
Reviewing Specific Grant in 2015-2019 Period: Consistency and Quality Matters

Agus Manshur

Ministry of National Development Planning (Bappenas)

Corresponding author. Email: agus.manshur@bappenas.go.id

Submitted: June 15th 2020 | Accepted: September 21st 2020 | Published: September 28th 2020

Abstract

The paper evaluates the planning process and uses of the "Specific Allocation Grant" (DAK), particularly for the year 2015-2019 of the "Government Working Plan" (RKP) documents. The study found that most the DAK, which originally meant to be allocated to certain regions to help funding specific activities following national priorities and local government affairs, have been allocated inconsistently with its goals. The DAK seems to be treated as a kind of alternative "allocation basket" that could finance any activities as long as they are included in RKP policies. The paper proposes to improve the DAK allocation process by carrying out as comprehensive evaluation of the substance of the DAK as well as to improve the DAK policy direction, and guides to the formulation of the policy.

Keywords: Dana Alokasi Khusus; Specific Allocation Grant (DAK), inconsistency between policy and implementation, Government Working Plan (RKP), Local Government

Reviewing Specific Grant In 2015-2019 Period: Consistency and Quality Matters

Agus Manshur

I. Introduction

Specific Grant in the future, referred to as *Dana Alokasi Khusus* (DAK), are funds sourced from revenues of the State Budget (APBN) which are allocated to certain regions to help to fund specific activities, which are local government affairs and are following national priorities. Based on PP 55/2005 Article 50 Paragraph 1, the amount of DAK is determined annually in the APBN. Furthermore, Article 50, Paragraph 2 clarifies the basis for the allocation of DAK in which DAK is allocated in the APBN following programs that are of national priority. Again, in Article 52 Paragraph 1, the definition of the program is clarified, that is, programs that become national priorities contained in the Government Work Plan (RKP) of the fiscal year concerned.

As part of *Dana Perimbangan* (Balancing Fund), DAK differs substantially from *Dana Bagi Hasil* (Revenue Sharing) and *Dana Alokasi Umum* (Block Grant). A striking difference is in the specificity of DAK. In principle, DAK is explicitly allocated to carry out activities to support national priorities and many others so that it cannot be allocated regularly every year.

With this understanding, although the allocation of DAK is annual, the substance of the programs and activities financed by DAK should be in strategic planning in the medium-term planning. Thus, DAK planning should be in the medium-term policy and strategy to fund some programs and activities as part of national priority frameworks to help the local governments to solve their problems because they do not have an adequate budget.

Connection with these issues, this review was prepared to see the quality and consistency of DAK policies each year in the RKP in the 2015-2019 period in translating the specificity of DAK substantially. In this review, the quality of the DAK policy direction in RKP was analyzed as the consistency of the DAK field type in RKP each year in the 2015-2019 period.

II. Literature Review

In the framework of a literature review, the DAK taxonomy can be conceptually traced from various aspects such as government functions, types of assistance, categories of assistance, the amount of assistance, the purpose of allocation, utilization of allocations, and the number of allocations. The DAK taxonomy will be combined with the understanding of the existing regulation to provide a complete justification of the DAK concept as a whole.

Musgrave (1956), in general, divides government functions into three categories: maintenance of macroeconomic stability, income redistribution, and provision of public goods. Furthermore, according to Musgrave (1956), to carry out these functions will be adjusted to the level of government that is most effective and efficient in carrying out these government functions. Based on these categories, it can conclude that the central government is more effective and efficient in maintaining macroeconomic stability, redistributing revenues, and providing public goods on a national scale. Meanwhile, local governments are more effective and efficient in providing public goods on a local scale. In

Indonesia's local government, a limited budget is a crucial factor related to its ability to provide sufficient local scale public goods. Therefore, the role of specific grants for the local government is a strategic solution that is expected to solve the problem of fulfilling public goods at the local level.

Regarding the fulfillment of public goods and public services at the local level, Shah and Thomson (2002) suggest the need for specific types of assistance to the local governments that aim to accommodate spill over benefits in the form of specific matching grants. Meanwhile, to achieve national minimum service standards in all regions, the type of assistance most recommended by Shah and Thomson (2002) is a specific grant without matching funds, followed by specifications for the use of funds for minimum service standards. Shah and Thomson give the definition (2002) reinforced by Ahmad and Craig (1997) which states that in addition to meeting national priorities, specific grant in the context of DAK can also be allocated as a form of compensation for the local governments to finance their program and activity that have a significant externality impact on the surrounding area.

