

EVALUATION OF HAJJ FUND MANAGEMENT IN INDONESIA

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ABSTRACT

Hajj fund management in Indonesia is crucial for sustainable Hajj financing and for improving Hajj service quality for pilgrims. This article aims to strengthen policy evaluation and evaluation planning for Hajj fund management by placing accountability at the center of public governance. A persistent problem is how investment returns and investment risk management translate into fair, transparent, and efficient financing outcomes. Using a conceptual literature review and policy document analysis, the study designs an evaluation plan for *Badan Pengelola Keuangan Haji*. The approach follows the Evaluation Planning and Implementation Cycle model and structures an evaluation planning matrix. The results show that process and implementation evaluation is the most actionable entry point for improving Hajj fund governance. Priority evaluation domains include investment policy, portfolio performance, and risk controls; allocation rules between program costs, benefit returns, and reserves; transparency, disclosure, and public reporting; stakeholder participation, grievance handling, and service responsiveness; compliance with Islamic finance principles; procurement integrity and operational efficiency; and coordination among supervisory, audit, and regulatory institutions. Recommended indicators combine financial returns, risk exposure, compliance, timeliness of reporting, and stakeholder satisfaction, using portfolio data, audited statements, and stakeholder feedback. The planning matrix links each question to data sources, analytic methods, and responsible actors, enabling timely feedback to improve processes and prevent misuse. It also clarifies trade offs between risk tolerance, returns, and affordability. Overall, systematic evaluation planning improves accountability, safeguards long term sustainability, and strengthens public trust in Hajj fund management Indonesia, while providing a practical roadmap for continuous service improvement.

Keywords: *Hajj fund management Indonesia; evaluation planning; policy evaluation; accountability governance; investment risk management; Islamic finance compliance; transparency and public trust.*

A. INTRODUCTION

Public policy evaluation is an assessment that forms part of the policy cycle, aimed at determining whether a policy implementation has achieved its set objectives and to assist in deciding whether to continue or reform the policy (Ghazinoory and Aghei, 2021). This is why policy evaluation becomes a crucial point, especially when issues or obstacles are found during policy implementation. There are policy evaluation theories presented by many experts, particularly in the context of the policy cycle. Before conducting policy evaluation, it is important to understand the concepts proposed by these experts.

After understanding the concepts of policy evaluation, it is necessary to ensure that the evaluation conducted can effectively address the needs at hand. Therefore, a critical aspect of the policy evaluation process is the planning phase. Debra J. Holden and Marc A. Zimmerman bring policy evaluation into the context of how to plan the policy evaluation program itself. Holden and Zimmerman provide guidelines on how to prepare for evaluation planning, an area that has not been extensively researched, to assist evaluators in dealing with situations before conducting evaluations (Holden and Zimmerman, 2021), thereby making the policy evaluation process more measurable.

This relates to the goal of evaluation, which is to assess the effectiveness of public policies in order to be accountable to constituents (Nugroho, 2018). Accountability is aligned with the concept of policy evaluation in assessing the achievement of a policy's objectives, particularly in applying the principles of good governance. Accountability provides information on the efficiency of resource use and allows the public to assess the policy (Lehtonen, 2005; Boven, 2007). Accountability ensures that the policy evaluation process receives feedback from various affected parties and is used to improve the policy, increase its effectiveness, and respond to public needs (Boven, 2007).

Therefore, this paper will discuss Policy Evaluation Theory and its connection to the principle of accountability as a form of responsibility, as well as how to prepare policy evaluations through Evaluation Planning according to Holden & Zimmerman. To provide an overview of evaluation planning in relation to the principle of accountability, this paper will briefly discuss a case study related to the management of Hajj funds in Indonesia.

B. LITERATURE REVIEW

Public Policy Evaluation

Sound public policy is a determining factor in the success of a nation-state. Public policy decisions function as shared rules of the game within modern states. Public policy includes what is referred to as *state governance*, which regulates interactions between the state and its citizens (Nugroho, 2018: 43, 67). Public policy cannot simply be left unattended; it requires control and oversight to assess its effectiveness and to ensure accountability to constituents. Policy evaluation is necessary to identify gaps between expectations and actual outcomes. Every policy must be evaluated prior to being revised by examining the extent of the gap between achievements and expectations (Nugroho, 2018: 784).

Within the public policy cycle, policy evaluation serves as a specific stage for analyzing and measuring the success of a policy. In several strands of the literature, in addition to scientific evaluation using rigorous (quantitative) methods, the scope of evaluation activities also encompasses values and assessments beyond the limits of traditional perspectives. These include, for example, broader public opinion, media scrutiny, and external audits conducted by institutions and government bodies (Warner, 2022; Selepe, 2023).

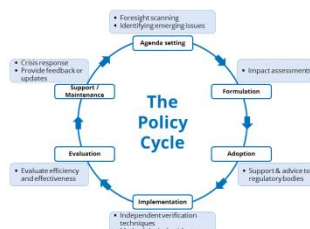


Figure 1. Public Policy Cycle (Connors, 2016)

Many scholars have presented definitions and concepts related to policy evaluation. Some of these include the following:

First, according to Dunn (1999: 608-610), who defines evaluation as appraisal, rating, and assessment. Evaluation provides valid and reliable information regarding policy performance, specifically how well needs, values, and opportunities have been achieved through policy implementation. According to Dunn, evaluation criteria include effectiveness, efficiency, equity, responsiveness, and accuracy. Over time, evaluations have been differentiated into three types: before policy implementation, during policy implementation (process evaluation), or after implementation (output and/or outcome evaluation or as summative evaluation).

Second, the concept of evaluation according to James P. Lester and Joseph Stewart Jr. (2000), who categorize it into process evaluation (evaluation related to the policy implementation process), impact evaluation (related to the outcomes or effects of the policy), policy evaluation (assessing whether the results achieved reflect the desired goals), and meta-evaluation (evaluating various policy implementations to identify commonalities).

Third, the concept of evaluation presented by Michael Howlett and M. Ramesh (1995), who categorize evaluation into administrative evaluation, which deals with aspects of administration such as budget, efficiency, and costs within the policy process in government. This includes effort evaluation (assessing the input side of a program), performance evaluation (assessing the outputs developed within the policy), adequacy of performance evaluation or effectiveness evaluation (assessing whether the planned program aligns with what was established), efficiency evaluation (assessing cost-efficiency), and process evaluation (evaluating the methods used to implement the program). Judicial evaluation pertains to legal validity issues, including possible violations of the constitution, laws, ethics, administrative systems, and human rights. Political evaluation assesses the level of political constituent acceptance of the implemented public policy.

According to Howlett and Ramesh (1995: 261), the results that can be obtained from the policy evaluation stage in the policy cycle are threefold: First, a policy can be assessed as successful and continued in its current form. Second, and more commonly, a policy can be evaluated as insufficient in certain aspects, and subsequent efforts may be undertaken, or reforms may be recommended (Patton and Swaicki, 1993; Howlett and Ramesh, 1995). Third, a policy can be evaluated as a failure, and the policy may be terminated. In the first and second outcomes, the policy evaluation stage serves to provide feedback that leads the policy to other stages in the policy cycle. The process may return to the agenda-setting stage, giving the policy cycle a repetitive form.

