



2014 PSF PROGRESS REPORT



PNPM SUPPORT FACILITY

The core business of the PNPM Support Facility (PSF) is reducing poverty by supporting the effective leadership and management of the Government of Indonesia's (GOI) flagship poverty reduction program, the National Program for Community Empowerment, PNPM, which is the largest community-based poverty reduction program in the world.

Established 2007: 10 GOI and Donor Members

Through PSF, development partners provide high-quality coordinated technical assistance as well as policy and planning advice and targeted financial assistance to the GOI in support of PNPM.

KEY FINANCIAL INDICATORS | 2008–2014

MILLIONS OF DOLLARS

	2008	2009	2010	2011	2012	2013	2014
Pledges	84.4	84.4	155.8	262.4	300.8	437.6	453.9
Cash Contributions	23.0	40.8	131.1	207.5	259.1	365.1	392.4
Approved Project Commitments	37.4	42.2	90.3	220.4	305.4	342.8	403.7
Disbursements	1.8	8.5	36.2	121.8	181.2	246.1	298.5

Printed in 2015

This publication is a product of the PNPM Support Facility.

Acknowledgements

This report was prepared by the PSF Secretariat with contributions from the Coordinating Ministry for People's Welfare, Ministry of Home Affairs, Ministry of Public Works, Ministry of Finance, the National Development Planning Agency, and Asian Development Bank as well as the project teams.

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Australian Government
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ABBREVIATION AND ACRONYMS

ADB	Asian Development Bank
APBN	Anggaran Pendapatan dan Belanja Negara (District Government Budget)
BaKTI	Bursa Pengetahuan Kawasan Timur Indonesia (Eastern Indonesia Knowledge Exchange)
Bappenas	Badan Perencanaan Pembangunan Nasional (National Development Planning Agency)
BE	Barefoot Engineers
BETF	Bank Executed Trust Fund
BGAP	Better Governance Action Plan
BKAD	Badan Kerjasama Antar Desa (Inter-Village Coordination Body)
BKM	Badan Keswadayaan Masyarakat (Community Organizations)
BLM	Community Block Grants
BNPB	Badan Nasional Penanggulangan Bencana (National Board for Disaster Management)
BNSP	Badan Nasional Sertifikasi Profesi (National Board for Professional Certification)
BPKP	Badan Pengawasan Keuangan dan Pembangunan (Development and Finance Surveillance Agency)
BPS	Badan Pusat Statistik (Statistics Indonesia)
BRI	Bank Rakyat Indonesia
CDD	Community-Driven Development
CEP	Creative Empowerment Process
CF	Community Facilitator
CHS	Complaints Handling System
CIO	Community implementing organization
CSO	Civil Society Organization
CY	Calendar Year
DFAT	Australian Department of Foreign Affairs and Trade
DGHS	Directorate General of Human Settlements
DIPA	Daftar Isian Pelaksanaan Anggaran (Budget-Funded Project Proposal Lists)
DPO	Disabled People Organization
DRR	Disaster Risk Reduction
EDFF	Economic Development Financing Facility
EO	Executing Organization
ETC	Export-Transfer-Load
GOI	Government of Indonesia
ICT	Information Communication Technology
IDB	Islamic Development Bank
IKW	Regional Poverty Index
IRAI	Independent Research Advisory Indonesia
JICA	Japan International Cooperation Agency
JMC	Joint Management Committee
KDP	Program Pembangunan Kecamatan (Kecamatan Development Program)
Kemenko Kesra	Kementerian Koordinator Bidang Kesejahteraan Rakyat (Coordinating Ministry for People's Welfare)
KPDT	Kementerian Pembangunan Daerah Tertinggal (Ministry of Disadvantaged Areas)
KPK	Komisi Pemberantasan Korupsi (Corruption Eradication Commission)
LGCD	Local Government Capacity Development
LLI3	Local Level Institutions III
LPPM-UNCEN	Lembaga Penelitian dan Pengabdian Masyarakat-Universitas Cendrawasih (Research and Community Dedication Institution-University of Cendrawasih)
LSP-FPM	Lembaga Sertifikasi Profesi-Fasilitator Pemberdayaan Masyarakat (Institute for Professional Certification of Community Facilitators)
M&E	Monitoring and Evaluation
MCA-I	Millennium Challenge Account-Indonesia
MDTF	Multi Donor Trust Fund
MIS	Management Information Systems
MoH	Ministry of Health

MoHA	Ministry of Home Affairs (Kementerian Dalam Negeri-Depdagri)
MoU	Memorandum of Understanding
MP3EI	Master Plan for the Acceleration of Economic Development
MP3KI	Master Plan for the Acceleration and Expansion of Poverty Reduction
MPW	Ministry of Public Works (Kementerian Pekerjaan Umum)
MSF	Multi-Stakeholder Forum
ND	Neighborhood Development
NGO	Non-Governmental Organization
NTB	Nusa Tenggara Barat (West Nusa Tenggara)
NTT	Nusa Tenggara Timur (East Nusa Tenggara)
P2KP	Proyek Penanggulangan Kemiskinan di Perkotaan (Urban Poverty Project)
P2SPP	Program Pengembangan Sistem Pembangunan Partisipatif (Local Government Participatory Development Planning Program)
P3BM	Pro-Poor Planning, Budgeting and Monitoring (Perencanaan, Penganggaran Dan Pemantauan Yang Berpihak Pada Masyarakat Miskin)
PEKKA	Female-Headed Household Empowerment program
PMD	Pemberdayaan Masyarakat dan Desa (Directorate General of Community and Village Empowerment)
PMU	Program Management Unit
PNPM	Program Nasional Pemberdayaan Masyarakat (National Program for Community Empowerment)
PNPM Generasi	PNPM Generasi Sehat dan Cerdas (PNPM—Healthy and Smart Generation)
Pokja Pengendali	Steering Committee of PNPM
Posyandu	Pos Pelayanan Terpadu (village health post)
PSF	PNPM Support Facility
PTO	Technical Operations Manual
PWDs	People With Disabilities
Rekompak	Rehabilitasi dan Rekonstruksi Masyarakat dan Permukiman Berbasis Komunitas (Community-Based Settlements Rehabilitation and Reconstruction Project)
RESPEK	Rencana Strategis Pembangunan Kampung (Strategic Plan for Village Development)
RETF	Recipient Executed Trust Fund
RIS PNPM	Rural Infrastructure Support to PNPM Mandiri
RISE	Regional Infrastructure for Social and Economic Development
RKM	Rencana Kerja Masyarakat (Annual Investment Plan)
RLF	Revolving Loan Fund
RPJM-Desa	Rencana Pembangunan Jangka Menengah Desa (Mid-Term Village Development Plan)
RPJMN	Medium-Term Development Plan
SIMPADU	Sistem Informasi Manajemen Terpadu (PNPM Integrated Management Information System)
SLB	Sekolah Luar Biasa (Special Education School)
SME	Small and Medium-sized Enterprise
SOP	Standard Operating Procedure
SPADA	Support for Poor and Disadvantaged Areas
SPKD	Satuan Kerja Perangkat Daerah (Local Government Task Forces)
SUSENAS	Survei Sosial Ekonomi Nasional (National Social Economic Survey)
TA	Technical Assistance
TKPKD	Regional Poverty Eradication Coordination Team
TNP2K	Tim Nasional Percepatan Penanggulangan Kemiskinan (National Team for the Acceleration of Poverty Reduction)
ToT	Training for Trainers
TUK	Test Centre
UNDP	United Nations Development Programme
UPK	Unit Pengelola Kegiatan (Activity Management Unit)
UPP	Program Penanggulangan Kemiskinan Perkotaan (Urban Poverty Program)
USAID	United States Agency for International Development

MESSAGE FROM THE CHAIR OF THE JOINT MANAGEMENT COMMITTEE

RAHMA IRYANTI

DEPUTY MINISTER FOR POVERTY, EMPLOYMENT AND SMES, NATIONAL
DEVELOPMENT PLANNING AGENCY/BAPPENAS

As Chair of the Joint Management Committee (JMC) of the PNPM Support Facility (PSF), I am pleased to present the PSF 2014 Progress Report. In its seventh year, the PSF has been successful in delivering on its commitment to supporting the Government's poverty reduction efforts across Indonesia, empowering communities to design their own futures through dialogue and sound project management, and positively influencing the national conversation about ways to improve the lives of the poor.



The sustainable livelihoods strategy is a transformation of PNPM that is more focused on increasing economic opportunities for poor communities. This strategy incorporates the key principles of community-driven development from PNPM, which are also being adopted and institutionalized in the Village Law of 2014.

Although this year marked many changes at the policy and institutional levels, such as the new Cabinet, new development strategies,

the transition to the Village Law, and new PSF working arrangements, I congratulate the PSF for its continuous support and delivery of good results.

The National Program for Community Empowerment (PNPM) has been a main pillar of our poverty elimination strategy since 2007. With a proven track record of improving people's welfare in areas such as basic infrastructure and social services including education, health, and livelihoods, the program brings communities and individuals together and helps them realize their potential. With a presence in over 67,000 villages, 10,924 urban wards, and every sub-district in Indonesia, PNPM's reach is long and its long-term influence is deep.

As Chair of the JMC, I would like to thank fellow PSF partners in the Coordinating Ministry for People's Welfare and the Ministry of Finance as well as our development partners from Australia, the United States, the World Bank, and the Millennium Challenge Account - Indonesia for working together to improve the lives of Indonesians around the country.

Toward the end of 2007, the Government decided together with international development partners to create the PSF in order to support the nationwide implementation of the program. Through PSF, development partners can provide high-quality, coordinated technical assistance, planning advice and dialogue, as well as targeted financial assistance to the Government to support PNPM Mandiri. As a result, the implementation of PNPM Mandiri has improved and benefited millions of men, women and children in accessing infrastructure, services, and employment.

While PSF's model as a development and coordination platform is a best practice, it will need to evolve as the Government's poverty reduction strategies do. As stated in Medium-Term National Development Plan 2015-2019, the Government has developed three strategies for poverty reduction, including social protection, frontline services and sustainable livelihoods.

Rahma Iryanti

Chair, Joint Management Committee
Deputy Minister for Poverty, Employment and Small
& Medium Enterprises
National Development Planning Agency/Bappenas

EXECUTIVE SUMMARY

Seven years into implementation, PNPM reached full maturity with its national coverage and arrived at a critical juncture with the approval of the Village Law in January 2014. The Government of Indonesia has been largely successful in positively impacting the lives of millions of people across the Indonesian archipelago by strengthening community institutions and their capacity to deliver cost-effective infrastructure and by enhancing their access to social services and economic opportunities. Over 80 international delegations from more than 30 countries around the world have so far visited Indonesia to learn about the power of community-driven development (CDD) to transform lives, as effectively demonstrated by PNPM. The promulgation of the new Village Law was also a strong validation of the success of PNPM, as it adopts a number of CDD approaches that have been developed through PNPM and furthermore mainstreams the approach into regular government development initiatives.

The advent of policy changes associated with the Village Law and the inauguration of a newly-elected Government have made the year 2014 transformational for the program. During this year, PNPM's institutional structures, human resources and physical assets started their transitions to the Village Law platform, raising a number of risks as well as opportunities. The PNPM Support Facility (PSF) and its partners have adapted to the changing environment through intensive dialogue and intensified teamwork with the Government, communities and other stakeholders, in order to keep running the existing program smoothly. Simultaneously, increased efforts have been made to support the preparation of the implementation of the Village Law in the way that the accomplishments of PNPM in building communities' capacities, supporting livelihoods, championing good governance, and reducing poverty can continue.

This report presents the progress made in 2014 of the PNPM Core programs and those under the PSF's four operational windows. With the transition to

the implementation of the Village Law starting in early 2015, a number of projects supporting various aspects of PNPM came to a close during this year. The ongoing projects have made necessary adjustments to a new policy and institutional environment.

PSF Window One: Support to Special Programs

was designed to enable the Government to scale up successful projects and test new approaches by taking advantage of PNPM platform's nationwide reach and ability to deliver an array of services. In 2014, three special programs were financed under this window: PNPM Generasi, PNPM Disaster Management and PNPM Urban in Aceh. By the end of 2014, PNPM Generasi's coverage expanded to 5,400 villages in 499 sub-districts, benefiting 6.7 million people through the provision of incentivized community block grants to improve health and education outcomes. In 2014, the PSF has continued its implementation support to PNPM Generasi, particularly in relation to Infant and Young Child Feeding (IYCF) and Early Childhood Education and Development (ECED) programs. The Disaster Management Support project closed in November 2014, after completing 63 sub-projects (out of 75) that had remained in Mentawai, the last project location. With this, the project met its mandate of delivering emergency assistance through the PNPM system to Central Java, Yogyakarta and West Sumatra, affected by disasters in 2010. Following the preparation work in 2013, the PNPM Urban in Aceh project moved on to actual implementation of Gender Mainstreaming Program in Aceh (SELARAS) and the Sustainable Urban Livelihoods Pilot, carrying out community meetings and capacity-building activities.

PSF Window Two: Implementation and Coordination Support

finances activities to support PNPM's oversight bodies and implementing agencies, with a view to assist them to strengthen program's core management systems. Implementation support continued in the form of technical guidance and supervision over PNPM Rural and other programs, through field-based monitoring and activities to improve governance and fiduciary

systems. Over the year, PSF field analysts reviewed more than 510 sub-projects in 490 villages in 225 sub-districts across Indonesia. The PSF Secretariat provided intensified support to facilitate the coordination of the Joint Management Committee (JMC), amidst a wave of changes in the surrounding political, human-capital and institutional landscape in 2014.

The year also saw the closure of many projects that have contributed to improving critical aspects of PNPM. The Community Facilitators Development Project and the Barefoot Engineers training program, each respectively geared to equipping facilitators with professional certification and filling the gap of technical facilitators in Tanah Papua, were completed with lessons to be learned for similar initiatives in future. PNPM Mandiri's Integrated Management Information System (SIMPADU) managed the expanded scope of the project effectively by its closing in November 2014, receiving data from 18 out of 20 PNPM core and special programs and being installed in all 33 provinces.

PSF Window Three: On-granting to Indonesian Civil Society

works with civil society organizations (CSOs) who are uniquely qualified to reach and work with marginalized groups and people, many of whom receive only limited indirect benefits from government programs, including PNPM. In 2014, two CSO projects, PNPM Peduli and the Disabled Peoples' Organizations (DPOs), closed under the management of the World Bank, with its oversight shifting to the Asia Foundation. PNPM Peduli has established a solid track record of improving social inclusion of 19,645 marginalized and socially-excluded people, such as religious minorities, transgender people, and indigenous populations through the capacity-building and on-granting of local civil society organizations. The DPO project, specifically intended to benefit people with physical and other disabilities, began wrapping up its final DPO Mapping report, the completion of a technical review, and the transfer of preliminary disability inclusion work with PNPM Generasi to the task team. This year, the project focused on capacity-building

of DPOs to represent Persons with Disabilities and to engage key stakeholders in promoting the latter's inclusion in poverty reduction programs.

PSF Window Four: Monitoring and Evaluation (M&E) and Special Studies

aims to increase access to global experience and expertise in poverty reduction and community-driven development as well as the technical and financial resources for rigorous evidence gathering. In 2014, the PSF Analytics team focused on the completion of ongoing PNPM-related research that commenced in the previous year, while initiating a number of new key evaluations/studies as an effort to support the implementation of the Village Law. Annex Three summarizes the major PSF-financed studies. In addition, in 2014 the Revolving Loan Funds (RLFs) Capacity-building and Sustainability program assisted the Government in strengthening RLFs by offering strategies to ensure their long-term growth, financial self-reliance, and sustainability. Lastly, the Technical Assistance to the State Ministry of Disadvantaged Areas (KPDT), despite experiencing some challenges during the year, managed to deliver inputs geared to strengthening the ministry's capacity in disadvantaged areas, as well as its programming and operational capacity, before closing at the end of 2014.

Looking forward to 2015, the PSF will intensify its efforts to smoothen the transition to the Village Law. In addition, the Facility will continue to adapt to the newly-appointed Cabinet structure and priorities, work with the recently-established Managing Contractor that was hired by the Australian Department of Foreign Affairs and Trade (DFAT), complete major project deliverables, and closely cooperate with JMC members to ensure a successful year ahead.