The understanding as given by Shah and Thomson (2002) above gets justification in the current DAK practice. According to Handra (2008) DAK is now interpreted more narrowly than specific grants in general. Handra (2008) states that the DAK that has been implemented today is a kind of matching grant or special assistance provided by the central government but still requires conditions for matching funds from the local government. Furthermore, in terms of the category of special assistance to the local government, the determination of the amount of DAK currently available is more inclined to the category given by Bergvall *et al.* (2006) which is a closed-ended grant meaning that the amount of DAK allocation has been determined from the beginning and the realization of the budget may not exceed the budget ceiling set by the central government. On the other hand, in mapping the public finance literature, DAK can be grouped into specific grant or conditional grants (DSF World Bank, 2010).

Based on the existing regulation, namely Law Number 33 of 2004 concerning Financial Balance between the Central Government and Regional Governments, and Government Regulation Number 55 of 2005 concerning Balancing Funds, DAK is defined as funds sourced from APBN revenues allocated to the certain local governments with the aim to help fund specific activities that have become the local government affairs and in accordance with national priorities. From this definition it can be concluded that the specific nature of the DAK covers location, allocation and utilization and time duration.

Related Study

Several studies that have been conducted related to the implementation of DAK provide a clear picture of the problem and the factors causing the problem. Handra *et al.* (2008) found several problems including: a) the slow absorption of DAK, b) gaps in DAK information at the local level, c) mis-targeting in DAK planning, d) limited technical capacity of the local governments and e) the nature of annual budgeting that affects quality and sustainability of physical project completion.

The above study was strengthened by Qibthiyyah *et al.* (2009) who found problems related to the asynchronous cycle of APBD and the schedule of DAK determination. This causes difficulties in DAK planning in the local government budget and disruption of the budgeting cycle at the local level. On the other hand, Qibthiyyah *et al.* (2009) also found problems related to incompatibility between the DAK program menu and the real needs of the local governments.

Furthermore, Decentralization Support Facility, World Bank (2010) in its research has provided several recommendations for improvement of DAK policies, including: a) the need for multiyear DAK budgeting in order to guarantee the completion of physical projects and the achievement of minimum service standards completely, b) bearing in mind that DAK is used to finance national priorities should then be focused on several priority areas, namely basic services that include education, health and infrastructure, c) meeting minimum service standards should be one of the main indicators or criteria in the allocation of DAK, and d) the need to increase the DAK allocation ceiling in the APBN significantly so that it will have a major impact on the achievement of DAK objectives nationally.

From the studies above it can be concluded that the quality of DAK policy formulation and DAK administrative management is still not good which causes various problems in the implementation of DAK at the local level. Future DAK policies are expected to be focused on a number of fields to translate the fulfilment of national priority needs that must be realized at the local level. Consequently, future DAK planning and budgeting must be framed in medium term planning and multiyear budgeting even though DAK allocations remain annually. In this case the target of completing basic services and infrastructure in the medium term is the focus and priority of the DAK policy. On the other hand, improvements in the administration management of DAK must be carried out to ensure that the DAK budgeting cycle will be in line with the budget cycle at the local level.

III. Field of Inquiry and Analysis Method

In this review there are two questions to be tested, namely how far the consistency of DAK policies in the 2015-2019 RKP document in translating the DAK focus in helping the local governments to achieve national priorities and how far is the quality of the determination of DAK fields in RKP 2015-2019 period to consistently complete the achievement of national priorities at the local level.

Both of these questions will be methodologically answered through descriptive qualitative analysis by comparing DAK policies year by year in the RKP during the 2015-2019 period. By looking at the comparison of DAK policies, it is expected could answer how far the consistency of DAK policies during this period could translates the achievement of national priorities through DAK practices consistently. Furthermore, comparing the determination of the number of DAK fields in the RKP during the 2015-2019 period is expected could answer the extent to which the quality of the determination of DAK fields will consistently focus on completing the achievement of national priorities in basic services and infrastructure.

IV. Analysis

In the 2015 RKP, the DAK policy was directed to focus on funding the needs of basic public service facilities and infrastructure in accordance with the Minimum Service Standards (SPM) and other national priorities according to the Medium Term Development Plan (RPJMN) and RKP (see Matrix 1). One thing that must be noted is that the policy direction in the 2015 RKP seems very normative because it is not elaborated further on national priorities to be funded through DAK. Furthermore, in the 2015 RKP it was also

stated that the DAK policy would implement the DAK restructuring so that it would be more focused and had a significant impact on the local level. However, the policy direction is also normative and has not been clearly explained in the form of restructuring with clear arguments. In the context of location, the DAK policy in the 2015 RKP will explicitly be directed to pay attention to funding for specific locations such as disadvantaged areas, border zones, outermost areas, remote areas, coastal zone and island regions. Perhaps, location is a "credit point" that can be noted as the only clear direction of DAK policy in the 2015 RKP. Meanwhile, for the other substance, the policy remains normative.

