

REPUBLIC OF INDONESIA

**LAW OF THE REPUBLIC OF INDONESIA
NUMBER 25 OF 2004
ON
THE NATIONAL DEVELOPMENT PLANNING
SYSTEM**

**MINISTRY OF NATIONAL DEVELOPMENT PLANNING/
NATIONAL DEVELOPMENT PLANNING AGENCY**



**PRESIDENT
OF THE
REPUBLIC OF INDONESIA**

LAW NUMBER 25 OF 2004

**REGARDING
NATIONAL DEVELOPMENT PLANNING SYSTEM**

WITH THE GRACE OF ALMIGHTY GOD,

THE PRESIDENT OF THE REPUBLIC OF INDONESIA,

In consideration:

- a. that with the grace of Almighty God, the Independence Proclamation has enabled the Indonesian people to initiate endeavors for attaining the ideals of the nation that is independent, united, sovereign, just, and prosperous;
- b. that the government of Indonesia is established to protect all of the Indonesian people and the entire Indonesian fatherland, with a view to increase general welfare, to improve the education of the people, and to participate in endeavors for attaining world order;
- c. that the subsequent main task of the nation is to further improve and maintain such independence and to complete the attained independence with development that is just and democratic that is implemented in successive stages;
- d. that in order to ensure that the development activities proceed in an effective, efficient and in a directed manner, it is deemed necessary to have national development planning;
- e. that in order to be able to formulate a national development plan, which ensures the attainment of the state goals, it is deemed necessary to have a national development planning system;
- f. that on the basis of the considerations referred to in point a, point b, point c, point d, and point e, it is deemed necessary to issue the Law on the National Development Planning System;

In view of :

1. Article 18, Article 18A, Article 18B, Article 20, Article 20A, Article 21, Article 23, Article 23C, Article 33, Article 34 of the 1945 Constitution of the Republic of Indonesia;
2. Law Number 17 of 2003 on State Finance (State Gazette of the Republic of Indonesia of 2003 Number 47, Addendum to the State Bulletin of the Republic of Indonesia Number 4287);



With the Joint Approval of the
PARLIAMENT OF THE REPUBLIC OF INDONESIA
and the
PRESIDENT OF THE REPUBLIC OF INDONESIA

HEREBY HAS DECIDED:

To enact :

LAW ON THE NATIONAL DEVELOPMENT PLANNING SYSTEM

CHAPTER I
GENERAL PROVISIONS
Article 1

In this Law, the following terms apply:

1. Planning refers to a process for determining the appropriate future actions, through a set of choices, by taking into account the available resources.
2. National Development refers to the endeavors implemented by all components of the nation in the context of realizing the goals of the nation.
3. National Development Planning System refers to a development planning procedure for yielding long-term, medium-term and annual development plans that are implemented by elements of the state apparatus and the people at the Central and Regional Levels.
4. Long-term Development Plan (Rencana Pembangunan Jangka Panjang), hereinafter abbreviated as RPJP, refers to the planning document for a twenty (20) years period.
5. Medium Term Development Plan (Rencana Pembangunan Jangka Menengah), hereinafter abbreviated as RPJM, refers to the planning document for a five (5) years period.
6. Medium-Term Development Plan of Ministries/Agencies, hereinafter referred to as Strategic Plan of Ministries/Agencies (Rencana Strategis Kementrian/Lembaga) hereinafter abbreviated as Renstra-KL, is a planning document of the corresponding Ministry/Agency for a period of five (5) years.
7. Medium-Term Development Plan of the Regional Government Work Unit (Rencana Pembangunan Jangka Menengah Satuan Kerja Perangkat Daerah), hereinafter called Renstra-SKPD, refers to the planning document of the corresponding Regional Government Work Unit for a period of five (5) years.