Figure 1. Areas covered of Special Programs Funded by the PSF

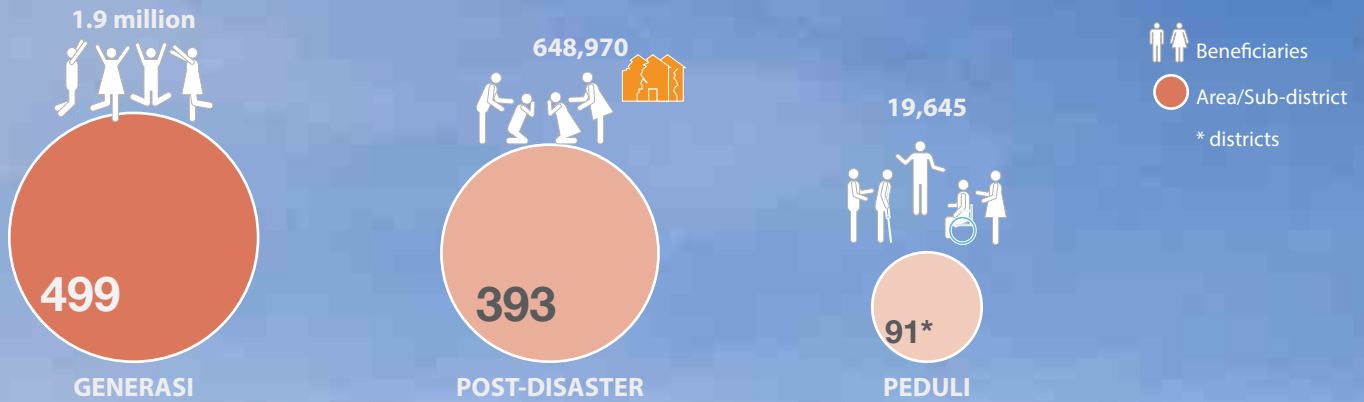
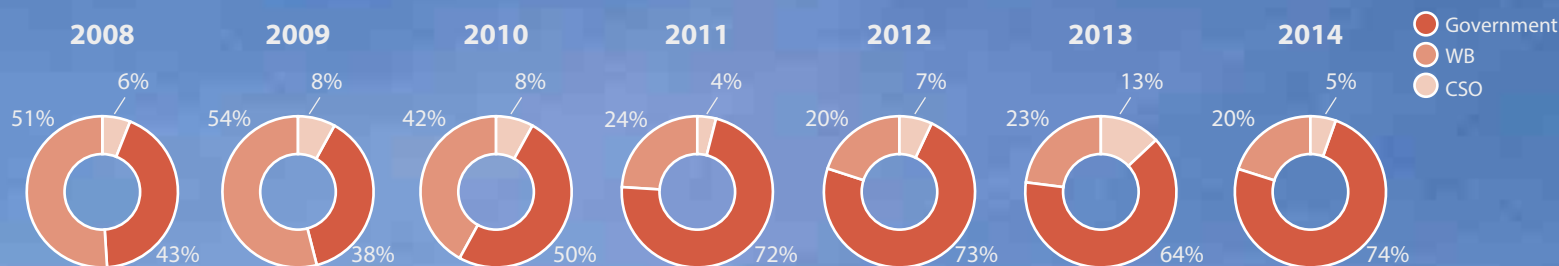


Figure 3. Share of Committed Funding by Implementing Agency



A recently-built pier at Semaui Island, East Nusa Tenggara, where community members sell and buy fish.

Figure 2. Share of Committed Funding by Implementing Agency



2012

- Approval of new window to reach persons with disabilities (DPO Project)
- New early childhood education component under Generasi
- Support to PNPM Roadmap and PODES
- Assessment of Peduli's pilot phase
- Piloting of cultural methodologies to improve participation

2013

- South-South Knowledge Exchange on Community-Driven Development (CDD)
- Third iteration of the Local Level Institution Study
- New strategy framework for CSO on-granting for Peduli and DPOW

2014

- Mainstreaming PNPM principles through the support to the implementation of the Village Law
- Strengthening the role and the capacity of PNPM facilitators
- Application of an integrated approach to the maternal and child health combining demand-side and supply-side activities






PNPM MANDIRI

CORE PROGRAMS

Indonesia's National Program for Community Empowerment (PNPM Mandiri) is the world's largest community-driven development program. It is the Government of Indonesia's flagship program that addresses poverty by empowering communities who are given control over decision-making and management of their development needs with direct financial and technical support to improve basic infrastructure and access to services.

In 2007, the Government demonstrated its commitment to community-led development by scaling up the Kecamatan Development Project (KDP) and launching PNPM Rural as part of its initiatives to mitigate the potential effects of the global financial crisis. Less than a year later, it reiterated this commitment by scaling up the Urban Poverty Project (UPP) to start PNPM Urban. Together with two smaller but aligned community-driven development programs, PNPM has grown to cover all rural villages and urban wards in Indonesia.

A photograph of a small green boat with a white outboard motor on the water. The boat is in the foreground, and the water is a deep blue. In the background, there is a large, lush green island with a dense forest. The sky is blue with some white clouds. The text is in the top right corner.

A fisherwoman plys the waters of Saonek Island, in Raja Ampat, Papua. Thanks to the PNPM program, some of the fish she catches here are processed to create krupuk (fish crackers) and other food products to sell in markets, thereby improving livelihoods. Photo: KATADATA

PNPM disburses more than US\$2 billion annually to fund development sub-projects and activities chosen and managed by communities to improve their lives. By focusing primarily on the process by which communities are empowered through their engagement with local development projects rather than on what gets built or produced, PNPM marks a sharp departure from the traditional ways in which large development projects are conceived and carried out. Evaluations show that through PNPM programs, members of the community

eat more, go to school longer, find jobs and establish businesses, have access to health care and participate in community and local political forums.

With the approval of the Village Law and the election of a new government, in 2014, PNPM entered a new era of community-driven development in Indonesia and began its transition to the Village Law.

PNPM MANDIRI: CORE PROGRAMS

PNPM RURAL

SUMMARY INFORMATION

Status	Task Team Leaders	Implementing Agency
Active	Sonya Woo (swoo1@worldbank.org)	Directorate General of Community and Village Empowerment (PMD), Ministry of Home Affairs
Start Date to Closing Date		Geographic Coverage
20 May 2008 to 31 December 2015		67,100 villages; 5,300 sub-districts; 403 districts; 33 provinces

PROJECT RATIONALE AND OVERVIEW

The National Program for Community Empowerment in Rural Areas (Program Nasional Pemberdayaan Masyarakat Mandiri Perdesaan or PNPM Rural) is the Government of Indonesia's flagship poverty reduction and community empowerment program implemented by the Ministry of Home Affairs (MoHA) together with Bappenas, the Ministry of Finance, the Oversight Committee of PNPM Mandiri and other government agencies. The program's development objective is for villagers in PNPM Rural locations to benefit from improved local governance and socio-economic conditions. The program aims to achieve this by providing

direct financial and technical support to communities to improve basic infrastructure and to ensure access to services.

The program involves three main components: (i) block grants for investment in physical infrastructure, to facilitate revolving loan funds and to deliver training activities; (ii) community empowerment and facilitation; and (iii) implementation support and technical assistance. The program provides block grants directly and transparently to communities to finance poverty alleviation activities selected from an open menu, and identified through a gender-inclusive community participatory planning

Figure 4. Achievements under PNPM Rural



process. It is accompanied with activities such as construction of infrastructure, a revolving loan fund (RLF) scheme, and the delivery of training activities, all of which are supported by an extensive network of facilitators. The program also builds the capacity of the national and local governments to partner with community organizations in order to improve the delivery of basic services.

Since its launch in 2007, PNPM Rural has expanded rapidly to become a nationwide program, which currently covers over 67,000 villages across Indonesia. The average budget of the program between 2009 and 2014 is US\$1.03 billion, including state, provincial and district budgets as well as loan funds, the portion of which averages 35 percent for PNPM Rural (2008-2014). While the lion's share of the program's financing is now funded by the Government, the Bank has continued to contribute to the financing of PNPM Rural through two loans: PNPM Rural IV (US\$531 million), which closed on June 30, 2014; and PNPM Rural 2012-2015 (US\$650 million).

PROGRESS IN 2014

Overall, PNPM Rural continues to achieve tangible results, notably, implementation of village infrastructure sub-projects in a cost-effective, pro-poor, and

productivity-enhancing manner, and is highly valued by communities and local governments. Under PNPM Rural 2012-2015, all project activities are underway and disbursements have increased significantly in the last six months. At least two of the project's outcome indicators have already been exceeded. They include: (i) reports on public participation confirm that approximately 3.5 million communities have participated in democratic fora for planning, implementing and overseeing initiatives that directly address local development priorities; and (ii) more than 50 percent of beneficiaries are females.

While a number of surveys to verify the project's outcome values have yet to be conducted with plans for implementation in early 2015, the program is making good progress towards meeting the majority of its intermediary targets and the performance of the previous phase (PNPM IV) was also high. Given this, it would be reasonable to assume that the program is progressing well, at least towards reaching one of its two objectives regarding the improvement of socio-economic conditions. However, the program experienced some challenges as indicated by declines in the performance of the Revolving Loan Funds (RLFs) and some governance indicators. Some of these challenges, particularly in the legal status of UPKs and its capacity to manage revolving funds were

Figure 5. Number of sub-districts and villages covered since 2008

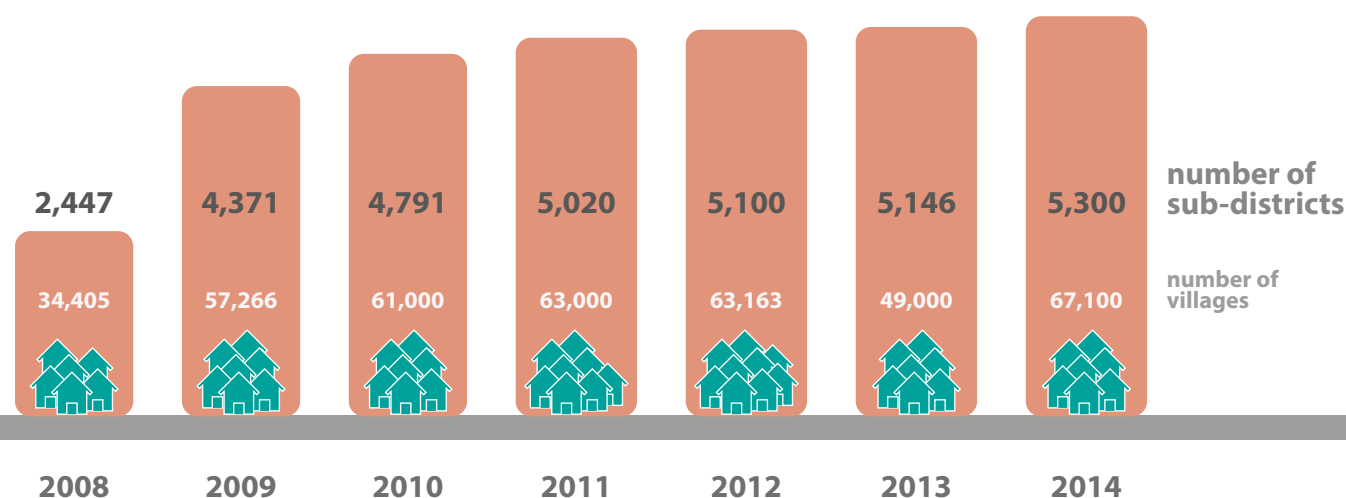


Table 1. KDP/PNPM Rural Outputs (1998-2014)

Type of sub-project	KDP (1998-2007)	PNPM Rural (2008-2012)	PNPM Rural in 2013	PNPM Rural in 2014
km of farm/rural roads built	40,371	81,897	13,543	12,389
# bridges built	9,049	7,212	2,248	1,679
# irrigation systems built	11,062	19,127	104	127
# clean water systems built	10,451	9,826	8,547	10,777
# public toilets and washing facilities built	4,822	4,567	3,374	2,774
# village electricity units built	842	2,128	379	725
# market units built or rehabilitated	1,164	1,275	677	548
# school buildings built or rehabilitated	6,732	30,778	5,465	-
# education activities supported	5,041	12,667	2,224	1,757
# scholarship beneficiaries	118,796	209,290	20,161	-
# health facilities built or rehabilitated	3,865	7,889	2,338	1,703
# health activities supported	1,037	7,088	498	743
# other infrastructure built	23,162	25,544	2,799	-
# revolving loan fund activities supported	68,737	127,911	27,316	141,298

compounded by the uncertainty around the transition from PNPM Rural to the implementation of the Village Law.

The efficacy of the RLF varies by location, with a few bright spots, but the overall trend is downward. Non-Performing Loans (NPLs) are reported at 34 percent nationally compared to a 18 percent target for 2014; idle funds stand at 24 percent, and RLF fraud and corruption cases, which constitute about 85 percent of the total cases, are increasing in size and number. In addition, the transitioning of the RLFs into a legal entity with clear ownership of community assets has been complicated by the passage of the Village Law, since many next steps will have to wait for the drafting and issuance of the implementing regulations and guidelines required for the Law's implementation. As a result of the passage of the Village Law, this unclear legal status has put UPKs in a risky situation to manage a large amount of RLFs (averaging more than Rp. 2 billion per UPK), since there are no official governance structures and accountability procedures which potentially lead to the misuse of funds. Moreover, the late recruitment of revolving and business development facilitators (Fasilitator Perguliran dan Pengembangan Usaha, PPU Facilitators) has also contributed to the poor performance of UPKs in managing the RLFs. The facilitators were recruited and mobilized in November 2014, and one month later, their contracts were

discontinued, leaving UPKs with their limited capacities to manage RLF activities.

In relation, fraud and corruption continues to be a challenge. As of September 2014, the number of cases has increased by 46.3 percent (since December 2013 from 1,470 to 2,738 across 1,302 sub-districts, with 51 sub-districts listed as "Potentially Problematic" (funds are disbursed but withheld pending further investigation) and 58 sub-districts listed as "Problematic" (prohibited from disbursing funds).

There were some improvements in managing this issue: e.g. the number of potentially problematic locations have decreased by 77.6 percent and problematic locations have decreases by 6.9 percent since previously reported in March 2014; in addition the recovery rate has increased by 14.9 percent since previously reported. Nonetheless, a 14.1 percent increase in the total amount of misused funds since March 2014 indicates underlying systemic issues, and to address some of these long-standing issues, PNPM Rural stakeholders revised, discussed, and disseminated the Standard Operating Procedures (SOPs) for the project's complaints and cases handling, followed by provincial and district coordination meetings, training for FPPUs (RLF & Business Development Facilitators), and refresher training.



Community members use a newly-built suspension bridge in Dramagam Bogor, West Java, which now connects two hamlets. Thanks to this PNPM Rural project, the time to travel between both hamlets has now decreased from 1 1/2 hours to 30 minutes.

The review of the NMC contract and contract outcomes by the PSF Implementation Support team in September and October 2014 identified certain weaknesses regarding the ability of the Consultant Firm to fulfill its key functions and produce outputs. The review also highlighted the need for significantly improving the resources within the NMC so that it would be capable of managing a project of this scale and complexity, as well as helping to navigate it during a period of significant transition. Addressing these would support the execution of planning and reform efforts associated with the program's transition.

FUTURE PLANS

At this time, it remains unclear how the implementation of the Village Law commencing in early 2015 will impact PNPM Rural. With the inauguration of the new Government in October 2014 and the creation of a new Ministry of Villages, Disadvantaged Areas and Transmigration, the institutional environment for PNPM Rural needs to be clarified further. In 2015, intensive dialogues with MoHA and the new Ministry will be important to readjust the institutional arrangements and to discuss the transition strategy from PNPM Rural to the implementation of the Village Law, particularly on village asset management and the legal status of Activity Management Units (UPKs).

LESSONS LEARNED

Lessons from PNPM Rural provide valuable insights to the implementation of the Village Law. Some of the key lessons include:

Directorates working in silos have been common practice in the past, with confusion arising among consultants and facilitators in the field as a result of disjointed facilitation policies, coordination, approaches, and coverage. Each directorate sometimes possesses their own separate facilitation policy, even in the same PNPM Rural locations, rather than upholding a universal policy. Unfortunately, these policies often do not support each other. In the field, for example, technical facilitators in PNPM Rural are not allowed to assist the technical works of PNPM Generasi, even though activities management in the field are managed by the same local institutions (i.e. UPKs and TPKs), which creates inefficiencies in the project's management. In addition, in the transition period from PNPM to the implementation of Village Law, the requirement to have one universal policy on transition strategy is crucial. There is hence a clear need to establish

an Inter-Directorate Transition Management Unit, with a clear mandate to lead and coordinate the PNPM reform and Village Law planning and implementation efforts, in order to help smoothen the transition to the Village Law. Such a unit would go beyond PNPM Steering Committee (Pokja) oversight activities, and would be tasked with eliminating silos such as the examples referred to above.

The experience of PNPM also suggests that the quality and coverage of facilitation is critical for successful program implementation, ranging from information dissemination, community mobilization and provision of technical and monitoring support. While the roles and responsibilities of facilitators need to be redefined for the Village Law implementation, accompanied by necessary capacity-building support, the allocation of numbers of facilitators need to take into account geographical and population factors, in order to increase effectiveness. Under PNPM Rural, typically, a facilitator can cover an average of seven to eight villages in normal areas, but the coverage decreases to three villages in extremely remote areas. Another related lesson from PNPM Rural is that recruiting high-quality facilitators is equally important as allocating the right number of facilitators to each location. However, a balance needs to be sought between the number and the quality of facilitators, especially in provinces like Papua where the availability of technical facilitators with appropriate qualifications has been a challenge. In such cases, taking people with fewer qualifications and supplementing them with longer pre-service training may help to bridge these gaps.