The direction of DAK policy in the 2016 RKP underwent a significant change in which DAK policy was explicitly directed to fund and support the achievement of development priority and presidential priority agenda namely Nawacita. Compared to the policy direction in the 2015 RKP, the substance of the DAK policy direction in the 2016 RKP is a bit clearer. Furthermore, in the 2016 RKP the government shows policy consistency while maintaining special attention to disadvantaged, border, outer, remote, coastal and island regions.

In the context of policy, consistency on location is only one aspect, while other aspects concern the consistency of the types of DAK fields that should have been framed in the form of strategic planning in the medium term or for at least three years to resolve certain problems - which are national priorities as well including local government affairs - to completion. In the 2016 RKP, the consistency on the substance has not been shown convincingly. Another interesting note in the 2016 RKP is the existence of policy to strengthen the role of the governor - as the representative of the central government - in DAK planning. This policy statement is unfortunately not elaborated further in the 2016 RKP document so that we cannot get clarity about the mechanism and role of the governor in DAK planning. This policy direction is substantially contrary to the nature of DAK which places relevant ministries/agencies as "planners" of DAK programs and activities. Therefore, we can conclude that the effort to involve the governor in DAK planning can be categorized as a form of "artificial policy" that is merely semantic in nature and has no further implications in its implementation.

Table 1. Comparison of DAK Policy Directions in the 2015-2019 RKP

2015 RKP	2016 RKP	2017 RKP	2018 RKP	2019 RKP
<p>DAK policy is determined based on the needs of the support for achievement national priority, which will focus on the needs of basic service (SPM) and other national priorities according to the RPJMN and RKP</p> <p>In 2015, carried out the restructuring of the DAK fields so much focus and have a significant impact, as well the government will be more pay attention to the allocation of DAK to the left behind, border, outermost, remote, coastal and</p>	<p>Supporting the achievement of development priority and 9 presidential priority agenda in the RKP</p> <p>Strengthening the role of the governor as a representative of the central government in DAK planning</p> <p>Improving coordination in DAK</p>	<p>Helps fund specific activities which becomes local government affairs in the context of fulfilling public services</p> <p>Helps fund specific activities which becomes local government affairs in the context of achieving nat</p>	<p>Strengthening the role of the province in synchronization of Physical DAK proposals</p> <p>Helps fund activities for the provision of basic services according to Law 23/2014 with the target of meeting SPM and the availability of facilities and infrastructure for the achievement</p>	<p>Improve public welfare quality through basic service fulfilment and economic equality</p> <p>Speed up infrastructure development and basic services provision base on priority locations which belongs to the borders, islands, lagging and</p>

<p>archipelago areas synergize with ministry/agency funds</p>	<p>planning between the central government and local government as well as within the local government so synchronized and synergized</p> <p>Prioritize left behind, border, outermost, remote, island and post-disaster areas according to the DAK field required by the areas</p>	<p>ional priority with a limited menu and a determined locus</p> <p>Funds are allocated to assist local government in implementing certain policies in accordance with related law and regulation</p>	<p>presidential program</p> <p>Helps speed up infrastructure development and basic services to 181 priority location includes border, islands, backward and transmigration areas</p> <p>Supporting the achievement of national priority in 2018 which are part of the local government affairs, the scope of specific activities and certain priority areas</p> <p>Helps fund non-physical specific activities which are local government affairs in accordance with related regulation</p>	<p>transmigration areas category</p> <p>Supporting the achievement of national priority in 2019 which becomes local government affairs with a specific activity scope and priority location</p> <p>Supporting public services operation which becomes local government affairs</p>
---	---	---	---	--

Furthermore, in the 2017 RKP, one of the policy directions that can be criticized is the effort to limit the menu of activities in each DAK field and to determine the locus of activities more decisively. Restrictions on the menu of DAK activities explicitly planned in the 2017 RKP are unfortunately not supported by a strong and comprehensive evaluation study of the menus of DAK activities in previous years. Therefore, when compared with the DAK policy direction contained in the 2015 RKP and 2016 RKP this is rather strange. Limitation or even expansion and/or addition of the menu of actual activities substantially must go through a strong and comprehensive sectoral-technical evaluation study. If not, then the change in DAK activity menu does not get a solid empirical argument.

The next thing that needs to be criticized is the loss of policy consistency to pay attention to certain regions such as those contained in the DAK policy direction in the 2015 RKP and 2016 RKP. In the 2017 RKP, the locus of activities that contain attention or affirmation to certain regions (disadvantaged, outermost, remote, coastal and islands) unfortunately not explicitly stated as an important part of the DAK policy direction.

In the 2017 RKP, a significant change in the substance of DAK policy direction is a plan to include funding for the non-physical activity category. However, this change must be examined more carefully since efforts to accommodate non-physical activities are not directly included in the field of Physical DAK. In the sense that the categorization of DAK Physical and Non-Physical is actually not necessary. Substantially, physical and non-

physical categories are only form of activity so that they are too "large" to be used as DAK field categories. What should be studied in depth is about the substance per DAK field so that it does not matter if there are physical and non-physical forms of activity as long as the two forms of activity are really needed to strengthen and clarify the targets and targets of the DAK field in completing national priorities that have been become the local government affairs.