8. National Annual Development Plan, hereinafter to be referred to as RKP (abbreviation of *Rencana Kerja Pemerintah*), refers to the National planning document for a one (1) year period.
9. Regional Annual Development Plan, hereinafter referred to as RKPD (abbreviation of *Rencana Kerja Pemerintah Daerah*), refers to the planning document for the relevant Region for a one (1) year period.
10. Annual Development Plan of the relevant Ministry/Agency, hereinafter referred to as Renja-KL (abbreviation of *Rencana Kerja Kementerian/Lembaga*), refers to the planning document of the corresponding Ministry/Agency for a one (1) year period.
11. Annual Development Plan of the Work Unit of the Regional Government (*Rencana Pembangunan Tahunan Satuan Kerja Perangkat Daerah*), hereinafter known as Renja-SKPD (abbreviation of *Rencana Kerja Satuan Kerja Perangkat Daerah*), refers to the planning document of the Regional Government Work Unit for a one (1) year period.
12. Vision refers to the general formulation of the situation to be achieved at the end of the planning period.
13. Mission refers to the general formulation regarding the measures that will be taken for arriving at the vision.
14. Strategy refers to measures containing indicative programs for realizing the vision and mission.
15. Policy refers to the direction/action to be taken by the Central/Regional Government for attaining the objective.
16. Program refers to the policy instrument that contains one or more activity/activities that is/are implemented by a government agency/body for attaining the targets and objectives and for obtaining the budget allocation, or activities of the general public that are coordinated by a government agency.
17. Agency (Lembaga) refers to a Non-Ministerial organization and other agencies using the state budget, that is established for implementing certain tasks pursuant to the 1945 Constitution of the Republic of Indonesia or other laws and regulations based on the laws.
18. Program of the Ministry/Agency/Work Unit of the Regional Government refers to a set of work plans or a Ministry/Agency or Work Unit of the Regional Government.
19. Program of Cross-Ministerial Offices/Agencies/Work Units of the Regional Government refers to a set of work plans of several Ministerial Offices/Agencies or of several Work Units of the Regional Government.

20. Area and Cross-area Program refers to a group of integrated work plans among Ministries/Agencies and Work Units of the Regional Government, regarding one or several area (s), Region(s) or zone(s).
21. Development Planning Deliberations Forum (*Musyawarah Perencanaan Pembangunan*), hereinafter abbreviated as Musrenbang, refers to a forum among the stakeholders, in the context of formulating the national development plans and the regional development plans.
22. The Minister, refers to the chief of the Ministry of National Development Planning/Head of the National Development Planning Agency.
23. Head of the Work Unit of the Regional Government that is responsible for the tasks and functions of development planning in the Province, District (*Kabupaten*), and Municipality (*Kota*), refers to the head of the development planning agency of the Region, hereinafter referred to as Head of the Bappeda (*Badan Perencanaan Pembangunan Daerah/Regional Development Planning Agency*)

CHAPTER II PRINCIPLES AND AIMS

Article 2

- (1) National Development is carried out on the basis of democracy under the principles of mutualism, justice, continuity, environment conservation, and self-reliance, by maintaining the balance between progress and national unity.
- (2) The National Development Plan is formulated in a systematic, effective, integrated, comprehensive manner, that is responsive to changes.
- (3) The National Development Planning System is implemented on the basis of the General Principles of State Governance.
- (4) The National Development Planning System is aimed at:
 - a. supporting coordination among stakeholders in development;
 - b. ensuring the integration, synchronization, and synergy among regions, inter-space, inter-time, inter-functions of the government as well as between the Central Government and Regional Governments;
 - c. ensuring inter-linkages and consistency among planning, budgeting, implementation, and supervision;
 - d. optimizing participation of the people/public at large; and
 - e. ensuring attainment of the efficient, effective, just, and sustainable utilization of resources.

CHAPTER III SCOPE OF NATIONAL DEVELOPMENT PLANNING

Article 3

- (1) National Development Planning covers the macro-planning of all governmental functions, encompassing all fields of life, in an integrated manner within the territory of the Republic of Indonesia.
- (2) National Development Planning constitutes development plans that are formulated in an integrated manner by the Ministries/Agencies and development plans that are formulated by Regional Governments in accordance with their authority.
- (3) National Development Planning as referred to in paragraph (2) yields:
 - a. the long-term development plan (RPJP);
 - b. the medium-term development plan (RPJM); and
 - c. the annual development plan (RKP).

Article 4

- (1) The National RPJP is the elaboration of the goal of founding the Government of Indonesia that is contained in the Preamble of the 1945 Constitution of the Republic of Indonesia, in the form of the vision, mission, and direction of national development.
- (2) The National RPJM is the elaboration of the vision, mission, and program of the President, the formulation of which is guided by the national RPJP, and contains the strategy of the national development strategy, general policies, programs of the Ministries/Agencies and inter-Ministries/Agencies, areas and inter-areas, and the macro-economic framework, that covers an overall description of the economy, including the direction of fiscal policy in a work plan in the form of regulatory and funding frameworks that are indicative in nature.
- (3) The RKP is the elaboration of the National RPJM, and contains the priorities of development, the draft of the macro-economic framework, that covers an overall description of the economy, including the direction of fiscal policy, and programs of the Ministries/Agencies, inter-Ministries/Agencies, areas, in the form of the regulatory framework and the indicative funding framework.

