions to facilitate the assessment of performance accountability and budget for the implementation of activities. The activities that are prepared no longer reflect the duties and functions of Echelon II units or vertical Task Forces from Ministries/Institutions, but rather reflect the activities carried out by the unit to produce outputs to support the realization of development goals (outcomes). Activities can be carried out by more than one Echelon II unit within the scope of Echelon I units or across Echelon I units.

Based on the RSPP principles set by the Ministry of Finance together with the Ministry of National Development Planning/Bappenas, the formulation of activities is grouped into 2 (two), namely:

1. Generic Activities (supportive)

Generic activities are activities that support the internal implementation of Ministries/Institutions (internal management support). Generic activities in the Management Support Program under the responsibility of the Secretariat General/Main Secretariat of the Ministry/Institution.

2. Technical Activities

Technical activities are activities related to technical programs, which support the implementation of the duties and functions of Ministries/Institutions in supporting national development goals. Technical activities of Ministries/Institutions are grouped into 2, namely:

1. Technical activities are cross-sectional, which are activities of Ministries/Institutions carried out by two or more Echelon II Work Units within the same Echelon I Work Unit or across Echelon I.

2. Specific technical activities carried out by 1 Echelon II unit.

The implementation of activities by two or more Echelon II Units within the same Echelon I scope aims to improve coordination and synergy between Echelon II Work Units in achieving certain goals. Cross-border activities are applied not only to the planning and budgeting process but also to the monitoring and evaluation process as well as performance accountability assessment. Ministries/institutions that carry out cross-border activities compile different activity objectives and activity performance indicators for each implementing work unit.

Table 4
Implementation of RSPP at the Ministry of Health in 2021

Program	Activities	KRO/RO
Public Health	5 Activities	47 KRO – 216 RO
Health Services and JKN	15 Activities	99 KRO – 223 RO
Vocational Education and Training	4 Activities	41 KRO – 145 RO

Disease Prevention and Control	7 Activities	60 KRO – 291 RO
Science and Technology Research and Innovation	4 Activities	45 KRO – 54 RO
Management Support	23 Activities	257 KRO – 609 RO

Simplification of information on the performance of programs, activities, KRO and RO at the Ministry of Health in 2021 is shown in Table 4. The program at the Ministry of Health is 6 programs consisting of 1 generic program and 5 technical programs held by all Echelon I Units. The Ministry of Finance and the Ministry of National Development Planning/Bappenas need to evaluate the simplification of performance information that has been carried out by Ministries/Institutions to see the efficiency of the implementation of RSPP. The number of KRO and RO in each activity at the Ministry of Health is still relatively large, so it needs to be re-examined so that the budget structure formed is easy to understand.

Output Redesign

Output is the most striking part of the change in the implementation of the Planning and Budgeting System Redesign. These outputs or outputs are divided into two, namely the Classification of Output Details (KRO) and Output Details (RO). The urgency of redesigning the output is to group the outputs produced in the form of goods and services that have been non-standard so that it becomes difficult to compare and measure their efficiency. KRO is a clustering of similar ROs and has the same or diverse units. The characteristics of KRO are:

1. KRO nomenclature in the form of goods or services;
2. KRO is not a real output that directly describes the achievement of activity goals;
3. KRO is general, so it can be used by all Ministries/Institutions;
4. The KRO has a certain unit that has been predetermined;
5. KRO is standard so that Ministries/Institutions are not allowed to change the nomenclature or KRO units;
6. KRO is comparable where the output, and budget allocation unit between each KRO can be compared with each other.

Output Details (RO) is the final product produced by the government, either in the form of goods or services to achieve activity targets. RO is prepared by each Ministry/Institution so that it can adjust to activities at the upper level. Characteristics of RO include:

1. RO nomenclature in the form of goods and services;
2. RO nomenclature describes a specific focus/locus of an activity;
3. RO is a real output that describes the achievement of the target activities of the implementing work unit directly;

4. RO for technical activities is the final product with beneficiaries outside the relevant Ministries/Institutions;
5. RO for generic activities with internal beneficiaries of the organization is an intermediate output;
6. RO is very specific (unique) which reflects the tasks and functions of the work unit that produces it;
7. The unit in RO is the same as the unit in KRO;
8. RO is open so that Ministries/Institutions can make changes to the RO nomenclature according to needs.