The direction of the DAK policy in the 2018 RKP seems to be trying to reconnect missing link of the policy with the DAK policy direction in the 2015 RKP. This can be seen from the government concern to explicitly fund activities that contribute to meeting the Minimum Service Standards (SPM). In this context, if mapped during the 2015-2018 period there was actually no consistency in the direction of DAK policies. Almost every year in that period the substance of the policy direction changes and varies with the focus and attention of technical substance that is not the same year by year. The only consistency in policy direction up to the 2018 RKP is that there is special attention for certain regions (lagging, border, islands and transmigration).

What is interesting to note in the direction of DAK policy in the 2018 RKP is that there has been a proliferation of non-physical activities funded through DAK, at least compared to the 2017 RKP. This phenomenon has substantially eroded the "specificity" of DAK so that substantially DAK has developed uncontrolled until almost approaching the DAU substantially. This is unfortunate given the occurrence of this phenomenon proves that "DAK planners" in the Ministry of PPN/Bappenas do not understand the difference between DAU and DAK as an element of the Balancing Fund in both a substantial and financial (fiscal) context.

In addition, in the 2019 RKP one of the DAK policy directions is an effort to strengthen the role of the province (no longer mentioning the governor as a representative of the central government) in the synchronization process of the Physical DAK proposal. We can conclude that - once again - policies like this can be included in the category of "artificial policy" meaning policies that are only semantic in nature and have no further implications in their implementation. This repeats the same mistakes as stated in the DAK policy direction in the 2016 RKP.

Meanwhile, in RKP 2019 there was almost no improvement in the quality of the preparation of DAK policy directions so that it was generally impressed that the DAK policy framework used was still the same as in RKP 2018. In RKP 2019 we can note that the proliferation of non-physical activities occurred again and was repeated so that substantially the quality of the DAK policy direction in the 2019 RKP does not differ from the previous year. Misconceptions about the nature of the "specificity" of DAK were re-practiced by "DAK planners" at the Ministry of PPN/Bappenas in preparing the DAK policy direction in the 2019 RKP.

The next issue which is need to analysed in this review related to the determination of DAK field annually in 2015-2019 period. In the 2015 RKP, the number of DAK fields is 14 fields divided into two types, namely Basic Services and Non-Basic Services. Basic Services DAK consists of six fields, namely education, health, irrigation, sanitation and drinking water, transport and rural energy, while Non-Basic Services DAK consists of eight fields, namely maritime affairs and fisheries, agriculture, local government infrastructure,

environment, forestry, family planning, trade and housing and settlement facilities (see Matrix 2).

With such a large number of fields, there appears to be an effort to accommodate DAK fields in the previous period. From this point of view the Ministry of PPN/Bappenas prior to formulating the policy direction and determining the number and type of DAK fields in the RKP annually should conduct a comprehensive evaluation study as an academic basis for formulating the medium term DAK planning policy and strategy. The study will then underlie the preparation of the medium term DAK policy direction in the 2015-2019 RPJMN. In this study priority and focus of DAK must be elaborated over the next five years so that it will answer what types of DAK field will be completed in achieving the targets for the next five years and how many DAK field will be determined each year in the RKP. With this kind of "exercise" and "mapping", DAK contribution to achieving national priorities will be very optimal so that there is no impression that DAK is only a "shelter" for various affairs, programs and activities that have been insufficiently funded.

Furthermore, the division of DAK types into Basic Services and Non-Basic Services is substantially inadequate, considering that the types of Non-Basic Services can be interpreted broadly without any restrictions at all and can accommodate any activities provided outside the Basic Services category. If the quality of DAK planning is good enough, the Non-Basic Services category should be explored into several types, for example, Economic Development DAK and Public Services DAK. By looking at the points of the problem it can be concluded that the quality of the determination of the type and number of DAK fields in the 2015 RKP is still not good and not strong based on empirical academic arguments that underlie the formulation of a public policy. Quantitatively, there are still too many DAK fields while qualitatively the distribution of DAK types also does not have a convincing argument basis.

In the 2016 RKP the determination of DAK types and fields underwent a very significant change. The determination of the type and number of DAK fields is filtered first with the "development dimension" and then filtered again with "development priorities". Several development dimensions are used for this purpose, namely, human development, leading sector, and equity and territorial. Meanwhile, development priorities are set, namely education, health, housing, food, energy and electricity, maritime affairs, and gap among revenue groups and among regions. The restructuring efforts in the DAK sector in turn have an impact on reducing the number of DAK fields to only seven DAK fields, namely education, health and family planning, water supply, sanitation, housing and settlement, marine and fisheries, transportation, trade and industry facilities, and DAK in supporting sector. The consequence of the restructuring ultimately affected the merging of several DAK fields into one DAK field, for example the DAK health sector and the DAK family planning field in the 2016 RKP merged into the DAK for health and family planning. Another example of merging in the DAK field is in the DAK sanitation and drinking water sector and the DAK housing and settlement field which are eventually combined into a new DAK field, namely DAK for drinking water, sanitation, housing and settlement.