In the concept of total evaluation (Nugroho, 2018; 793-808), policy evaluation should be conducted across four policy components: evaluation of policy formulation, policy implementation evaluation, policy performance evaluation, and evaluation of the public policy environment. In the context of policy implementation evaluation, evaluation is used to understand variations in performance indicators to answer three main questions: First, how is the performance of public policy implementation, which can be answered by measuring the performance (variation of outcomes) against certain independent variables? Second, what factors cause this variation, which can be answered by considering the policy itself, the organization, and the environment influencing implementation? Third, how can implementation performance be improved, which will involve the evaluator's choice of which variables to change (actionable variables). Steps in policy evaluation include preparing the evaluation plan, forming a team, developing a work plan, conducting the evaluation, and reporting.

Furthermore, policy evaluation is considered a critical part of good governance, particularly in terms of accountability from the public or government perspective. Through policy evaluation, the government can be held accountable for its decisions and actions within the context of good governance. Therefore, policy evaluation must be conducted adequately to provide an understanding of where progress or improvements have been made and where there are obstacles or stagnation, as part of fairness in good governance (Nugroho, 2018; 814).

Accountability

Basic Concept of Accountability

Accountability refers to the responsibility of an individual or entity to answer for their actions and to report to others (Tamminen et al., 1999 in Lehtonen, 2005). In evaluation practice, accountability is generally associated with assessing whether a program or policy has achieved its objectives. First, this information can be valuable to sponsors, policymakers, and other supervisory authorities in their efforts to control whether entities under their jurisdiction are using resources appropriately and efficiently. Second, it provides the public with an opportunity to oversee how their tax money is being used by the government. Bovens (2007) defines accountability as the obligation of an actor—whether an individual or an organization—to explain and justify their actions to a relevant forum. The forum then has the authority to assess these actions and impose sanctions if necessary.

Accountability is a concept with deep roots in political science and financial accounting. In accounting, accountability focuses on financial prudence and compliance with regulations. On the other hand, in political science, accountability emerges when decision-making authority is delegated from the principal (e.g., citizens) to the agent (e.g., government), and there must be mechanisms in place to ensure that the agent is held responsible for their actions, with the possibility of sanctions in cases of abuse of power (Lindberg, 2013).

The Relationship Between Principal-Agent Theory and Accountability

Accountability is a complex and multidimensional concept. To understand how accountability is applied in public policy, it is important to discuss the theoretical framework that explains the mechanisms and relationships between the involved actors. One of the commonly used approaches is Principal-Agent Theory. This theory is a framework frequently used to explain the relationship between the principal (the entity granting authority) and the agent (the policy implementer) (Braun & Guston, 2003). In public policy, the principal can be the public or the legislative body that mandates the agent (bureaucrats, public officials, or policy implementers) to carry out a particular policy or task. In this relationship:

- 1) The principal has the authority to delegate the mandate or delegation to the agent.
- 2) The agent is obligated to carry out the mandate in accordance with the principal’s interests and is accountable for their actions and the outcomes achieved.

However, the principal-agent relationship often faces the problem of asymmetric information, where the agent has more information about their actions and decisions than the principal. This can lead to moral hazard and adverse selection, which occur when the agent acts in a way that is not aligned with the principal's interests, as it is difficult for the principal to monitor the actions directly (Braun & Guston, 2003). Therefore, accountability is needed to address this issue by ensuring that the agent provides clear reports, and that there are mechanisms for sanctions or rewards in case of deviations or successes.

The Accountability Process

Lindberg (2013) presents the Time-Line of Accountability, which illustrates the key stages in the accountability process between an agent (A) and a principal (P), as shown in the figure below:

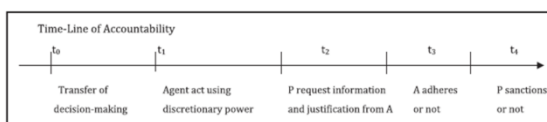


Figure 2. Time-line of Accountability

Source: Lindberg (2013)

The following is an explanation of each stage in the figure above:

- 1) t_0 - *Transfer of decision-making*

In this stage, the principal (P) delegates some or all of the decision-making authority to the agent (A). The principal grants the agent the power to act on their behalf, in accordance with the mandate that has been agreed upon.

- 2) t_1 - Agent *acts using discretionary power*
The agent begins to exercise the power granted by the principal. At this point, the agent has the discretion to make decisions or take actions in line with the policies and authority delegated to them.
- 3) t_2 - P requests *information and justification from A*
At this stage, the principal requests information or an explanation from the agent regarding how the granted power has been used. The principal seeks to ensure that the decisions or actions taken by the agent are in line with the given mandate.
- 4) t_3 - A adheres *or not*
The agent can either comply with the principal's request by providing the required information or justification, or they may choose not to comply. This stage is a critical moment in which the agent demonstrates their level of responsibility to the principal.
- 5) t_4 - P sanctions *or not*
The principal evaluates the agent's actions based on the information and justification provided. If the agent's actions align with expectations and the mandate, no sanctions are imposed. However, if there is a violation or misuse of authority, the principal has the right to sanction the agent as a form of accountability.

Next, Boven (2007) argues that the accountability process consists of three key elements:

- 1) Provision of information about an action. Actors are required to report or provide information regarding their actions. It is crucial that actors are obligated to inform the forum about their actions by providing various types of data on task execution, results, or procedures.
- 2) Submission of questions. The forum has the right to ask questions or investigate the veracity of the reports, as well as assess whether the actions taken align with applicable standards or norms. Secondly, there must be the possibility for the forum to interrogate the actor and question the sufficiency of the information or the legitimacy of the actions. Hence, there is a strong semantic connection between 'accountability' and 'answerability.'
- 3) Assessment and Sanctions. The forum then provides an assessment, either in the form of approval, criticism, or sanctions. This may involve formal sanctions, such as financial penalties or dismissal, or informal consequences, such as damaged reputation. Thirdly, the forum can assess the behavior of the actor. The forum may approve annual reports, condemn a policy, or publicly denounce the actions of an official or institution. When giving a negative assessment, the forum often imposes sanctions on the actor.

Types of Accountability

Mark Bovens (2007) provides an in-depth explanation of several types of accountability that can be found in public governance. He classifies accountability based on several important dimensions, offering a framework for understanding

accountability relationships in various contexts. Below is a comprehensive explanation of the types of accountability, as illustrated in the figure below:



Figure 3. Types of Accountability
Source: Bovens (2007)

Below is a comprehensive explanation of the types of accountability based on the figure above:

1) Based on the Forum Involved

A forum refers to the entity that has the right to hold an actor (official or organization) accountable. Accountability can be divided into several types depending on who assumes the role of the forum. Types of accountability based on the forum involved include political accountability, legal accountability, administrative accountability, professional accountability, and social accountability.

Political Accountability involves the responsibility of public officials to elected representatives, political parties, voters, and the media. In a democracy, this occurs through a principal–agent relationship, where citizens (the principals) delegate sovereignty to elected representatives, who then delegate authority to the government and administrative bodies. Public officials, particularly ministers, are accountable to the parliament or the executive branch for the policies they implement. In some countries, the media plays an informal role in strengthening political accountability by disseminating information to the public.

Legal Accountability occurs when public officials or organizations are held accountable by judicial institutions. This forum may include civil, criminal, or administrative courts. Legal accountability is typically based on standards established by law, making it formal and detailed. In Europe, for instance, public officials can be held accountable by the European Court if they violate European Union law.

Administrative Accountability arises when public officials or organizations are held accountable to administrative oversight bodies such as auditors, inspectors, or ombudsman offices. This type of accountability

focuses on the oversight of administrative or financial performance, with auditors ensuring that budgets are used correctly, efficiently, and effectively. Many countries have experienced an "audit explosion" with the increasing number of administrative bodies monitoring government performance.