At the beginning of the implementation of RSPP, there were still many formulations of RO that were not by the characteristics of RO, including RO is not a real output, RO nomenclature refers to the name of the organizational unit, tasks and functions as well as sources of funds, RO is not specific to the locus and focus.

In the implementation of RSPP which has been going on for three years, there are still several challenges that need to be improved so that the implementation of RSPP runs optimally and the effectiveness of planning and budgeting can be realized. Challenges in the implementation of RSPP include:

1. There are still some RO nomenclatures that do not reflect the product in the form of final goods/services. The improvement targets carried out are the improvement of the Detailed Output (RO) formula and its performance indicators as well as the improvement of the use of KRO.
2. RO units that are not the same type/equivalent/cognate with KRO so that the sum of the RO volume becomes biased.
3. There are different budget needs for the same RO. The target of improvements made for the same RO is to standardize budget needs.
4. The planning and budgeting application system is still not integrated. Further coordination is needed between the Ministry of Finance and the Ministry of National Development Planning/Bappenas regarding the synchronization of the planning and budgeting system so that it can simplify the budget preparation process.
5. Flexibility in budget implementation. Further coordination with relevant regulators is needed in the implementation of a more flexible budget so that it can cut the time needed and the budget implementation process is not disrupted.

Implementation of Redesign of Planning and Budgeting System at the Central Statistics Agency

The restructuring of program performance information at the Central Statistics Agency began in 2020 before the Redesign of the Planning and Budgeting System was implemented. In 2019, before the restructuring, there were 4 programs at BPS, then in 2020, it became 2 programs, namely the BPS Management Support Program and the Implementation of Other Technical Tasks and the Statistical Information Provision and Service Program (PPIS). Table 3. shows the restructuring of the program at BPS along with the program goals that will be achieved in the period 2020 – 2024. The BPS Apparatus Facilities and Infrastructure Improvement Program and the BPS Apparatus

Supervision and Accountability Improvement Program are merged into the BPS Management Support Program and the Implementation of Other Technical Tasks.

Table 7
Program Restructuring at BPS

Initial Programs (4 Programs)	Program Redesign (2 Programs)
BPS Management Support Program and Implementation of Other Technical Tasks	BPS Management Support Program and Implementation of Other Technical Tasks Outcome: 1. Increasing the management of BPS human resources in the framework of institutional governance 2. Increased supervision and accountability of BPS performance
BPS Apparatus Facilities and Infrastructure Improvement Program	3. Increasing services by providing facilities and infrastructure according to standards 4. Improving the governance of budget use and implementation of activities 5. Increasing office services
BPS Apparatus Supervision and Accountability Improvement Program	Statistical Information Provision and Service Program (PPIS) Outcome: 1. Increasing the use of quality statistical data 2. Ensuring the availability of statistics that meet quality assurance standards 3. Improving the quality of relationships with data users (<i>User Engagement</i>)
Statistical Information Provision and Service Program	4. Strengthening K/L/D/I's commitment to SSN 5. Strengthening sectoral statistics of K/L/D/I

Programs at BPS are divided into 2, namely the Management Support Program and the Implementation of Other Technical Tasks BPS which is a generic program and the Statistical Information Provision and Service Program which is a technical program by the duties and functions of each Echelon I unit. The implementation of RSPP. The management support program only accommodates general and supporting activities carried out by the Echelon I Unit which is also supportive. While the Statistical Information Provision and Service Program is technical and carried out by the Technical Echelon I Unit, the Technical Echelon I Unit at BPS consists of the Deputy for Methodology and Statistical Information, the Deputy for Social Statistics, the Deputy for Distribution and Services Statistics, the Deputy for Production Statistics and the Deputy for Balance Sheet Statistics and Regional Analysis.

