

PARTNERING TO MAKE BUDGETS WORK FOR THE PEOPLE

PATTIRO - Indonesia

The Center for Regional and Information Studies (Pusat Telaah dan Informasi Regional, or PATTIRO) is an Indonesian civil society organization founded in 1999 that promotes good governance by developing spaces for public participation in Indonesia, particularly at the local level. Through its research, trainings, advocacy, and outreach initiatives to other civil society organizations, government agencies, and the private sector, PATTIRO has helped to fill a void in Indonesian society. The organization now leads a network of 12 local affiliates called PATTIRO RAYA with a presence in many of Indonesia’s provinces and districts. PATTIRO’s network has engaged in work concerning the development of planning and budgeting systems, the promotion of transparency and accountability in government, and capacity building for public officials and legislators. However, PATTIRO remains committed to its primary goal of empowering communities to participate in public decision making.

PATTIRO Helps Blora District Avoid Natural Resource Curse

Indonesia has made great progress in the past decade promoting infrastructure development and attracting foreign investment. While the rapid pace of growth has created jobs and helped thousands of Indonesians lift themselves out of poverty, its benefits have not been spread equally and come with significant risks. PATTIRO has been monitoring Indonesia’s developing economy for several years and has focused much attention on the extractive industry (EI) sector. The revenue from EIs can serve as an important resource for investment in the regions where EIs operate, but they can also have a distorting effect on fragile economies.

PATTIRO believes that Indonesia is especially susceptible to falling into a “natural resource trap,” where a country’s reliance on natural resource extraction and exportation ends up harming long-term growth and development prospects. PATTIRO believes that the symptoms of this condition have already begun to manifest themselves in places like the Blora District of Central Java Province.

Despite being home to one of Indonesia’s most active oil and gas exploration sites, Blora – Central Java Province’s second poorest district in 2009 – has suffered from weak social infrastructure and low-quality public services.

PATTIRO has identified several causes for the sluggish pace of growth and low quality

Indonesia
Open Budget Index 2010
Overall Score: 51
Government provides some information to the public on how it manages public resources.

| Availability of budget documents critical for effective public input: | |
|---|-----|
| Pre-Budget Statement | Yes |
| Executive’s Budget Proposal | Yes |
| Citizens Budget | No |
| Enacted Budget | Yes |
| In-Year Reports | No |
| Mid-Year Review | Yes |
| Year-End Report | No |
| Audit Report | Yes |
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of life in districts like Blora, namely: the lack of transparency and accountability regarding revenue-sharing schemes between central and local governments, unsustainable long-term development



plans, and a low capacity among citizens to understand how governments deal with EI revenues, and how these funds can be used to effect change in their communities. PATTIRO sees linkages between these problems and has taken a comprehensive approach to helping Indonesia manage both the costs and benefits that come with EI activity.

On the national level, PATTIRO has worked extensively with the Revenue Watch Institute and the Publish What You Pay (PWYP) coalition to encourage transparency in Indonesia's EI sector. The PWYP coalition was recently successful in pushing the Indonesian government to commit to join the Extractive Industries Transparency Initiative. At the regional level, PATTIRO works with district agencies to develop Rencana Pembangunan Jangka Menengah (Mid-Term Development Plans). Such plans prevent districts from relying too heavily on EI revenues and help communities secure investment in critical social sectors that will improve public services and resources in the medium term and reduce poverty over the long term.

PATTIRO regularly delivers a training called "Understanding Revenue Flow for Oil and Gas Transparency," which aims to educate government officials, civil society, and the general public on the ways in which revenues from EI's trickle down to fund services at the community level. Educating citizens about revenue sharing schemes has been a key component of PATTIRO's strategy of encouraging more active citizen engagement. For example, Bora District's revenue from EIs totaled only IDR3.4 billion (US\$385,000) in 2007 and just IDR1.9 billion (US\$215,000) in 2008. PATTIRO equips citizens with this kind of information so that they will feel justified in demanding more from their governments and the EI's that operate in their communities.

PATTIRO recently participated in an outreach initiative that challenged citizens of Bora District to take a more active role in steering local government policies. The Suara Anda Kesempatan Anda (Your Voice, Your Opportunity) campaign examined the causes of voter apathy and found that because many citizens of Bora paid no taxes to the local government, they had

little interest in the quality of the public services provided. Residents of Bora counted on resource revenues to fund essential services. The campaign, which reached nearly 2,000 citizens in 93 villages of Bora District, invited citizens to write a postcard to their government explaining their level of support for its policies.

The Suara Anda campaign increased budget literacy and interest in local policy planning among ordinary citizens and taught them to hold their government accountable for the ways in which it spends their natural resource wealth. Engagement with the public is the most important component of PATTIRO's strategy of preventing Bora and other districts in Indonesia from succumbing to a "natural resource curse." PATTIRO hopes that that by pressuring the Indonesian government to be more transparent in its dealing with the EI sector, providing technical assistance to local development planners, and engaging with ordinary Indonesian citizens to raise budget literacy and interest, it can help promote sustainable development solutions that will lead to a better quality of life for millions of Indonesians.

PATTIRO's Participation in the Partnership Initiative

The civil society budget movement in Indonesia is diverse and supported by several donors and aid agencies. The Partnership Initiative's strategy in the country has been to support the budget transparency movement as a whole, rather than provide grants to individual organizations. By becoming a PI partner and joining this network, PATTIRO hopes to expand on its ability to do budget monitoring and contribute to the strengthening of Indonesian democracy by increasing government accountability and transparency.

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The IBP's Partnership Initiative is a collaborative effort that seeks to enhance the impact of civil society budget work in selected countries of Africa, Asia, and Latin America. The initiative strives to contribute to the development of sustainable institutions; to increase public access to timely, reliable, and useful information; to enhance the effective participation of civil society in policy and budget processes; and to establish a platform of good practices on which future generations of civil society can build.