Table 2. Comparison of DAK Field Types in the 2015–2019 RKP

2015 RKP	2016 RKP	2017 RKP	RKP 2018	RKP 2019
DAK types	Dimensions	DAK types	DAK types	DAK types
1. Basic Services	1. Human Development	1. Physical DAK,	1. Physical DAK,	1. Physical DAK,
2. Non-Basic Services	2. Leading Sector	2. Non-Physical DAK	2. Non- Physical DAK	2. Non-Physical DAK
Basic Services DAK	3. Equity and Territoriality	Physical DAK	Physical DAK	Physical DAK
1. Education, 2. Health	Priorities	Regular DAK,	1. Regular DAK,	1. DAK Regular,
3. Irrigation, 4. Sanitation and Drinking Water,	1. Education, 2. Health,	Assignment DAK	2. Affirmation DAK,	2. DAK Affirmation,
5. Transportation,	3. Housing,	Regular DAK	3. Assignment DAK	3. DAK Assignment
6. Rural Energy	4. Food,	Assignment DAK	Regular DAK	Regular DAK
Non-Basic Services DAK	5. Energy and Electricity,	1. Water, 2. Sanitation, 3. Roads, 4. Markets,	1. Education, 2. Health and Family Planning, 3. Drinking Water, 4. Sanitation,	1. Education, 2. Health and Family Planning, 3. Drinking Water, 4. Sanitation,
1. Marine and Fisheries,	6. Maritime,	5. Education,	5. Housing and Settlements	5. Housing and Settlements
2. Agriculture, 3. Local Government Infrastructure,	7. Gap among revenue groups and regions	6. Health, 7. Irrigation	6. Markets, 7. Small and Medium Industries	6. Roads, 7. Agriculture,
4. Environment,	DAK fields	Non-Physical DAK	8. Agriculture, 9. Marine and Fisheries,	8. Marine and Fisheries,
5. Forestry, 6. Family Planning, 7. Trade Facilities,	1. Education, 2. Health and Family Planning,	1. School Operational Assistance 2. Health Operational Assistance	10. Tourism, 11. Roads	9. SMEs, 10. Tourism
8. Housing and Settlements.	3. Drinking Water, Sanitation, Housing and Settlement Areas,	3. Family Planning Operational Assistance,	Affirmation DAK	Affirmation DAK
	4. Maritime Affairs and Fisheries	4. Professional Allowances for Teacher,	1. Health, 2. Housing and Settlements,	1. Education, 2. Health,
	5. Transportation, 6. Trade and Industry Facilities	5. Additional Income for Teacher, 6. Local Government and Decentralization Projects, 7. Capacity Building for Cooperatives, SMEs and Employment,	3. Transportation, 4. Drinking Water,	3. Housing and Settlements, 4. Drinking Water, 5. Sanitation,
	7. DAK Supporting Fields	8. Transfer of Dikon and TP Funds	5. Sanitation Assignment DAK	6. Transportation Assignment DAK
			1. Education, 2. Health, 3. Drinking Water,	1. Education, 2. Health 3. Drinking Water, 4. Sanitation,
			4 Sanitation, 5. Roads,	5. Irrigation, 6. Roads,
				7. Markets, 8. Tourism,

			<p>6. Irrigation, 7. Markets,</p> <p>8. Small Scale Energy,</p> <p>9. Environment and Forestry</p> <p>Non-Physical DAK</p> <p>1. School Operational Assistance,</p> <p>2. Pre School Operational Assistance, 3. Health and Family Planning Operational Assistance, 4. Professional Allowances Teacher,</p> <p>5. Additional Income for Teacher, 6. Funds for Capacity Building for Cooperatives and SMEs,</p> <p>7. Population Administration Service,</p> <p>8. Special Allowances for Teacher in Special Areas</p>	<p>9. Environment and Forestry</p> <p>Non-Physical DAK</p> <p>1. School Operational Assistance, 2. Pre School Operational Support, 3. Professional Allowance for Teacher,</p> <p>4. Income Supplement for Teacher, 5. Special Allowance for Teacher in Special Areas, 6. Operational Support Health, 7. Capacity Building for Cooperative and SMEs,</p> <p>8. Population Administration Service,</p> <p>9. Equivalent Operational Assistance,</p> <p>10. Waste Management into Electricity,</p> <p>11. Tourism Service,</p> <p>12. Operational Assistance Fund for the Implementation of Culture and Museums and Parks</p>
--	--	--	--	--

In the 2016 RKP, it was noted that there was one DAK field that was deleted from the previous year, namely DAK for the local government infrastructure. This DAK field is substantially aimed at assisting the new autonomous region government to construct certain office building. In fact, the fiscal capacity of the new autonomous region government is still very limited so that the assistance from the central government through this DAK field actually has a very significant positive impact on these regions. Therefore, it is unfortunate that the DAK restructuring carried out in the 2016 RKP actually "turns off" the opportunity of the regions to get funding from the central government to complete its office building.

