

GOVERNANCE AND ACCOUNTABILITY OF SPECIAL AUTONOMY FUNDS: EVIDENCE FROM ACEH, INDONESIA

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Abstract: This study investigates the governance and accountability of Special Autonomy Funds (SAF) in Aceh, Indonesia, a post-conflict region with significant fiscal transfers following the 2005 Helsinki peace agreement. Using a mixed-methods design, combining interviews, focus groups, surveys, and secondary data analysis, the research examines institutional frameworks, implementation outcomes, and the role of civil society in fund oversight. Findings reveal persistent weaknesses in governance structures, including overlapping institutional mandates, limited regulatory enforcement, and political interference that undermines alignment between policy objectives and development outcomes. Quantitative evidence indicates that nearly 30% of SAF-funded projects failed to achieve intended goals, while qualitative insights highlight exclusion of civil society organizations from decision-making processes, contributing to weak accountability. Nevertheless, case studies of participatory initiatives in health and environmental programs demonstrate the potential of inclusive governance and digital monitoring to improve transparency and citizen trust. This study contributes to the literature on public financial management by emphasizing the importance of context-specific approaches to governance in post-conflict regions. It underscores the necessity of strengthening legal frameworks, clarifying institutional responsibilities, and fostering civil society engagement. The findings provide both theoretical insights into accountability mechanisms and practical recommendations for policymakers seeking to enhance the effectiveness of special fiscal transfers in decentralized systems.

Keywords: special autonomy funds, governance, accountability, post-conflict regions, Aceh

Abstrak: Penelitian ini menganalisis tata kelola dan akuntabilitas Dana Otonomi Khusus (DOK) di Aceh, Indonesia, sebagai daerah pascakonflik yang memperoleh transfer fiskal signifikan pasca Perjanjian Helsinki 2005. Dengan menggunakan desain mixed-methods melalui wawancara, focus group discussion, survei, serta analisis data sekunder, penelitian ini mengevaluasi kerangka kelembagaan, implementasi program, dan peran masyarakat sipil dalam pengawasan dana. Temuan menunjukkan adanya kelemahan mendasar pada struktur tata kelola, termasuk tumpang tindih kewenangan, lemahnya penegakan regulasi, dan intervensi politik yang mengurangi kesesuaian antara tujuan kebijakan dan hasil pembangunan. Data kuantitatif mengungkapkan sekitar 30% proyek yang didanai DOK tidak mencapai target, sedangkan temuan kualitatif menegaskan masih terbatasnya keterlibatan organisasi masyarakat sipil dalam proses pengambilan keputusan, sehingga akuntabilitas publik belum optimal. Meski demikian, studi kasus pada program kesehatan dan lingkungan menunjukkan bahwa inisiatif partisipatif dan pemanfaatan teknologi digital dapat meningkatkan transparansi dan kepercayaan publik. Penelitian ini berkontribusi pada literatur tata kelola keuangan publik dengan menekankan

pentingnya pendekatan kontekstual dalam daerah pascakonflik, serta merekomendasikan penguatan kerangka hukum, kejelasan pembagian kewenangan, dan perluasan partisipasi masyarakat sipil. Temuan ini menawarkan implikasi teoretis maupun praktis bagi pembuat kebijakan dalam meningkatkan efektivitas transfer fiskal khusus dalam sistem desentralisasi.

Kata Kunci: dana otonomi khusus, tata kelola, akuntabilitas, pascakonflik, Aceh

Introduction

Special autonomy in Indonesia was introduced to strengthen local governance and address historical grievances in regions with distinct socio-political contexts. Aceh, located on the northern tip of Sumatra, was granted special autonomy following the 2005 Helsinki peace agreement that ended decades of conflict with the Free Aceh Movement (GAM). This agreement not only established political stability but also provided Aceh with significant fiscal transfers, particularly from oil and gas revenues. Under Law No. 11/2006 on Aceh Governance, these transfers—amounting to more than IDR 80 trillion between 2005 and 2020—were intended to enhance development, improve public services, and promote economic growth (Khalid & Rahman, 2021; Badan Pengelola Keuangan Aceh, 2021)¹.

Despite substantial resources, concerns remain about the effectiveness of these funds. Studies highlight persistent problems such as corruption, mismanagement, and weak transparency (Suharto & Iskandar, 2020)². These issues raise critical questions about governance and accountability mechanisms in Aceh's fund management. Effective governance determines how decisions are made and resources allocated, while accountability ensures officials report transparently and responsibly to stakeholders (Bovens et al., 2014; World Bank, 2020)³. When these principles are upheld, special autonomy funds can contribute to improved public trust, inclusive development, and post-conflict stability.