Professional Accountability occurs when a public official is held accountable to their peers within a professional association. Officials with professional backgrounds, such as doctors, engineers, or teachers, must comply with the standards and ethics of their profession, which are overseen by professional institutions. Peer review and mechanisms for enforcing professional codes of ethics are part of this accountability.

Social Accountability involves the direct participation of the public, interest groups, or other non-governmental stakeholders. This can take the form of public panels, annual reports, or social audits, where public organizations are required to account for their actions to the broader society. Increasingly, government agencies use the internet to publish the results of inspections or benchmarks to enhance public engagement and provide access to information about their performance.

2) Based on Who Is Accountable (Actor)

Accountability based on who is responsible (actor) includes corporate accountability, hierarchical accountability, collective accountability, and individual accountability.

Corporate Accountability refers to the collective responsibility of an organization as a legal entity. In this context, the organization as a whole is seen as the actor, and when mistakes or failures occur, the organization is held accountable as a unit, not an individual. Public organizations may face administrative or financial penalties, but many countries limit the criminal liability of government organizations.

Hierarchical Accountability is a form of accountability that operates vertically within an organizational structure. Top officials, such as ministers or heads of agencies, are accountable for the actions of their subordinates. In the Westminster system, for example, ministers are traditionally held responsible for all actions within their department, even if the mistake was made by lower-ranking staff.

Collective Accountability considers all individuals within an organization as jointly responsible for the collective actions of the organization. This form of accountability is more commonly applied in small organizations or teams where all members share responsibility. However, collective accountability is rarely used in large organizations, as it is difficult to enforce individual fairness.

Individual Accountability holds each person responsible for their own actions. This is the most fair form of accountability and is often applied in professional accountability. For example, a doctor who commits malpractice is directly accountable for their actions to the professional ethics board, regardless of their formal position in an institution.

3) Based on the Aspect of the Action Being Accounted For

The actions that an actor must be held accountable for can be differentiated based on the focus of the accountability, including financial accountability, procedural accountability, and product accountability.

Financial Accountability focuses on how budgets and financial resources are used. Audited financial reports are an important tool in measuring financial accountability, ensuring that public funds are used appropriately and for their intended purpose.

Procedural Accountability refers to adherence to procedures, regulations, and established policies. It relates to good internal governance and ensures that decision-making processes or policy implementation follow established rules.

Product Accountability focuses on the end results of a policy or program. It assesses whether the policy goals were achieved and the impact of the actions taken, as well as whether the expected outcomes align with the planned objectives.

4) Based on the Nature of the Obligation

Accountability based on the nature of the obligation includes vertical accountability, diagonal accountability, and horizontal accountability.

Vertical Accountability occurs when the forum has direct authority over the actor. This is a hierarchical relationship where the actor is required to account for their actions due to formal authority from the forum, such as a minister being accountable to parliament.

Diagonal Accountability occurs when the forum does not have direct authority over the actor but exerts indirect influence through other powers. For example, an oversight body like an ombudsman may not have the power to impose sanctions but can report its findings to parliament, which can take action.

Horizontal Accountability refers to relationships where there is no formal obligation but rather a moral or voluntary duty. This often occurs in social relationships or in accountability to external stakeholders, such as civil society.

The Importance of Accountability

Mark Bovens explains that accountability has various effects that can be assessed from three main perspectives: the democratic perspective, the constitutional perspective, and the learning perspective. Each perspective provides a different understanding of the importance of accountability and offers a framework for evaluating whether an accountability arrangement is deemed adequate or not.

1) Democratic Perspective: Popular Control

The democratic perspective focuses on accountability as a tool to provide control to the public over government actions. Accountability is seen as a vital mechanism in the delegation chain within democratic systems, where the people, as sovereign entities, delegate their power to elected representatives. In this context, accountability allows citizens and their representatives to monitor and assess government actions, both executive and other public institutions. It enables citizens to oversee the actions of

public officials through democratically elected representatives. This ensures that government officials remain aligned with the mandate given by voters and do not abuse their power.

From this perspective, a good accountability system is one that enables parliament, voters, or other representative bodies to effectively monitor and assess the actions of the executive. It should provide sufficient access to information for representative bodies to monitor officials' behavior and offer strong incentives for political actors to act in the interests of the citizens they represent.

Elections are a prime example of a democratic accountability mechanism, where voters have the opportunity to assess government performance and either re-elect or replace representatives deemed ineffective. Additionally, parliament plays a key role in this system, for instance, through question-and-answer sessions with ministers and annual budget hearings.

2) Constitutional Perspective: Prevention of Corruption and Abuse of Power

The constitutional perspective focuses on accountability as a means to maintain the balance of power and prevent the abuse of authority by public officials. This perspective is rooted in classical thinking about limiting power, as articulated by thinkers like Locke and Montesquieu, who argued that accountability is crucial for preventing the abuse of power by rulers. From this perspective, accountability is necessary to counter the tendencies toward the concentration of power and its abuse by the executive. In a healthy democratic system, there must be mechanisms of "checks and balances" that allow independent institutions, such as courts, parliament, or audit offices, to oversee government actions.

An accountability arrangement is considered good from the constitutional perspective if it provides sufficient incentives for public officials not to abuse their power. The system should be capable of exposing deviations or violations and should have strong sanctions to prevent and punish corruption or abuse of authority.

Examples of constitutional accountability arrangements include oversight bodies such as the Audit Board or the Constitutional Court, which examine the alignment of executive actions with laws and the constitution. Additionally, financial audits by independent institutions are part of efforts to prevent corruption and misuse of public funds.

3) Learning Perspective: Enhancing Government Effectiveness

The learning perspective views accountability as a tool to improve the learning capacity and effectiveness of the government. Accountability is seen as a mechanism that forces public officials to reflect on their performance, learn from mistakes, and improve existing policies and practices. Accountability in this context is focused on learning and continuous improvement. Through the accountability process, public officials and institutions receive feedback from various stakeholders affected by their policies. This feedback is used to refine policies, enhance effectiveness, and better respond to public needs.

An accountability system is considered good from the learning perspective if it provides public officials with appropriate feedback and strong incentives to improve their performance. Effective accountability will also foster healthy discussions about policy outcomes and encourage innovation in public administration. Examples of accountability facilitating learning can be found in periodic policy evaluations, performance audits, or public forums where government policies are assessed openly. Annual performance reports, inter- agency benchmarking, and post-implementation evaluations of programs are part of this mechanism.

Evaluation Planning

The policy evaluation process uses social research methods that investigate the effectiveness and interventions of social programs in ways tailored to the political and organizational environment, designed to inform social actions to improve social conditions (Rossi, Lipsey, and Freeman, 2004; Holden and Zimmerman, 2021; 1). In this context, evaluation planning involves setting evaluation goals, understanding the organizational and political context in which the program will be used, collaborating with stakeholders to identify primary and secondary evaluation questions, and ensuring stakeholder support (Holden and Zimmerman, 2021; 1).

In addition to Holden and Zimmerman, several scholars, as compiled by Tesdale et al. (2023), argue that evaluation assesses quality, success, or value to deepen understanding, identify improvements, and/or meet accountability capacity requirements. Values are present in every step of the evaluation process, from setting study objectives, determining which stakeholders will be involved and how to interact with them, formulating evaluation questions, choosing methods, and ultimately drawing conclusions in the evaluation. To achieve adequate evaluation results as a form of accountability, the evaluation process needs to be conducted properly.

Holden and Zimmerman (2021; 7-9) developed an evaluation process used by the Centers for Disease Control and Prevention (CDC) in 1999 within the framework of program evaluation in public health (Framework for Program Evaluation in Public Health). As a result, an evaluation planning model was obtained, incorporating context, known as the Evaluation Planning Incorporating Context (EPIC) Model.



