Effectiveness of Stimulus Program Fund Management in North Bontang District, Bontang City

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Abstract

The stimulus program is a priority program of the Bontang City. The objective of the stimulus program is to improve welfare towards entrepreneurial independence and community empowerment in each sub-district. This study aims to determine the causes and efforts to improve the effectiveness of stimulus program fund management in one sub-district, such as North Bontang Sub-district. This study uses a qualitative descriptive approach for data collection techniques through semi-structured interviews and documentation. Key informants have direct experience with the stimulus program, including village officials, the head of the neighbourhood association, community groups, and integrated health service posts. Results show that the overall effectiveness of stimulus program fund management can be categorized as medium effective. However, there are significant variations in the effectiveness of management between activities and between subdistricts. The highest effectiveness was achieved in the provision of supplementary food, while empowerment activities such as urban farming still faced obstacles in achieving the expected performance. Factors contributing to the ineffectiveness of program management included timeliness, budgetary inconsistencies, and a lack of alignment between activities and the characteristics of community needs. Nevertheless, the program has performed well in terms of accountability, transparency, and accuracy of targets. It can be concluded that the management of stimulus programs in one of the subdistricts still needs to be improved in terms of effectiveness by adjusting the program to the needs of the beneficiary community.

Keywords: Effectiveness Fund Management; Stimulus Programs; Supplementary Feeding; Urban Farming; North Bontang District.

INTRODUCTION

The welfare of the community in a region is the result of various interconnected factors, including economic, social, educational, health, and environmental aspects (Radjak, Dekki, & Abd. Rohman, 2024). In order to achieve comprehensive and sustainable welfare, Bontang City has established a priority program (2021–2024) focusing on economic consolidation and social empowerment. This priority program is themed Bontang KITA (Kolaborasikan Ide Satukan Aksi/Collaborate Ideas Unite Actions). One of these programs is the Stimulus Program, which aims to improve welfare towards entrepreneurial independence and community empowerment in each sub-district. This program is regulated under the Mayor Regulation of Bontang City Number 5 (Pemerintah Daerah, 2022). The funding for this program comes from the Regional Revenue and Expenditure Budget (APBD) and is allocated for activities such as urban farming, micro-business development, and the provision of supplementary food for toddlers.

This study focuses on the implementation of the program in North Bontang District. This location was chosen based on the fact that North Bontang is the most densely populated district in Bontang City. This condition aligns with the problems faced by the Bontang City Social and Community Empowerment Office in 2022 and 2023, which also encountered a high number of social welfare problem sufferers and low community participation in regional development (Dinas Sosial dan Pemberdayaan Masyarakat, 2022, 2023). Therefore, it is highly important to study the effectiveness of the Stimulus Program's implementation in North Bontang. Although the Stimulus Program has clear objectives, budget realization data for two urban villages in North Bontang District in 2022 and 2023 indicate potential ineffectiveness in fund management. Specifically, there were significantly low realization achievements in the activities of urban farming (50%), micro-business development (50%), and the provision of supplementary food (49%). This disparity in budget realization indicates constraints in program implementation. Therefore, this study is important to delve deeper into the extent to which the allocated funds have achieved the set goals. The study aims to determine the causes and improvement efforts for the effectiveness of the Stimulus Program fund management.

Literature Review

Effectiveness in the Stimulus Program Fund Management

Effectiveness is the relationship between the results achieved (output) and the objectives or outcomes that have been determined (Umaro et al., 2020). Effectiveness is a measure that provides information on the extent to which the goals previously set by an institution or organization can be achieved. This holds a very important role within an institution or organization and helps in examining the development and progress of the institution or organization itself (Assa et al., 2020). Effectiveness is the degree of goal achievement, assessed based on aspects of quality, quantity, and timeliness, according to established standards and procedures (Sudiana et al., 2024). Effectiveness is the measure of success that indicates the extent to which a plan can be achieved (Rahman et al., 2021).