Article 5

- (1) The Regional RPJP contains the vision, mission and direction of development of the Region, and is based on the National RPJP.
- (2) The Regional RPJM is the elaboration of the vision, mission and programs of the Regional Head, the formulation of which is guided by the Regional RPKP and by taking into account the National RPJM, and contains the direction of the Region financial policy, the Region development strategy, general policies, and programs

of the Work Units of the Regional Government, inter Work Units of the Regional Government, and programs on area matters, supplemented by work plans in regulatory and funding frameworks that are indicative in nature.

- (3) The RKPD is the elaboration of the Regional RPJM and is based on the RKP, and contains the economic framework draft of the Region, the development priorities of the Region, the work plan, and its funding, which will be carried out directly by the government as well as calling for the participation of the people/private sector.

Article 6

- (1) Renstra-KL contains the development vision, mission, objectives, strategy, policies, programs, and activities, in conformity with the tasks and functions of the corresponding Ministries/Agencies, that is drawn up pursuant to the guidelines of the National RPJM and is indicative in nature.
- (2) Renja-KL is drawn up on the basis of the Renstra-KL and with reference to the national development priorities and indicative ceilings, and contains development policies, programs, and activities to be carried out directly by the government as well as by calling for the participation of the people/private sector.

Article 7

- (1) Renstra-SKPD contains the development vision, mission, objectives, strategy, policies, programs, and activities, which are drawn up in accordance with the tasks and functions of the Work Units of the Regional Government and guided by the Regional RPJM and is indicative in nature.
- (2) Renja-SKPD is drawn up on the basis of the Renstra-SKPD and with reference to the RKP, and contains development policies, programs, and activities that will be carried out directly by the Regional Government as well as by calling for the participation of the people/private sector.

CHAPTER IV STAGES OF THE NATIONAL DEVELOPMENT PLANNING

Article 8

The stages of National Development Planning cover the:

- a. drawing up of the plan;
- b. enactment of the plan;
- c. controlling the implementation of the plan;
- d. evaluating the plan implementation.

Article 9

- (1) Formulation of the RPJP involves the following sequence:
 - a. preparation of the initial draft of the development plan;
 - b. deliberation of the development plan; and
 - c. formulation of the final draft of the development plan.

- (2) Formulation of the National/Regional RPJM and the RKP/RKPD, involves the following sequence of activities:
 - a. preparation of the initial draft of the development plan;
 - b. preparation of the draft on the work plan;
 - c. deliberation of the development plan; and
 - d. drawing up of the final draft of the development plan.

CHAPTER V DRAWING UP AND ENACTMENT OF THE PLAN

Part One Long-term Development Plan (RPJP)

Article 10

- (1) The Minister prepares the draft of the National RPJP.
- (2) Heads of the Bappedas prepare the drafts of the Regional RPJP
- (3) The draft of the National RPJP as referred to in paragraph (1) and the draft of the Regional RPJP as referred to in paragraph (2) become the main materials for the Musrenbang (Development Planning Deliberation Forum).

Article 11

- (1) The Musrenbang is convened in the context of formulating the RPJP and is participated by elements of the State apparatus by involving the people/public at large.
- (2) The Minister convenes the National Long-term Musrenbang.
- (3) The Heads of the Bappedas convene the Regional Long-term Musrenbang.
- (4) The National Long-term Musrenbang as referred to in paragraph (2) and the Regional Long-term Musrenbang as referred to in paragraph (3) are convened no later than one (1) year before the end of the current RPJP period.

Article 12

- (1) The Minister draws up the final draft of the National RPJP on the basis of results of the National Long-term Musrenbang as referred to in paragraph (4) of Article 11.
- (2) The Heads of the Bappedas draw up the final draft of the Regional RPJP on the basis of results of the Regional Long-term Musrenbang as referred to in paragraph (4) of Article 11.

Article 13

- (1) The National RPJP is enacted by means of a Law (*Undang-undang*)
- (2) The Regional RPJP is enacted by means of a Regional Regulation (*Peraturan Daerah*).

Part Two **The Medium-term Development Plan**

Article 14

- (1) The Minister prepares the initial draft of the National RPJM as the elaboration of the vision, mission, and program of the President into the national development strategy, general policies, priority program of the President, and the macro-economic framework, that covers the overall economic condition, including the direction of fiscal policy.
- (2) The Heads of the Bappedas prepare the initial drafts of the Regional RPJM as the elaboration of the vision, mission, and programs of the Heads of the Regions, into the Regions' development strategy, general policies, priority programs of the Heads of the Regions, and the public finance policies of the Regions.

