

ASSESSING THE SUSTAINABILITY OF SPECIAL AUTONOMY FUNDS IN ACHIEVING DEVELOPMENT GOALS: THE CASE OF ACEH

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Abstract: This study assesses the sustainability of Special Autonomy Funds (SAF) in Aceh and their contribution to achieving sustainable development goals (SDGs) within a post-conflict context. Following the 2005 Helsinki Agreement, SAF was designed to support poverty reduction, improve education and health services, and accelerate infrastructure development. Employing a mixed-methods approach, the research integrates quantitative data from official statistics and surveys with qualitative insights from interviews, focus groups, and participatory observations involving government officials, NGOs, and community leaders. Findings show that while SAF significantly expanded access to education, healthcare, and basic infrastructure, governance challenges—including limited transparency, weak accountability, and uneven distribution—have constrained its effectiveness. Evidence of participatory budgeting demonstrates the potential of community engagement to enhance sustainability, yet institutionalization of inclusive mechanisms remains limited. Moreover, political dynamics and over-reliance on central transfers pose risks to the fund's long-term stability. The study highlights three dimensions of sustainability: financial vulnerability due to fiscal dependence, social inclusivity challenges affecting marginalized groups, and environmental risks linked to poorly regulated infrastructure projects. To optimize SAF, policy recommendations include strengthening transparency through independent audits and digital monitoring, diversifying the local economy to reduce fiscal dependency, and embedding participatory governance to ensure equity. This research contributes to scholarly debates on fiscal decentralization in fragile regions while offering practical insights for policymakers and development practitioners seeking to align autonomy financing with sustainable development outcomes.

Keywords: Special Autonomy Fund, Aceh, sustainable development, governance, community participation

Abstrak: Penelitian ini menilai keberlanjutan Dana Otonomi Khusus (DOK) di Aceh serta kontribusinya terhadap pencapaian Tujuan Pembangunan Berkelanjutan (SDGs) dalam konteks pascakonflik. Sejak Perjanjian Helsinki 2005, DOK dirancang untuk mendukung pengentasan kemiskinan, peningkatan layanan pendidikan dan kesehatan, serta percepatan pembangunan infrastruktur. Dengan menggunakan pendekatan campuran, penelitian ini menggabungkan data kuantitatif dari statistik resmi dan survei dengan temuan kualitatif melalui wawancara, diskusi kelompok terarah, dan observasi partisipatif bersama pejabat pemerintah, LSM, dan tokoh masyarakat. Hasil penelitian menunjukkan bahwa meskipun DOK telah memperluas akses pendidikan, layanan kesehatan, dan infrastruktur dasar, tantangan tata kelola—seperti keterbatasan transparansi, lemahnya akuntabilitas, dan distribusi yang tidak merata—masih

membatasi efektivitasnya. Bukti dari praktik participatory budgeting menunjukkan potensi keterlibatan masyarakat dalam meningkatkan keberlanjutan, meskipun mekanisme partisipatif belum sepenuhnya terinstitusionalisasi. Selain itu, dinamika politik dan ketergantungan pada transfer pusat menimbulkan risiko bagi stabilitas jangka panjang dana ini. Studi ini menyoroti tiga dimensi keberlanjutan: kerentanan fiskal akibat ketergantungan anggaran, tantangan inklusivitas sosial yang berdampak pada kelompok marjinal, serta risiko lingkungan yang terkait dengan proyek infrastruktur yang kurang terkelola. Rekomendasi kebijakan meliputi peningkatan transparansi melalui audit independen dan pemantauan digital, diversifikasi ekonomi lokal untuk mengurangi ketergantungan fiskal, serta penguatan tata kelola partisipatif untuk menjamin keadilan. Penelitian ini berkontribusi pada diskursus akademik mengenai desentralisasi fiskal di wilayah rapuh sekaligus menawarkan wawasan praktis bagi pembuat kebijakan dan praktisi pembangunan dalam menyelaraskan pendanaan otonomi dengan hasil pembangunan berkelanjutan.