Figure 4. Evaluation Planning Incorporating Context (EPIC) Model

1. Assessing Context

A successful evaluation is not only useful, practical, ethical, and accurate, but is also based on an understanding of the specific characteristics and conditions of each program. Evaluators need to plan and conduct studies or assessments of the community context, history, resources, constraints,

values, needs, and interests surrounding the evaluation program. In this step, the evaluator must gain a comprehensive understanding of the environment in which the evaluation program is conducted (Patton, 1997; Holden and Zimmerman, 2021; 10-11). There are three key issues to address when assessing context, which include:

a. Understanding the Organizational and Political Environment

A key principle in conducting evaluations is to achieve a comprehensive understanding of the socio-political context of the evaluation, while also considering organizational issues such as the structure and environment in which the program is implemented (AEA, 2006; Rossi et al., 2004; Holden and Zimmerman, 2021; 10). Evaluators need to study at least three aspects before engaging with stakeholders and gaining a deep understanding of the program: First, the organizational infrastructure where the program is executed, such as understanding the program's position within the organizational structure, the number of staff allocated to the program, and the level of management involved in program operations and oversight, including the need for funding; Second, the stage of program development, as evaluations can vary drastically depending on whether the evaluation is pre-implementation or focused on results; and Third, the political environment in which the program operates, which helps identify both explicit and implicit motivations and objectives of the evaluation (Holden and Zimmerman, 2021; 10-13).

b. Defining the Relationship

The goal of an evaluation is directly linked to the relationship between the evaluator and the relevant authority within the institution being evaluated (the sponsor). There are three types of relationships between evaluators and sponsoring institutions: First, Independent Evaluation, where the evaluator takes primary responsibility for designing and conducting the evaluation; Second, Participatory or Collaborative Evaluation, where evaluation is conducted as a team involving stakeholders; and Third, Empowerment Evaluation, where evaluation is designed to help develop stakeholders' capacities by enhancing their skills or political influence. Additionally, the role of the evaluator in the planning phase is that of a negotiator (Holden and Zimmerman, 2021; 13-14). Independence is an important consideration at the early stages of evaluation planning, as the evaluator's level of independence will influence the validity of the ultimate findings. This becomes a challenge when the evaluator is part of the internal team of the institution being evaluated. In such cases, steps must be taken to establish objectivity, such as forming advisory boards or engaging external experts. For collaborative relationships, negotiation skills are crucial, and evaluators will work to enhance independence.

c. Determining the Level of Evaluation

The level of evaluation is a complex concept that refers to the perspective of measurable interests. For example, a program evaluated at the local level will involve different stakeholders than one evaluated

at the national level. By understanding the level, evaluators can determine the perspective and decide which stakeholders, methods, and questions are most appropriate for the evaluation (Holden and Zimmerman, 2021; 15).

2. Gathering Reconnaissance

a. Specifying Evaluation Uses

Holden and Zimmerman (2021, 16) state, "Evaluations are almost always funded for specific purposes." Therefore, the evaluator needs to determine the intended uses of the evaluation information to plan and design the evaluation effectively. Planning for the application of the findings can guide the design process, resource allocation, the development of final reports, and building relationships while setting expectations and direction for the evaluation.

b. Validating Perspectives

Commitment from the evaluated party to support and use the evaluation findings must be created or revitalized and reinforced throughout the evaluation process. This is to avoid the failure or non-utilization of evaluation results. Some evaluation processes are institutionalized as part of a program supported by external parties or driven by funding. According to Patton (1997), Evaluation is an unnatural act, requiring professional assistance, support, training, and facilitation (Holden and Zimmerman, 2021: 16-17).

3. Engaging Stakeholders

Stakeholders are key team members in the development of an evaluation plan because they are usually experts in the program itself and understand its impact on funding or the community. Stakeholders in a particular program vary, and identifying them will depend on the steps taken in assessing context and gathering reconnaissance. Some experts recommend involving stakeholders from the beginning or at the time the evaluator is engaged, and involving them continuously throughout the evaluation process (Reineke, 1991; Holden and Zimmerman, 2021: 17).

a. Identifying and Inviting Stakeholders

Key stakeholders are defined as individuals who are affected by or involved in the program being studied or evaluated. Potential stakeholders include those who support or are being evaluated (evaluation sponsors), policymakers, program champions, program management and staff, program clients, and community members. Since evaluation involves multiple stakeholders at various levels, evaluators need to carefully determine and set the roles each stakeholder will play and the time frame for their involvement. In situations where the program or issue being evaluated is politically charged, it is essential to involve external stakeholders early in the planning stage. In such cases, discussions with community leaders or officials about specific relevant information may help ensure that appropriate steps are included in the evaluation.

Involving stakeholders with diverse roles and expectations may require significant time and resources. To ensure this time is used well,

two strategic approaches are recommended: proactively defining roles and expectations before involving stakeholders and planning the evaluation to ensure continuous engagement during the evaluation process (Holden and Zimmerman, 2021: 17-18).

b. Defining Stakeholder Roles and Structure for Input and Establishing Group Processes for Ongoing Stakeholder Input

Defining stakeholder roles concerning the extent to which they will provide input for the evaluation plan is crucial for determining who will be asked to participate. This will help build trust between the evaluator and stakeholders. Defining stakeholder roles is also linked to the level of funding and ensures that there is continuous input throughout the evaluation and interpretation of results. Specifically, stakeholder engagement principles include: First, understanding, respecting, and considering differences among stakeholders such as interests, culture, religion, disability, age, sexual orientation, and ethnicity; Second, including relevant perspectives and interests from all stakeholders; Third, enabling stakeholders to access and actively disseminate evaluation information; and Fourth, maintaining a balance between the needs of the evaluated institution and other stakeholders (AEA, 2006; Holden and Zimmerman, 2021: 20).

Some researchers have developed procedures and processes for involving and maintaining stakeholder engagement, which include: collaborative communication processes with regular meetings, informal conversations, memos, and draft reports; varied communication formats (e.g., reports, summaries, oral presentations, emails); and presenting information concisely and specifically using clear, concrete illustrations (Holden and Zimmerman, 2021: 20-21).

4. Describing the Program

After meeting with key stakeholders, the evaluator reviews program documents and other relevant literature thoroughly according to the evaluation goals. Simultaneously, the evaluator may interview staff and stakeholders to understand the history and changes of the program being evaluated, develop a logical model or conceptual framework to describe how the program is supposed to work, and create tools to identify potential issues and interests for evaluation.

To do this, it is necessary to first determine the program theory or logic. One thinking concept used is Evaluability Assessment. Evaluability assessment is an analysis of the feasibility and utility of the evaluation (Wholey, 1978; Holden and Zimmerman, 2021: 21). The evaluator must clarify what the program intends to achieve and determine the program's performance measures that are feasible and relevant for the evaluation's purpose. This involves reviewing documents such as program plans, meeting minutes, proposals, progress reports, attendance records, and other program-related archival information. Evaluability assessments also require evaluators to familiarize themselves with the latest literature on the issues being studied.

During this process, the evaluator clarifies the program's logic (resources, activities, objectives, and the cause-effect relationships between activities and objectives), identifies parts of the program that are ready for evaluation (well-defined objectives; logical and testable cause-effect relationships between activities and objectives; well-defined evaluation use), and identifies feasible management and evaluation alternatives (Wholey, 1978; Holden and Zimmerman, 2021: 21). The conceptual framework provides a more theoretical study. Both thinking models and conceptual frameworks can serve as guidelines for prioritizing crucial relationships and variables and identifying the appropriate steps for inclusion in the evaluation. At this stage, the Evaluation Planning Matrix (EPM) is developed. As a tool, the EPM helps organize evaluation questions (Holden and Zimmerman, 2021: 21-23).