Article 15

- (1) Chiefs of Ministries/Agencies prepare the drafts of the Renstra-KL, in accordance with their respective main tasks and functions, based on the initial draft of the National RPJM, as referred to in paragraph (1) of Article 14.
- (2) The Minister draws up the draft of the National RPJM, by using the draft of the Renstra-KL, as referred to in paragraph (1) and guided by the National RPJP.
- (3) Heads of the Work Units of the Regional Governments prepare the drafts of the Renstra-SKPD, in accordance with their respective main tasks and functions, guided by the initial draft of the Regional RPJM, as referred to in paragraph (2) of Article 14.
- (4) The Heads of the Bappedas draw up the drafts of the Regional RPJM by using the drafts of the Renstra-SKPDs, as referred to in paragraph (3) and based on the Regional RPJP.

Article 16

- (1) The draft of the National RPJM, as referred to in paragraph (2) of Article 15, and the drafts of the Regional RPJM, as referred to in paragraph (4) of Article 15, constitute materials for the Medium-term Musrenbang.

- (2) The Medium-term Musrenbang is convened in the context of drawing up the RPJM and is attended by elements of the State apparatus and involves the people/private sector.
- (3) The Minister convenes the National Medium-term Musrenbang.
- (4) The Heads of the Bappedas convene the Regional Medium-term Musrenbang.

Article 17

- (1) The National Medium-term Musrenbang, as referred to in paragraph (3) of Article 16, is convened no later than two (2) months after the President has been installed.
- (2) The Regional Medium-term Musrenbang, as referred to in paragraph (4) of Article 16, is convened no later than two (2) months after the Head of the Region has been installed.

Article 18

- (1) The Minister draws up the final draft of the National RPJM, on the basis of results of the National Medium-term Musrenbang, as referred to in paragraph (1) of Article 17.
- (2) The Heads of Bappedas draw up the final drafts of the Regional RPJM, on the basis of results of the Regional Medium-term Musrenbang, as referred to in paragraph (2) of Article 17.

Article 19

- (1) The National RPJM is enacted by means of a Presidential Regulation (Peraturan Presiden), no later than three (3) months after the installation of the President.
- (2) The Renstra-KLs are enacted by means of regulations issued by the heads of the Ministries/Agencies, after being adjusted to the National RPJM, as referred to in paragraph (1).
- (3) The Regional RPJMs are enacted by means of the Regulations issued by the Heads of the respective Regions, no later than three (3) months after installation of the respective Regional Heads.
- (4) The Renstra-SKPDs are enacted by means of the regulations of the heads of the respective Work Units of the Regional Governments, after being adjusted to the Regional RPJM, as referred to in paragraph (3).

Part Three
Annual Development Plan

Article 20

- (1) The Minister prepares the initial draft of the RKP as the elaboration of the National RPJM, as referred to in paragraph (1) of Article 19.
- (2) The Heads of the Bappedas prepare the initial drafts of the RKPDs, as the elaboration of the Regional RPJMs, as referred to in paragraph (3) of Article 19.

Article 21

- (1) Heads of Ministries/Agencies prepare drafts of the Renja-KLs in accordance with their respective main tasks and functions, based on the initial draft of the RKP, as referred to in paragraph (1) of Article 20 and guided by the Renstra-KLs, as referred to on paragraph (2) of Article 19.
- (2) The Minister coordinates the drawing up of the RKP draft by using the Renja-KL drafts as referred to in paragraph (1).
- (3) Heads of the Work Units of Regional Governments prepare the Renja-SKPD in accordance with their respective main tasks and functions, based on the initial drafts of the RKPDs as referred to in paragraph (2) of Article 20 and guided by the Renstra-SKPDs as referred to in paragraph (4) of Article 19.
- (4) Heads of the Bappedas coordinate the drawing up of the RKPD drafts by using the Renja-SKPDs, as referred to in paragraph (3).

Article 22

- (1) The RKP draft, as referred to in paragraph (2) of Article 21, and the RKPD draft, as referred to in paragraph (4) of Article 21, constitute materials for the Musrenbang.
- (2) The Musrenbang, in the context of drawing up the RKP and RKPD, is participated by elements of the government apparatus.
- (3) The Minister convenes the Musrenbang aimed at the drawing up the RKP.
- (4) The Heads of the Bappedas convene the Musrenbangs aimed at the drawing up the RKPDs.