PNPM MANDIRI: CORE PROGRAMS

PNPM URBAN

SUMMARY INFORMATION

Status Active
Task Team Leaders George Soraya
 (gsoraya@worldbank.org)

Implementing Agency
 Directorate of Building and Neighborhood Development, Directorate General of Human Settlements (DGHS), Ministry of Public Works

Start Date to Closing Date
 20 May 2008 to 31 December 2015

Geographic Coverage
 National: 10,924 urban wards in 268 cities/districts (2014)

PROJECT RATIONALE AND OVERVIEW

The development objective of PNP Urban is to ensure that Indonesia's urban poor benefit from improved socio-economic and local governance conditions. The Urban Poverty Program (UPP), the predecessor of PNP Urban, was first implemented by the Indonesian Government in 1999 as a response to the economic collapse that followed the Asian financial crisis in 1997/1998 and as a means of rapidly transferring resources directly to the poor in urban communities. This program was implemented in parallel with the Kecamatan Development Program (KDP), which was intended to achieve a similar objective in rural areas. Since then, Indonesia has achieved substantial economic growth, making significant progress towards the achievement of Millennium Development Goals (MDGs) and a reduction in poverty levels, with the rate of incidence of poverty declining from 17.4 percent in 2004 to 11 percent in 2014. Despite this achievement, more than 16 million Indonesians still lived below the international poverty line of US\$1.25 per day in 2011. In addition, a very large proportion of the population live just above the poverty line, remaining highly vulnerable to falling back into poverty. Finally, income inequality has increased over the last decade, with the Gini coefficient increasing from 0.29 in 1999 to approximately 0.41 in 2013, with a higher rate of inequality in urban areas than in rural areas.

In August 2006, driven by the desire to institutionalize its proven track record with bottom-up, participatory planning into a single community-driven development (CDD)-based poverty reduction program, the Government took the decision to significantly expand the UPP/KDP programs to achieve nationwide coverage, at which point

PNPM Mandiri was launched. Its coverage of the program was expanded to reach approximately 11,000 urban wards, benefiting around 26.7 million beneficiaries, of whom 73 percent are poor and 53 percent are women. Since its inception, the total value of the funding for the program has reached approximately US\$1 billion, with this funding derived from loans and grants provided by the World Bank, the Islamic Development Bank, and the US Agency for International Development (USAID), and from the Government's own funds and community contributions.

The PNP Urban program consists of four main components, as follows: (i) capacity-building for local governments and their agencies, community beneficiary groups (*Kelompok Swadaya Masyarakat/KSMs*), and community boards of trustees (*Badan Keswadayaan Masyarakat/BKMs*); (ii) kelurahan (urban wards) block grants (BLMs) to co-finance sub-projects identified through participatory community development planning processes; (iii) implementation support and technical assistance to build the capacities of staff of the Program Management Unit (PMU) and to conduct project monitoring and evaluation; and (iv) contingency for disaster response, with funds reserved for rapid reallocation in the event of emergencies resulting from natural and other disasters. In addition, the project has introduced special interventions to complement the core PNP Urban scheme, including the Neighborhood Development (ND), which targets the poorest areas; the Sustainable Urban Livelihoods program, which is intended to benefit the poorest members of urban communities; and the Community-Based Disaster Risk Management (CBDRM), which is intended to provide assistance in four disaster-prone cities.



This water supply system of deep wells, water tanks, and a distribution network-- jointly constructed by the local government of Balikpapan and PNPM Urban staff-- benefits several communities that have not yet been reached by regional water utility companies (Perusahaan Daerah Air Minum, PDAMs)

The project has made good progress towards the achievement of its stated development objective. By the end of 2014, the program achieved or exceeded most of its targets as defined in terms of the program's key performance indicators (KPIs). For example, the rate of participation of the adult population in BKM elections stood at an average of 31.4 percent, compared to the end-of-project target of 30 percent; the level of participation by members of the poorest and most vulnerable groups stood at 46.8 percent, and the rate of participation of women in planning and decision-making meetings stood at 43.9 percent, both compared to a target of 40 percent; and 97.8 percent of received complaints were resolved (target 90%). Some activities are still ongoing, including an independent audit of community's financial reports and local government's cost sharing for 2014.

PROGRESS IN 2014

Delays in the revision of Government's Budget-Funded Project Proposal Lists (*Daftar Isian Pelaksanaan Anggaran/DIPA*) in the first half of 2014 slowed down

some aspects of the implementation of the program. However, program consultants and facilitators were able to accelerate recruitment, the provision of training; planning processes; and the disbursement of grants to communities in the second half of 2014. Although the provision of several rounds of refresher training was behind schedule due to these delays, they did not affect the overall program implementation because facilitators and communities were able to manage the planning cycle successfully. At the end of 2014, the proportion of kelurahan block grants (BLMs) that had been used to finance the development of infrastructure stood at 79 percent; for Revolving Loan Funds at 10 percent; and for social activities at 11 percent.

Neighborhood Development (ND) program: Since the inception of the pilot in 2008, this scheme had been scaled up to cover 785 urban wards by the end of 2014. ND is intended to facilitate spatially-based community development planning processes in the poorest areas of a number of cities. By the end of 2014, the total value of disbursed grants under this project amounted to US\$278.7 million, 15 percent of which was derived from

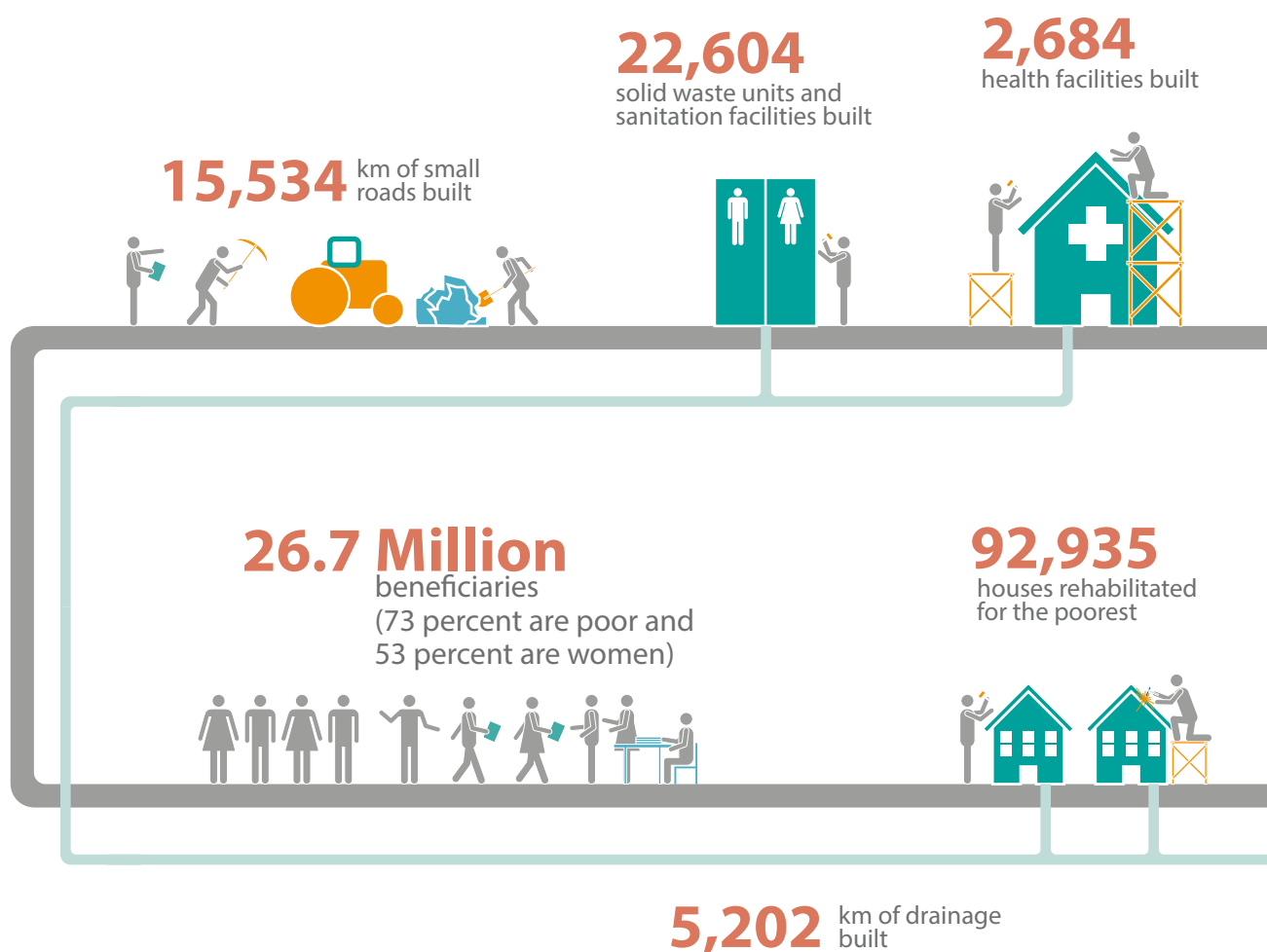
Table 2. PNPM Urban Outputs (1998-2014)

Type of infrastructure sub-project	UPP (1999-2007)	PNPM Urban (2008-2013)	UPP and PNPM Urban (1999-2013)	PNPM Urban (2014*)	Total PNPM
km of roads	13,132	15,467	28,599	67	15,534
km of bridges	97	71	168	-	71
km of irrigation channels	168	290	458	13	303
#safe drinking water	55,787	176,153	231,940	93	176,246
#public toilets and washing facilities	34,745	108,650	143,395	645	109,295
#electricity	20,966	51,476	72,442	58	51,534
#market facilities built/rehab	280	98,368	98,648	0	98,368
#solid waste and sanitation facilities	32,621	22,585	55,206	19	22,604
#house rehab (poorest)	47,029	92,658	139,687	277	92,935
km of drainage system	4,459	5,178	9,637	25	5,202

Source: Management Information System (MIS) of PNPM Urban (www.p2kp.org)

* Data as of 30 September 2014; funds will not be fully utilized until after April 2015

Figure 6. Achievements under PNPM Urban (2008-2013)





This riverside slum in Yogyakarta was upgraded by PNPM Urban participants with a retaining wall, fences, small bridges, playgrounds, and other infrastructure. The vibrantly-colored murals were painted by the community members.

community contributions. In 2014, special treatment was applied in 53 urban wards, which were selected, prioritized and endorsed by local governments in large cities and metropolitan areas on the basis of their apparently unusually complex urban poverty problems. The ND guidelines have also been revised in 2014 to: (i) facilitate improved targeting of priority areas by communities and local governments; (ii) encourage local governments to seek technical support from local universities and CSOs; (iii) provide guidance for the development of a more efficient participatory planning process and a higher quality of spatial plans; and (iv) ensure sustainability and alignment with local governments' official development.

Sustainable Livelihoods pilot project: Since 2013, this pilot activity has been implemented in 56 selected urban wards in 14 cities/districts, including Aceh and other provinces. In 2014, additional facilitators for 10 pilot cities/districts were recruited and trained to facilitate

the KSMs' activities. The KSMs are permitted to utilize up to 40 percent of the PNPM regular block grant for group capacity-building, vocational training, and RLF activities. During the year, the program facilitated the completion of the socialization and formation of KSMs, with volunteers recruited and trained to assist in the process. During this initial period, KSM members held regular meetings, collected savings, and conducted internal bookkeeping processes, according to the guidelines established by the program.

Project monitoring: The project facilitated improvements to the Management Information System (MIS), project website, and complaint handling system (CHS) throughout 2014. The MIS is now capable of fulfilling its primary function of providing access to regularly updated data in large volumes. In 2014, data related to the progress of pilot activities and an application for invoice spot-checking were incorporated into the MIS.

A new monitoring application, SmartSight, enables the Government to monitor invoicing activities, especially those related to the operational costs of consultants. However, even with the improved system, implementing regular spot checks is still contentious. Following revisions to the program website to make it more user-friendly, this website has been actively used by facilitators and BKM to communicate their problems and share experiences and best practices among themselves and with the relevant decision-makers. Lastly, the system now automatically processes CHS data analysis to facilitate a rapid response by the responsible agencies.

FUTURE PLANS

In 2015, roughly 5,000 urban wards that are currently covered by PNPM Urban will be categorized as villages by the terms of the new Village Law. As such, they will no longer receive block grants under the program, although they will continue to receive community facilitation and technical assistance at least until April 2015.

In urban areas, the program will continue to support the delivery of universal basic services (clean drinking water, sanitation and hygiene) and the provision of improved living conditions for the urban poor. The Ministry of Public Works and People's Housing has stated that 2014-2019 will be the critical period for the achievement of the "100-0-100 target," which involves universal access (100%) to safe drinking water; the complete eradication of slums (0%); and universal access (100%) to sanitation facilities. To facilitate the achievement of this target, PNPM Urban consultants and facilitators will be deployed to collect baseline data in around 400 cities/districts by the first quarter of 2015. Local governments will continue to be the key actors in leading this process, while the national government will provide co-funding support and technical assistance.

A series of evaluations will be conducted throughout the first half of 2015 to measure the outcomes of PNPM Urban and its pilot activities. Other implementation monitoring activities will also continue. A research agency will be engaged throughout 2015 to track the progress of implementation in Surabaya, Tidore Kepulauan; and Banda Aceh, and to identify areas that require adaptation or modification. Progress towards the completion of these activities will be reported quarterly to the relevant stakeholders to serve as inputs for the Government to improve the implementation of project activities in the future.

LESSONS LEARNED

From implementation experiences derived from the implementation of the program, it has been learned that the lack of facilitation for KSMs has a significant negative impact on the quality of RLF activities. KSMs are central to the success of RLFs, but their capacities tend to be low, with most of their members consisting of the poorest in the community. To strengthen KSMs, intensive facilitation is required to ensure that communities understand their needs and propose activities accordingly. As a measure to address this, the livelihoods pilot project facilitates the organization of frequent meetings and activities to strengthen social connections between group members.

The low level of performance of RLF under PNPM Urban as a whole is attributed to a number of factors, including the lack of clear work plans to administer RLFs and insufficient local government support. Even though the value of RLF funds comprise only five percent of the overall value of block grants, there is still a large number of urban wards with portfolios at risk. Some actions to improve the performance of RLFs have been successfully tested, including the promotion of high-performing groups through their eligibility to receive assistance under the sustainable livelihood program. In the future, the team will experiment with withholding grants under certain circumstances when groups record a particularly low level of performance.

To strengthen local communities' participatory planning processes and social marketing under the ND program, communities are allowed to hire individual consultants to assist in the preparation of spatial planning documents and marketing strategies. The project learned that collaboration with local universities is more effective than hiring individual consultants, since this creates opportunities for both stakeholders to exchange knowledge and experiences.

PNPM MANDIRI: CORE PROGRAMS

RURAL INFRASTRUCTURE SUPPORT TO PNPM MANDIRI (RIS PNPM)

SUMMARY INFORMATION

Status	Task Team Leaders	Implementing Agency
RIS PNPM III: Active	Siti Hasanah (shasanah@adb.org)	The Directorate General of Human Settlements (DGHS), Ministry of Public Works and People's Housing
Start Date to Closing Date	Geographic Coverage	
15 November 2011 to 30 June 2015 (RIS PNPM III)	600 villages in 37 districts in South Sumatra, Lampung, Riau and Jambi	

PROJECT RATIONALE AND OVERVIEW

The Rural Infrastructure Support to the PNPM Mandiri (RIS PNPM) project is a core program under the PNPM Mandiri umbrella, conceived to facilitate poverty reduction in rural areas through the provision of improved infrastructure. Although the rate of incidence of poverty in Indonesia had declined to approximately 14.2 percent by 2009, when RIS PNPM I was launched, it still remained at approximately 11 percent in 2014, with higher than average rates in rural areas, where two-thirds of Indonesia's poor population lives. Rural poverty is caused or exacerbated by limited access to basic services, including health and education services, to clean water and sanitation facilities, and to capital and infrastructure.

This involves a community-driven development (CDD) approach that empowers communities and strengthens their capacities to prioritize, design, implement, and monitor community-based projects by providing them with facilitation and development grants. This project was intended to contribute to the achievement of the Government's medium-term development plans, which emphasized the need to increase investments in infrastructure generally, and in rural infrastructure in particular. In line with PNPM Mandiri's objectives, the project aims *to reduce poverty and improve local governance of rural communities in project areas*. The expected outcomes include improved access to services and basic rural infrastructure for the poor, near-poor, and women in the project's target communities. The project has three main components, as follows: (i) strengthening capacities for community planning and development; (ii) improving village services and infrastructure through the provision of community development block grants; and (iii) improving the Government's capacities to implement the project and to monitor and evaluate it (M&E).

