

At a Glance:

SKALA in Aceh

October 2024

Introduction

Formed in late 1949, the province of Aceh was re-established under Law Number 24/1956 to include the entire territory of the former Aceh Residency. Since 1959, Aceh has held special provincial status which grants it autonomy in religion, customs, and education. Following the peace agreement, Law Number 11 of 2006 on the Government of Aceh was enacted to grant the province special autonomy funds from 2008 to 2027. Administratively, Aceh comprises 23 districts and cities, with Banda Aceh serving as the provincial capital.

Renowned for its rich cultural heritage and historical significance, Aceh implements local laws that incorporate Sharia principles, making it unique within the Indonesian archipelago. It boasts diverse natural landscapes, including rainforests, mountains, and beaches, which contribute to its growing eco-tourism

industry, and is home to significant biodiversity, including endangered species like the Sumatran tiger and orangutan. Overall, Aceh's economy is also supported by agriculture, fishing, oil and gas industries. Public services have been steadily improving due to focused government initiatives. However, consistent service quality and accessibility are ongoing challenges, especially in rural and remote areas of the province.

SKALA¹ works with the Aceh Provincial Government to strengthen the participation of vulnerable groups in development planning, as well as to improve the use of reliable data and analysis, increase regional financial capacity, and strengthen the quality of public spending. SKALA's Aceh office became operational in January 2023.



Figure 1. Key Administrative Data



Population:
5.4 million
(BPS-Statistics Indonesia, 2023)



Area:
56,839 km²
(BPS-Statistics Indonesia, 2023)



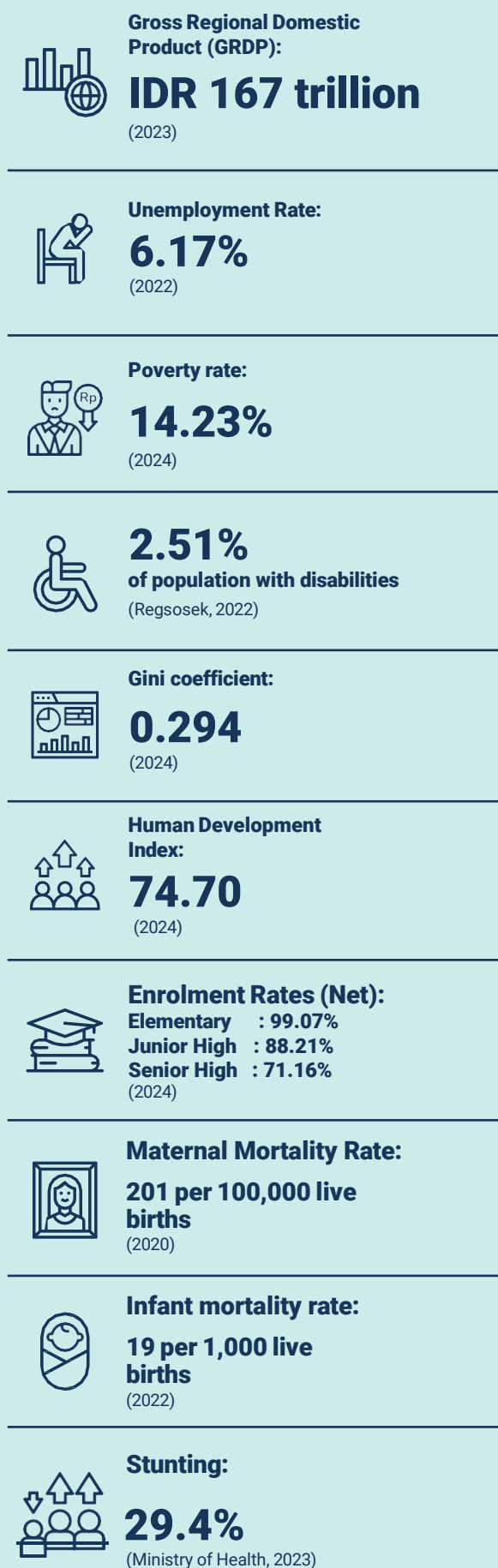
**Administrative center
and capital city:**
Banda Aceh



Regional Fiscal Capacity:
**IDR 11 trillion, with 50-70% from
regional fiscal transfers**
(BPKA, 2024)

1. *Sinergi dan Kolaborasi untuk Akselerasi Layanan Dasar* (SKALA) is an Australia-Indonesia Partnership Program aimed at supporting the Government of Indonesia's efforts to reduce poverty and inequality by improving basic-service provision to poor and vulnerable communities in less-developed regions.

Figure 2. Key Socioeconomic Data (Source: BPS-Statistics Indonesia unless otherwise stated)



Economic and Social Development

Aceh has made significant progress in social and economic development since 2005. The peace agreement enabled the province to focus on rebuilding and leveraging its abundant natural resources to drive economic growth. The mining sector, particularly oil and gas extraction, is a substantial contributor to Aceh's Gross Regional Domestic Product (GRDP). However, in light of the risks of over-reliance on resource-based industries, the government has initiated efforts to diversify the economy. The provincial government is enabling investments in agriculture, fisheries, and tourism to broaden employment opportunities for low- and middle-skilled workers. Infrastructure improvement is a key priority, and the government has invested in projects to enhance transportation networks, electricity supply, and digital connectivity. The Aceh government is also committed to advancing social development. It is focusing on education and health to ensure all residents benefit from improved service delivery and is working to fulfil minimum service standards across all basic services.