Article 23

- (1) The Musrenbang for the drawing up of the RKP, as referred to in paragraph (3) of Article 22, is convened no later than April.
- (2) Musrenbang for the drawing up of the RKPD, as referred to in paragraph (4) of article 22, is convened no later than March.

Article 24

- (1) The Minister draws up the final draft of the RKP on the basis of results of the Musrenbang, as referred to in paragraph (1) of Article 23.
- (2) The Heads of the Bappedas draw up the final draft of the RKPDs on the basis of results of the Musrenbang, as referred to in paragraph (2) of Article 23.

Article 25

- (1) The RKP constitutes the guideline for drafting the RAPBN (National Budget Draft)
- (2) The RKPD constitutes the guideline for drafting the RAPBD (Regional Budget Draft).

Article 26

- (1) The RKP is enacted by Presidential Regulation (*Peraturan Presiden*).
- (2) The RKPD is enacted by Regulation of the Regional Head (*Peraturan Kepala Daerah*)

Article 27

- (1) More specific stipulations on the procedure for the drawing up of the National RPJP, the National RPJM, the Renstra-KL, the Renja-KL, and for convening the Musrenbang, are to be contained in a Government Regulation (*Peraturan Pemerintah*)
- (2) More specific stipulations on the procedure for drawing up of the Regional RPJP, the Regional RPJM, the Renstra-SKPD, the RKPD, the Renja-SKPD, and for convening of the Regional Musrenbang, are to be stipulated by Regional Regulation (*Peraturan Daerah*)

CHAPTER VI CONTROL AND EVALUATION OF THE PLAN EXECUTION

Article 28

- (1) Control of the development plan execution is carried out by the respective heads of the Ministries/Agencies/Work Units of the Regional Governments.
- (2) The Minister/Heads of Bappedas collect and analyze results yielded by monitoring the execution of the development plans, from the respective heads of the Ministries/Agencies/Work Units of the Regional Governments in accordance with their respective authority.

Article 29

- (1) Heads of the Ministries/Agencies evaluate the performance of the preceding period's development plan execution of the Ministries/Agencies.
- (2) The Heads of the Work Units of the Regional Governments evaluate the performance of the preceding period's development plan execution of the Work Units of the Regional Governments.
- (3) The Minister/Heads of the Bappedas compile evaluations of the development plan on the basis of results of evaluations of the heads of the Ministries/Agencies, as referred to in paragraph (1) and evaluations of the Work Units of the Regional Governments as referred to in paragraph (2).
- (4) Results of the evaluation as referred to in paragraph (3) constitute materials for the drawing up of the National/Regional development plans of the following period.

Article 30

Further stipulations on the procedure for controlling and evaluating the execution of development plans are to be contained in a Government Regulation (*Peraturan Pemerintah*).

CHAPTER VII DATA AND INFORMATION

Article 31

Development planning is based on accurate and reliable data and information.

CHAPTER VIII INSTITUTIONAL FRAMEWORK

Article 32

- (1) The President executes and is responsible for the National Development Plan.
- (2) In the context of executing the National Development Plan, the President is assisted by the Minister.
- (3) Heads of Ministries/Agencies execute the development plan in accordance with their respective tasks and authority.
- (4) The Governors, as representatives of the Central Government, coordinate the execution of plans on the De-concentration and Assistance Tasks (*Tugas Pembantuan*) responsibilities.

Article 33

- (1) The Regional Heads execute and are responsible for the Regional development plans in their respective regions.
- (2) In executing the development planning of the Regions, the respective Regional Heads are assisted by the respective Heads of the Bappedas (Regional Development Planning Agencies).
- (3) Heads of the Work Units of the Regional Governments execute the development plans of the Regions in accordance with their tasks and functions.
- (4) The Governors ensure the coordination, integration, synchronization, and synergy of development plans among the kabupatens (districts)/kotas (municipalities).

CHAPTER IX TRANSITIONAL PROVISIONS

Article 34

- (1) Prior to the enactment of the National RPJP pursuant to the stipulations of this Law, the drawing up of the National RPJM shall adhere to paragraph (2) of Article 4, by setting aside the National RPJP as a guideline, unless determined otherwise by legislative products.
- (2) Prior to the enactment of the National RPJP pursuant to the stipulations in this Law, the drawing up of the Regional RPJP shall adhere to paragraph (1) of Article 5, by setting aside the National RPJP as a guideline, unless determined otherwise by legislative products.
- (3) Prior to the enactment of the Regional RPJP pursuant to the stipulations in this Law, the drawing up of the Regional RPJP shall adhere to paragraph (2) of Article 5, by setting aside the Regional RPJP as a guideline, unless determined otherwise by legislative products.