Map 1. Provinces Covered by RIS PNPM



PROGRESS IN 2014

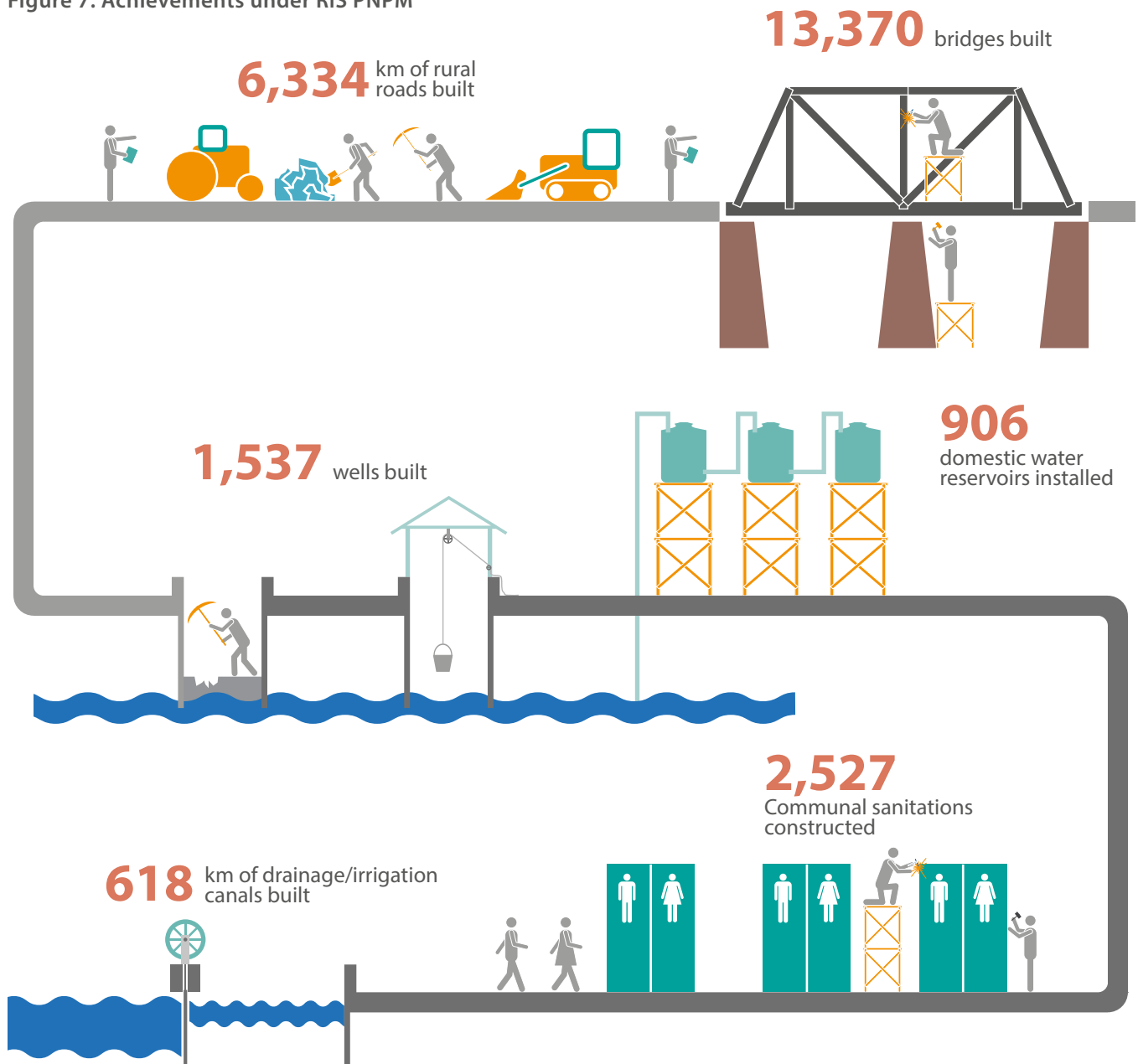
In 2014, the project disbursed block grants to a total value of approximately Rp. 150 billion (approximately US\$12 million) to communities in 600 villages in the four target provinces of South Sumatra, Jambi, Riau, and Lampung, benefiting approximately 930,000 villagers, including 480,000 members of poor households. These villages were provided with facilitation to enhance the level of participation and capacities of communities and with block grants to fund the construction and upgrading of basic infrastructure, as prioritized through the villages' mid-term poverty reduction (MTPR) plans. With this funding, communities developed infrastructure including approximately 50 water supply and sanitation facilities; 480 km of rural roads; 370 bridges; 27 km of drainage channels and six km of irrigation channels.

All villages made contributions in the forms of labor, land for the required facilities, food provided during construction works and refreshments at meetings, and other in-kind contributions. During the process of construction, community members were employed as project workers, with funds to a value of approximately Rp. 87.5 million per village, or 35 percent of the total block grants, being utilized for wages paid to these village workers. On average, community members received Rp. 50,000 per day for construction work, with these wages providing community members with additional income

and motivating them to participate in civil works for the benefit of the entire community.

The project also included a number of activities to maximize the project's benefits to women and members of poor households. For example, in response to the perceived low level of representation of women in decision-making and project implementation processes, the project formulated a gender action plan to pay attention to the different needs of men and women; to promote equitable access to project benefits; and

Figure 7. Achievements under RIS PNPM



to facilitate community mobilization and facilitation activities. In 2014, encouraging improvements in the quality of women's participation were recorded. A gender audit report prepared by the implementing agency in December 2014 suggested that the majority of women in villages participating in the project have been actively involved in decision-making processes, with an average of 45 percent of the participants of village meetings being women, which exceeds the target of 40 percent. The report also suggests that approximately 25 percent of women participating in planning meetings claimed to be actively involved in decision making processes. Approximately 40 percent of the women involved in meetings provided inputs during these meetings, although 35 percent attended without providing input. The rate of membership of women in community implementation organizations (CIOs) and user groups also met or exceeded the targets, with women comprising 43 percent of the members of CIOs and 42 percent of user groups, exceeding the target of 40 percent in both cases.

FUTURE PLANS

The project will close on 30 June 2015, with 2014 being the final year for the physical implementation of program activities. In 2015, the project will focus primarily on procedures related to the closure of the project, such as the completion of the project audit report and project completion report. The Government has requested that ADB provide funding for a new project to sustain the impacts of RIS PNPM, although details of these plans have not yet been finalized.

LESSONS LEARNED

District consultants and community facilitators play vital roles in the community facilitation process and in the achievement of project objectives. Thus, community consultants and facilitators must be carefully selected, so that qualified and committed personnel are deployed to support communities in the empowerment process and in technical matters. In addition, performance evaluations of facilitators and consultants are useful means to ensure the continued good quality of project implementation. Communities need to be provided with channels and mechanisms to provide feedback on the performance of consultants and facilitators with whom they work directly on a daily basis.

Another critically important issue relates to the need to ensure the long-term sustainability of investments in infrastructure. From the experiences derived from the implementation of the project, it has been found that more attention needs to be given to the operations and maintenance arrangements for completed projects, with community members requiring additional guidance to understand the importance of these arrangements and to maintain them appropriately. In the context of the closure of the project, a failure to achieve this has created challenges, as consultants and community facilitators will leave sub-projects once they are completed. From a long-term perspective, the role played by district administrations is important for the completion of operations and maintenance arrangements. Any future projects need to consider this and ensure their inclusion.

Table 3. Infrastructure built to date under RIS PNPM projects (as of December 31, 2014)

Type of infrastructure	Unit	RIS PNPM 1	RIS PNPM 2	RIS PNPM 3	Total
Rural roads	km	1,636	3,282	1,416	6,334
Bridges	unit	5,483	5,899	1,988	13,370
Boat landings	unit	52	61	44	157
Drainage canals	km	143	309.1	165.8	618
Irrigation canals	km	25.7	17	14.1	56.8
Domestic water reservoirs	unit	355	458	93	906
Wells	unit	75	1,168	294	1,537
Water supply pipelines	km	50.3	47.6	15.1	113
Communal sanitation facilities	unit	1,820	521	186	2,527



Through cooperation and teamwork, PNPM community participants build roads like these, which free up travel time for other activities.

PNPM MANDIRI: CORE PROGRAMS

REGIONAL INFRASTRUCTURE FOR SOCIAL AND ECONOMIC DEVELOPMENT (PNPM RISE)

PROJECT RATIONALE AND OVERVIEW

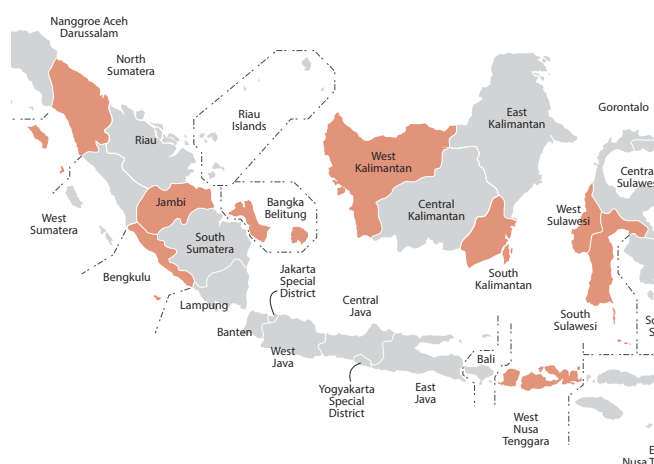
Building on the PNPM Rural platform, the development objective of PNPM RISE is *to accelerate social and economic development by improving the poor's access to basic infrastructure such as roads, water supply systems, small irrigation infrastructure, markets and health and education facilities and by introducing micro-credit services in rural areas*. Following the national scale-up of the PNPM core programs to cover all sub-districts in Indonesia, PNPM RISE was established to cover 237 sub-districts in 35 districts across nine provinces. In Indonesia's highly decentralized context and with the mixed performance of local governments in the area of service delivery, the program also focuses on building the capacities of district and sub-district government agencies to operationalize decentralization and regional autonomy laws and to facilitate the achievement of national and local development priorities.

PNPM RISE is implemented by the Directorate General of Human Settlements under the Ministry of Public Works. The project is financed through a US\$252 million loan provided by Japan's International Cooperation Agency (JICA). In the period from 2008 to 2014, PNPM RISE provided more than US\$150 million (JPY 18,049,000,000) in block grants to 237 sub-districts to finance the construction of village infrastructure, with the program being implemented in three phases (RISE Phase I-III).

SUMMARY INFORMATION

Status	Task Team Leaders	Implementing Agency
Closed	Kim Suk Rae (kim@cmac-rise.com)	Directorate General of Human Settlements (DGHS), Ministry of Public Works
Start Date to Closing Date	Geographic Coverage	
26 July 2007 to 26 July 2014	237 sub-districts in 35 districts in 9 provinces	

Map 2. Provinces Covered by PNPM RISE



The program contributed to a reduction in poverty levels from 13.8 percent in 2008 to 12.1 percent in 2011 in the 35 target districts, according to figures provided by the National Statistics Office (*Badan Pusat Statistik/BPS*) data.

PROGRESS IN 2014

In 2014, PNPM RISE provided block grants to villages for the construction of transportation infrastructure, water supply and sanitation systems, health and education facilities, and agriculture extension services. All the physical infrastructure construction targets were achieved over the year. Please find Table 1 below for more details:

In the area of **community empowerment and participation**, the project facilitated community

Table 4. Physical Construction

Category/ Infrastructure	Unit	Volume (per TA.)						Total
		2009	2010	2011	2012	2013	2014	
Transportation								
Road	Kilometers	1,677	2,039	2,389	1,891	1,381	4,106	13,483
Bridge	Meters	11,183	5,516	4,150	5,191	1,995	9,885	37,920
Mooring Boat/Pier	Unit	43	83	66	24	10	60	286
Other	Package	2,154	1,556	978	1,017	273	513	6,491
Clean Water and Sanitation								
Clean Water	Unit	617	548	419	452	159	648	2,843
Clean Water Piping	Kilometers	144	145	105	92	36	1109	1631
Bath wash toilet	Unit	686	229	178	193	131	183	1,600
Drainage	Meters	52,116	82,657	124,715	51,328	23,691	41,813	376,320
Health								
Community Health Center/ Community Health Center Subsidiary/Village Maternity House	Unit	310	169	239	151	71	246	1186
Agricultural Production Enhancement								
Irrigation Canal	Meters	114,621	119,037	151,122	144,562	290,164	302,928	1,122,434
Water Construction	Unit	367	103	213	67	68	60	878
Farmer Road	Kilometers	12.15	160.11		267.34	84.65	113.56	637.81
Levee/Dyke	Meters	15,646	7,232	2,664	8,103	12,704		
Agricultural Marketing Enhancement								
Village Market	Unit	165	117	82	34	19	137	554
Drying Floor, Warehouse	Unit		83	78	74	86	56	377
Education								
Elementary School/ Intermediate School	Unit	136	210	86	71	24	59	586
Furniture	A set of	2,659		1,595				4,254
	Package		65		56	29		150

This recently-built 162 meter-long village port in Tuppabiring Village, Bontoa, South Sulawesi, not only improves maritime connectivity, but is engineered to protect the village from the risk of flooding.



participation and organization, with key accomplishments including the following:

- A total of 73,688 formal or informal meetings and training activities were conducted, with these activities involving a total of 1,419,640 participants, among whom 16.6 percent were women;
- A total of 42,681 sub-projects were successfully constructed by local community organizations, with these sub-projects involving 529,528 villagers in the construction works, with a total of 11,671,458 man working-days being generated. This means that more than three percent of the total adult population of project locations were employed throughout the duration of the implementation of sub-projects;
- In total, 15.2 percent of the construction costs were derived from community self-help contributions;
- In total, 2,433 Sector Focus Discussion Groups (*Kelompok Diskusi Sektor/KDS*) and 2,872 Operations and Maintenance Groups (*Kelompok Pemanfaat dan Pemeliharaan/KPP*) have been established at the village level.

In the area of the **capacity-building of local governments**, the project facilitated the following achievements:

- A total of 68 training sessions were provided at the national level;
- A total of 316 training sessions were provided at the provincial level;
- A total of 11,430 local government apparatus staff and 9,160 local management consultants were trained and subsequently participated at the national level;
- A total of 11,430 local government staff and 9,160 local management consultants were trained at the provincial level.

FUTURE PLANS

The Indonesian Government's Master Plan for the Acceleration and Expansion of Indonesian Poverty Reduction (MP3KI) states that after 2015, two categories of activities will take place: (i) a policy transformation program for social protection; and (ii) livelihoods development for the poor/vulnerable. The project is expected to provide assistance to the government in the implementation of this transitional policy phase to support the achievement of the goals defined by the MP3KI.

LESSONS LEARNED

Capacity-building for local governments is essential for successful project implementation. In this regard, the project learned that effective sub-project implementation is contingent on sub-district governments' respective levels of initiative and commitment and on their capacity to manage, coordinate and supervise works. This in turn calls for district institutions' provision of meaningful inputs to sub-district development plans and for the provision of guidance to sub-district staff to enhance their planning functions.

Past development projects with major infrastructure components have been mainly concerned with facilitating access to infrastructure such as roads, which is assumed to improve local agriculture outcomes. However, the project found that there is a complex dynamic in the manner in which transport affects the long-term development of rural economies. In addition to accessibility to markets, other factors, such as the overall structure of local economies, including demand for crops and levels of output all influence agricultural prices, a significant. Thus, to ensure that increased accessibility results in positive impacts on agricultural production levels, other factors in addition to transport infrastructure need to be considered, through the application of a holistic approach.

PNPM programs have built thousands of infrastructure projects across Indonesia. Here, a disabled-access latrine in Aceh Besar improves the day-to-day lives of the physically-handicapped.



WINDOW ONE

SUPPORT TO SPECIAL PROGRAMS

One of the key roles of the PSF is to enable the Government to take full advantage of the PNPM platform's ability to reach every village and to deliver an array of services that improves the lives of Indonesians with substantial development outcomes. To this end, the PSF has provided direct budget support to the Government for a range of special programs and pilots.

With commitments reaching over US\$298 million and with a continuously expanding geographic coverage (499 sub-districts in 2014), **PNPM Generasi** is by far the largest PSF program. This program has helped to improve access to health and education services for an estimated 6.7 million beneficiaries in 5,400 villages. Generasi rewards poor communities' performance in providing quality education and health services to women and children through an incentivized block grant mechanism. In 2014, PNPM Generasi succeeded in delivering Infant and Young Child Feeding (IYCF) training and piloting the interventions to incentivize participation in Early Childhood Education and Development (ECED) services in three districts. The PSF has continued to facilitate the delivery of improved training, high quality monitoring and evaluation, and stronger coordination between multiple stakeholders.

The **Disaster Management Support** project responded to the urgent need to provide assistance to communities affected by the October 2010 natural disasters in West Sumatra, Yogyakarta, and Central Java. It has three operations under PNPM Rural, PNPM Urban and the Community-Based Settlement Rehabilitation and Reconstruction (Rekompak). In 2014, despite initial setbacks at the start of activities, the project managed to largely accomplish the completion of remaining sub-projects (63 out of 75 sub-projects) in Mentawai, with the establishment of a task force and a series of missions, which successfully resolved some delays and ensured supervision continuity. The remaining 12 sub-projects could not be completed due to the limited provision of facilitation and technical assistance, a challenge that is mainly associated with the remote nature of islands.

The **PNPM Urban in Aceh** project aims to support the implementation of PNPM Urban in Aceh. In 2014, the main focus was on implementing two pilot projects, namely, Gender Mainstreaming Program in Aceh (SELARAS) and Sustainable Urban Livelihoods Pilot Program. SELARAS now covers 426 gampong (villages) in 12 cities/districts in Aceh, for which more than 11,000 volunteers and 8,600 gender focal points had been recruited and trained, with 47 percent of the latter being poor women. It has been reported that the attendance and involvement of women in their community activities has been gradually increasing, albeit the quality of participation needs improvement. The Sustainable Urban Livelihoods Pilot Project was designed to build the capacities of poor community members in competencies such as saving, lending, making loan repayments, bookkeeping, and developing business or job-related skills. In 2014, socialization activities, the recruitment and training of community volunteers, and the establishment of the community beneficiary groups were completed in four urban wards.