Second, understanding the history and evolution of the program being evaluated. When evaluators begin to describe the program, they need to understand its history and evolution, including the development stages of the program that will be evaluated. New programs will require different results and methods compared to older, more established programs.

Once the questions and outcomes are specified, clarified, and simplified, evaluators need to identify available data sources and develop plans to collect unavailable data. By determining within the EPM which evaluation outcomes already have available data sources, evaluators can quickly identify data gaps that need to be filled to answer the evaluation questions.

5. Focusing the Evaluation

At this stage in the evaluation planning process, the evaluator has compiled a long list of potential evaluation questions obtained through continuous input from stakeholders, document reviews, and descriptions of each aspect of the program to be evaluated. The next step is to complete a comprehensive list of evaluation questions. To focus the evaluation, the evaluator must collaborate with the program's leadership (sponsor) to finalize this list. Next, with stakeholder involvement, the evaluator must determine which evaluation questions are most important and measurable, establishing priorities that must be addressed.

After identifying which questions can be answered through available or collected data, the evaluator facilitates a group process with sponsors and stakeholders to ensure that stakeholders have the opportunity to contribute. Ultimately, the evaluator should be prepared to guide stakeholders, especially the evaluation sponsor, in understanding what can be achieved within the scope of the evaluation (Holden and Zimmerman, 2021: 25-29).

C. DISCUSSION

The Hajj Financial Management Agency (*BPKH*) is an institution responsible for managing the Hajj finances based on the *Undang-Undang Nomor 34 Tahun 2014*, Article 20. *BPKH* is a public legal entity that independently manages Hajj finances and is accountable to the President through the Minister of

Religious Affairs. Hajj finances encompass all rights and obligations of the government, which can be valued in monetary terms, related to the implementation of Hajj services, as well as all assets in the form of money or goods that can be valued in money resulting from the fulfillment of those rights and obligations. These include funds from both Hajj pilgrims and other legitimate, non-binding sources (Hidayati et al., 2024).

According to the *BPKH* Strategic Plan for 2022-2027, *BPKH* has a vision to "become a trusted Hajj financial management institution." Its missions are: (1) to maintain sustainable Hajj finances with good governance; (2) to optimize the benefits for Hajj pilgrims; (3) to develop a strategic role within the Hajj service ecosystem; (4) to apply innovation and transformation for continuous improvement; and (5) to increase social responsibility for the welfare of the Muslim community. Some key success factors in achieving these objectives are the sustainability of Hajj finances, the optimization of benefits, good governance, and targeted digitalization and innovation. The *BPKH* Strategic Plan also highlights two important aspects that attract public attention: the strategy and goals for the development of Hajj finances, and the strategy and goals for utilizing *BPKH*'s operational funds.

The management of Hajj finances is based on principles of Sharia law, prudence, benefit, non-profit, transparency, and accountability. The purpose of managing Hajj finances is to improve the quality of Hajj services, rationalize and enhance the efficiency of Hajj Travel Expenses (*BPIH*), and maximize the benefits for the welfare of the Muslim community (Humas *BPKH*, 2020). *BPKH* implements the management of Hajj finances in a corporate and non-profit manner. The corporate management principle means that the financial management is based on a business model, prioritizing the effectiveness and efficiency of resource use and outcomes. Meanwhile, the non-profit principle involves managing Hajj finances through business management that prioritizes using the funds' development results to benefit the pilgrims and the Muslim community at large (Primadhany, 2017).

Based on the *Peraturan Pemerintah Nomor 5 Tahun 2018* concerning the Implementation of the *Undang-Undang Nomor 34 Tahun 2014* on Hajj Financial Management (Government Regulation No. 5 of 2018), the management of Hajj finances at *BPKH* includes three components: income, expenditures, and assets. The income includes initial deposits for Regular and/or Special Hajj Travel Expenses (*BPIH*) paid by prospective pilgrims, the benefits from Hajj financial investments, savings from Hajj service efficiency, the Endowment Fund for the Ummah (*DAU*), and other legitimate and non-binding sources. *BPKH* also manages Hajj financial expenditures, which include the current year's *BPIH*, *BPKH* operations, the placement and/or investment of Hajj finances, refunds of *BPIH* deposits for pilgrims who cancel their departure, payments to the Special Hajj Service Provider (*PIHK*), payments of *BPIH* deposit benefits, financing activities for the welfare of the Muslim community, and refunds of the difference in *BPIH* deposit balances due to *BPIH* decisions. Furthermore, *BPKH* manages assets, which include money and goods that can be valued in terms of the funds managed by *BPKH*.

The development of Hajj finances is carried out through placement and/or investment. This financial development is based on Sharia principles, optimizing benefit, liquidity, safety, and prudence. Additionally, risk management optimization is a mandatory part of the process. One of the strategic issues that will play an important role for *BPKH* is the transformation into the digital era of *BPKH* and the business opportunities that can be explored to achieve optimal returns. The placement and/or investment of Hajj finances are categorized as part of the expenditures, where the benefits from these investments become income for *BPKH*. All of these activities aim to cover the costs of *BPIH*, as illustrated in the following diagram:

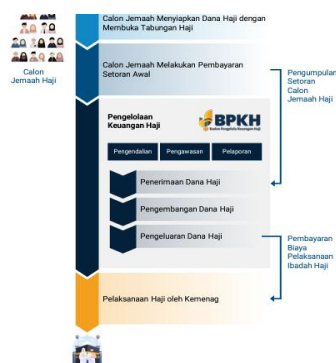


Figure 5. Illustration of the Hajj Financial Flow

In the regulations, *BPKH* is granted the authority to optimize Hajj finances through placement and/or investment. This provision is outlined in Government Regulation Number 5 of 2018, which serves as the basis for *BPKH*'s investment instruments, as shown below:

Table 1: Hajj Financial Investment Instruments

Investment Instruments	Portion	Description and General Provisions
Sharia Banking Products	30%	The Sharia banking products referred to are current accounts, time deposits, and savings accounts. These are primarily placed in the Bank Receiving Hajj Deposits (BPS) for <i>BPIH</i> (Hajj Organizing Fund).
Gold	5%	Gold has the ability to serve as a hedge against exchange rate fluctuations and as a protection for the performance of investments in financial assets in the capital markets. Investment in Hajj Finance in the form of gold is only permitted in the following forms: <ul style="list-style-type: none"> ● Gold bullion ● Gold accounts

Direct Investment	20%	Direct investment is associated with the direct involvement of the capital owner in the management of capital. There are four types of direct investment that can be carried out by <i>BPKH</i> , namely: <ol style="list-style-type: none"> 1. Owning a business 2. Equity participation 3. Investment partnerships 4. Other direct investments
Other Investments	10%	Investments that do not fall under the categories of Securities Investments, Gold Investments, and Direct Investments. Other investments may include: <ol style="list-style-type: none"> 1. Banking products other than checking accounts, savings, and deposit. 2. Products of Sharia Financial Institutions regulated and supervised by the Financial Services Authority (Otoritas Jasa Keuangan, OJK). 3. Investments in the Money Market, Capital Market, or activities related to the organization of Hajj, including investments in the form of multi-year contracts and/or those related to the management of Hajj finances, including business investments in the provision of services. 4. Lease of land/buildings/assets that can be valued in monetary terms.
Sharia Securities Investment	The remaining	Sharia securities are defined as securities whose contracts, methods, and activities that form the basis of their implementation do not contradict the principles of Sharia law in the capital markets. The legal basis for the issuance of State Sharia Securities (Sukuk Negara or SBSN) is Law No. 19 of 2008. According to this law and related regulations, examples of Sharia securities include Sharia stocks, sukuk, and participation units of Islamic mutual funds.