CHAPTER X CLOSING PROVISIONS

Article 35

Pursuant to the Law, the National Long-term Development Plan and the National Medium-term Development Plan, are enacted no later than six (6) months after the enactment of this Law.

Article 36

The legislative products for the execution of this Law are enacted no later than one (1) year after the enactment of this Law.

Article 37

This Law takes force on the date of its enactment.

In order that it be known by everyone, hereby instructs the enactment of this Law by its placement in the State Gazette of the Republic of Indonesia.

Enacted in Jakarta
on the 5th of October, 2004

PRESIDENT OF THE REPUBLIC OF INDONESIA,

signed

MEGAWATI SOEKARNOPUTRI

Promulgated in Jakarta
on the 5th of October, 2004

STATE SECRETARY OF THE REPUBLIC OF INDONESIA,

signed

BAMBANG KESOWO

**STATE GAZETTE OF THE REPUBLIC OF INDONESIA OF 2004
NUMBER 104**

A copy in accordance with its original,
Deputy to the Cabinet Secretary for
Laws and Legislative Products
signed
Lambock V. Nahattands

**ELUCIDATION
OF THE
LAW OF THE REPUBLIC OF INDONESIA
NUMBER 25 OF 2004
ON THE
NATIONAL DEVELOPMENT PLANNING SYSTEM**

OVERVIEW

1. Underlying Rationale

The 1945 Constitution of the Republic of Indonesia, which is the constitutional foundation for carrying out the tasks of state governance, has within a relatively brief period (1999-2002) been four (4) times amended. With the effectuation of the amendments of the 1945 Constitution of the Republic of Indonesia, transformations have occurred in the management of development, namely :

- (1) the strengthening of the position of the legislative institution in the issuance of the APBN (National Budget);
- (2) the abolishment of the GBHN (State Policy Guidelines) as the guide for formulating National development plans;
- (3) the strengthening of Regional Autonomy and decentralization of government in the Unitary State of the Republic of Indonesia.

The GBHN which had been issued by the MPR RI (People's Consultative Assembly of the Republic of Indonesia) had functioned as the basis of national development planning, as had been thus far been implemented in the state governance of the nation. This decree of the MPR RI had become the legal basis for the President to elaborate into the form of the Five-Year Development Plans by seriously taking into account the recommendations of the DPR RI (Parliament of the Republic of Indonesia), upon which the Government and the DPR RI are to decide on the APBN.

The amendments of the 1945 Constitution of the Republic of Indonesia, stipulating that the President be elected directly by the people and that the GBHN as the guide for the President to formulate the development plan be abolished, have required that further stipulation are issued for the national development planning process.

With the effectuation of Law Number 22 of 1999 on Regional Government, the implementation of Regional Autonomy has provided broad, real and responsible authority to the Regions. The provision of broad authority to the Regions requires coordination and arrangements to ensure better harmonization and to synchronize development, in terms of national development, Regional development as well as inter-regional development.

On the basis of the above considerations, it is deemed necessary to enact a Law that stipulates the National Development Planning System.

2. Scope

This law encompasses the legal basis of development planning of the Central Government as well as that of the Regional Governments. This Law stipulates that the National Development Planning System is an integral system on the development planning procedure for producing the long-term, medium-term and annual development plans, all of which are to be executed by the elements of the government apparatus at the central and regional levels by involving the people/public at large.

3. Planning Process

The National Development Planning System in this Law encompasses five approaches in the entire planning sequence:

- (1) political;
- (2) technocratic;
- (3) participatory;
- (4) top-down; and
- (5) bottom-up.

The political approach views that the election of the President/Regional Head is the process of the planning, because the people as electors determine their choice on the basis of the development programs that are offered by the respective candidates for President/Regional Head. Therefore, a development plan is the elaboration of the development agendas that the candidate for President/Regional Head had offered during the election campaign, into the medium term development plan. Planning through the technocratic approach is implemented by using the scientific method and way of thinking by the institutions or work units which are functionally assigned for that task. The participatory approach of planning is carried out by involving all stakeholders in development. Their involvement is for capturing the aspirations and for creating a sense of ownership. While the top-down and bottom-up approaches in planning are carried out according to the governmental hierarchies. The plan produced by the top-down and bottom-up process is adjusted to the *musyawarah* (deliberations) that are conducted at the national level as well as at the provincial, kabupaten/kota, kecamatan and desa (Village) levels.