The elements of effectiveness, Makmur (2015) are as follows:

Accuracy in Determining the Timing of Work Program Implementation
Appropriate use of time will create effectiveness in achieving predetermined goals. Accuracy in determining the timing allows the program to achieve the desired results optimally;
Accuracy in Calculating the Cost of the Work Program
Accuracy in setting a cost is part of effectiveness. This means avoiding under-budgeting or over-budgeting until the work program is completed properly and the results are satisfactory;
Accuracy in Determining the Objectives of the Work Program;
Accuracy in precisely determining objectives will support the effectiveness of the work program's implementation, especially those focusing on the long term.

Accuracy of the Work Program Target
Accurate target determination is crucial for the success of the work program because if the set targets are inaccurate, it will hinder the implementation of the work program. Therefore, accurately setting targets is very important to achieve the desired level of effectiveness.

Community Participation Facilitation Programs in Urban Village Development

Guidelines for the Implementation of Community Participation Facilitation Programs in Urban Village Development states that the stimulus program is a community empowerment program for activities involving urban farming development, micro-business development, and the provision of supplementary food for toddlers. The aforementioned [2] stipulates the principles for implementing the stimulus program, such as transparency, participation, accountability, and sustainability.

Transparency means that all stimulus programs implemented by the local government can be easily and openly known by the public;
Participatory means that the community actively participates in the implementation and supervision of the stimulus programs carried out by the local government;
Accountability means that all stimulus programs implemented by the local government must be accounted for administratively, technically, and legally;
Sustainability means that the benefits of the program outcomes implemented by the local government can be continuously felt directly by the community.

Performance Measurement of the Program

Performance measurement is a depiction of success and failure in operational performance that serves as an indicator to determine whether an organization successfully achieves its desired goals (Yulitiawati & Rusmidarti, 2021). Performance measurement is a process for assessing the extent to which the public sector succeeds in carrying out its predetermined objectives (Nurafifah et al., 2022). Performance measurement can be defined as an evaluation process aimed at assessing the extent to which an organization achieves its established goals and targets (Sihombing, 2022). To accurately measure the performance of public sector entities, applying suitable measurement methods is essential [(Gowon et al., 2018)]. Performance measurement is required in government agencies to enable the public to evaluate the quality of the institution's performance (Haliah et al., 2023).Value for Money is the core principle underlying all performance measurement in government organizations (Ramadani, 2023). Value for money performance measurement is used to evaluate a program by applying the principles of economy, efficiency, and effectiveness.

METHOD

This study uses a qualitative descriptive approach that explains or interprets a phenomenon. The data obtained, which is in the form of words, is then analyzed in depth based on the available information [(Rusandi & Muhammad Rusli, 2021)]. The focus of the study is the effectiveness of the stimulus program in Bontang District, which was chosen because it has the highest population. Data collected from two villages were obtained through primary data (interview results) and secondary data (2022-2024 fund usage reports and Mayoral Regulation Number 5 of 2022). Data collection was carried out through semi-structured interviews and documentation. Key informants have driect experience with the stimulus program, including village officials, the head of the neighborhood association, community groups, and integrated health service posts. The data were analyzed by reading transcripts, performing initial coding, grouping codes into research themes, interpreting codes into main themes, and finally drawing a comprehensive understanding of the effectiveness of the stimulus program [18]. Furthermore, the data were analyzed using an effectiveness ratio [16]:

$$\textbf{Effectiveness} = \frac{\textbf{Revenue Realization}}{\textbf{Revenue Target}} \times \textbf{100\%}$$

RESULTS AND DISCUSSION

Aligment of the Budget with the Needs of the Stimulus Program

The alignment between the budget and needs is an important indicator in the effectiveness of stimulus fund management, which requires appropriate and sufficient fund allocation [9]. However, the research indicates significant constraints in achieving this alignment. The first constraint is the accuracy of cost estimation, where the prices of goods, such as animal feed or food ingredients, often experience increases beyond the estimation in the Cost Budget Plan (CPB), especially leading up to major holidays. Consequently, the available funds are no longer sufficient for the real needs on the ground. The second constraint is the limitation and disproportionate nature of the fund allocation. This limitation means that the real targets, particularly in the provision of supplementary food activity, cannot be fully met because implementation must adjust to the available fund amount, even though the number of recipients on the ground (including those not yet officially registered) exceeds the allocation. Furthermore, this funding limitation impacts efficiency, forcing field implementers to make independent adjustments, such as adding the provision of supplementary food activity portions using their own money, to achieve equitable targeting. Overall, this discrepancy between budget planning and the realization of field needs hinders program effectiveness and creates an additional burden at the implementer level.