Evaluation Planning for Hajj Financial Management

In its development, several issues have emerged in the implementation of the Hajj financial management policy. First, the sustainability of Hajj financial management, where with the current mechanisms, there is a potential that

government support may not be sufficient to reduce the financial burden on the public in the long term. Second, the need for more effective and efficient financial management of Hajj, considering the risks of investment, which are difficult to control but significantly affect financing capacity (Hukumonline, 2024).

Therefore, policy evaluation needs to be conducted, with accountability as a critical issue in Hajj financial management. Evaluation Planning in the context of Hajj financial management is a systematic process to assess the performance, efficiency, and effectiveness of financial management used for the organization of Hajj.

1. Assess Context

To determine the context as a whole. In understanding the organizational and political environment, from the organizational side, the evaluation is conducted on *BPKH* as the organization responsible for managing Hajj finances. Second, in terms of the evaluation stage, evaluation is carried out at the implementation level of the policy or process evaluation according to Dunn, Lester, and Joseph Stewart Jr, or policy implementation evaluation according to Nugroho. The evaluation of Hajj financial management will focus on administrative aspects, specifically looking at the development of managed funds, the benefits derived, and the effectiveness of current policies in accordance with the principles of Islamic law, efficiency, and transparency. Third, concerning the political environment, there are three main parties involved in the evaluation process: the government, as the evaluator and policy maker; *BPKH*, as the policy executor and an independent legal entity; and the public, as the service recipients. The financial management of Hajj is closely tied to ensuring the implementation of worship and Islamic principles, requiring careful management. Hence, the evaluation must be conducted collaboratively, involving stakeholders as a team.

2. Gather Reconnaissance

The evaluation of Hajj financial management specifically aims to: first, find the optimal formulation for the distribution of cost burdens between the government and the public to ensure the sustainability of the Hajj fund, while still providing the best services to the public; second, assess the effectiveness of financial management to ensure it is efficient, in accordance with Islamic principles, and transparent. In validating perspectives, the government needs to plan and prepare a sustainable roadmap to enhance stakeholder commitment, thus creating a conducive ecosystem for the evaluation process.

3. Engage Stakeholders

Good public governance (GPG) emphasizes the importance of properly placing all public sector factors to ensure the achievement of outcomes for stakeholders (International Federation of Accountants (IFAC), 2013). The synergy and harmony of all parties involved are key to the success of Hajj services, including *BPKH*, the Ministry of Religious Affairs, and the Indonesian Parliament (DPR RI). No party should consider itself more important or dominant over others, as only through synergy and harmony can the expected improvements in the quality of Hajj services be realized (Deviyanti, 2015). Furthermore, the government and *BPKH* must make

continuous efforts to educate and raise awareness among the public, especially prospective Hajj pilgrims, regarding *BPKH*'s roles and responsibilities, with the involvement of media and related institutions, so that accountability and professionalism messages can reach the public. This is especially important given the current public distrust in government institutions, particularly regarding poor governance in state institutions such as ASABRI and Jiwasraya. To address this, *BPKH* must involve financial oversight institutions (e.g., the Financial Audit Agency and the Financial and Development Supervisory Agency) and independent audit agencies, to maximize oversight efforts and control over the financial governance of *BPKH* (Kurniawan, E. 2021).

4. Describe the Program

In this phase, questions that need to be answered should be formulated to assess the effectiveness and efficiency of the Hajj financial management system, and to determine which data are available and which need to be supplemented. The thinking logic, research methods, and analysis should be used to define and later answer the evaluation matrix, which can be briefly organized as follows:

Table 2: Simplified EPM for Hajj Financial Management in Indonesia

No	Program	Question	Data Required
●	Burden Formulation	<ol style="list-style-type: none"> 1. What are the potential risks that contribute to the increase or decrease in Hajj costs? 2. How is the projection for sustainability calculated with the current formulation? 	<ul style="list-style-type: none"> ● Analysis of Internal and External Factors in the Increase of Hajj Funds ● Calculation of Sustainability Projections
●	Effectiveness and Efficiency of Investments	<ol style="list-style-type: none"> 1. Development of Managed Funds and Value Benefits 2. What is the Rate of Return on Investments? 3. How Does This Compare with Other Countries? 	<ul style="list-style-type: none"> ● Data on the Development of Managed Funds and Value Benefits ● Data on the Rate of Investment Fund Development ● Comparison with Other Countries
●	Implementation of Sharia Principles and Accountability	<ol style="list-style-type: none"> 1. What are the Sharia principles adopted in the management of Hajj funds and 	<ul style="list-style-type: none"> ● Review of Sharia Aspects in the Management of <i>BPKH</i> Funds

		<p>their analysis?</p> <p>2. How is accountability implemented in the management of Hajj finances and its analysis?</p>	<ul style="list-style-type: none"> ● Review of Accountability Aspects in the Management of Hajj Finances
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Some available data that can be used for analysis of the first program to be assessed:

a. Identifying Potential Risks in the Management of Hajj Finances

Identifying potential risks in the management of Hajj finances involves considering several factors that affect the sustainability of Hajj financial management. These factors can originate from both internal and external sources (Kasri, 2024). Internal factors are influenced by leadership and management. In this case, aligning the goals between stakeholders within *BPKH*, such as the supervisory board and the executive body, is crucial to maintaining the sustainability of Hajj financial management. Another internal factor is the capability of human resources within *BPKH*. Furthermore, risk management and investment strategies are necessary to anticipate potential adverse events, such as investment failures or miscalculations in financial management. Support systems and operational processes are also required, along with the need for digital transformation to meet the challenges of modernizing Hajj financial management. The smooth implementation of digital transformation will support *BPKH* in managing Hajj finances and ensuring compliance with governance standards, which require transparency and accountability in financial management.

Additionally, Hajj financial management is not isolated from external factors that may influence its operation. These include macroeconomic conditions reflected in economic growth, inflation rates, interest rates, and exchange rates. The organization of Hajj also involves other countries, making geopolitical conditions a key consideration. These geopolitical factors shape the macroeconomic environment, which can, in turn, impact Hajj financial management. Financial market conditions and commodity prices also affect Hajj finances, influencing the costs associated with Hajj services. Government policy support, whether fiscal or monetary, and regulations can facilitate or complicate the implementation of Hajj-related policies. Political stability and diplomatic relations also play a significant role in managing Hajj finances. A stable political environment enables more efficient and profitable financial planning and management. Conversely, political instability or strained diplomatic relations, for instance, with Saudi Arabia—who grants permission for and hosts the Hajj—can lead to uncertainty, increased costs, and risks for investments and logistical operations.

b. Comparison of the Use of Investment Returns for *BPIH* Financing

In a Working Meeting between the Ministry of Religious Affairs, *BPKH*, and Commission 8 of the Indonesian House of Representatives (DPR-RI) in 2023,

a proposal was made to change the payment scheme for the Hajj Travel Cost (*BPIH*). From 2018 to 2022, the utilization of the investment returns from *BPKH* funds for *BPIH* financing exceeded 45%, and in 2022, the value of benefits used for *BPIH* financing reached over 59%. There is concern that under the proposed payment scheme, the continued use of these funds will erode *BPKH*'s managed funds, potentially disrupting Hajj financial management with long-term consequences.