Development planning comprises four (4) phases:

- (1) drawing up of the plan;
- (2) enactment of the plan;
- (3) controlling the plan implementation;
- (4) evaluating the plan implementation.

The four phases are conducted in a continual manner so that as a whole will form an integral planning cycle.

The plan drawing up phase is done with a view to produce a complete draft of the plan that is ready for being enacted and consists of four (4) steps. The first step is the preparation of the development plan draft that is technocratic in nature; it is comprehensive and measurable. In the second step, each of the government agencies prepare the draft work plans that are guided by the already drawn up development

plan draft. The next step is the involvement of stakeholders and the synchronizing of the development plans that have been produced by each of the government hierarchies, through the development planning deliberation forum (*Musyawarah Perencanaan Pembangunan/Musrenbang*). The fourth step is the drawing up of the final draft of the development plan.

The next phase is the issuance of the plan as a law product so that it becomes binding to all those implementing the plan. According to this Law, the National and Regional long term development plans are issued respectively as a Law and as a Regional Regulation, the National and Regional medium term development plans are respectively issued as Presidential Regulation and Regulation of the Regional Head, and the National and Regional annual development plans are enacted respectively as a Presidential Regulation and Regulation of the Regional Head.

Control over the development plan implementation is meant for ensuring the attainment of the aims and targets of development as contained in the plan, through corrective and adjustment measures during the implementation of the plan by the heads of the Ministries/Agencies/Work Units of the Regional Governments. Thereupon, the Minister/Heads of the Bappedas (Regional Development Planning Agencies) collect and analyze results of the monitoring of the development plan implementation from the respective heads of the Ministries/Agencies/Work Units of the Regional Governments, in accordance with their tasks and authority.

Evaluation of the development plan implementation is part of the development plan activities, which systematically collects and analyzes data and information for assessing the attainment of targets, aims and performance of development. This evaluation is carried out on the basis of the performance indicators and targets that are contained in the development plan document. The performance indicators and targets encompass inputs, outputs, results, benefits and impacts. In the context of development planning, each of the Ministries/Agencies, at the Central as well as Regional Governments, is obligated to carry out evaluation of the development performance, which is part of and or is linked to their respective functions and responsibilities. In carrying out the evaluation of the development project performance, the Ministries/Agencies, at the Central as well as at the Regional levels, follow the guidelines and instructions for implementing the work evaluation in order to ensure the uniform method, substance, and measures that are appropriate for each of the periods of the plans.

4. Organization

This Law is organized as follows: General Provisions, Principles and Aims, Scope of the National Development Plan, Phases of National Development Planning, Drawing Up and Enactment of the Plan, Controlling and Evaluating Plan Implementation, Data and Information, Institutions, Transitional Provisions, and Closing Provisions.

ARTICLE BY ARTICLE

Article 1

Sufficiently clear

Article 2

Paragraph (1)

Sufficiently clear

Paragraph (2)

Sufficiently clear

Paragraph (3)

The term "General Principles of State Governance" encompasses the following:

1. The "legal certainty" principle, namely the principle in a nation based on the rule of law, which places priority to the bases of the laws, appropriateness, and justice in each of the policies of the State Apparatus.
2. The "orderliness of state governance" principle, namely the principle that become the foundation of orderliness, consistency, and balance in implementing state governance;
3. The "public interest" principle, namely the principle that places as the first priority the public welfare in an accommodating, aspiration responsive and selective manner;
4. The principle of "transparency", namely the principle that opens itself up to the general public for obtaining information that is true, honest, and not discriminatory regarding the running of state governance by still taking into account the protection of the basic right of the individual, group and state secrets;
5. The principle of "proportionality", namely the principle that places priority to upholding a balance between the rights and obligations of the State Apparatus;
6. The principle of "professionalism", namely the principle that places priority to expertise based on a code of ethics and the laws; and
7. The principle of "accountability", namely the principle that each activity and final results of the activities of the State Apparatus must be able to be accounted for to the public at large or people as the highest holder of sovereignty of the state in accordance with the laws.

Paragraph (4)

Section a

The term "stakeholders in development" refers to the Government (Central, Province, Kabupaten, and Kota), the business community, and the public at large. Coordination of the stakeholders in development in the government also encompasses coordination between the executing elements and the development planner.

Section b

The term "Region" refers to the an area that administratively has certain borders.

The term "space" refers to a place that covers land, sea, and the air as one area where man and other creatures live and carry out their activities and maintain their survival.

The term "time" refers to a development period, that many be a year, medium-term period, as well as a long-term period. This aim demands that the development plan be drawn up by applying the principle of a continuous development in a consistent manner between one development period and the following periods.