Accuracy of the Stimulus Program Implementation Schedule

Timeliness is a major operational challenge and a crucial aspect of the effectiveness of the stimulus program fund management [9] The ideal condition that allows for adequate planning and implementation is the availability of funds at the beginning of the fiscal year. However, the implementation of the stimulus program faces highly constrained time limits. Implementers often deal with tight schedules from the subdistract authorities, making the process of activity initiation and the completion of all stages difficult. The core problem lies in the regional financial management mechanism, where fund disbursement is often delayed, occurring only towards the end of the fiscal year, specifically in November or December. This delay forces community groups to rush the activities and complete the accountability process under high time pressure. Rushed implementation risks lowering the quality of results, hindering target achievement, and increasing administrative risks such as late reporting, which ultimately reduces the overall effectiveness level of the program. Therefore, adjustments are needed in the planning system and disbursement schedule so that activities can proceed in a more planned and timely manner.

Achievement of the Stimulus Program Targets

Accuracy of targets is the key to program effectiveness, measured by the program's ability to deliver positive impacts to the appropriate recipient groups [9]. Although this stimulus program has limitations in the scope of the number of recipients, the successfully reached target groups have felt a significant impact, demonstrating effectiveness from the standpoint of benefits. In the economic sector, target accuracy is evident in the ability of the stimulus funds to foster increased self-reliance and capacity of small community businesses, where UMKM (Micro, Small, and Medium Enterprise) actors are assisted with additional equipment that boosts production volume and income. The positive impact also extends to food security, as harvest yields from stimulus activities are utilized directly by the recipient households. Meanwhile, in the health sector, the provision of supplementary food activity is considered successful due to the strict nutritional standardization of the food portions, which directly improves the quality of service. This quality improvement, in turn, mobilizes the community, evidenced by the increased number of visits and coverage of integrated health service posts. Overall, the program has been moderately effective in achieving the goals of economic and health improvement for the target recipients, but there

is a need to increase fund allocation and implement equity strategies to achieve more comprehensive effectiveness.

Alignment of Objective with the Stimulus Program Implementation

Accuracy of objectives is one of the main elements of program effectiveness [9], which is assessed based on the clarity, relevance, and long-term orientation of the goals. The study findings show a varied level of success. In general, the program objectives were executed well and demonstrated high effectiveness in the Micro and Small Medium Enterprise (UMKM) and health sectors. In the UMKM sector, the program succeeded in increasing the capacity, income, and entrepreneurial self-reliance of small community businesses through the provision of additional equipment. In the health sector, the provision of supplementary food activity successfully improved nutritional status and encouraged community participation in integrated health service posts aligning with clear and measurable objectives. However, effectiveness was not fully achieved in all types of activities, particularly urban farming. This activity was deemed less relevant to the conditions and capacity of some recipient communities, where many did not continue the activities after the first harvest because they were unaccustomed to farming activities. This mismatch between objectives and the target groups' interests and habits inhibited sustainable self-reliance. Therefore, for program effectiveness to be more optimal, the determination of activity objectives must further consider the social context, interest, and sustainability of the target community.

Transparancy of Stimulus Program Information

Transparency is a core principle in the implementation of the stimulus program [2]. It ensures that all program activities and information are accessible and known to the public, thereby supporting the effectiveness of fund management. This principle is realized through two key indicators. Firstly, effective access to information and dissemination channels is implemented in a tiered manner, starting with internal socialization at the subdistrict level, followed by technical Regional Government Organizations (OPD) briefing the head of the neighbourhood association and community groups. The head of the neighbourhood association serves as the main intermediary who conveys official information from the urban village directly to the residents, ensuring comprehensive delivery of information regarding the program's schedule, funds, and targets. Secondly, the openness of the decision-making process related to fund allocation, where information concerning the amount of stimulus funds received by each neighbourhood association is publicly announced by the subdistrict to the community. This openness allows the community to verify their entitlements and the amount of funding, which ultimately increases public trust and serves as a strong foundation for the application of the accountability principle. Thus, transparency not only fulfills an obligation but also becomes an important instrument to ensure the program is precisely targeted and used effectively.