SKALA's Support to Improve Inclusive Basic Services in Aceh

The provision of public services is a key responsibility of local governments, and SKALA actively supports these efforts. In Aceh, the provincial government plays a crucial role in facilitating the successful implementation of SKALA-supported initiatives. The establishment of a Provincial Program Committee, formalized by the Governor's Decree, aims to enhance coordination across regional agencies in managing the implementation of the SKALA Program. SKALA aligns its Annual Work Plan with local government priorities so that its support is integrated with regional planning documents and initiatives. This approach strengthens the achievement of government priorities and promotes collaborative governance based on shared understanding, partnership, and synergy, ultimately enhancing the effectiveness of regional governance.



Promoting Gender Equality, Disability, and Social Inclusion (GEDSI)

The Aceh Government is actively promoting GEDSI through various initiatives to improve the rights and services for women and people with disabilities. Key efforts include the drafting of regional regulations (Qanun) and action plans, such as the 2024-2029 Regional Action Plan for Persons with Disabilities, to integrate disability inclusion into government work plans. To enhance community participation, the Aceh Government has engaged civil society organizations (CSOs) and disability groups in the drafting process which has ensured that the regulations reflect the needs of the beneficiaries. The Aceh government has also prioritized the improvement of infrastructure and services to make public spaces more accessible. SKALA supports these initiatives by providing technical assistance and capacity building for government departments involved in policy development. This includes supporting the government to draft inclusive regulations, training stakeholders on disability rights, and promoting the participation of vulnerable groups in policy-making processes. Together, these efforts aim to improve public services and ensure the effective fulfillment of rights for all Acehnese, particularly vulnerable groups.



Using Data and Analytics for Better Planning and Service Delivery

The Aceh Government is strengthening the delivery of basic services by enhancing its data governance through the implementation of the Satu Data policy. To address challenges related to fragmented data systems, the Aceh government has established platforms such as the Village Information System (SIGAP) and the Aceh Open Data Portal. These platforms are helping to streamline data collection and management across the province's 23 districts and 6,500 villages which will enable better decision-making for planning, poverty reduction, and service

delivery. Regulations such as Qanun No. 7/2020 and various Governor Decrees provide a framework for the integration of these systems at provincial and village levels. With support from SKALA, the government has also created a Data Consultation Clinic to improve data quality and system development and promote better collaboration between agencies for more effective data usage. Aceh is also using the socioeconomic registry (REGSOSEK) data to enhance the targeting and accuracy of provincial programs funded by the General Allocation Fund Special Grant.

Additionally, in partnership with universities, the Aceh Government is building capacity within local governments to manage data while aligning practices with national standards and improving the quality of services, particularly for vulnerable populations. SKALA contributes to these efforts by providing technical assistance, facilitating collaboration, and supporting capacity-building efforts to enhance data management in Aceh.



Enhancing Fiscal Capacity

The Aceh Government is also working to improve fiscal management by aligning central and regional policies with a focus on poverty reduction and better service delivery. A major effort includes ratifying Qanun No. 4 of 2024 on Aceh Revenue and Retribution (PDRD), which aims to increase regional taxes by improving tax collection processes, identifying new sources of revenue, and ensuring accurate land and property records for taxation purposes. The Aceh government is also finalizing a Governor's Regulation to implement this Qanun, based on a detailed analysis of potential revenue sources. This analysis, conducted with SKALA's support, will help the government identify key challenges and areas for improvement in revenue collection. Additionally, the Aceh Government has studied the use of Special Autonomy Funds from 2008-2022 to assess the province's development progress and plan for the impact of reduced funding from 2023-2027. By strengthening tax policies and improving revenue management, the Aceh government seeks to enhance public services and ensure long-term economic stability.



Improving Quality of Spending: Planning for Minimum Service Standards

To achieve Minimum Service Standards (MSS) in the delivery of basic services, the Aceh government has integrated MSS data into the Aceh Open Data Portal. This allows for better planning and coordination across sectors. A key initiative is the MSS consultation clinic model, which has improved MSS achievement as evidenced by the increase to 93.26% in 2023 from 57.59% in 2022. The government also provides technical support to provincial and district officials to set targets, monitor progress, and evaluate service provision across

six key sectors. Additionally, the Aceh Government has identified budget availability and potential funding sources to support the fulfillment of MSS and enable government work units to better allocate resources. SKALA supports these efforts by offering technical assistance for data collection and quality assurance, facilitating the use of the data portal, and providing capacity building for officials to enhance their planning and budgeting skills.

SKALA's 2024-2025 Work Plan:

THEME	FOCUS AREAS
Gender Equality, Disability and Social Inclusion (GEDSI)	<ul style="list-style-type: none"> Enhance the participation, representation, and influence of vulnerable groups in planning and decision-making processes.
Strengthen Data and Analytics (D&A)	<ul style="list-style-type: none"> Strengthen the policies and institutions of Satu Data Aceh, including for management of MSS. Improve village-level information systems including SIGAP. Enhance systems and integration across data management platforms. Facilitate synergy and collaboration between the Aceh Government and universities to expand, manage, and utilize data effectively. Strengthen the analysis, updating, and utilization of data.
Improve Regional Fiscal Capacity	<ul style="list-style-type: none"> Optimise fiscal transfers and their use to improve spending quality Strengthen regional revenue management (taxes and levies)
Enhance Quality of Spending (MSS)	<ul style="list-style-type: none"> Improve planning management for synergy between central and regional planning including special autonomy planning. Improve the implementation and management of Minimum Service Standards. Strengthen regional planning and budgeting to ensure the provision of inclusive basic services.
Program Governance (PPC)	Support for SKALA program governance in Aceh Province