Section c

Sufficiently clear

Section d

The term "people/public at large" refers to individuals, groups of persons, including the custom law community or legal entities, which have an interest in development activities and results, in their capacity as the fund provider, as the implementing element, as the beneficiaries as well as the risk bearers. The term "participation of the people" refers to the participation of the people for accommodating their interests in the process of drawing up the development plan.

Section e

Sufficiently clear

Article 3

Paragraph (1)

The term "macro-planning" refers to planning that is in the domain of national policies.

The term "governmental function" refers to the authority to carry out the state government authority as stipulated in Chapter III, Article 4 of the 1945 Constitution of the Republic of Indonesia.

The term "fields of life" covers among others religious, ideological, political, economic, social, cultural, legal, defense, and security spheres.

Paragraph (2)

Sufficiently clear

Paragraph (3)

National development encompasses development at the central and regional levels.

Article 4

Paragraph (1)

The direction of national development is the strategy for attaining the long-term development aims.

Paragraph (2)

The term "area" refers to the space that is one geographical unity that includes all of the related elements, the borders and system of which are determined on the basis of functional aspects.

The term "is indicative in nature" means that information regarding the resources needed as well as output and impact that are contained in this plan document are merely indications that are to be attained and are not rigid in nature.

Paragraph (3)

Sufficiently clear

Article 5

Paragraph (1)

Sufficiently clear

Paragraph (2)

The Regional Medium-term Development Plan (Regional RPJM) in this paragraph is the Regional Strategic Plan (Renstrada).

The term "is indicative in nature" means that information regarding the resources needed as well as output and impact that are contained in this plan document are merely indications that are to be attained and are not rigid in nature.

Paragraph (3)

Sufficiently clear

Article 6

Sufficiently clear

Article 7

Sufficiently clear

Article 8

These four phases of planning are implemented in a continual manner so that as a whole they constitute an integral cycle.

Article 9

Sufficiently clear

Article 10

Sufficiently clear

Article 11

Sufficiently clear

Article 12

Sufficiently clear

Article 13

The Regional RPJP for the Province of Nanggroe Aceh Darussalam is issued as a *Qanun*, and for the Province of Papua it is issued as a *Perdatus* and *Perdasi*.

Article 14

Sufficiently clear

Article 15

Sufficiently clear

Article 16

Sufficiently clear

Article 17

Sufficiently clear

Article 18

Sufficiently clear

Article 19

Sufficiently clear

Article 20

Sufficiently clear

Article 21

Sufficiently clear

Article 22

Paragraph (1)

Sufficiently clear

Paragraph (2)

The convening of the Musrenbang in the context of drawing up the RKP and RKPD is attended not only by governmental elements but also attended by and/or accommodates the aspirations of the relevant communities, such as professional associations, universities, non-governmental institutions, prominent custom and religious leaders, and elements from the business community.

Paragraph (3)

Sufficiently clear

Paragraph (4)
Sufficiently clear

Article 23
Sufficiently clear

Article 24
Sufficiently clear

Article 25
Sufficiently clear

Article 26
Sufficiently clear

Article 27
Sufficiently clear

Article 28
Paragraph (1)
Sufficiently clear

Paragraph (2)
The term "monitoring" refers to the observance of the consistency of the plan implementation with the direction, aims, and scope that are the guidelines for drawing up the next plan.

Article 29
Paragraph (1)
The term "evaluating the performance of the development plan execution" refers to the activities for evaluating performance that is measured by efficiency, effectiveness, and benefits of the program and the sustainability of development. Evaluation of the development plan implementation is carried out to the output of the activities that can be in the form of goods and services and to the outcomes of the development program, in the form of impacts and benefits.

Paragraph (2)
Sufficiently clear

Paragraph (3)
Sufficiently clear

Paragraph (4)
Sufficiently clear

Article 30
Sufficiently clear

Article 31

The term "data" refers to an objective description of a fact, that is in quantitative form, qualitative form, as well as in the form of images, that has been obtained from direct observation as well as from collected material in printed form as well as in other storage means.

The term "information" refers to data that has already been processed that is used for obtaining an interpretation of a fact.

Article 32

Sufficiently clear

Article 33

Sufficiently clear

Article 34

Sufficiently clear

Article 35

Sufficiently clear

Article 36

Sufficiently clear

Article 37

Sufficiently clear

**ADDENDUM TO THE STATE GAZETTE OF THE REPUBLIC OF
INDONESIA NUMBER 4421**