The very different story occurs in the 2017 RKP. There was an extreme change in which the DAK field experienced a proliferation so swelling to 17 fields (see Matrix 2). In addition, the planning framework for the type and number of DAK field that were quite good in the previous RKP was not consistently applied or continued in the 2017 RKP. 2017 RKP

changed the whole formula. The first filter used to determine the type of DAK field is the physical and non-physical categories. On the basis of this argument, it does not appear explicitly the relationship between the types of DAK with the priority of development. The second filter used is to divide Physical DAK into two categories, namely Regular DAK and Assignment DAK. The use of this nomenclature is substantially somewhat misleading and confusing.

By terminology, the term of regular is used for programs or activities that are carried out every year so that it is more suitable if the nomenclature of the Regular DAK field is included in the DAU because it is regularly planned and budgeted by the local government. Then, the use of nomenclature of Assignment DAK is also strange terminologically. Within this terminology there is impression that there are other type of programs and activities - beyond those related to national priorities - assigned to the Minister of PPN/Head of Bappenas to be allocated into DAK. Empirically, any presidential policy or discretion which is delivered to the minister automatically always associated with the national priorities. So, no need to semantically use the term DAK Assignment.

It is important to be noted that some DAK fields that were previously merged in one field are actually broken down into several fields, for example there is a DAK Water Supply that is separate from the DAK Sanitation. The existence of a merger which then turns into a solution of the DAK field in the context of planning is actually not very good. This shows the inconsistency of policy as well as the allegation that the Ministry of PPN/Bappenas does not have a medium term DAK policy and strategy framework so that the dynamics of change every year in the RKP are so large and even extreme. From this point of view, we could predict that the policy of determining the type and number of DAK field in each RKP is not based on the existence of concepts and thoughts to resolve certain problems that are included as national priorities and at the same time also as part of the local government affairs. These allegations and predictions are increasingly justified when the DAK Housing and Settlement no longer exists in the 2017 RKP. Whereas in the previous RKP it was good conceptually, namely an effort to resolve the problem of drinking water and sanitation integrated into the housing and settlement field. The division into two DAK fields and also the lost one DAK field shows the tendency of using a sectoral approach in determining the types and number of DAK fields in the 2017 RKP.

Another serious note that needs to be given for the 2017 RKP is the category of Non-Physical DAK which is substantially independent of Physical DAK. This shows an excessive accommodative tendency towards some program menus and activities that require funding support from the central government so that they are included in the DAK field. Should DAK fields such as school operational assistance, professional teacher allowances and additional teacher income can be synchronized as well as integrated into the education field. Another thing related to Non-Physical DAK is the excessive accommodation of activities with unclear basis of planning arguments such as the inclusion of the local government and decentralization project into one of the independent Non-Physical DAK fields. This is substantially baseless or illogical. Related to the swelling of the number of DAK field in the 2017 RKP to 17 fields, it explicitly proves that DAK is not treated as one of the strategic and vital funds in completing national development priorities related to the local government affairs and needs. However, the impression that arises is that DAK has developed into an alternative "budget basket" that can accommodate "any" programs and

activities as long as they are included in the RKP. At this point there has actually been a setback in the formulating of DAK policy and strategy at the Ministry of PPN/Bappenas.

The mistake in determining the type and number of DAK fields in the 2017 RKP turns out to be repeated again in RKP 2018 and RKP 2019. Even worse, in RKP 2018 and RKP 2019 the formula for determining the type and number of DAK fields still applies the previous formula and includes a new formula in the form of filters Affirmation DAK. The use of the term "affirmation" substantially or semantically is very strange considering DAK is conceptually a type of allocation that is affirmative. So, the use of the term Affirmation DAK is very strange and confusing because it looks like there is "pleonasm" or substantial duplication in one type of allocation. In conclusion, in the 2018 RKP and 2019 RKP the formulation of determining the type and number of DAK fields is increasingly complex and confusing, especially related to the multiplication of several DAK fields that fall into both the Regular DAK Regular, Affirmation DAK and Assignment DAK. More clearly, we take for example the field of DAK for health, water supply and sanitation. Each of the three DAK fields is included in the Regular DAK, Affirmation DAK and Assignment DAK. This is an example of multiplication of DAK that is very strange, confusing and misleading.