Figure 8. Funds committed and disbursed under Window One, 2008-2014 (US\$ million)



WINDOW ONE

PNPM GENERASI

SUMMARY INFORMATION

Status	Task Team Leaders	Implementing Agency
Active	Robert Wrobel (rwrobel@worldbank.org)	Directorate for the Empowerment of Community Social and Cultural Institutions, Directorate General of Community and Village Empowerment (PMD), Ministry of Home Affairs

Start Date to Closing Date

BETF: 26 May 2008 to 31 December 2017
 RETF: TF097410: 10 August 2010 to 31 December 2014;
 TF014769: 24 June 2013 to 31 December 2017

Geographic Coverage

Approved Budget

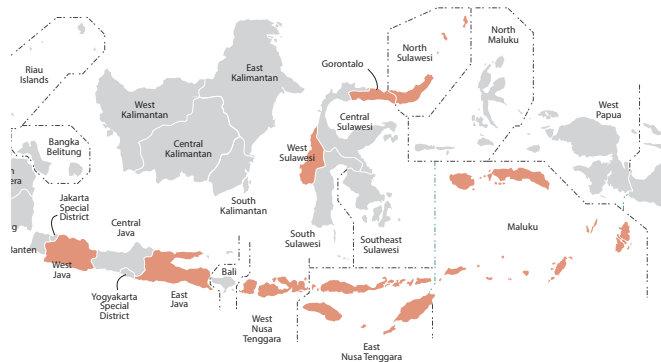
5,400 villages in 499 poor sub-districts in East Nusa Tenggara (NTT), West Nusa Tenggara (NTB), West Java, East Java, North Sulawesi, Gorontalo, West Sulawesi, Maluku, West Kalimantan, Central Kalimantan and South Sumatra provinces

PROJECT RATIONALE AND OVERVIEW

In mid-2007, the Indonesian Government launched PNPM Generasi to test the use of an incentivized, participatory block grant system to meet the specific needs of women and children, as defined by the Millennium Development Goals (MDGs). Despite significant improvements in terms of key human development indicators over the past several decades, Indonesia's performance has lagged in the areas of maternal and infant mortality, child malnutrition, junior secondary school enrollment, and education learning quality. Regional disparities have also persisted, with generally poorer outcomes in rural and remote areas, than in urban areas. PNPM Generasi aims to facilitate improvements in terms of three MDGs in which Indonesia's performance is falling short: (i) the achievement of universal basic education; (ii) reductions in child mortality; and (iii) improvements in maternal health. The project's stated development objective is *to empower local communities in poor, rural sub-districts in target provinces to increase the utilization of health and education services*. With the inclusion of 130 sub-districts in three new provinces, namely West Kalimantan, Central Kalimantan and South Sumatra, the program now operates in 499 sub-districts in 11 provinces throughout Indonesia.

PNPM Generasi provides funds to enable communities and local health and education providers to work together to identify pressing constraints affecting the provision and use of critical educational and health services, as well as to

Map 3. Provinces Covered by PNPM Generasi



develop their own solutions to address these constraints in a manner that is appropriate to their specific situations. If community interventions result in improved health and educational outcomes in terms of defined indicators, the sub-district is rewarded through an increased budget allocation in the following year. A randomized impact evaluation of the program conducted in the period from 2007 to 2010 demonstrated that PNPM Generasi had a statistically significant positive impact, especially in terms of the frequency with which young children took part in weight checks, a vital process in the detection and management of malnutrition. The project also had the greatest impact in areas with low baseline health and education indicators, such as East Nusa Tenggara (NTT), a province in which health and educational issues are often regarded as particularly intractable.



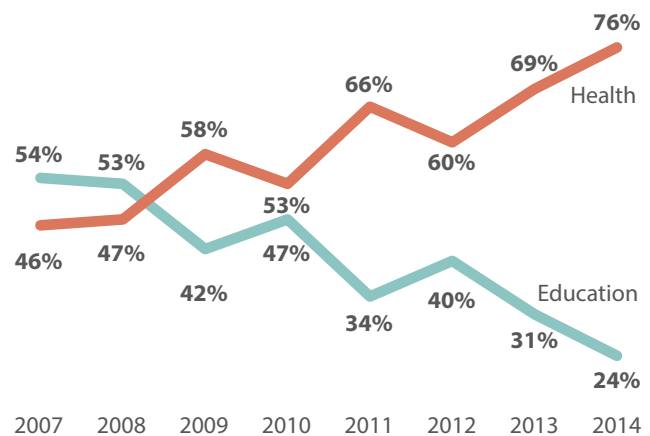
A young woman hugs her baby niece, who is afflicted with a heart condition. With PNPB Generasi's regular weigh-ins and health check-ups, local posyandu staff in each village is able to monitor infants' and children's health.

Over the years, some aspects of the program design have been modified to reflect lessons learned through the implementation of the program and the evolving priorities of the Government. In particular, in the area of health, the Government is placing an increased emphasis on improving maternal and child nutrition as a means to reduce the rate of incidence of low birth weight and the prevalence of stunting among children under the age of two. PNPM Generasi's demand-side approach is now accompanied by complementary supply-side activities that are aimed at improving the quality and availability of maternal health and nutrition services. These supply-side activities are implemented by the Ministry of Health and district governments. In addition, a number of significant design changes have been implemented, including the revision of target indicators in 2014.

PROGRESS IN 2014

By the end of 2014, the Government had expanded the coverage of the program to 5,400 villages in 499 sub-districts, including sub-districts in three new provinces. With this expansion, PNPM Generasi will benefit 6.7 million people in total, with the value of block grants disbursed over the year amounting to US\$43 million, or 90 percent of the budget allocated for this purpose (US\$48.2 million). The key areas of PSF's support to PNPM Generasi included the provision of improved training for local facilitators; support for high quality monitoring, evaluation, and special studies; and technical assistance to facilitate effective coordination and the dissemination

Figure 9. Percentage of block grant funds spent on health and education activities



of information across the expanded set of stakeholders involved in the implementation and oversight of the program.

Training and support to local facilitators: In 2014, the PSF supported the provision of training to 158 district and sub-district facilitators in the three new provinces, in addition to the provision of refresher training to 622 facilitators (99% of the total) in provinces where the program had already been implemented.

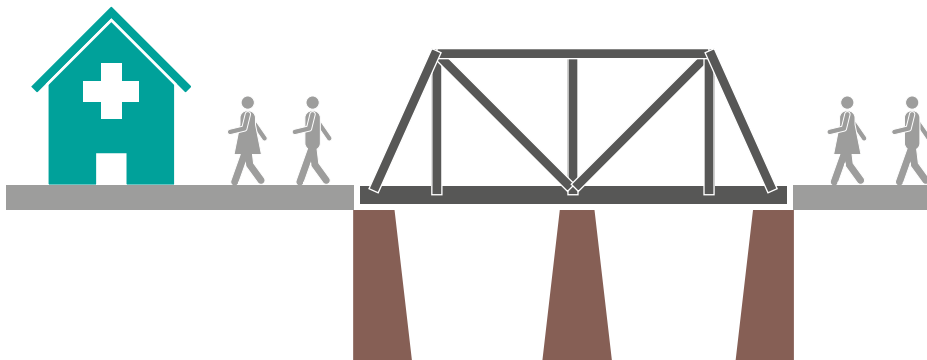
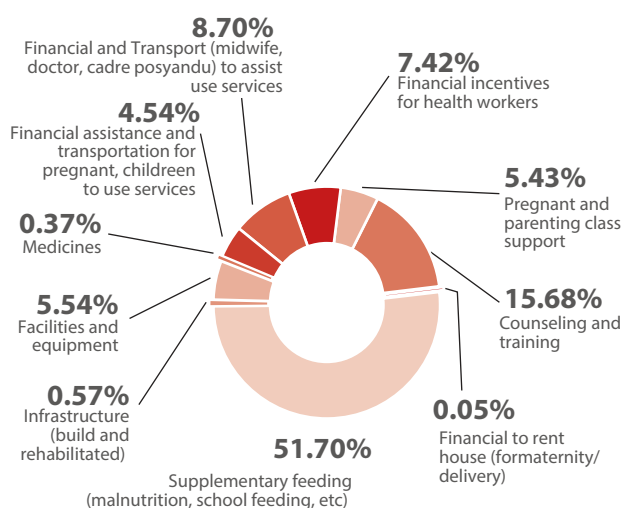
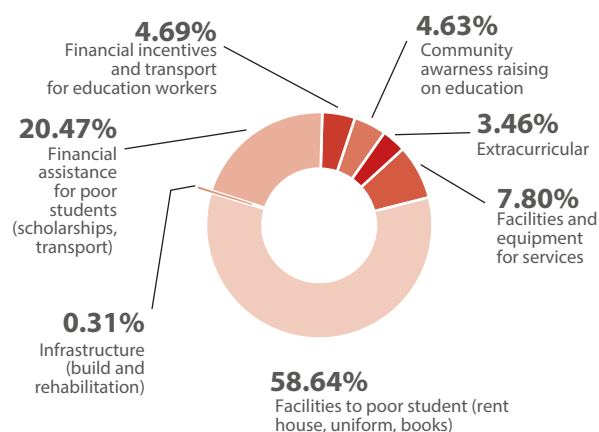


Figure 10. Block grant expenditures on Health FY 2014



Health: To support the Government's community-based health and nutrition program, the PSF socialized and facilitated the roll-out of complementary supply-side activities. Amongst other measures, it achieved this by supporting the provision of Infant and Young Child Feeding (IYCF) training, which was provided by the Millennium Challenge Account Indonesia (MCA-I) to staff of Puskesmas (community health centers), midwives, and cadres at posyandu (village health posts) in three districts of West Java (West Bandung, Sukabumi and Garut) and in the three new provinces.

Figure 11. Block grant expenditures on Education FY 2014



Education: Throughout the year, the PSF has continued to work with the Directorate General of Community and Village Empowerment (*Pemberdayaan Masyarakat Desa/PMD*) to pilot interventions to incentivize participation in Early Childhood Education and Development (ECED) services in three districts. It achieved this by: (i) providing operational funds to support the community mapping of existing ECED services; (ii) developing training materials related to ECED services for PNPM facilitators; (iii) distributing hard-copy ECED-related facilitation guidelines to PNPM facilitators;

Figure 12. Number of sub-districts benefiting from improved access to health and services





In some Generasi locations, homestead gardens produce nutritious food supplies for some local posyandus. These gardens also help address early childhood education needs, where local youth learn about eating well and caring for the environment.

(iv) recruiting a local facilitator for each sub-district to assist project facilitators with the collection of data related to ECED and with monitoring; and (v) facilitating hamlet-level discussions on the importance of ECED services, constraints to access, and on the development and implementation of sub-projects to overcome these constraints.

Monitoring and evaluation: In 2014, the PSF finalized the preparations for the second round of the Performance Monitoring Surveys (PMS), with data collection for this round beginning in December 2014. The PSF also facilitated the revision of performance indicators to align these indicators with the Government's increased prioritization of nutrition and the inclusion of children with disabilities and other special needs. In addition, the PSF conducted a number of field visits and consultations with stakeholders to review the Management Information System (MIS) and to determine the feasibility of an impact evaluation to gauge

the long term impact of PNPM Generasi. In addition, it provided inputs to MCA-I on survey instruments to be used for an impact evaluation.

Intensified coordination: Finally, the project supported activities to strengthen coordination between a range of PNPM Generasi stakeholders. As part of this process, it facilitated three workshops to explore the possibility of intensifying synergistic collaboration between PNPM Generasi and the Family Hope Program (*Program Keluarga Harapan/PKH*), a conditional cash transfer program, and the Poor Students Assistance program (*Bantuan Siswa Miskin/BSM*). The workshops were facilitated by program actors at the national level and attended by counterparts at the district level. The PSF has also provided significant inputs to the design and implementation of the Village Law to reflect the lessons learned from PNPM Generasi, specifically in the areas of improving governance, performance, and facilitation quality.



In addition to providing nutrition supplements for malnourished children and mothers, a posyandu in Cihampelas has a nutrition post, which delivers classes to educate mothers on preparing nutritious food. At the end of each class, the cooked food is shared among the mothers and children as communal, healthy supplements.

FUTURE PLANS

In 2015, a major focus of the PNPM Generasi team at the PSF will be on modifying the program's institutional arrangements in the context of the restructuring of the Cabinet and PMD. The implementation of the Village Law also has implications for the program, particularly with regards to the flow of funds and the operation of complaints handling mechanisms. Furthermore, in the period up until 2017, the project will focus on transferring project tools such as village problem diagnosis and planning methodologies, incentivized block grants, facilitator terms of references and training materials to the new systems for implementation under the Village Law.

Measures to mainstream the issue of poor members of the community's access to ECED services through PNPM Generasi will be implemented in 2015. To operationalize these measures, PNPM Generasi Technical Guidelines will be revised to enable investments in ECED, facilitating

the provision of small ear-marked transfers to communities to procure ECED community teacher training services, amongst other measures. The program will also facilitate the provision of specialized training for facilitators and the preparation of communications materials for ECED activities. In addition, the Ministry of Education and Culture will implement activities to strengthen national ECED service delivery standards and to provide training modules for use by district master trainers. The Ministry will encourage district governments in which PNPM Generasi is implemented to invest staff time and resources to support community teacher training and professional development, as a means to increase access to and to improve the quality of ECED.

The program will also focus on strengthening PNPM Generasi's MIS by: (i) implementing measures to improve data quality, completeness, and timeliness; (ii) increasing the use of information by program managers to improve program implementation; and (iii) strengthening linkages

with other data information systems. In 2015, PSF will facilitate a systemic assessment to identify problematic issues and to determine sustainable solutions. The PSF will also continue to prepare for a fourth round of the PNPM Generasi Impact Evaluation, which is intended to determine whether the effects that PNPM Generasi has had on rates of service utilization and service provision have been sustained over the past five years, and whether it has had impacts on long-term outcomes such as a reduction in the rates of malnutrition and mother and child mortality and improvements in early grade-school readiness.

LESSONS LEARNED

Evidence-based selection of project locations:

A number of evaluations have shown that PNPM Generasi has the most significant impact in areas with low baseline health and education indicators, regardless of whether they were also poor. This has significant policy implications, suggesting that for maximum impact, PNPM Generasi and similar programs should prioritize areas where health and educational indicators are lagging, rather than those identified as poor. These findings led the Government to decide, when expanding the PNPM Generasi program in 2014, to target three provinces with a low level of use of and access to basic health and education services and with above-average levels of childhood stunting.

Multi-sector collaboration: The multi-sectoral nature of PNPM Generasi requires a high level of multi-sectoral coordination, with clearly defined roles, responsibilities and accountability relationships for all the different program actors involved. The PSF has played a key role in facilitating the coordination among multi-stakeholders such as PMD, Bappenas, the Coordinating Ministry of Human Development and Cultural Affairs, the Ministry of Health, and the Ministry of Education. While multi-sectoral coordination is resource-intensive and contingent on a range of technical expertise, the importance of facilitation and coordination efforts is often overlooked and underestimated, as there is no concrete way to measure its impact. Nonetheless, PNPM Generasi has been successful in cross-sectoral collaboration with both the Ministry of Health and the Ministry of Education and Culture committed to implementing activities to strengthen the supply side in PNPM Generasi areas.

Approaches to improving nutritional outcomes:

A number of analytical works and evaluations have played a crucial role in facilitating ongoing improvements to

the design of the program, including the “Opportunities and Approaches for Better Nutrition Outcomes in PNPM Generasi” study, which found that the impact of expenditure on food supplements under the PNPM Generasi program has not been commensurate with their expenses. This study recommended that limits should be placed on the program budget allocation for food supplements, and that the quality of food supplementation should be improved by purchasing fresh food from local vendors instead of packaged products from the cities. The study also recommended a more flexible mechanism for the rapid and targeted treatment of identified cases of acute malnutrition with food supplements. In addition, the study found that with health post cadres playing a crucial role in providing maternal and child health care, the PNPM Generasi program should provide additional training to cadres to enable them to better identify signs of under-nutrition, infections, pregnancy risks, and even mental health disorders for referral to trained health professionals.

Providing support to children with special needs:

PNPM Generasi recognizes that the project’s limited success in facilitating the inclusion of children with disabilities has been largely due to the low level of awareness of all program actors, as well as a general lack of understanding of disability issues. Many stakeholders hold a deeply entrenched belief that it is simply not possible for those with disabilities to participate in and make a contribution to community-level processes. To address this, PNPM Generasi is adopting a number of measures, including raising community awareness regarding the rights of children with disabilities to the same level of access to health, education and protection as all other children. The program is also developing training materials and activities to build the capacities of sub-district and village-level facilitators, village implementation teams, disabled peoples organizations and other community organizations to address disabled children’s issues.