This study examines governance and accountability in the management of Aceh's special autonomy funds, focusing on three objectives: (1) to analyze existing governance structures and their effectiveness; (2) to evaluate the impact of special autonomy funds on key development sectors such as education, health, and infrastructure; and (3) to assess the role of civil society in oversight and participation. Addressing these objectives provides valuable lessons for Indonesia's broader decentralization framework and other regions managing special fiscal transfers.

¹ Khalid, A., & Rahman, M. (2021). Special autonomy in Aceh: Opportunities and challenges. *Indonesian Journal of Political Science*, 16(1), 45–62.

² Suharto, S., & Iskandar, A. (2020). Governance challenges in the management of special autonomy funds: The case of Aceh. *Asian Journal of Public Administration*, 42(4), 299–316.

³ Bovens, M., Curtin, D., & Groenleer, M. (2014). Designing a framework for public accountability. *Public Administration*, 92(3), 703–715.

Literature Review

Governance and Accountability Frameworks

The management of public resources is often explained through the Principal-Agent Theory, which highlights the challenges of information asymmetry and divergent interests between central government (principal) and local authorities (agents) (Jensen & Meckling, 1976)⁴. In Aceh, aligning these interests is crucial to avoid corruption and inefficiency. New Public Management (NPM) further emphasizes performance measurement, transparency, and efficiency in public service delivery (Hood, 1991)⁵. Meanwhile, the Social Accountability Framework stresses community participation in monitoring government actions, particularly vital in post-conflict regions where trust in state institutions is fragile (Malena et al., 2004)⁶.

Together, these perspectives suggest that effective governance of special autonomy funds requires robust oversight, performance-based management, and citizen engagement. Without these mechanisms, autonomy risks reinforcing elite capture rather than delivering inclusive development.

Special Autonomy Funds in Indonesia

Special autonomy funds are designed to empower regions with additional fiscal resources and decision-making authority, particularly those with histories of marginalization or conflict. Aceh's funding formula considers demographics, geography, and socio-economic indicators (Ministry of Finance, 2021)⁷. However, challenges persist in aligning budget allocations with community needs, overcoming bureaucratic inefficiencies, and ensuring project implementation matches development priorities (Suharto & Iskandar, 2020)⁸.

Oversight mechanisms, such as audits and public reporting, are intended to safeguard accountability. Yet, recurring corruption cases and delays in project execution demonstrate gaps in monitoring and enforcement (Baker & Phillips, 2021)⁹. Civil society organizations therefore play a crucial role as intermediaries, ensuring transparency and amplifying community voices in decision-making processes.

Overall, while special autonomy funds offer an important opportunity for regional development, their success depends on governance systems that ensure transparency, accountability, and

⁴ Jensen, M. C., & Meckling, W. H. (1976). Theory of the firm: Managerial behavior, agency costs and ownership structure. *Journal of Financial Economics*, 3(4), 305–360.

⁵ Hood, C. (1991). A public management for all seasons? *Public Administration*, 69(1), 3–19.

⁶ Malena, C., Forster, R., & Singh, J. (2004). Social accountability: An introduction to the concept and emerging practice (Social Development Papers No. 76). World Bank.

⁷ Ministry of Finance. (2021). Report on special autonomy fund distribution in Indonesia. Ministry of Finance of the Republic of Indonesia.

⁸ Suharto, S., & Iskandar, A. (2020). Governance challenges in the management of special autonomy funds: The case of Aceh. *Asian Journal of Public Administration*, 42(4), 299–316.

⁹ Baker, S., & Phillips, R. (2021). The role of accountability in public sector financial management: A case study of Indonesia. *Journal of Public Administration Research and Theory*, 31(2), 345–363.

meaningful citizen participation. The Aceh case provides both cautionary lessons and insights for improving public financial management in decentralized and post-conflict contexts.

Methods

This study employs a mixed-methods design to assess the governance and accountability of Special Autonomy Funds (SAF) in Aceh, Indonesia. A qualitative component, consisting of interviews and focus groups with government officials, community leaders, and civil society actors, captures perceptions of SAF management. A quantitative survey of beneficiaries complements this by identifying broader patterns, enabling data triangulation and enhancing validity (Creswell & Plano Clark, 2018; Fetters et al., 2013)¹⁰.

Data were drawn from both primary and secondary sources. Primary data included interviews and surveys, while secondary data came from government reports, academic studies, and NGO publications to contextualize SAF allocation and impacts (Mardani et al., 2022; Sukardi et al., 2021)¹¹. Purposive sampling was used for qualitative participants, while stratified random sampling ensured demographic representation for the survey, targeting around 30 interviewees and 300 respondents (Palinkas et al., 2015)¹².