Kata Kunci: Dana Otonomi Khusus, Aceh, pembangunan berkelanjutan, tata kelola, partisipasi masyarakat.

Introduction

The Special Autonomy Funds (SAF) were established in Indonesia following the 2005 Helsinki Agreement to strengthen Aceh's post-conflict recovery through enhanced fiscal autonomy and targeted development financing. Designed to improve governance, stimulate economic growth, and expand public services, SAF allocations prioritize education, health, infrastructure, and poverty alleviation (Kementerian Keuangan Republik Indonesia, 2020)¹. Their impact is evident in Aceh's economic performance, which recorded 5.3% growth in 2021 compared to the national average of 3.7% (Badan Pusat Statistik, 2022)².

Despite these achievements, concerns remain regarding the effectiveness and sustainability of SAF. Reports highlight issues of mismanagement, weak transparency, and limited accountability, with only 30% of funds reportedly achieving their intended outcomes (Aceh Institute, 2021)³. The province's fragile political context further complicates fund governance, raising critical questions about whether SAF can deliver long-term development benefits.

In this regard, aligning SAF with the Sustainable Development Goals (SDGs) becomes highly relevant. Adopted globally in 2015, the SDGs provide a comprehensive framework for addressing poverty, inequality, and environmental challenges. The Government of Aceh has integrated SDGs into its provincial development agenda, acknowledging their potential to guide resource

¹ Kementerian Keuangan Republik Indonesia. (2020). Report on special autonomy fund allocation and utilization in Aceh. Ministry of Finance of the Republic of Indonesia.

² Badan Pusat Statistik. (2022). Aceh province economic growth report 2021. BPS.

³ Aceh Institute. (2021). Assessment of Special Autonomy Fund Utilization in Aceh. Aceh Institute.

allocation more effectively and ensure inclusive growth (Bappeda Aceh, 2021)⁴. Evidence suggests that embedding SDGs into policy not only enhances spending efficiency but also fosters community participation, a factor proven to strengthen project sustainability (Rizal, 2020; UNDP, 2022)⁵.

However, empirical research on the extent to which SAF contributes to achieving the SDGs in Aceh remains limited. This study addresses the question: How effectively are Special Autonomy Funds utilized to achieve sustainable development in Aceh? Specifically, it evaluates SAF allocation and alignment with the SDGs, analyzes governance mechanisms, and proposes strategies to enhance fund sustainability. By doing so, this research provides critical insights for policymakers, local officials, and development practitioners seeking to optimize fiscal autonomy as a tool for post-conflict development.

The findings are expected to enrich scholarly debates on the role of fiscal transfers in fragile contexts, while offering practical recommendations to improve accountability and strengthen the link between autonomy financing and sustainable development outcomes.

Methods

This study employs a mixed-methods approach to examine the sustainability of Special Autonomy Funds (SAF) in Aceh. Qualitative data were collected through interviews, focus group discussions, and participatory observations with government officials, community leaders, and NGOs, capturing perceptions of SAF utilization. Quantitative data were obtained through household surveys and official statistics, measuring impacts on education, health, poverty reduction, and infrastructure (BPS Aceh, 2022; World Bank, 2021)⁶.

The mixed-methods design is justified by Aceh's complex socio-political context. While qualitative insights reveal governance challenges and community perspectives, quantitative analysis establishes measurable links between SAF allocation and development outcomes (Creswell & Plano Clark, 2018; Hadi, 2020)⁷.

For analysis, qualitative data were coded thematically (Braun & Clarke, 2006)⁸, while quantitative data were processed using descriptive and inferential statistics, including regression models, to

⁴ Bappeda Aceh. (2021). Aceh provincial action plan for sustainable development goals 2021–2025. Bappeda Aceh.