KEY PERFORMANCE INDICATORS

Result Indicators	Unit of Measure	Base-line (2012)	Total Target (2017)	Targets (Cumulative)				Delivered in 2014 (only)	Cumulative Progress as of Dec 31, 2014	Difference with cumulative target for 2014	Comments on progress
				2013	2014	2015	2016				
% of pregnant women receiving four prenatal care visits	%	70	>80	70	75	75	80	70 (2013)	70 (2013)	-5	The most recent data is from 2013. Data for 2014 will come from Performance Monitoring Survey (PMS) 2014 that is still being finalized.
% of deliveries assisted by trained professionals		75	>85	75	80	80	85	89 (2013)	89 (2013)	+9	
% of children under three weighed monthly		75	>85	75	80	80	85	75 (2013)	75 (2013)	-5	
% of pregnant women participating in pregnancy and nutrition class monthly		0	>60	0	50	55	60	n/a	n/a	n/a	These indicators are newly introduced through the additional financing (hence, no previous data). 2014 data will be generated from PMS 2014 that is still being finalized.
% of male caregivers participating in pregnancy and nutrition class monthly		0	40	0	10	20	30	n/a	n/a	n/a	
% of parents 0-2 year olds participating in children parenting		0	>60	0	50	55	60	n/a	n/a	n/a	
Junior secondary enrollment rate	%	65	>85	65	70	70	85	85.4 (2013)	85.4 (2013)	+15.4	Data for 2014 will come from PMS 2014.
Women	%	65	>75	70	70	75	75	67	67	-3	From MIS Data
Poorest community members		60	>60	60	60	60	60	51	51	-9	
499 kecamatan (old and new locations)	# in millions	5.4	6.7	5.4	6.7	6.7	6.7	1.9	1.9	-4.8	2014 achievement represents only 40% of villages that have uploaded beneficiaries' data into the PMS. This will be updated in due course.
130 kecamatan (new location)		0	1.3	0	1.3	1.3	1.3	0.3	0.3	-1	
% of which female	%	50	55	55	55	55	55	57	57	+2	
IOI (intermediate outcome indicator)#1: % of sub-districts with 100% disbursement rate at the end of program cycle	%	85	>90	85	85	90	90	99.60	99.60	+14.6	This is the disbursement rate for the total program consisting of four components.
IOI#2: % of previous non-users as beneficiaries of sub-projects		25	>50	35	40	50	50	46	46	+6	From MIS Data
IOI#3: % of sub-districts in which service providers attended MAD		60	80	60	60	70	80	99.40	99.40	+39.4	From MIS Data
IOI#4: % of district government which conducted supervision to communities as planned	%	45	50	50	50	50	50	n/a	n/a	n/a	Supervision by district governments delayed
IOI#5: % sub-districts conducted planning and coordination workshop with district-level health and education office to discuss Generasi activities		40	80	70	70	80	80	99.40	99.40	+29.4	From MIS Data
IOI#6: % of district-level MIS data completed (verified, entered and submitted)		80	85	80	80	85	85	77	77	-3	From MIS data. 77% completed for 2013. The project cycle for 2014 started in June.
IOI#7: % of sub-districts in which 50% of villages conducted cross-village audits as planned		60	>70	60	65	65	70	44	44	-21	Cross-village audit for 2014 commenced in June 2014 (for old locations) and will start for the new locations in early 2015.
IOI#8: % of planned facilitators at all levels were recruited and trained according to the agreed training plan	%	80	90	80	90	90	90	97	97	+7	From PMD Data

IOI: Intermediate Output Indicator

WINDOW ONE

PNPM DISASTER MANAGEMENT SUPPORT

PROJECT RATIONALE AND OVERVIEW

Indonesia is one of the most disaster-prone countries in the world. In 2010, the country was hit by several major natural disasters, including an earthquake that triggered a tsunami that struck Mentawai (West Sumatra) and the volcanic eruption of Mount Merapi (Central Java and the Special Region of Yogyakarta). These events resulted in the deaths of hundreds of people and the displacement of tens of thousands more, causing significant economic losses to already poor communities. The Government requested emergency assistance from the PNPM Support Facility (PSF) to use the PNPM platform as a key instrument to facilitate its recovery strategy in these areas. The Government also asked that special funding for disaster recovery be made available in other locations, should the need arise. The PSF's Joint Management Committee (JMC) responded positively to the Government's request with the establishment of the Disaster Management Support (DMS) project in 2011.

The project supports the Government's disaster management efforts at the community level through three main operations: PNPM Rural, PNPM Urban, and the Community-Based Settlement Rehabilitation and Reconstruction (Rekompak) programs. The project covers 204 villages (PNPM Rural), 38 urban wards (PNPM Urban) and 45 villages (Rekompak) in the three provinces that were affected by disasters. In areas affected by the volcanic eruption, the project supported the Action Plan for Mount Merapi Rehabilitation and Reconstruction (*Renaksi RR Merapi*), which was enacted through Perka No. 14, 2011 (Regulation of the BNPB, National Agency for Disaster Management). This Action Plan was later amended to include villages impacted by successive lava flows.

SUMMARY INFORMATION

Status	Task Team Leader(s)	Executing Agency(ies)
Closed	Sonya Woo (swoo1@worldbank.org)	Directorate of Community Institutions and Training, Directorate General of Community and Village Empowerment (PMD), Ministry of Home Affairs
Start Date to Closing Date		
23 March 2011 to 30 November 2014		
Geographic Coverage		Approved Budget
Five districts in three provinces (Central Java, Special Region of Yogyakarta, West Sumatra)		US\$26,698,036

Map 4. Provinces covered by PNPM Disaster Management Support project



The project initially encountered delays due to the slow disbursement of block grants in affected areas. However, after this issue was resolved, the implementation of the project gathered momentum. By the end of 2011, the project had disbursed more than US\$9 million to support communities affected by the Mount Merapi eruption, facilitating cash-for-work programs that provided more than 800,000 days of employment for local community members. The cash-for-work programs first supported cleanup activities, followed by the reconstruction of infrastructure. To compensate for initial delays in disbursements, the project was extended until 31 December 2013, so that sub-projects under PNPM



A meeting for community members in Pekalongan District's Lambangelun Village reviews post-disaster livelihoods practices, including good financial management, savings, and bookkeeping habits.

Rural and Rekompak could be completed. All PNPM Urban activities were completed by the end of 2012. For projects implemented under PNPM Rural, an additional extension of the closing date to 30 November 2014 was approved to complete activities in Mentawai.

The development objective of the DMS project under PNPM Rural is to ensure that *villagers in PNPM Rural locations benefit from improved socio-economic and local governance conditions in disaster affected areas*. The project, with the grants intended to help finance the costs of disaster management efforts, have three components: (i) Disaster Management *Kecamatan* (sub-district) Grants; (ii) Facilitation Support; and (iii) Implementation Support and Technical Assistance. Disaster-recovery grants are additional to the regular PNPM block grants. In a situation where a disaster occurs, the project's operational policies allow communities to use regular block grants to conduct cash-for-work activities and to facilitate the provision of social funds to respond to emergency situations; to build temporary shelters; to rebuild damaged infrastructure; and to execute other similar activities, before the post-disaster grant becomes available.

PROGRESS IN 2014

At the closure of the project, the project has achieved significant success in meeting its objective of ensuring that villagers in project locations benefited from improved socio-economic and local governance conditions, particularly in Mentawai, the last project area. While some sub-projects remain incomplete, the implementing agency, the Directorate General of Community and Village Empowerment (PMD) and local government officials provided additional oversight in the last six months of the year to accelerate project implementation. Of the 75 sub-projects in Mentawai, 63 sub-projects (84% of the total) had been fully completed by the project's closure at the end of November 2014, with a fund utilization rate of 100 percent and a physical progress rate of 97 percent. However, as of the project's closing date, 12 sub-projects had not yet been completed, mainly due to the limited provision of facilitation and technical assistance. This failure was largely due to the remote nature of the islands; the limited transportation infrastructure, with much travel requiring boat trips; the challenges and cost of logistical coordination, which resulted in a lack of

required materials; and insufficient technical resources to support sub-project implementation. In addition, a slow budget carry-over process earlier this year resulted in the suspension of the majority of sub-projects and further exacerbated delays.

Nonetheless, based on the recommendations from the Implementation Support Mission in June 2014, two significant actions were undertaken in 2014: (i) a task force to support the completion of remaining sub-projects in Mentawai was established on 28 August 2014, consisting of PMD, PSF, the National Management Consultant (NMC), and the Regional Management Consultant (RMC); and (ii) two additional missions were conducted in September and October to ensure continuity in the supervision of the remaining sub-projects. These visits have resulted in the increased provision of support from the district governments, with this support playing a significant role in resolving delays to the completion of sub-projects. The Deputy District Head's visits to delayed sub-project sites in all four sub-districts in July and November 2014 also encouraged more productive action at community level. As a result, the quality of sub-projects and of the implementation process was evaluated as satisfactory in 2014. Specifically, 91 percent of infrastructure works were evaluated to be of high quality, with Operations and Maintenance (O&M) arrangements in place and functioning for 87 percent of infrastructure works. Both of these figures exceed the defined project targets.

The project closed on 30 November 2014. Prior to the project's closure, in July, the Government requested that remaining grants be utilized to provide assistance for the implementation of PNPM activities in other disaster-affected districts on a reimbursement basis. The World Bank approved the request to use the grants to assist affected communities in these districts, with these grants being utilized for 155 sub-projects in two sub-districts in the district of Karo, North Sumatra, and in ten sub-districts in three districts in the province of East Java, these being Kediri, Blitar, and Malang. Thus, by the end of 2014, the DMS project had financed a total of 936 sub-projects in five provinces.

FUTURE PLANS

The project evaluation commenced in December 2014, with this evaluation focusing on project-impacted areas in Central Java, where the majority of activities were implemented. The evaluation consists of a small-scale study to assess the Economic Internal Rates of Return (EIRR); beneficiary satisfaction levels; and the technical

quality of infrastructure. The evaluation will be finalized in February 2015 and will serve as an input for the preparation of the completion report, which is due on 30 May 2015.

LESSONS LEARNED

Additional support is critical in remote areas: One of the most critical factors for the success of community empowerment programs is the provision of facilitation and technical assistance. However, in remote areas spread over a wide geographical area and with a limited transport infrastructure, such as is the case in Mentawai, the supply of facilitation and technical support can be extremely challenging. To reach villages or hamlets where sub-projects are located, facilitators need to find transportation, a process that is often expensive and time-consuming, given its extremely limited availability. In this situation, the placement of a facilitator in each village, rather than at each sub-district center, would have enhanced the timely and effective delivery of both facilitation and technical assistance. Similarly, the operating costs for facilitators and UPKs (Activity Implementation Units) tend to be significantly higher in remote areas, often placing the continuity of supervision at risk. This is a recurring issue in remote locations, so special consideration should be given to the fact that the cost of implementation in order to achieve the same outcomes as in non-remote locations is often significantly higher should be given special consideration.

With regards to facilitators' workloads, designated teams with specific assignments are needed to deliver successful post disaster projects. In this project, facilitators were asked to administer and support multiple grants including both regular PNPM and DMS grants. As the project cycle of the regular PNPM program is already very time consuming, facilitators were more inclined to focus their efforts on the achievement of regular PNPM targets, but less inclined to focus on DMS project-specific targets. This caused delays to the completion of sub-projects. Under these conditions, the consolidation of grants or the simplification of reporting requirements would have ostensibly enabled facilitators to have more time to achieve a higher quality of implementation.

KEY PERFORMANCE INDICATORS

Result Indicators	Unit of Measure	Base-line	Total Target	Targets (Cumulative)			Delivered in 2014 (only)	Cumulative Progress as of Dec 31, 2014	Difference with cumulative target for 2014	Comments on progress
				2012	2013	2014				
Project Development Objective: Villagers in PNP Rural locations benefit from improved socio-economic and local governance conditions in disaster affected areas.										
> 50% of villages re-place infrastructure lost to disaster	% of villages	0	50%				23%	23%	-27%	The target was set higher than the actual number of infrastructure to be replaced by the project. Only a few facilities in the villages were destroyed/damaged.
> 80% satisfaction levels from beneficiaries regarding improved services and local-level governance	% of beneficiaries	>80%	>80%				71%			This result is acceptable for a small size sample with confidence level of 5% which have a value at the maximum of 81% for the real satisfaction level.
EIRRs > 30% for major rural infrastructure types	EIRR	39%	>30%				60%		n/a	The achievement exceeds the target, given the assumption that benefits generated by a sub-project remained constant over time.
Project Beneficiaries		0	> 70%				491,699	491,699	n/a	MIS only displays the number of beneficiaries. There is a discrepancy between the units of measurement and the result indicators.
Female Beneficiaries		0	n/a				247,915	247,915		See comment above.
#/type of infrastructure works, economic, and education and health subprojects/activities completed in selected disaster areas by 2012	# and types of sub-projects/activities	0	n/a				52	769	29	The end achievement has increased significantly in Mentawai and the 12 incomplete subprojects will be taken over by the local government.
>50% of infrastructure works are evaluated as of high quality	% of infrastructure works	0	>50%				91%	91%	+41%	
O&M arrangements are in place and functioning for >50% of infrastructure works	% of infrastructure works	0	>50%					87%	+37%	Continuous functioning of infrastructure indicates that the infrastructure has been built to reflect community needs.
Audit carried out in >25% of disaster affected sub-districts	% of sub-districts	0	>25%				39%	39%	+14%	The external audit report (BPKP) was conducted in 7 out of total 18 sub-districts in 2012. The updated audit will expected to be come out in June 2015.

**Note: Cumulative targets for the above indicators were not established by the team, because the project was initially supposed to close on December 31, 2012, and 90 percent of total 781 sub-projects were completed by early 2013.*

WINDOW ONE

PNPM URBAN IN ACEH

SUMMARY INFORMATION

Status	Task Team Leader (s)	Executing Agency(ies)
Active	Evi Hermirasari (ehermirasari@worldbank.org) George Soraya (gsoraya@worldbank.org)	Directorate General for Human Settlements (DGHS), Ministry of Public Works and World Bank

Start Date to Closing Date

21 May 2012 to 15 December 2016

Geographic Coverage

400 kelurahan (urban wards) in 12 cities/districts in Aceh Province

Approved Budget

US\$25,358,557

PROJECT RATIONALE AND OVERVIEW

PNPM Urban is a core component of the Indonesian Government's flagship poverty alleviation and community empowerment program, and supports the Government's efforts to ensure that the urban poor benefit from improved local governance and living conditions. PNPM Urban now covers 10,924 *kelurahan* (urban wards) and benefits approximately 26.7 million individuals. In 2012, the Joint Management Committee (JMC) of the PNPM Support Facility (PSF) approved a joint proposal by the Government and the United States Agency for International Development (USAID) for a US\$ 23.5 million grant to support the implementation of PNPM Urban in the province of Aceh. This project has four major components, as follows:

- **Capacity-building for Communities and Local Governments:** This component provides support for (i) capacity-building training and workshops; and (ii) facilitation for community boards of trustees (Badan Keswadayaan Masyarakat/BKMs), community groups, and the staff of Revolving Loan Funds (RLFs) units;
- **Kelurahan (Urban Wards) Grants:** This component provides grants to a value in excess of US\$14 million to co-finance sub-projects identified through the formulation of community development plans, with funding for pilot interventions for women groups to increase the rate of participation of women, spatial development programs for neighborhood infrastructure development targeting the poorest of the poor, and interventions to strengthen the livelihoods of poor communities;
- **Implementation Support and Technical Assistance:** This component provides support to build the capacities of the staff of Project Management Units (PMUs) and local government agencies and to implement monitoring and evaluation activities; and

Map 5. Provinces Covered by PNPM URBAN IN ACEH



- **Contingency for Disaster Response:** This component provides support to develop preparedness and to implement rapid response measures to address disasters, emergencies and/or catastrophic events at the urban ward level through sub-projects and/or using project implementation agreements.

At the end of 2014, the closing date of the project grants was extended until December 15, 2016 to provide time to address the low rate of disbursement, with this rate standing at only 61.7 percent of by November 2014, mainly due to delays in budget allocation by the Government. With this extension, two Bank-executed trust funds (BETFs) to provide implementation support and technical assistance to the implementing agency were consolidated into a single fund to achieve a higher level of administrative efficiency.



In an organized workshop, facilitators, community members, local government staff, and university faculty discuss how to mainstream a gender program into PNPM Urban in Aceh.

PROGRESS IN 2014

Gender Mainstreaming Program in Aceh (SELARAS):

In 2014, this pilot project covered 426 *gampongs* (villages) in 12 cities/districts in Aceh. By the end of 2014, activities including socialization campaigns, training programs, community self-surveys, community meetings, and preparation for the implementation of gender-responsive programs had been successfully completed in all locations, despite the challenges created by the delays to the national budget revision process in early 2014. More than 11,000 volunteers and 8,600 gender focal points had been recruited and trained. 47 percent of these gender focal points are poor women. The first grant tranche was disbursed in 2014, with funds expected to be fully utilized by the first quarter of 2015.

There has been a gradual increase in the level of attendance of women at community meetings in their level of involvement in community beneficiary groups

(Kelompok Swadaya Masyarakat/KSMs) and community boards of trustees (Badan Keswadayaan Masyarakat/BKMs). Measures to encourage a higher level of participation of women have been implemented, including the distribution of separate invitations to men and women and adjustments to meeting schedules to make them more suitable for women. The program has also allocated special funds for women's proposals endorsed through community meetings. Nonetheless, ongoing efforts need to be made to further improve the quality of women's participation, and the focus of 2015 will be improving the level of understanding of facilitators, volunteers, local governments, and members of communities regarding gender issues.

Sustainable Urban Livelihoods Pilot Program: This pilot project was designed to build the capacities of poor members of the community and to improve their level of access to employment and business opportunities. Under

this program, trained community volunteers provide intense facilitation to KSMs, each of which consists of 10 to 15 members. This capacity-building project is intended to develop competencies such as saving, lending, making loan repayments, bookkeeping, and developing business or job-related skills, among others. Funds for these activities are allocated through regular kelurahan grants. In Aceh, this project was implemented in four urban wards, located respectively in Banda Aceh and Lhokseumawe. By the end of 2014, socialization activities, the recruitment and training of community volunteers, and the establishment of the KSMs had been completed in these four urban wards.