Tabel 8
Hasil Redesain KRO dan RO pada Program Teknis BPS Tahun 2021

Re		Become	
Activities	Output	Activities	KRO

054.GG	Statistical Information Provision and Service Program	054.GG	Statistical Information Provision and Service Program
054.GG.2899	Statistical Information Provision and Service Program	054.GG.2899	Provision and Development of Production Balance Statistics
2899.006	Publications/Production Balance Report	2899.BDB	Institutional Facilitation and Development
2899.006.001	No Suboutput	2899.BDB.100	Sectoral Statistics Development Report
2899.008	Publikasi/Laporan Inter Regional Input Output	2899.BMA	Data and Public Information
2899.008.001	No Suboutput	2899.BMA.006	Publications/Production Balance Report
2899.009	Publication/Report of the National Tourism Satellite (TSA) Balance Sheet	2899.QMA	Data and Public Information
2899.009.001	No Suboutput	2899.QMA.009	Publication/Report of the National Tourism Satellite (TSA) Balance Sheet

Programs at BPS are divided into 2, namely the Management Support Program and the Implementation of Other Technical Tasks BPS which is a generic program and the Statistical Information Provision and Service Program which is a technical program by the duties and functions of each Echelon I unit. The implementation of RSPP. The management support program only accommodates general and supporting activities carried out by the Echelon I Unit which is also supportive. While the Statistical Information Provision and Service Program is technical and carried out by the Technical Echelon I Unit, the Technical Echelon I Unit at BPS consists of the Deputy for Methodology and Statistical Information, the Deputy for Social Statistics, the Deputy for Distribution and Services Statistics, the Deputy for Production Statistics and the Deputy for Balance Sheet Statistics and Regional Analysis.

At the time of the issuance of the Joint Circular Letter of the Ministry of Finance with the Ministry of National Development Planning/Bappenas on the 2020 RSPP Guidelines, each Ministry/Institution was asked to identify KRO that is by its duties and functions with the existing RSPP guidelines. However, the RSPP guidelines are not unique, which means that the existing KRO can be used by all Ministries/Institutions. This makes it difficult for BPS to determine a KRO that is by the duties and functions of BPS as a data provider, so a KRO that has similarities with BPS is chosen. Likewise, the KRO unit of "service" is not suitable when applied in BPS because the BPS is not an agency that provides services but produces data. In addition to BMA, BPS also uses KRO Facilitation and Institutional Development (BDB) because BPS is also a sectoral statistical coaching agency tasked with coaching central and regional K/L/D/I.

At the time of the first implementation of RSPP, Ministries/Institutions are not allowed to propose the addition of appropriate KRO units in BPS so that they use predetermined KRO units, namely "services". The use of the KRO unit of "service" is considered unable to describe the real output in BPS because it is difficult to identify how much output is produced by several surveys/censuses that are incorporated into one RO. It is hoped that in the future the guidelines related to RSPP will be equipped with the concept of the definition of each KRO so that it is easier to understand and make it easier to map the KRO that will be used. Along with the implementation of the RSPP for three years, the RSPP guidelines are revised every year to accommodate the needs of Ministries/Institutions that have not been listed in the guidelines. However, until now there has been no special regulation regulating the implementation of the RSPP so it is an obstacle for Ministries/Institutions to understand the concept and definition of each KRO.

Policy Options

Furthermore, recommendations for policy choices that can be taken by the government consist of the use of a logical framework or logic model in the formulation of performance and performance indicators of Ministries/Institutions and synchronization of planning and budgeting documents through the integration of planning and budgeting applications.