Qualitative data were analyzed using thematic analysis to identify key governance themes (Braun & Clarke, 2006)¹³, with rigor strengthened through triangulation and member checking (Lincoln & Guba, 1985)¹⁴. Quantitative data were processed with SPSS/R, applying descriptive and inferential statistics, including regression analysis, to test relationships between transparency, accountability, and community satisfaction (Field, 2018)¹⁵. Integrating both datasets provided robust insights into SAF governance dynamics.

Ethical standards were maintained through informed consent, confidentiality, and adherence to established research ethics, ensuring credibility and integrity of findings.

¹⁰ Creswell, J. W., & Plano Clark, V. L. (2018). *Designing and conducting mixed methods research* (3rd ed.). SAGE Publications.

¹¹ Mardani, A., Zainuddin, Z., & Sari, R. (2022). The impacts of special autonomy funds on regional development: Evidence from Aceh, Indonesia. *Journal of Indonesian Economy and Business*, 37(1), 45–60.

¹² Palinkas, L. A., Horwitz, S. M., Green, C. A., Wisdom, J. P., Duan, N., & Hoagwood, K. (2015). Purposeful sampling for qualitative data collection and analysis in mixed method implementation research. *Administration and Policy in Mental Health and Mental Health Services Research*, 42(5), 533–544.

¹³ Braun, V., & Clarke, V. (2006). Using thematic analysis in psychology. *Qualitative Research in Psychology*, 3(2), 77–101.

¹⁴ Lincoln, Y. S., & Guba, E. G. (1985). *Naturalistic inquiry*. SAGE Publications.

¹⁵ Field, A. (2018). *Discovering statistics using IBM SPSS Statistics* (5th ed.). SAGE Publications.

Results and Discussion

The governance and accountability of Special Autonomy Funds (SAF) in Aceh present a complex interplay of institutional design, political dynamics, and socio-economic priorities. Since the enactment of the Special Autonomy Law No. 11/2006, Aceh has received approximately IDR 80 trillion (USD 5.5 billion) between 2008 and 2020 (Aceh Financial Management Agency, 2021)¹⁶. Despite this large allocation, the effectiveness of governance mechanisms remains contested. Evidence shows that while infrastructure development has absorbed nearly 60% of SAF, approximately 30% of projects have faced delays or abandonment, largely due to misallocation, weak oversight, and corruption risks (Transparency International Indonesia, 2022)¹⁷.

A deeper examination of governance structures reveals overlapping institutional authorities and limited clarity of roles. The Aceh Financial Management Agency (BPKA) is formally tasked with allocation and oversight, yet local political elites often influence project selection, prioritizing political interests over urgent community needs such as health and education (Sukma, 2021)¹⁸. Reports from the Indonesian Institute of Sciences indicate that only 40% of funded projects underwent rigorous evaluation, suggesting that weak regulatory frameworks exacerbate inefficiency and waste (LIPI, 2023)¹⁹. Civil society organizations (CSOs), which could play a critical role in promoting transparency, remain marginalized, with 70% reporting exclusion from decision-making processes (Aceh Civil Society Forum, 2022)²⁰.

Accountability mechanisms such as annual audits and financial reporting have not ensured sufficient transparency. The Supreme Audit Agency (BPK) reported irregularities amounting to IDR 500 billion (USD 35 million) in 2021 (BPK, 2021)²¹. Moreover, public awareness of SAF-related financial reports is extremely limited, with only 30% of community members reporting access to this information (Aceh Governance Institute, 2023)²². While community-based monitoring programs and digital platforms have demonstrated potential—such as reducing irregularities by 20% in Aceh Besar district (Aceh Development Forum, 2022)²³—their

¹⁶ Aceh Financial Management Agency. (2021). Financial report on special autonomy funds utilization. Banda Aceh, Indonesia.

¹⁷ Transparency International Indonesia. (2022). Corruption risks in fund management: A study of Aceh. Jakarta, Indonesia.

¹⁸ Sukma, R. (2021). Political dynamics and fund management in Aceh: An analysis. Jakarta, Indonesia.

¹⁹ LIPI. (2023). Governance challenges in Aceh: A study of special autonomy funds. Jakarta, Indonesia

²⁰ Aceh Civil Society Forum. (2022). Community engagement in fund allocation: A survey of local perspectives. Aceh, Indonesia.

²¹ BPK. (2021). Audit report on special autonomy funds in Aceh. Supreme Audit Agency, Indonesia.

²² Aceh Governance Institute. (2023). Accountability mechanisms for special autonomy funds: A critical assessment. Banda Aceh, Indonesia.

²³ Aceh Development Forum. (2022). Community monitoring of special autonomy funds: A case study. Aceh, Indonesia.

effectiveness is constrained by lack of government support, digital literacy, and technological infrastructure (Digital Aceh Initiative, 2022)²⁴.