Figure 6. Percentage of Benefit Utilization for *BPIH* from 2011-2022

The Minister of Religious Affairs has proposed an adjustment in the proportion of Hajj costs to ensure fairness and long-term sustainability of Hajj funds. This proposal emerged after a thorough review and in-depth discussions, both internally within the Ministry of Religious Affairs and *BPKH* (Yusuf, 2022). The Ministry of Religious Affairs and *BPKH* believe that the investment returns generated from the management of Hajj funds should be distributed fairly to benefit future Hajj pilgrims who will embark on their pilgrimage in 5, 10, 15, or 20 years. If the entire return from *BPKH*'s investments is primarily used to finance pilgrims for the current year, the risk is that this will threaten the long-term sustainability of the Hajj fund. Therefore, a proper formulation is needed to ensure that the benefits derived from *BPKH*'s investments can be felt by all prospective pilgrims, not just those scheduled to depart in the current year. Several schemes that could be used include:

- 1) 60% Bipih Financing Scheme - 40% Benefit Value (*BPKH*, 2024)

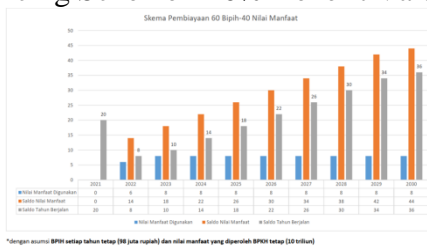


Figure 7. 60% Bipih Financing Scheme and 40% Benefit Value

Using the baseline benefit value obtained by *BPKH* in 2023 (IDR 10 trillion), with a fixed annual *BPIH* total (IDR 98 million), the result shows that the benefit balance will remain stable and grow by an average of IDR 4 trillion each year. This ensures that the balance for the current year will remain intact, thus not affecting the financial stability of the funds managed by *BPKH*.

2) 55% Bipih Financing Scheme - 45% Benefit Value (BPKH, 2024)

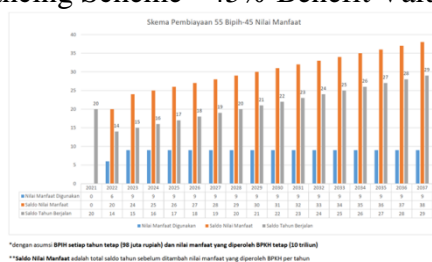


Figure 8. 55% Bipih Financing Scheme and 45% Benefit Value

With the same assumptions as the previous scheme, the 55-45 scheme will still provide an increase in the benefit balance each year. However, if there are changes or fluctuations in the operational costs of organizing the Hajj pilgrimage, this scheme cannot guarantee the sustainability of the management of Hajj funds.

3) 50% Bipih Financing Scheme - 50% Benefit Value (BPKH, 2024)

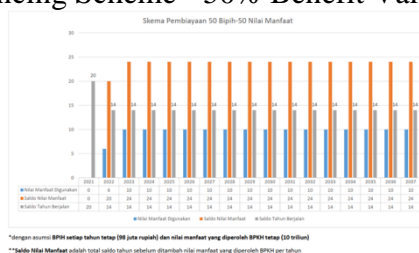


Figure 9. 50% Bipih Financing Scheme and 50% Benefit Value

Through this financing scheme, no deficit in the benefit value balance is observed. With the assumptions as shown below, there will be no increase in the benefit value balance each year. However, similar to the 55-45 scheme, the 50-50 scheme does not guarantee the sustainability of Hajj financial management, given the many external factors that influence the costs associated with organizing the Hajj pilgrimage. If there is an increase in costs, this scheme is the most vulnerable to disrupting the financial stability of Hajj funds.

Considering these factors, the government should periodically increase the Bipih (Hajj cost) to ensure fairness for prospective pilgrims (Yuniar, et al., 2023). If the composition of Bipih and the benefit value, which is not optimal, is maintained, the benefit reserves could be exhausted in the coming years, and the financing of the next Hajj pilgrimage will have to rely solely on the pilgrims themselves.

Based on the calculations above, the government, through Presidential Decree No. 7 of 2023 on the Cost of Organizing Hajj for the Year 1444 Hijri/2023 AD, gradually modified the *BPIH* financing scheme. It was agreed that for 1444H/2023M, the *BPIH* would be set at IDR 90 million per pilgrim, with a breakdown of the costs: IDR 49.9 million (55.3%) must be paid by the pilgrims, and IDR 40.2 million (44.7%) would be covered by the benefit value. For the Hajj pilgrimage of 1445H/2024M, Presidential Decree No. 6 of 2024 on the Cost of Organizing Hajj for 1445H/2024M was issued. It was agreed that the *BPIH* for 1445H/2024M would be IDR 93.4 million, with IDR 56 million (60%) to be paid

by the pilgrims and IDR 37.4 million (40%) covered by the benefit value of the *BPKH*-managed funds. The table below shows a comparison of the development of the cost-sharing proportions for the Hajj from year to year.

Table 3. Breakdown of the Cost of Organizing the Hajj 2015-2024

Rincian Biaya Penyelenggaraan Ibadah Haji (BPIH) 2015 – 2024 (dalam juta rupiah)								
	2015	2016	2017	2018	2019	2022	2023	2024
BPIH (jamaah)	37,49	34,6	34,89	35,24	35,24	39,89	49,9	56
Dana Manfaat (BPKH)	24,07	25,4	26,9	33,72	33,92	57,91	40,2	37,4
BPIH	61,56	60	61,79	68,96	69,16	97,8	90,1	93,4

For the second program, concerning the effectiveness and efficiency of investment, several relevant data include:

- a. The development of managed funds and benefit value



Figure 10. Development of *BPKH* Managed Funds and Benefit Value, 2019–2024

Based on data compiled from the *BPKH* Financial Statements for 2021 and 2022 (audited), the *BPKH* Financial Statement for 2023 (unaudited), the *BPKH* Financial Statement for the first quarter of 2024 (unaudited), and the *BPKH* Strategic Plan (Renstra) 2022–2027, it is evident that as of the first quarter of 2024, *BPKH*'s managed funds had reached IDR 162.89 trillion, equivalent to 96% of the 2024 target. Meanwhile, as of December 2023, the level of managed funds amounted to IDR 166.7 trillion, representing an increase of 0.12% compared to 2022.

The benefit value in the first quarter of 2024 reached IDR 2.82 trillion, or 24.5% of the 2024 target. By contrast, the benefit value as of December 2023 amounted to IDR 10.9 trillion, reflecting an increase of 7.8% compared to the benefit value achieved in 2022.

These data indicate that *BPKH* continues to make sustained efforts to strengthen good governance in maintaining the stability of Hajj fund management in accordance with prevailing laws and regulations, as well as to ensure sustainable benefits derived from the management of Hajj funds (Imansyah, 2024).

- b. Rate of Return on Investment of Managed Funds

To illustrate the rate of return on investment of the managed funds, it is first necessary to identify the types of investments and/or placements undertaken by *BPKH* in managing Hajj funds. Describing the rate of return on investment of managed Hajj funds is an important step to ensure that these funds are invested optimally, in accordance with Sharia principles, and are able to generate

maximum benefits for Hajj pilgrims and fund managers. This evaluation does not focus solely on financial aspects, but also takes into account sustainability, risk, and the impact on the primary objectives of Hajj fund management.