Policy Logical Framework in the Formulation of Performance and Performance Indicators

A logic model is a logical framework that relates inputs, processes, outputs and outcomes that are systematically arranged to respond to situations faced by the organization. According to Knowlton & Phillips (2013), Zunaidi and Santoso (2021) define a logic model as a method of visually presenting ideas. This model offers a way of describing and sharing an understanding of the relationships between the elements needed to implement a program or an attempt to change conditions. The most basic concepts in the conceptual framework of performance management and budgeting are outcomes, outputs, activities and inputs which are described as follows:

1. Output merupakan barang atau jasa yang disediakan oleh unit kerja pemerintah untuk pihak eksternal;
2. Outcome merupakan dampak yang dimaksudkan dengan adanya output tersebut;
3. Activity adalah jenis tugas kerja yang dilakukan dalam rangka produksi output. Suatu output pada umumnya memerlukan serangkaian activity terkoordinasi dari jenis yang berbeda dan dalam jumlah yang berbeda;
4. Input merupakan sumber daya yang digunakan dalam melaksanakan kegiatan untuk menghasilkan output, misalnya tenaga kerja, peralatan dan bangunan.

The benefits of using the logic model according to (Wholey, Hatry & Newcomer, 2010) (Ramadhan, 2022) are:

1. It can determine balanced evaluation pain points and key performance measurement points to improve usability and aid in performance reporting;
2. Assist in identifying program activities that are important, but repetitive, inconsistent or inconsistent with program objectives;

3. Describe the position of a program in the organization or problem hierarchy using *logic charts*;

The logical framework systematically formulates Performance and Performance Indicators starting from the input stage to the impact. The outcome is an expected change in the condition of beneficiaries outside the organizational unit. So it must be clear who the beneficiaries are and the desired change in conditions. The use of logic models to formulate performance information in the context of the implementation of the Redesign of the Planning and Budgeting System. The logic model is used as an evaluation tool for the formulation of performance information in the Work Plan (Renja) and Work Plan and Budget (RKA) of Ministries/Institutions for the level of programs, activities, outputs and outcomes as well as their conformity with RSPP guidelines.

Planning and Budgeting Document Synchronization Policy Through Planning and Budgeting Application Integration

The synchronization of the preparation of the Work Plans of Ministries/Institutions (Renja K/L) on the KRISNA application (Ministry of National Development Planning/Bappenas) and the preparation of Work Plans and Budgets of Ministries/Institutions (RKA-KL) on the SAKTI application (Ministry of Finance) is an action plan for the direction of digitalization policies in the 2020-2024 RPJMN related to the Integration of Electronic-based Planning and Budgeting which ensures the aggregation of data and information electronically at all stages of the budgeting cycle starting from planning, determination, implementation/administration to reporting. The implementation of the integration of the planning and budgeting system is a follow-up to the mandate of Government Regulation Number 17 of 2017 concerning the Synchronization of the National Development Planning and Budgeting Process which is intended to integrate and strengthen the preparation of national development plans and budgets, control, achievement of development goals, and as a definite step in the implementation of bureaucratic reform within the government.

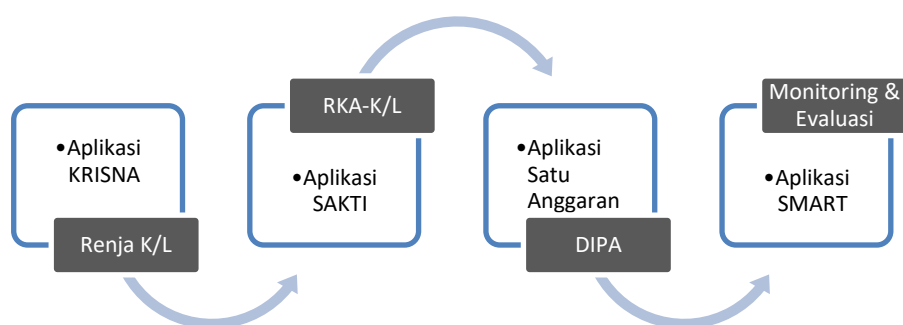


Figure 5. Planning and Budgeting Application Flow

Figure 6 explains the flow of preparing planning and budgeting documents starting from the preparation of Renja K/L on the KRISNA application to monitoring and evaluation through the SMART application. The formulation of performance information is carried out at the planning stage in the KRISNA application which includes programs, activities, *outcomes*, KRO and RO. The preparation of this performance information is