FUTURE PLANS

Efforts to strengthen the level of awareness and understanding of community members concerning the concept of gender equality will continue throughout 2015. The preparation of training modules is currently underway, geared to address specific themes identified during the workshop conducted in June 2014. These themes include the basic concept of gender, the development of tailored media to support socialization activities in Aceh, facilitation techniques, and methods for the analysis of gender-responsive programs. An assessment of these activities will be conducted in the second half of 2015. Efforts to improve the monitoring of the SELARAS project's Management Information System (MIS) will also continue throughout the year.

The pilot livelihoods project will continue, with the development of an organizational structure and the formulation of KSM group rules concerning the conduct of group meetings and savings, lending, repayment and bookkeeping processes. During the first three months of the year, members of KSMs will be provided with training on matters related to organization-building, financial management, household economics, and relevant vocational skills. Following this, the preparation and assessment of group proposals will be conducted, after which grants will be disbursed.

In addition, quantitative impact evaluations and qualitative studies to assess the implementation of the gender-mainstreaming pilot program in Aceh will be conducted in the second half of 2015. The monitoring of the implementation of the sustainable urban livelihoods project will be carried out in the period from January to November 2015. The findings of these studies will serve as inputs for the refinement of the pilot activities, before the pilot is scaled-up to achieve nationwide coverage.

LESSONS LEARNED

Women's needs are still largely ignored in community development prioritization processes, mainly due to the perceived difficulties in addressing their needs. For example, women tend to prioritize household-based infrastructure, such as access to clean water, sanitation, housing, and solid waste facilities. However, communities tend to perceive the operation and maintenance of infrastructure of this ilk to be complex and tedious, and therefore overlook proposals related to these needs.

Benefits from the improved provision of and access to infrastructure are not evenly shared within the communities, with poorer members of communities tending to benefit to a lesser extent. To address this, the program should strive to create a higher level of sustainable, positive impacts for the poorest members of the communities. Amongst other means, this could be achieved by providing both vocational training and access to micro-credit and/or assistance with job placement. Facilitators have reported that the old approach, by which block grants were the main component of the program, is a key challenge for facilitators and volunteers endeavoring to help communities carry out pilot activities. The livelihoods pilot is trying to address this issue by engaging community volunteers and poor members of the communities through a group learning approach. Given the innovative nature of this pilot, an independent research agency has been engaged to provide rapid feedback to determine the extent of its impact.

KEY PERFORMANCE INDICATORS

Result Indicators	Unit of Measure	Base-line	Total Target	Targets (Cumulative)				Delivered in 2014 (only)	Cumulative Progress as of Dec 31, 2014	Difference with cumulative target for 2014	Comments on progress
				2012	2013	2014	2015				
Project Development Objective: The urban poor in participating urban wards benefit from improved local governance and living conditions that poor benefit from improved socio-economic and local governance conditions.											
Infrastructure built is at least 20% less expensive than that built by non-community based approaches	% of participating kelurahan	-	>80%	80% participating kelurahan	80% participating kelurahan	80%		-	-	-	Not yet due
Min 90% of complaints are resolved	% resolved complaint	95%	>90%	>90%	>90%	>90%		99%	99%	+9%	
Participation rate of the poorest and vulnerable community members in planning and decision making meetings	% of Participants	54% (PNPM Urban III)	> 40%	>40%	>40%	> 40%		70%	64.7%	+24.7%	
Participation rate of women in planning and decision making meetings	% of Participants	47% (PNPM Urban III)	> 40%	>40%	>40%	> 40%		52%	47.33%	+7.3%	
Percentage of infrastructure works evaluated as of good quality	% Infrastructure Activities	0%	> 70%	>70%	>70%	> 70%		88.2%	97.3%	+27.3%	
Percentage of oversight consultants (OCs) providing timely & accurate data through MIS	% of Completed Data	80% (PNPM Urban III)	> 90%	>80%	>90%	> 90%		51.8%	81.4%	-8.6%	Data completion is still ongoing for Project cycle 2014
Percentage of BKMs with completed annual financial audits	% of BKMs	>90%	n/a	n/a	-	>80%	>90%	100%	98.6%	+18.6%	



WINDOW TWO

IMPLEMENTATION AND COORDINATION SUPPORT

The PSF makes significant investments in PNPM's core functions and systems in the way that they can be sustained under a vision of more integrated local and community-driven development. The PSF provides supervisory and coordination support, as well as technical assistance to PNPM's implementing agencies and oversight bodies.

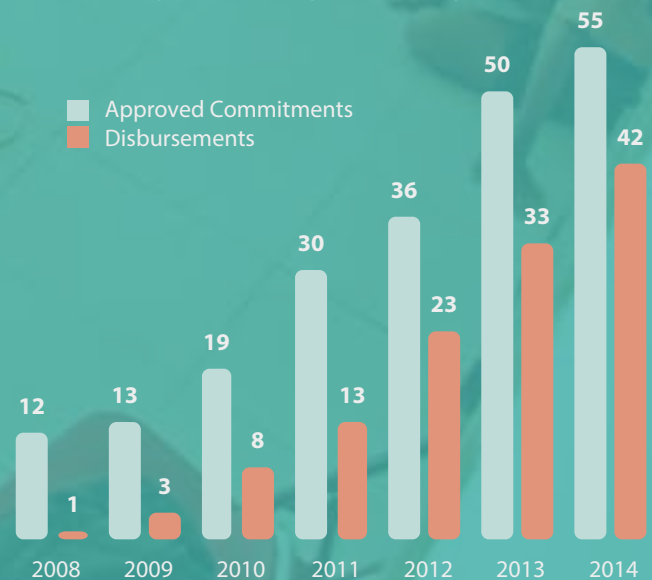
In 2014, the PSF continued to support a number of projects that are aimed to enhance the quality of facilitation in the program. PSF field analysts visited more 510 sub-projects in 490 villages in 225 sub-districts to provide portfolio-wide assistance and to engage local stakeholders. Including government stakeholders

in supervision and monitoring activities, such as joint missions, in-depth thematic reviews, and a collaborative preparation of action plans, has been shown to improve effectiveness in due diligence, internal audit reports, Interim Financial Reports, action plans, etc. Findings at the provincial level have been shared with relevant stakeholders through a number of means, including Back to Office Reports (BTORs), thematic workshops, provincial and national coordination meetings and issue notes. A team of fiduciary specialists also continued to assist implementing agencies in assessing the robustness of PNPM's fiduciary controls, resolving complaints and corruption cases, and produces analyses on the program's governance framework. After the **Field Operations**



Training for rattan weaving in a West Kalimantan village not only increases economic activity here, but also helps preserve the cultural heritage of the village.

Figure 13. Funds committed and disbursed under Window Two, 2008-2014 (US\$ million)



project was closed in December 2014, some members of the field operations team were incorporated into other teams to continue support and prepare for the implementation of the Village Law.

Technical assistance has been embedded in the Steering Committee of PNPM (Pokja Pengendali) and the National Development Planning Agency (Bappenas) to support their important role as overseers of the program. The PSF's provision of assistance to Pokja Pengendali and Bappenas formally came to a close in March 2015, and the two agencies will continue to support the implementation of the Government's poverty alleviation programs, in the context of the new Village Law.

The PSF launched an experiment through the **Creative Communities** project which uses creative expressions and community-based cultural methodologies to revitalize the empowerment process. The project has been successful in increasing people's understanding of PNPM, with high rates of community participation in 2014 — for example, more than 1,200 individuals participated directly in cultural activities, and roughly 5,600 participated indirectly by attending presentations and/or performances. In addition, the project enhanced the quality of participation in PNPM activities, for instance encouraging community members to mobilize other community members and express a greater voice in planning. Oversight of and support for the project will be transferred to the Managing Contractor hired by the Australian Department of Foreign Affairs and Trade (DFAT) on March 31, 2015.

Since 2008, the **PNPM Communications** team has assisted the Government by enhancing the usability and online exposure of information on PNPM programs, strengthening the ability of communities to ask questions and raise issues, generating frank and open dialogues about PNPM at all levels, enabling the exchange of knowledge between representatives of Indonesian government agencies and international delegations, disseminating more than 15,000 copies of more than 50 publications, and deploying social media to facilitate the flow of information regarding project performance and other matters. The project will close in early 2015, and all knowledge products will continue to be disseminated digitally through PSF websites.

Before closing on December 31, 2014, 290 participants graduated from the **Barefoot Engineers** training program in Tanah Papua, receiving positive feedback and external assessments on capacity-building effectiveness. Mentoring and the provision of residential support were shown to improve the engineers' long-term retention and engagement.

The third phase of the **Community Facilitators Development Project (CFDP)** was designed to improve the performance of facilitators by equipping them with basic competencies through a recognized certification process and continuous professional development. In 2014, the project has been successful in facilitating the establishment of professional certification program for community facilitators; mobilizing trainers and administrators for capacity-building, and providing refresher training, although it has yet to achieve a number of its defined enrollment and certification targets. CFDP

was closed on December 31, 2014 after an extension was granted.

For the local-level stakeholders, other capacity-building measures were introduced and/or strengthened during this year. **Pro-Poor Planning, Budgeting and Monitoring (P3BM)** is a toolkit that allows local governments to monitor and evaluate the extent to which their development plans and budgets are pro-poor and sensitive to socio-economic inequalities. A total of 2,511 regional staff was trained in 2014, of whom 32 percent were women, and 18 provincial P3BM clinics have been established to assist local governments in utilizing relevant databases, improving data quality, socializing P3BM activities, and so forth. Oversight of and support for the project will be transferred to the Managing Contractor hired by the DFAT on March 31, 2015.

One of the most critical measures to strengthen the management of PNPM is an improved Management Information System (MIS). In this regard, the PSF has supported the design, installation, and operation of an integrated MIS for all PNPM programs, **SIMPADU**, which aims to manage data pertaining to the implementation of PNPM Mandiri and thereby to enable national and provincial government institutions to more effectively monitor and plan community empowerment and poverty reduction programs. At the point of the project's closure in November 2014, SIMPADU had been receiving data directly from 18 out of 20 PNPM Mandiri's core and special programs, and includes a version for mobile devices as well. Bappenas plans to improve and expand SIMPADU in the future as well.

The **Village Training Program** is an initiative designed to support the newly approved Village Law (Undang-Undang 6 Tahun 2014 Tentang Desa), which provides significantly increased financial resources to villages. In response to the need to balance this new power with improved capacities, the project will formulate and pilot a training program to develop the capacities of village authorities. Despite delays in activities implementation as a result of the revision of the national budget, an associated Bank-executed Trust Fund (BETF) has provided implementation support to the PMD in the form of workshops, policy advice, technical assistance to PMD for drafting ministerial regulations and guidelines, as well as advice on the training material. Once the institutional arrangements for the program under the new Government are clarified and the 2015 national budget is released, it is anticipated that training activities under the Recipient-executed Trust Fund (RETF) will commence.

PNPM RURAL IMPLEMENTATION SUPPORT

SUMMARY INFORMATION

Status	Task Team Leader(s)	Implementing Agency
Active	Sonya Woo (swoo1@worldbank.org) Sentot S. Satria (ssatria@worldbank.org)	PSF/Wrold Bank
Start Date to Closing Date		Approved Budget
14 May 2008 to 31 December 2015		US\$7,734,642
Geographic Coverage		
National: 5,300 sub-districts in 403 districts in 33 provinces (in 2014)		

PROJECT RATIONALE AND OVERVIEW

Since it was first launched in 2008, PNPM Rural has been scaled up to cover approximately 5,300 sub-districts, an increase from 2600 sub-districts at the inception of the program. A number of studies and evaluations have found that this scale-up caused substantial strains on the program's management and governance frameworks. The need to intensify the provision of support in these areas was identified to achieve the program's development objective, which is for *villagers to benefit from improved local governance and socio-economic conditions*.

In response to this perceived need for intensified support, the Joint Management Committee (JMC) approved the establishment of a trust fund to facilitate implementation support to both PNPM Rural and PNPM Urban in May 2008. In 2009, a separate trust fund was established specifically to improve the supervision of PNPM Urban, while in 2010, two additional projects were established to work in close cooperation, providing support to PNPM Rural for: (i) the implementation and monitoring of PNPM Rural and the two Papua-based initiatives, PNPM Rural/RESPEK and PNPM Agriculture; and (ii) field operations and governance and fiduciary. The Implementation Support project aims to provide technical support, guidance, and supervision over the overall implementation of PNPM Rural activities through field-based monitoring and support and activities to improve governance, fiduciary, and Monitoring and Evaluation (M&E) systems. In addition, the project team also engages in high-level policy dialogue with PNPM Rural's implementing agency, the Directorate General of Community and Village Empowerment (PMD) under the Ministry of Home Affairs and with

the Steering Committee of PNPM (Pokja Pengendali). All these activities are intended to assist PMD to formulate recommendations, strategies and policies on the basis of evidence and technical analyses. The project also provides portfolio-wide implementation assistance and facilitates engagement with local-level project stakeholders, with the findings from field-level activities being aggregated to assist PMD to identify and address relevant issues as well as to determine opportunities for developing pilot projects.

In 2011, the Government and development partners agreed to focus on strengthening five key areas identified as critical for program management: (i) capacity-building for PMD to manage the program optimally; (ii) the redesign of the Management Information System (MIS) to enable the provision of reliable and comprehensive data; (iii) the strengthening of the Complaints Handling System (CHS) to enable the better detection, monitoring and resolution of fraud and corruption cases; (iv) the reinforcement of formal and informal fiduciary controls; and (v) improvements to the system for the management of facilitators, particularly in the area of career development, training, and levels of remuneration.

PROGRESS IN 2014

In 2014, significant progress was made towards the achievement of most aspects of the project's development objectives, including the formulation of technical guidelines, the revision of standard operating procedures, the implementation of thematic reviews, and the development of regulations. However, there has been little progress in terms of: (i) the establishment of the PNPM Joint Secretariat to enhance PMD's capacity

to manage various PNPM operations and to coordinate policy across different programs; and (ii) the development of a customized approach to remote areas, particularly in the Papuan provinces. Little attention has been paid to these two activities since the Government embarked on the implementation of the Village Law.

In 2014, the Implementation Support project focused on six key activities:

- **PNPM Project Manual (PTO):** Revisions to the PNPM project manual were completed in March 2014, with the translation and editing of the manual from Indonesian to English being finalized in August 2014. Materials related to several new policies were included, such as new project cycles with regional development plans (*musrenbang*) in order to achieve higher levels of efficiency through the implementation of the “one village, one plan, and one budget” principle; simplified community procurement procedures to reduce the administrative workloads of community-level institutions; and measures to ensure that PNPM actors are able to strengthen governance frameworks. In total, 28 key performance indicators were also included in the revised manual to enhance the program’s M&E functions. The revised manual was disseminated to all governors, heads of districts and provincial and district consultants/facilitators and the Implementation Support team encouraged PMD to distribute hard copies with annotations to explain the revisions. An initial socialization of the PTO was conducted through national and provincial level coordinating meetings, with refresher training being provided to district and sub-district facilitators.
- **Redesign of the Management Information System (MIS):** The purpose of this activity was to ensure reliable and comprehensive access to data received from the field. The construction of the data center to house all equipment and facilities for the new MIS was completed in February 2014. The system developer, Datacomm, completed the development of six modules (HR, capacity-building, project activities, financial governance and knowledge management) in consultation with the Implementation Support team. In November 2014, consultants and facilitators took part in field-user testing and training, with the data migration and validation processes being conducted at the same time. The formal hand-over of the MIS to PMD was completed on 3 December 2014.
- **Complaints handling and actions to address fraud and corruption:** Work on the development of the web-based Complaints Handling System (CHS)

was completed in June 2013, with the implementation of this system significantly strengthening program governance by enhancing the transparency and efficiency of the complaints-handling process. As a result of the implementation of this system, the average number of days required to resolve a case has decreased from roughly 900 days in 2008 to around 63 days in 2014. Furthermore, in preparation for the implementation of the Village Law, the PSF facilitated a workshop in September 2014 to revise the PNPM complaint and case-handling standard operating procedures (SOPs), including the development of guidelines and training materials for handling large fraud cases and for facilitating the community-based resolution of cases. PMD is committed to utilizing these revised SOPs and training materials in the upcoming provincial and district coordination meetings and trainings.

- **PNPM National Management Consultant (NMC) review:** The Implementation Support team conducted this review to enhance the support provided by NMC to PMD in the management of the PNPM program in the context of the transition to the implementation of the Village Law. The review identified the need to reorganize the project management team to better respond to the needs of PMD and the program’s challenges. This review was submitted to PMD in October 2014.
- **Adaptation to the Village Law and related regulations:** Following the promulgation of the Village Law in early 2014, the Implementation Support team facilitated a series of meetings and workshops with PMD, the National Team for the Acceleration of Poverty Reduction (TNP2K), and the Steering Committee of PNPM (Pokja Pengendali) to discuss the operational details of the law, and to ensure the appropriate management of the program during the transition period. The PSF regularly provided input to this dialogue, which culminated in the drafting of six government regulations to support the implementation of the Village Law. The PSF continues to facilitate dialogues related to the design of facilitation structure and management, technical guidelines, and training modules and systems for both facilitators and village government officials.
- **Implementation Support Missions (ISMs):** The Implementation Support team facilitated biannual PNPM Rural implementation support missions, which were conducted in February and September 2014 and involved visits by delegations from the PMD, the World Bank, NMC and Regional Management Consultants (RMCs) to 11 provinces. Findings from the missions

were analyzed, including matters related to the overall program management and transition arrangements for the implementation of the Village Law reports (Aide Memoire and Mid-Term Review), which were discussed with representatives of the PMD.