The consequence of the above formulation errors was in turn followed by a proliferation of the number of DAK fields, both in RKP 2018 and RKP 2019 which were very far swollen compared to RKP in previous years. Noted in the 2018 RKP overall there are as many as 31 DAK fields, while in 2019 RKP the number has swelled again to as many as 37 DAK fields. The swelling of the number of DAK fields in the two RKPs is a consequence of the multiplication of several DAK fields into different DAK categories as well as excessive accommodating practices towards the inclusion of various activities in Non-Physical DAK. Even in the 2019 RKP there are 12 Non-Physical DAK fields, which incidentally increased from 8 DAK fields in the 2017 RKP and 2018 RKP. Given the weak substance control of the "DAK Planners" in the Ministry of PPN/Bappenas over the past three years so that it is not strange if in the RKP 2019 there are activities such as waste management fund to electricity and operational assistance fund for the operation of museums and cultural parks to enter as new DAK fields.

During the 2015-2019 period we can simply see how far the quality and consistency of DAK policies in the RKP are based on policy keywords and number of fields. In Matrix 3 we see that based on the policy keywords that existed during the five years of writing the RKP the focus of DAK activities was not consistently formulated to achieve the fulfilment of basic service provision and basic infrastructure development within strong medium-term planning framework. Therefore, there is an impression that the focus of DAK activities is more inclined to annual short-term planning considerations. With this pattern, the level of certainty in fulfilling the provision of basic services and completion of basic infrastructure development at the local level will be relatively low during one planning period.

Table 3. Comparison of Policy Keyword and Number of Fields in RKP 2015-2019

	RKP 2015	RKP 2016	RKP 2017	RKP 2018	RKP 2019
Policy Keyword	Focus on facilities and infrastructures for basic services and other national priority Field restructuring Attention to special areas	Focus on development priority and Nawacita Strengthening the role of governor Improved coordination Attention to special areas	Focus on public services Limited menu and locus determined	Focus on facilities and infrastructures for basic services in terms of SPM target Funding non-physical activities Attention to special areas	Focus on basic services Support public services operation Attention to special areas
Number of Fields	14 fields	17 fields	7 fields	31 fields	37 fields

Another thing that was revealed in this period was that the policy of allocating DAK to give attention to special regions was not all explicitly stated for the whole year in the 2015-2019 period. This can be seen that specifically in 2017 the relatively consistent policy was not explicitly written down even though for the other four years it was consistently stated as one of the annual DAK allocation policy. Furthermore, the policy to restructure the DAK field so as to strengthen the focus of DAK activities during the 2015-2019 period was not consistently carried out from year to year. Only in 2015 was this policy explicitly stated in the RKP document. This phenomenon gets a strong justification if we look at the comparison of the number of fields from year to year which actually experienced a rapid increase despite an exception for 2017 where there was a significant reduction in the number of fields. This in the context of medium-term planning proves that the quality of DAK policy planning does not have clear and strong directions for consistently solving problems in fulfilling basic services and building basic infrastructure completely at the local level.

Another interesting thing to note in this analysis is related to efforts to improve the administration of DAK management. From Matrix 3 above it can be seen that the classic problems related to the still weak coordination between the central government and the local government and the inability of the governor to synchronize DAK planning at the local level explicitly only became a serious concern in 2016. The rest, for four years in the RKP writing period during 2015-2019 this attention was not seriously manifested as part of improving DAK management from time to time.

The conclusion that can be drawn in this analysis is that only by using policy keywords and number of fields we can mapping clearly that the quality of DAK policy is still not good and the consistency of DAK policy is still not strong in the framework of translating the implementation of national priorities into funding the fulfilment of basic services and basic infrastructures. Another thing that was revealed in this period was that the policy of allocating DAK to give attention to the certain regions was not all explicitly stated for the whole year in the 2015-2019 period. This can be seen that specifically in 2017

the relatively consistent policy was not explicitly written down even though for the other four years it was consistently stated as one of the annual DAK allocation policies.

V. Conclusions

From the analysis conducted, it can be concluded as follows:

1. In the 2015-2019 period, factually it was seen that the consistency of DAK policy direction in RKP was very low each year, even the direction of DAK policy tended to be inconsistent which did not reflect the basis of empirical academic arguments in the completion and fulfillment of targets for solving several problems related to national priorities.
2. The formulation of DAK policy directions in each RKP (in the 2015-2019 period) often seems to be extreme changes so that the "common thread" in the context of strategic planning in the medium-term is completely absent.
3. The formulation of determining the type and number of DAK fields in each RKP during the 2015-2019 period also shows the weak basis of empirical academic arguments so that the formulation filters used to determine the type and number of DAK fields especially in the last three RKP tend to be very strange, confusing even is logically misleading, both planning logic and fiscal logic.
4. The tendency of excessive accommodation towards various activities that enter Non-Physical DAK during the last three RKP is also very worrying so that DAK seems to be a kind of alternative "allocation basket" that could finance "any" activities as long as it is included in the policies in the RKP. Therefore, it is not surprising that the increase in accommodated activities into Non-Physical DAK without prior evaluation ultimately contributes to the swelling number of DAK fields, especially in the last three RKP.