Figure 11. Allocation of *BPKH* Investment Instruments – April 2024

The figure above shows that *BPKH* continues to make efforts to reduce placements in Islamic banks in accordance with the mandate of Article 27 paragraph (3) of Government Regulation (PP) No. 5 of 2018, which stipulates that placements in Islamic banking products shall not exceed 30% of the total placement and investment of Hajj funds. Although in the period 2019–2020 the placement of funds in Islamic banks exceeded 30% of total placement and/or investment, this condition was still in line with the mandate of Article 27 paragraph (2) of PP No. 5 of 2018, which allows placements in Islamic banking products of up to 50% of total placement and/or investment of Hajj funds during the first three years following the establishment of *BPKH*.

As of the first quarter of 2024, *BPKH* managed total funds amounting to IDR 162.89 trillion, of which IDR 122.79 trillion, or approximately 75% of total managed funds, were allocated to investments. These investments were distributed as follows: 72.53% in securities, gold, and other Sharia-compliant securities, totaling IDR 118.013 trillion; 2.61%, or IDR 4.25 trillion, in direct investments; and 0.25%, or IDR 0.4 trillion, in other investments. Meanwhile, placements in Islamic banks amounted to IDR 40.09 trillion, or 25% of total managed funds, entirely in the form of Sharia-compliant current accounts, savings, and time deposits. The realization of value-added benefits and annual investment yields is presented in the figure below.



Figure 12. Value Benefit Realization and Investment Yield, 2018–2023

Based on the figure above, the data indicate that both the realization of value benefits and the rate of return generated fluctuated annually. In 2019, the realized value benefits reached IDR 7.37 trillion, with a rate of return of 5.93%, increasing from 2018, when value benefits amounted to IDR 5.7 trillion with a return of 5.07%. However, in 2020, the realized value benefits declined to IDR 7.43 trillion, with a rate of return of 5.13%. Subsequently, in 2021, the realized value

benefits increased significantly to IDR 10.5 trillion, accompanied by a return rate of 6.61%. In 2022, the realized value benefits declined again to IDR 10.13 trillion, with a return rate of 6.11%. Furthermore, in 2023, the realized value benefits increased once more to IDR 10.92 trillion, with a return rate of 7.8% (Kasri, 2024).

c. Comparison with Other Countries

As an additional methodological approach in evaluation planning, a comparative method may also be employed. The management of Hajj funds through placement and/or investment is a common practice, including in other countries that regularly send Hajj pilgrims to Saudi Arabia each year. The placement and/or investment of Hajj funds is undertaken by Malaysia, Pakistan, India, and the Maldives, as outlined in the table below (Kasri, 2024).

Table 4. Comparison of Hajj Fund Management in Other Countries

Perbandingan Pengelolaan Haji					
	Malaysia	Indonesia	Pakistan	India	Maldives
Awal penerapan	1963	1999, 2004, 2014, 2018	2005	2002	2013
Cakupan Pengelolaan	Manajemen haji & pengelolaan dana haji	Manajemen haji (Kemenag) & pengelolaan keuangan haji (BPKH)	Manajemen haji & pengelolaan dana haji	Manajemen haji & pengelolaan dana haji	Manajemen haji & pengelolaan dana haji
Lembaga	Lembaga Tabung Haji	Kemenag, BPKH, dan swasta	MORA & Hajj Group Operator	Hajj Committee of India & Private Tour Operator	Maldives Hajj Cooperation Ltd & Private Hajj Tour
Alokasi investasi dana haji	Investasi langsung, instrumen keuangan syariah	Investasi langsung, instrumen keuangan syariah	Produk perbankan syariah	Instrumen keuangan syariah	Investasi syariah
Jumlah jemaah (kuota) haji	33,600	221,000	200,000	200,000	2,000

For the third program, in the context of Sharia principles and accountability, a brief review can be outlined as follows:

- a. Sharia compliance refers to adherence to Sharia principles within various Islamic-based entities (Prabowo et al., 2024). *BPKH* applies strict screening in selecting investment instruments to ensure that they do not contradict Sharia principles. According to research conducted by Prabowo et al. (2024), every prospectus must be analyzed by Sharia Expert Personnel (Tenaga Ahli Syariah/TAS). TAS plays a crucial role in ensuring that the products, services, and operations of financial institutions and companies comply with Sharia law. In this context, TAS provides information on sukuk issuance, explains the investment profiles of Sharia mutual funds, and assesses stock offering information to ensure compliance with Sharia principles. Article 25 of *BPKH* Regulation Number 5 of 2018 concerning Procedures and Forms of Hajj Financial Investment also stipulates that *BPKH* is prohibited from conducting transactions in investment instruments that are not Sharia-compliant. Should an investment instrument initially classified as Sharia-compliant subsequently become non-compliant, *BPKH* is required to immediately divest.
- b. From the accountability perspective, using the principal–agent concept in the context of Hajj fund management by *BPKH*, the principals are prospective Hajj pilgrims and the Government. They entrust the initial Hajj Travel Cost (*BPIH*) deposits—paid specifically into BPS *BPIH* accounts in the name of *BPKH*—to be managed prudently and productively (Abadi et al., 2024). Accordingly, *BPKH* acts as the agent authorized to manage and invest these funds under Article 20 of Law Number 34 of 2014. To strengthen the

principal– agent relationship, it is essential for *BPKH* to demonstrate a high level of accountability through clear reporting, regular supervision, and robust control mechanisms. These measures help reduce uncertainty perceived by prospective pilgrims and the Government as principals.

- c. According to a press release issued by *BPKH* Public Relations (2024), in 2024 *BPKH* received an Unqualified Opinion (Wajar Tanpa Pengecualian/WTP) from the Supreme Audit Agency (BPK) for the sixth consecutive time. This WTP opinion indicates that Hajj financial management at *BPKH* has been conducted systematically, effectively, and efficiently. This achievement reflects *BPKH*'s commitment to managing Hajj funds in an accountable, transparent, Sharia-compliant, and prudent manner, in accordance with prevailing laws and regulations.
 - d. Accountability aspects are closely related to the concept of Good Public Governance (GPG), which is based on principles applicable in Indonesia, such as democracy, transparency, accountability, legal culture, and fairness (Kurniawan, E., 2021). In the context of *BPKH* governance, *BPKH* is obligated to implement these principles, particularly transparency, in order to build public trust in Hajj fund management as part of institutional public accountability. Currently, the public can openly access *BPKH* financial reports through the *BPKH* website (<https://BPKH.go.id/laporan-keuangan-BPKH>), thereby enabling the principle of transparency to be properly implemented.
5. Focuss the Evaluation

After the evaluator compiles a list of potential evaluation questions obtained through continuous stakeholder input, program document reviews, and descriptions of each program aspect to be evaluated, this stage involves completing a comprehensive list of evaluation questions. This can be achieved by prioritizing questions, identifying data gaps that need to be addressed, mapping stakeholder roles, and determining the evaluation timeline. At this stage, the team or forum established with stakeholder involvement tests and finalizes the evaluation plan.

D. CONCLUSION

Policy evaluation is conducted to assess the outcomes of a policy process in terms of effectiveness, efficiency, goal attainment, and accountability. Therefore, an adequate policy evaluation must incorporate accountability principles to validate data and methods while fulfilling good governance standards. The evaluation planning stage is the first and most critical step in determining an appropriate policy evaluation. According to Holden and Zimmerman, evaluation planning consists of assessing context, gathering reconnaissance, engaging stakeholders, describing the program, and focusing the evaluation. One issue that can be used to examine evaluation planning through the lens of accountability is the management of Hajj finances in Indonesia. The management of Hajj funds in Indonesia must be evaluated to ensure sustainability of services, effectiveness, efficiency, Sharia compliance, and accountability.

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