⁵ Rizal, M. (2020). Community participation in development projects in Aceh: A case study. *Journal of Conflict Resolution*, 64(3), 456–478.

⁶ BPS Aceh. (2022). Aceh in figures 2022. Badan Pusat Statistik Aceh.

⁷ Hadi, S. (2020). Governance and development in post-conflict Aceh: Challenges and opportunities. Indonesian Institute of Sciences.

⁸ Braun, V., & Clarke, V. (2006). Using thematic analysis in psychology. *Qualitative Research in Psychology*, 3(2), 77–101.

test correlations between SAF and development indicators (Field, 2018)⁹. Triangulating both sources strengthens validity and provides nuanced policy implications.

Limitations include potential bias in interviews, recall errors in surveys, and limited generalizability beyond Aceh. Despite these constraints, the approach offers robust evidence for assessing SAF's role in sustainable development.

Results and Discussion

The Special Autonomy Fund (Dana Otonomi Khusus, DOK) has become a central instrument for accelerating development in Aceh since the enactment of Law No. 11 of 2006. With an allocation reaching IDR 25 trillion in 2021, the fund represents a significant financial commitment by the central government, distributed 70% to the provincial level and 30% to district and city governments (Kementerian Keuangan Republik Indonesia, 2020; Badan Pusat Statistik, 2021)¹⁰. This arrangement reflects an effort to decentralize resources and empower local governance. However, questions persist regarding whether the allocation and utilization of these funds have been effective, equitable, and sustainable.

Sectoral Allocation and Development Outcomes

Fund distribution has prioritized education and health, absorbing approximately 45% of the budget in recent years (Badan Pengelolaan Keuangan Aceh, 2022)¹¹. This focus aligns with national development priorities and has contributed to improvements such as rising literacy rates (from 85% in 2010 to 92% in 2021) and declining maternal mortality (from 305 to 210 per 100,000 live births during the same period) (Badan Pusat Statistik, 2021; Dinas Kesehatan Aceh, 2021)¹². These outcomes demonstrate the fund's role in advancing human development.

Nevertheless, imbalances in sectoral allocation remain evident. Infrastructure, which is vital for economic connectivity and long-term growth, received only 20% of total funds in 2021 (Bappenas, 2021)¹³. Limited investment in productive sectors has contributed to Aceh's modest economic growth of around 5%, below the national average (Badan Pusat Statistik, 2022)¹⁴. Moreover, the quality of education and healthcare services continues to face challenges, with many schools lacking adequate facilities and professional teachers (World Bank, 2021)¹⁵. This

⁹ Field, A. (2018). *Discovering statistics using IBM SPSS Statistics* (5th ed.). SAGE Publications.

¹⁰ Kementerian Keuangan Republik Indonesia. (2020). *Laporan anggaran dan belanja daerah 2020*. Kemenkeu.

¹¹ Badan Pengelolaan Keuangan Aceh. (2022). *Laporan realisasi anggaran Dana Otonomi Khusus Aceh 2022*. Pemerintah Aceh.

¹² Badan Pusat Statistik. (2022). *Laporan pertumbuhan ekonomi Aceh 2021*. Badan Pusat Statistik Aceh.

¹³ Bappenas. (2021). *Laporan evaluasi pembangunan Aceh 2021*. Kementerian Perencanaan Pembangunan Nasional/Bappenas.

¹⁴ Badan Pusat Statistik. (2022). *Laporan pertumbuhan ekonomi Aceh 2021*. Badan Pusat Statistik Aceh.

¹⁵ World Bank. (2021). *Aceh human development report 2021*. World Bank.

suggests that increased funding alone is insufficient without stronger management, monitoring, and strategic alignment with development goals.