Case studies further illustrate these challenges. The Aceh Flood Control Project, with IDR 200 billion in allocations, was only partially completed due to mismanagement and cost overruns (Aceh Infrastructure Development Report, 2023)²⁵. Similarly, the Aceh Education Improvement Program diverted almost half its funds to non-educational purposes, driven by political interference (Aceh Education Foundation, 2023)²⁶. In contrast, initiatives such as the Aceh Health Program and the Aceh Green Program demonstrate the benefits of participatory budgeting and community engagement. These programs improved healthcare access and environmental sustainability, increasing citizen satisfaction and reforestation rates by 30% and 40% respectively (Aceh Health Department, 2023; Aceh Environmental Agency, 2023)²⁷.

Taken together, the findings underscore persistent structural weaknesses in both governance and accountability. The gap between legal provisions and implementation reflects not only institutional inefficiencies but also entrenched political dynamics. Nevertheless, the positive experiences of participatory and transparent initiatives highlight pathways for reform. Strengthening regulatory frameworks, clearly delineating institutional responsibilities, ensuring meaningful CSO involvement, and leveraging digital technologies are essential for improving fund governance. In doing so, Aceh can move closer to realizing the socio-economic transformation envisioned by the Special Autonomy Law.

Conclusion

This study provides critical insights into the governance and accountability of Special Autonomy Funds (SAF) in Aceh, Indonesia. The findings reveal that the distribution and utilization of SAF are strongly influenced by Aceh's post-conflict political landscape and historical context. While the governance structure was designed to strengthen local autonomy, its implementation has faced persistent challenges of transparency and accountability. For example, fund allocation is often subject to political negotiations, creating discrepancies between policy objectives and actual outcomes (Mauliansyah, 2017)²⁸.

²⁴ Digital Aceh Initiative. (2022). Leveraging technology for transparency in fund management. Banda Aceh, Indonesia.

²⁵ Aceh Infrastructure Development Report. (2023). Evaluation of the flood control project in Aceh. Aceh, Indonesia.

²⁶ Aceh Education Foundation. (2023). Review of the Aceh Education Improvement Program. Aceh, Indonesia.

²⁷ Aceh Health Department. (2023). Annual report on community health initiatives. Banda Aceh, Indonesia.

²⁸ Mauliansyah, H. (2017). Pengaruh waktu penetapan anggaran, besaran sisa anggaran tahun sebelumnya (SiLPA), dan perubahan anggaran terhadap serapan anggaran pada pemerintah daerah (Studi pada pemerintah daerah kabupaten/kota Sumatera Utara) [Doctoral dissertation, Universitas Syiah Kuala]. Universitas Syiah Kuala Repository.

Evidence from government reports shows that accountability mechanisms remain weak despite existing regulations. The Aceh Audit Board reported that in 2021, more than 30% of SAF-funded projects failed to achieve their intended objectives, reflecting mismanagement and inconsistencies in financial reporting (Badan Pusat Statistik Aceh [BPS Aceh], 2022)²⁹. These findings underscore the gap between regulatory frameworks and enforcement capacity at the local level.

Civil society organizations (CSOs) have played a pivotal role in strengthening accountability. Through monitoring, research, and public campaigns, CSOs such as the Aceh Institute have enhanced public awareness and pressured local governments to improve fund management practices (Aceh Institute, 2021)³⁰. Their involvement illustrates the importance of inclusive governance and multi-stakeholder engagement in improving transparency and building trust between citizens and government.

This study contributes to the broader literature on governance and accountability in post-conflict regions. It highlights how socio-political contexts shape governance outcomes and emphasizes the critical role of CSOs in advancing accountability. Additionally, it reinforces the importance of robust financial oversight mechanisms, including effective audits and transparent reporting, to ensure that autonomy funds achieve their development objectives.

Nonetheless, the study faces several limitations. It relies heavily on qualitative data, which may affect generalizability, and its focus on Aceh restricts applicability to other contexts. Moreover, data gaps and the dynamic nature of governance mean that some recent reforms or changes in practice may not be fully captured. Future studies should adopt mixed-method and longitudinal approaches to evaluate governance reforms over time, while comparative studies across regions could identify best practices in managing autonomy funds.

Finally, future research should explore more deeply how civil society engagement affects governance outcomes and examine the direct link between effective fund management and development impacts in Aceh. Such studies would provide policymakers with evidence-based strategies to enhance transparency, accountability, and long-term sustainability of autonomy funds, both in Indonesia and other post-conflict regions.

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²⁹ Badan Pusat Statistik (BPS) Aceh. (2022). Annual report on public financial management in Aceh. BPS Aceh.

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