Policy Recommendations

Based on the various findings contained in previous analysis, several policy recommendations can be given as follows:

1. The need for an academic review as well as a thorough and comprehensive evaluation of the substance of the DAK and the formulation of the DAK policy direction (as well as the determination of the type and number of DAK fields) in the future so that the quality of DAK policy will be better and get justification as one form of strategic public policy which has a positive impact on efforts to improve public welfare nationally.
2. Practically, it is necessary to develop the policy paper on the DAK policy and planning in the medium-term as a guide to the formulation of policy directions both in the RPJMN and RKP. In preparing the document, the Ministry of PPN/Bappenas needs to form a Special Team that is cross-deputy and cross-directorate, and involves functional planners who have experience, competence and concern for efforts to improve and reform the DAK policy conception and planning to be even better.

3. The need for the application of a thorough, comprehensive, and objective evaluation of both the substance and the performance of the implementation of all DAK fields each year. The results of this evaluation are expected to be used as a basis for consideration for the formulation of DAK policy directions as well as the determination of the type and number of DAK fields in subsequent years.
4. The need for the formulation business process of DAK policy and planning at Bappenas by revising the old Ministerial Regulation (Permen) and adjusting to the latest developments after PP 17/2017 so that the DAK policy and planning process in Bappenas will be clearer and more qualified.

Reference

- Ahmad, E. dan J. Craig. (1997). "Intergovernmental Transfers" Chapter 4 in "Fiscal Federalism in Theory and Practice", editor Teresa Ter Minassian. Fiscal Affairs Dept, International Monetary Fund.
- Bahl, R. dan J. Linn. (1992). "Urban Public Finance in Developing Countries". New York, NY: Oxford University Press.
- Bergvall, D., C. Charbit, D. Kraan dan O. Merk. (2006). "Intergovernmental Transfers and Decentralised Public Spending". OECD Journal on Budgeting, 5(4), 2006.
- Decentralization Support Facility (DSF), World Bank, Laporan Penelitian Dana Transfer Pusat ke Daerah: Penyempurnaan Grand Design Desentralisasi Fiskal 2010
- Handra, H. (2005). "A Study of Indonesia's Fiscal Equalisation Mechanism in the Early Stages of Decentralisation". Disertasi Doktor. Flinders University of South Australia. Handra, H. (2007). "Dana Alokasi Khusus: Problematika dan Alternatif Solusi ke Depan". Bahan presentasi workshop nasional "Dana Alokasi Khusus: Problem dan Alternatif Solusi ke Depan", di Jakarta, 6 Desember 2007.
- Handra, H., dkk. (2008). "Pengalihan Dana Dekonsentrasi dan Tugas Pembantuan yang Mendanai Urusan Daerah Menjadi Dana Alokasi Khusus (DAK)". Penelitian Tim Asistensi bidang Desentralisasi Fiskal, Direktorat Jenderal Perimbangan Keuangan, Kementerian Keuangan RI.
- Musgrave, R. M. (1956). "The Theory of Public Finance". New York: McGrawHill.
- Qibthiyah, R. M. dkk. (2009). "Implementasi dan Ekspektasi Kebijakan Dana Alokasi Khusus: Perspektif Daerah". Penelitian Tim Asistensi bidang Desentralisasi Fiskal, Direktorat Jenderal Perimbangan Keuangan, Kementerian Keuangan RI.
- Republik Indonesia, Peraturan Pemerintah Nomor 55 Tahun 2005 tentang Dana Perimbangan.
- Republik Indonesia, Peraturan Presiden Nomor 43 Tahun 2014 tentang Rencana Kerja Pemerintah Tahun 2015
- Republik Indonesia, Peraturan Presiden Nomor 60 Tahun 2015 tentang Rencana Kerja Pemerintah Tahun 2016

Republik Indonesia, Peraturan Presiden Nomor 45 Tahun 2016 tentang Rencana Kerja Pemerintah Tahun 2017

Republik Indonesia, Peraturan Presiden Nomor 79 Tahun 2017 tentang Rencana Kerja Pemerintah Tahun 2018

Republik Indonesia, Peraturan Presiden Nomor 72 Tahun 2018 tentang Rencana Kerja Pemerintah Tahun 2019

Shah, A. dan T. Thomson. (2002). "Implementing Decentralised Local Governance: A Treacherous Road with Potholes, Detours and Road Closures", The World Bank.