adjusted to the Strategic Plan of Ministries/Institutions and the 2020–2024 RPJMN. Performance information that has been compiled by Ministries/Institutions is then evaluated by the Ministry of National Development Planning/Bappenas and the Ministry of Finance. The performance information examined includes the completeness of the performance information structure (nomenclature, targets and units) as well as the relevance between levels of the performance information structure. Performance information that has been approved on the KRISNA application will then be synchronized into a reference for performance information in the context of the preparation of RKA-K/L on the SAKTI application. The integration of the planning and budgeting system by connecting the KRISNA and SAKTI applications will strengthen the implementation of more quality and effective planning and budgeting data integration to achieve the national development goals outlined in the RPJMN and RKP by using a thematic, holistic, integrative and spatial approach. In addition, the integration of the planning system in the KRISNA Application with the budgeting system in the SAKTI Application can overcome the inconsistency of planning and budgeting documents that were previously prepared separately so that there may be differences between the documents.

Conclusion

The Redesign of the Planning and Budgeting System is a policy implemented by the government to synchronize planning and budgeting documents both between Ministries/Institutions and between the central and regional governments. The implementation of RSPP also addresses the inconsistency of duties and functions of work units that cause duplication of budgeting. The implementation of RSPP also aims to realize effective and efficient planning and budgeting. RSPP began to be implemented in the 2021 fiscal year in planning and budgeting documents prepared by Ministries/Institutions in 2020.

In the implementation of RSPP, there are still problems faced by Ministries/Institutions in preparing the redesign of programs, activities, KRO and RO. The problems faced by Ministries/Institutions are relatively the same, namely the preparation of program nomenclature, activities, and RO that are not by the principles of Planning and Budgeting System Redesign, as well as the use of generic KRO in Technical Programs or vice versa so that they are not by their duties and functions. Therefore, it is necessary to periodically evaluate the implementation of the Redesign of the Planning and Budgeting System in Ministries/Institutions so that the problems that arise can be overcome immediately.

The implementation of the Redesign of the Planning and Budgeting System at the Central Statistics Agency has not been fully by the principles of the RSPP. However, BPS always strives to improve the structure of the RSPP in the process of preparing planning and budgeting documents. In addition, the duties and functions of BPS as a data provider are unique so it is difficult to determine the technical KRO by the specifics of BPS. In the preparation of the RSPP, BPS strives to continue to improve by the guidelines that have been set and updated every year to accommodate the types of KRO that do not yet exist.

Therefore, it is necessary to take a Logical Framework policy in the formulation of Performance and Performance Indicators and Synchronization of Planning and Budgeting Documents Through the Integration of Planning and Budgeting Applications to support the implementation of the Redesign of the Planning and Budgeting System so that the alignment of planning and budgeting documents is guaranteed.

Several recommendations for strengthening the implementation of the Planning and Budgeting System Redesign have been explained in the Discussion chapter which is briefly described as follows:

1. The Ministry of Finance and the Ministry of National Development Planning/Bappenas must establish special rules related to the implementation of the Redesign of the Planning and Budgeting System which includes an explanation of the concept and definition of each KRO so that it is easy to understand and does not cause multiple interpretations.
2. The Ministry of Finance together with the Ministry of National Development Planning/Bappenas must conduct a review/evaluation of the suitability of the implementation of the Redesign of the Planning and Budgeting System periodically with the concept of RSPP so that it is possible for Ministries/Institutions to improve the performance information that has been prepared.
3. The implementation of the Redesign of the Planning and Budgeting System must be carried out at the beginning of the preparation of the RPJMN and the Strategic Plan of the Ministries/Institutions so that it can be implemented optimally.
4. Guidelines for the implementation of the Redesign of the Planning and Budgeting System must accommodate the KRO and *the specific output* units of the Ministries/Institutions so that there is conformity with the needs of the Ministries/Institutions.

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