Governance, Accountability, and Stakeholder Perspectives

The effectiveness of the fund is closely tied to governance. Reports from the Ombudsman highlight issues of mismanagement and corruption, eroding public trust (Ombudsman Republik Indonesia, 2021)¹⁶. Government officials acknowledge the need for stronger coordination across administrative levels, enhanced transparency, and capacity-building initiatives to improve fund management (Bappeda Aceh, 2021)¹⁷. Civil society groups emphasize that political interests often influence budget priorities, sometimes overshadowing community needs (Masyarakat Sipil Aceh, 2021)¹⁸.

From the perspective of local communities, optimism about improved access to services coexists with frustration over limited participation in decision-making processes (Wawancara dengan Masyarakat Aceh, 2022). Community members demand more inclusive and transparent mechanisms to ensure that projects truly address local aspirations. NGOs and CSOs also play a critical role in advocating for accountability, promoting gender equity, and highlighting the needs of marginalized groups, though their efforts are constrained by limited resources (UN Women, 2020)¹⁹.

Sustainability Dimensions

The sustainability of the Special Autonomy Fund can be assessed across three dimensions.

First, financial sustainability remains uncertain, as the fund depends heavily on central government transfers, making it vulnerable to fiscal and political fluctuations (Kementerian Keuangan Republik Indonesia, 2020)²⁰. Enhancing local revenue generation and diversifying the economy are critical to reduce this dependency.

Second, social sustainability hinges on inclusivity. While gains in education and health are notable, marginalized groups—such as women, youth, and indigenous communities—often remain underrepresented in planning processes and underserved by development outcomes.

¹⁶ Ombudsman Republik Indonesia. (2021). Laporan hasil pemantauan penggunaan Dana Otonomi Khusus 2021. Ombudsman RI.

¹⁷ Bappeda Aceh. (2021). Rencana pembangunan jangka menengah daerah Aceh 2021–2026. Bappeda Aceh.

¹⁸ Masyarakat Sipil Aceh. (2021). Laporan pemantauan penggunaan Dana Otonomi Khusus 2021. Masyarakat Sipil Aceh.

¹⁹ UN Women. (2020). Laporan pemberdayaan perempuan di Aceh 2020. UN Women.

²⁰ Kementerian Keuangan Republik Indonesia. (2020). Laporan anggaran dan belanja daerah 2020. Kemenkeu.

Strengthening participatory governance and targeted programs is essential for fostering equity and social cohesion (UN Women, 2020)²¹.

Third, environmental sustainability requires greater attention. Development projects, particularly infrastructure, risk accelerating deforestation and resource degradation if environmental considerations are overlooked (Kementerian Lingkungan Hidup dan Kehutanan, 2020). Integrating environmental safeguards and community-based resource management into planning processes can align economic growth with ecological preservation (World Bank, 2021)²².

Challenges and Opportunities

The main challenges in optimizing the fund include governance inefficiencies, corruption risks, weak community engagement, and over-reliance on traditional sectors. However, opportunities also exist. Strengthening accountability mechanisms, building local institutional capacities, and leveraging technology for transparent monitoring can enhance governance. Promoting economic diversification—through investment in infrastructure, SME development, and vocational training—can create sustainable employment opportunities and reduce dependency on external funding sources. Finally, inclusive policies that integrate marginalized voices and prioritize environmental protection can transform the Special Autonomy Fund into a driver of sustainable development.

Policy Implications

To ensure long-term impact, several strategies are recommended:

1. Enhancing transparency and accountability through participatory budgeting, independent audits, and digital monitoring platforms.
2. Strengthening local capacities via financial management training, technical assistance, and knowledge-sharing with academia and NGOs.
3. Fostering inclusive development that targets marginalized groups and addresses gender disparities.
4. Promoting economic diversification supported by infrastructure, access to finance, and skills development programs.
5. Integrating environmental safeguards into project planning to balance economic growth with ecological resilience.

By addressing these challenges and leveraging opportunities, the Special Autonomy Fund can evolve from a financial instrument into a sustainable development mechanism that aligns with Aceh's long-term aspirations.