Role the Community in the Stimulus Program

The participatory principle is a key element that ensures social control, emphasizing the active role of the community throughout all stages of the stimulus program [2]. Community involvement is channeled structurally through the community groups which serve a dual function as a liaison between the government and the citizens. The role of the Pokmas is central to the implementation, starting from facilitating proposals originating from community consultations drafting the Cost Budget Plan (CPB), managing the technical aspects of field activities, and finally acting as the distributor of funds from the government to Joint Business Groups (KUBE) at the neighborhood association level. Although community involvement in implementation and supervision is categorized as high, participation in the planning and policy-making stages remains limited. The community groups tends to function as the executor of mandates already established by the government. Active community participation in implementation and supervision is very

important because it strengthens the sense of responsibility, ensures activities align with targets, and overall enhances the effectiveness of the program.

Accountability of the Stimulus Program Implementation

Accountability serves as the main foundation for the management of the stimulus program funds. Comprehensive accountability for the stimulus program covers administrative, technical, and legal aspects, ensuring that the funds are used in accordance with the Cost Budget Plan (RAB) and regulations [2]. Administratively, accountability is realized through a two-stage fund disbursement scheme (50% initially and the remaining 50% after the first stage is complete), which acts as a tiered control before the entire fund is distributed. To guarantee transparency, fund disbursement is conducted non-cash, transferred directly from the City Government to the community group accounts, and every purchase is mandatory to use receipts and non-cash payment proof. The reporting flow is tiered, starting with the preparation of the Accountability Report (SPJ) by the community groups, which is then submitted to the subdistrict, district and finally to the Mayor, with the Pokmas also responsible for the final distribution of funds to recipient groups at the neighborhood association level.

From the technical side, accountability is ensured through physical evidence of activity implementation and procurement of goods according to the plan. Reports must be supplemented with technical documentation, such as photos of goods or UMKM activities along with the materials used, which are verified together with the supervisors starting from the procurement process. Legal accountability is guaranteed by the allocation of funds from the Regional Revenue and Expenditure Budget (APBD) through a Decree (SK) or Mayoral Regulation, providing a strong legal basis and demanding regulatory compliance. This comprehensive accountability mechanism not only fulfills administrative obligations but also serves as a crucial instrument to ensure activities proceed according to their goals, reach the right targets, and strengthen the integrity of program implementers, which directly supports the long-term effectiveness of the stimulus program.

Sustainability of the Stimulus Program Benefits

The sustainability of the stimulus program is assessed based on two aspects, long-term benefits and the level of independency of the beneficiaries after the program concludes [2]. The research findings show high expectations from the community for the program to be continued, as it is deemed highly relevant and provides a tangible positive impact, indicating that the program has successfully generated economic and social benefits. Nevertheless, program sustainability faces a major challenge: the level of beneficiary self-reliance has not yet been optimal. The high expectation for the program's continuation reflects difficulties in achieving full independency and the need for increased support so that the community can become more self-reliant in managing their micro and small enterprises (UMKM). This demonstrates that the long-term effectiveness of the program heavily relies on the extent to which this intervention is capable of building self-reliance without full dependency on government assistance.

Effectiveness Ratio of Stimulus Program Fund Management

Table 1. Effectiveness of Urban Farming Activities 2022 – 2024

Subdistract Name	Year	Budget	Realization	Percentage	Category
Bontang Kuala	2022	85.043.000	72.443.000	85%	Less Effective
	2023	22.639.600	19.661.390	87%	Less Effective
	2024	-	-	-	No activities
Api-Api	2022	1.006.203.000	1.001.225.132	99,51%	Medium Effective
	2023	701.239.901	350.605.919	50%	Ineffective
	2024	952.248.837	952.248.837	100%	Effective

Based on the data in Table 1, the effectiveness of the stimulus program fund management for the urban farming activity in Bontang Kuala subdistrict was 85% in 2022 and 87% in 2023, both falling into the less effective category. There were no urban farming activities in this urban village in 2024. Overall, the average effectiveness for the urban farming activity in Bontang Kuala subdistrict was 86%, categorized as less effective. Meanwhile, in Api-Api subdistrict, the effectiveness level in 2022 reached 99.51%, categorized as medium effective. In 2023, it dropped to 50%, categorized as ineffective, and in 2024, it increased back to 100%, categorized as effective. The average effectiveness for the urban farming activity in Api-Api subdistrict was 83.17%, categorized as less effective.

Table 2. Effectiveness of Micro, Small, and Medium Enterprise (UMKM) Development Activities 2022 – 2024

Subdistract Name	Year	Budget	Realization	Percentage	Category
Bontang Kuala	2022	129.480.000	124.637.100	96%	Medium Effective
	2023	159.360.000	158.788.000	99,64%	Medium Effective
	2024	1.041.064.779	1.041.535.549	100%	Effective
Api-Api	2022	-	-	-	No activities
	2023	318.692.937	159.346.468	50%	Ineffective
	2024	1.571.040.000	1.571.040.000	100%	Effective

Based on the data in Table 2, the effectiveness of the stimulus program fund management for the Micro, Small, and Medium Enterprise (UMKM) development activity in Bontang Kuala subdistrict was 96% in 2022, categorized as medium effective. In 2023, it was 99.64%, also categorized as medium effective, and in 2024, it reached 100%, categorized as effective. The average effectiveness for the UMKM development activity in Bontang Kuala subdistrict was 98.55%, categorized as medium effective. In Api-Api subdistrict, the UMKM development activity was not implemented in 2022. In 2023, the effectiveness was 50%, categorized as ineffective, while in 2024, it increased to 100%, categorized as effective. Overall, the average effectiveness of the UMKM development activity in Api-Api subdistrict is 75%, falling into the less effective category.

Table 3. Effectiveness The Provision of Supplementary Food Activities 2022 – 2024

Subdistract Name	Year	Budget	Realization	Percentage	Category
Bontang Kuala	2022	55.200.000	27.061.594	49%	Ineffective
	2023	55.200.000	55.062.994	99,75%	Medium Effective
	2024	58.474.872	58.474.872	100%	Effective
Api-Api	2022	86.204.000	81.172.406	94%	Medium Effective
	2023	84.036.398	84.036.398	100%	Effective
	2024	86.021.580	86.021.580	100%	Effective

Based on the data in Table 3, effectiveness of the stimulus program fund management for the provision of supplementary food activity in Bontang Kuala subdistrict was 49% in 2022, categorized as ineffective. This increased to 99.75% in 2023, categorized as medium effective, and reached 100% in 2024, categorized as effective. The average effectiveness of the supplementary food activity in Bontang Kuala subdistrict was 82.92%, categorized as less effective. Meanwhile, in Api-Api subdistrict, the effectiveness was 94% in 2022, categorized as medium effective, and reached 100% in both 2023 and 2024, categorized as effective. The average effectiveness of the provision of supplementary food activity in Api-Api subdistrict was 98%, categorized as medium effective.

Limitations

This study only focuses on two sub-districts in North Bontang District, namely Bontang Kuala Sub-district and Api-Api Sub-district, which have low budget realization rates.

Therefore, the findings regarding the causes of ineffectiveness cannot be generalized to all stimulus programs in Bontang City. It is recommended that future research expand the scope of the area and compare the results with sub-districts that have highly effective realization rates, in order to identify the factors driving program success.

CONCLUSION

Based on the study findings conducted on the effectiveness of the stimulus program fund management in North Bontang District, it can be concluded that the effectiveness of the stimulus program fund management in North Bontang District can be categorized as medium effective. However, there are significant variations in the effectiveness of management between activities and between subdistrict. The highest effectiveness was achieved in the provision of supplementary food, while empowerment activities such as urban farming still faced obstacles in achieving the expected performance. Factors contributing to the ineffectiveness of program management included timeliness, budgetary inconsistencies, and a lack of alignment between activities and the characteristics of community needs. Nevertheless, the program has performed well in terms of accountability, transparency, and accuracy of target.

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