²¹ UN Women. (2020). Laporan pemberdayaan perempuan di Aceh 2020. UN Women.

²² World Bank. (2021). Aceh human development report 2021. World Bank.

Conclusion

The assessment of Special Autonomy Funds (SAF) in Aceh underscores their pivotal role in supporting regional development, particularly in infrastructure, education, and health services. Between 2008 and 2020, over IDR 30 trillion (approximately USD 2 billion) was allocated to development projects, which significantly improved access to basic services (Bappeda Aceh, 2021)²³. These investments contributed to poverty reduction, with rates declining from 20.6% in 2007 to 15.8% in 2019 (BPS Aceh, 2020)²⁴. Nevertheless, the distribution of benefits remains uneven, as rural areas continue to lag behind urban centers.

Despite notable progress, several challenges threaten the sustainability and effectiveness of SAF. Concerns over transparency and accountability in fund management persist, with evidence of misallocation and corruption risks (Transparency International, 2021)²⁵. In addition, the absence of systematic mechanisms for equitable distribution has limited the potential of SAF to reduce regional disparities. Strengthening governance frameworks is therefore critical, not only to mitigate inefficiencies but also to foster public trust.

Community participation has emerged as a decisive factor in enhancing the impact of SAF. Evidence from participatory budgeting in Aceh Besar suggests that local engagement increases project effectiveness and citizen satisfaction (Mardiasmo & Sudarsono, 2019)²⁶. However, the institutionalization of participatory mechanisms across all districts remains limited. Expanding inclusive decision-making and embedding participatory planning into the governance structure will be essential to maximize the long-term value of SAF.

Political dynamics also shape the sustainability of SAF. Aceh's post-conflict context and its reliance on political stability have influenced both allocation patterns and development outcomes (Sukardi, 2020)²⁷. Shifts in leadership and policy priorities risk undermining program continuity. A consistent political commitment to transparency, accountability, and inclusive governance is therefore imperative for sustaining progress.

Looking forward, several avenues for research and policy innovation are evident. Longitudinal studies are needed to evaluate the long-term effects of SAF on education, health, and economic growth. Comparative analyses with other Indonesian regions receiving special autonomy funding would enrich understanding of best practices in governance and fund utilization. Moreover,

²³ Bappeda Aceh. (2021). Laporan tahunan Bappeda Aceh 2020. Banda Aceh: Bappeda Aceh.

²⁴ BPS Aceh. (2020). Statistik sosial ekonomi Aceh 2020. Banda Aceh: Badan Pusat Statistik Aceh.

²⁵ Transparency International. (2021). Corruption perceptions index 2020. Transparency International. <https://www.transparency.org/en/cpi/2020>

²⁶ Mardiasmo, D., & Sudarsono, S. (2019). Community participation in local development: A case study of Aceh. *Journal of Indonesian Development Planning*, 3(1), 45–56.

²⁷ Sukardi, M. (2020). Political dynamics and special autonomy in Aceh: Challenges and opportunities. *Indonesian Journal of Political Science*, 5(2), 112–128.

examining the relationship between institutional capacity and project success could guide capacity-building initiatives for local governments.

Future research should also integrate external factors such as climate change, natural disasters, and global economic shocks into assessments of SAF sustainability. Aceh's vulnerability to environmental risks highlights the urgency of embedding resilience into development planning. Furthermore, qualitative studies capturing community perspectives can provide valuable insights into how SAF directly affects livelihoods, social cohesion, and trust in institutions.

In conclusion, SAF has delivered substantial resources for Aceh's development, yet its long-term impact depends on addressing governance weaknesses, promoting equitable distribution, ensuring sustained political stability, and institutionalizing participatory mechanisms. For Aceh to fully realize its development goals, policymakers, civil society, and local communities must collaborate to ensure that SAF is managed with transparency, accountability, and inclusivity. By embedding these principles, Aceh can transform its autonomy into a platform for sustainable and equitable development.

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