FUTURE PLANS

In 2015, the main focus of the project will be on ensuring the successful completion of PNPM Rural activities carried over from the previous year. In light of the transition to the implementation of the Village Law, it may be necessary to provide additional support to the Government on matters related to the inventory and safeguarding of PNPM assets, as well as to revisions to the PNPM governance structure in the context of the implementation of the Village Law. However, at present, Government plans for the continuation of PNPM Rural and the implementation of the Village Law remain unclear. The project will also focus on the completion of the PNPM Rural evaluation study, which is aimed at assisting the Government to assess the overall implementation of PNPM Rural 2012-2015, which is scheduled for closure in December 2015. The implementation support team will provide inputs and recommendations to the PSF Analytics team, which has the primary responsibility for the implementing the study.

and mentoring following their deployment in order to ensure that they are fully aware of and able to implement revisions to the project's SOPs and other technical guides. It is also important that facilitators receive competitive salaries (including appropriate allowances) through ongoing reassessment to ensure that they are in accord with prevailing market conditions and reflect the level of hardship that facilitators face in the field. Such measures are likely to ensure the continuity of facilitation, to reduce the number of vacant facilitator positions, to attract good facilitator candidates, and to increase the quality of supervision.

LESSONS LEARNED

To date, *kecamatan* block grants have been mainly utilized for a narrow range of sub-project types, particularly the development of small-scale infrastructure and the implementation of savings-and-loans activities for women, despite the fact that PNPM Rural works on an "open menu" system that theoretically enables communities to implement a far broader range of activities. Every year, the same types of sub-projects tend to be selected, limiting the potential economic and social benefits that could be derived from the selection of other types of sub-project. To encourage communities to select a more diverse range of sub-projects, facilitators need to be provided with financial and organizational incentives in order to encourage communities to consider a broader range of sub-project categories.

One of the most significant lessons learnt from the implementation of PNPM Rural is that the quality of facilitators is a critical factor in ensuring the success of large-scale community-based programs. Thus, it is essential to provide facilitators with both adequate training before they are deployed, and refresher training

KEY PERFORMANCE INDICATORS

Result Indicators	Unit of Measure	Base-line	Total Target	Targets (Cumulative)				Delivered in 2014 (only)	Cumulative Progress as of Dec 31, 2014	Difference with cumulative target for 2014	Comments on progress
				2012	2013	2014	2015				
Project Development Objective: To provide technical support, guidance and supervision to the overall PNPM Rural activities through field-based monitoring and support, governance, fiduciary, M&E.											
PMD's capacity to manage the various PNPM operations under its mandate is enhanced	n/a	PNPM Operations managed by PMD in silos	Establishment of a Joint Secretariat; MIS and CHS overhauled	Preparation for Joints Secretariat; management review	Joint Secretariat established	Completion of MIS and CHS overhaul	-	<ul style="list-style-type: none">• Datacenter for MIS is available• CHS redesign completed• Training of trainers completed• Field User Testing completed in December 2014	<ul style="list-style-type: none">• TOR & SOP for Secretariat finalized & endorsed but delays in the establishment• MIS redesign completed but not yet utilized• New CHS works effectively	<ul style="list-style-type: none">• Establishment of Joint Secretaries delayed• MIS user training is completed but delays in utilization	Given no progress on the establishment of the Joint Secretariat, the institutional arrangements may be further adjusted in light of the Village Law.
Field supervision, system reviews & studies help shape the policy dialogue on PNPM Rural and PNPM Mandiri	n/a	n/a	Field findings translate into strategic reform agenda for PNPM Rural; PSF inputs incorporated into the PNPM Roadmap	PSF inputs incorporated in the PNPM Roadmap; Studies inform PNPM 2012-2015 design improvement	Implementation support to the PNPM Roadmap provided, including action plans and pilots	Continue	-	PSF involves actively in providing inputs to five government regulations in support of the implementation of the Village Law (VL). In addition, facilitator structure and budget estimation needed for VL implementation has also been provided.	PSF continues to support PMD	On track	PSF will continue to provide policy and operational advice to support the transition to the VS platform, as well as formulation of PNPM Roadmap action plans. Meanwhile, several thematic studies have been identified by PMD but there is no progress yet.
# of risk-based supervision p.a.	# of missions	4 p.a. (2011)	6 p.a	6	6	6	-	4 p.a.	4 p.a.	-2 p.a	2 missions in February and September 2014 for PNPM Rural, 2 missions for Disaster Management Support in July and October 2014
Impact of a more comprehensive approach to capacity-building & facilitation is demonstrated	-	n/a	Capacity-building and facilitation acknowledged in law	EEE (Enhanced Empowerment Experiment) proposal finalized	EEE implemented	PMD informs the implementation of the Village Law	PNPM fully integrate into the Village Law	<ul style="list-style-type: none">• Socialization of Village Law in all trainings for facilitators & consultants• Two government regulations on the implementation of the Village Law (PP43/2014) and on the Village Fund (PP60/2014) issued	Policies and operational advices on the Village Law	On track	EEE was discontinued since the Government announced the Village Law. Two regulations on the implementation of Village Law have been issued, while five regulations are still waiting to be signed.
Joint government and donor review missions	Mission p.a.	2 missions p.a.	3 mission p.a	3	3	3	-	0	0	-3 p.a	
Customized approach developed for remote areas (e.g. Eastern Indonesia), starting with Papua	Status	n/a	Customized approach for remote areas, starting with Papua	Joint Papua working group established	Customized approach discussed, finalized and endorsed by Pokja Pengendali	continue	-		<ul style="list-style-type: none">• Papua Desk at the PMD secretariat established• Quarterly meeting held regularly• Discussion on the importance of revising PTO for Papua	PTO not yet fully revised	The main agenda of the quarterly meeting will be to monitor the progress, ensure the continuity in program support and facilitate timely coordination with the provincial government. The PMD has agreed to revise the PTO however no further action has been taken up due to uncertainty situation of PNPM Rural 2015.

WINDOW TWO

PNPM FIELD OPERATIONS AND GOVERNANCE AND FIDUCIARY SUPPORT

SUMMARY INFORMATION

Status	Task Team Leader(s)	Executing Agency(ies)
Closed	Sentot Surya Satria (ssatria@worldbank.org)	PNPM Support Facility
Start Date to Closing Date		
26 September 2011 to 31 December 2014		
Geographic Coverage		Approved Budget
National		US\$2,801,800

PROJECT RATIONALE AND OVERVIEW

The massive scale-up of PNPM Mandiri to become a nationwide program has raised the need for the Government to increase oversight, while placing strains on the program's management and governance frameworks. The PNPM Support Facility (PSF) provides additional support to enable the Government to ensure full supervision coverage and to fulfill reporting requirements, thereby strengthening the management systems of PNPM core and special programs. Although a number of projects under the PSF portfolio contribute to the achievement of this objective, a dedicated team of Field Analysts was established in January 2010 in order to provide portfolio-wide implementation assistance, to engage with local-level project stakeholders, and to build the Government's capacity to undertake integrated, risk-based supervision to support the achievement of its priority objectives. The team achieves these goals by: (i) conducting field supervision to cover the overall implementation performance, including fiduciary, procurement and governance aspects; (ii) providing technical assistance to address systemic issues; and (iii) fostering stakeholder involvement in field supervision, governance and anti-corruption efforts.

The Field Operations team works closely with the Governance and Fiduciary team, which routinely assesses the strength and integrity of PNPM's formal and informal controls over the fiduciary system; supports the Government in resolving complaints and corruption cases; and produces in-depth analyses into the program's

governance framework as inputs for the formulation and implementation of continuous improvements. Both teams coordinate with the PNPM Rural Implementation Support team, which provides national-level oversight and engages in higher level policy dialogue with PNPM Rural's implementing agency, the Directorate General of Community and Village Empowerment (*Pemberdayaan Masyarakat dan Desa*/PMD).

The Field Operations team produces field-level analyses and provides aggregated outcomes to the bodies responsible for the oversight of PNPM, implementing agencies, and development partners to enable them to identify areas for improvement and opportunities for pilot development. The project also co-finances or provides other support to implement a range of thematic reviews led by other PSF teams on aspects of fundamental importance to the program's performance. These thematic reviews cover issues such as local government integration, as well as the quality of infrastructure and revolving loan funds. The findings of supervision missions and studies are analyzed with the involvement of program stakeholders and serve as inputs for the development of action plans and the provision of follow-up technical assistance and implementation support.

PROGRESS IN 2014

In 2014, the project continued to support the reinforced implementation of field-based supervision of the PNPM programs. Over the year, supervision activities have increasingly involved national and local level government agencies in both formal and routine missions and in



This notice board in front of a UPK (Activity Management Unit) office in Sukamulya, Tangerang, Banten, provides information about project progress, in order to uphold transparency and accountability.

procedures to prepare for the extension of the program. The involvement of multiple stakeholders, particularly representatives of district and provincial level government agencies, in the implementation of supervision and monitoring activities has resulted in improved due diligence, internal audit reports, and the Interim Financial Report. In addition, 32 provincial governments recruited Revolving Loan Funds (RLFs) and business development facilitators; filled vacancies for facilitators' empty positions; and provided training on matters related to community-based handling of complaints and fraud cases.

In 2014, field-based supervision activities covered 510 sub-projects in 490 villages, 255 sub-districts, 129 districts, and 32 provinces. These activities covered most of the programs in the PSF portfolio, including PNPM Generasi, PNPM Peduli, PNPM Disaster Management Support, Creative Communities, and Barefoot Engineers. In the case of PNPM Rural, findings at the provincial level were shared with relevant stakeholders through a number of means, including Back to Office Reports (BTORs), thematic workshops, provincial and national coordination meetings and issue notes. These findings were then discussed with stakeholders to support the development of a consensus on actions to strengthen the management and governance framework for PNPM Rural.

A number of in-depth studies and thematic rapid reviews were conducted to complement the findings from the field missions. Examples of studies and reviews conducted in 2014 include: a Management Information System (MIS) Review; a Governance and Anti-Corruption review of fraud-handling cases; a Financial Review of 12 PSF projects; a Safeguards Review on Indigenous Peoples for three projects; a Procurement and Firms Contractual Performance Review; a Community-driven Development (CDD) Local Government Initiative Study; and a Women's Participation Rapid Review. The recommendations from these studies and reviews served as inputs for the development of action plans and the implementation of follow-up activities by implementing agencies, with these plans and activities involving actions such as reworking budgets to achieve higher levels of effectiveness; the development of plans and procedures to fill facilitators' and consultants' vacancies in remote areas; the implementation of corrective actions to resolve fraud cases; and the development of the Community Empowerment-based Poverty Alleviation Program (*Pengentasan Kemiskinan berbasis Pemberdayaan Masyarakat/PKPM*).

The project continued to provide technical assistance to the PMD to overhaul PNPM Rural's MIS and

Complaints-handling System (CHS). Both of these systems became fully operational in 2014, with measures to improve the quality of applications and data having been ongoing. The project also provided assistance to enable the PMD to develop and update ten standard operating procedures and program guidelines for PNPM Rural and PNPM Generasi. These improvements are intended to strengthen project oversight, fiduciary controls, and the implementation of safeguards. The project continued to promote the introduction and utilization of the Implementation Results Framework, which is intended to build clients' capacities to measure project performance systematically, to identify issues of concern, and to implement corrective actions. Quarterly updates are provided to assist the PMD to focus on improving the performance of sub-projects at target locations using this framework. In total, 40 percent of 200 agreed-upon corrective actions have been implemented by national and local governments in 2014. The failure to complete the remaining 60 percent of these corrective actions across 32 provinces is primarily attributable to the unclear direction provided by the Government in the context of the transition to the Village Law and the inauguration of the new administration following the presidential elections in 2014.

The project also continued to provide support to prepare for the implementation of the PNPM Roadmap, which consists of 12 policy agendas to sustain the impacts of community based poverty alleviation programs. As part of the preparation process, comparative field studies were conducted into local government initiatives involving CDD programs in eight provinces. The project also actively supported the transition and preparation for the implementation of the Village Law by organizing consultation workshops and seminars at the national and sub-national levels; by conducting assessments in several provinces; and by facilitating regular discussions regarding field findings related to the Village Law. The results of these activities served as inputs for the development of plans to consolidate and integrate various CDD programs in the context of the implementation of the Village Law and the promulgation of local government laws related to the agenda defined by the PNPM Roadmap.

FUTURE PLANS

The project was closed in December 2014. Following this closure, some members of the field operations team were incorporated into other teams to enable the continued provision of support to the Government to prepare a Roadmap for community-based poverty alleviation

programs and for the implementation of the Village Law, with ongoing activities involving sub-national consultations and the development of guidelines and technical manuals.

LESSONS LEARNED

Strong oversight and the enforcement of measures to address corruption at the provincial and district levels is needed in order to stem fraud and the misuse of funds, especially in a CDD project's final phases. In 2010, Pokja Pengendali and the PMD agreed to apply sanctions in the form of the temporary exclusion of locations with a high number of significant corruption cases. In 2014, no additional locations were suspended and sanctions were lifted in one district and 14 sub-districts. However, the overall trend is towards an increase in the number of cases of the misuse of funds, with the majority of these cases involving the misuse of funds from RLFs under PNPM Rural and PNPM Generasi. In some cases, funds appear to have been misused over a significant period of time. A governance team was established at Pokja Pengendali to support the PMD's ability to achieve the rapid resolution of such cases. However, unfortunately, the high turnover of the team members proved to be detrimental to its effectiveness. In addition, as the PNPM program is transitioning, the oversight by the National Management Consultant (NMC) and Regional Management Consultants (RMCs) has weakened, and this seems to have exacerbated the trend towards an increase in the number of cases of fraud and the misuse of funds.

In relation to this issue, the project learned that informed planning is particularly critical in times of multiple transitions. Towards the end of 2014, the newly-elected government administration created a new Coordinating Ministry for Village Development, Disadvantaged Areas and Transmigration (MoVDAT) with the delineation between its roles and responsibilities in relation to those of the Ministry of Home Affairs (MoHA) remaining unclear. The lack of coordinated planning has had multiple impacts on the PNPM program, including delays to the payment of facilitators' salaries, to the extension of their contracts, and to the management of fraud cases. As a result, the sustainability and reputation of the program are potentially at risk, with community stakeholders concerned about project governance and accountability. This underlines the pressing need for the Government to develop and socialize a clear exit strategy in times of transition.

KEY PERFORMANCE INDICATORS

Result Indicators	Unit of Measure	Base-line	Total Target	Targets (Cumulative)				Delivered in 2014 (only)	Cumulative Progress as of Dec 31, 2014	Difference with cumulative target for 2014	Comments on progress
				2012	2013	2014	2015*				
Project Development Objective: To respond to the increased need for oversight and action by multiple stakeholders under a scaled up program, while building government capacity to undertake integrated, risk-based supervision in support of its priority objectives											
# of corrective actions delivered	# of actions	-	1,200	600	800	1,000	1,200	154	1,051	+51	On track
# of meetings/ workshops to discuss systemic implementation issues at national and regional levels	# of meetings	-	350	158	222	286	350	82	264	-22	Reduced number of missions due to the Government's focus shifting to the Village Law preparation and also the lack of budget provision
# of provinces, districts, sub-district visited at least once (per year)	Provinc-es	-	32	32	32	32	32	32	32	0	On Target
	Districts	-	150	150	150	150	150	129	129	-21	In total the project has visited 444 districts over time
	Sub-dist-riicts visited per year	-	300	300	300	300	300	255	255	-45	The overall num-ber of missions reduced in 2014. See the above comment.
# of joint super-vision missions involving National and Local Govern-ments	# of joint missions	-	210	90	130	170	210	42	168	-2	
# of thematic reviews	# reviews	-	14	7	10	12	14	16	35	+23	
# of action plans/ program quality improvement plans	# of plans	-	60	30	40	50	60	29	79	+29	
# and type of SOPs/ Guideline revised with inputs from field supervision	# of doc-uments	-	26	14	18	22	26	10	30	+8	On target
Component 3: Stakeholders involvement in field supervision and governance and anti-corruption efforts											
# Regional/Pro-vincial work-shop with Local Governments, Local Legislatures, NGOs, CSOs, Media, Universities, etc.	# of work-shops	-	20	8	12	16	20	0	29	+13	
# and type of cross visits/comparative studies	# of cross-vis-its	-	20	8	12	16	20	0	2	-14	

* Total targets were set to be achieved by 2015 based on an assumption of the project extension in line with the ongoing schedule of the PNPM Rural program at that time.

WINDOW TWO

TECHNICAL ASSISTANCE TO BAPPENAS AND POKJA PENGENDALI

SUMMARY INFORMATION

Status	Task Team Leader(s)	Executing Agency(ies)
Closed	Sentot Satria (ssatria@worldbank.org)	PNPM Support Facility
Start Date to Closing Date		
21 September 2011 to 31 March 2015		
Geographic Coverage		Approved Budget
National		US\$3,081,867

PROJECT RATIONALE AND OVERVIEW

PNPM Mandiri has grown out of a small pilot study that involved 25 villages to become Indonesia's flagship poverty alleviation and community empowerment program, operating in more than 70,000 villages and urban wards in every sub-district of the country. This scale-up has created special challenges for the Government agencies responsible for managing the program. Of these agencies, the Steering Committee of PNPM (Pokja Pengendali), which is responsible for the overall management and implementation of PNPM Mandiri, and the National Development Planning Agency (Bappenas), which serves as the Chair of the PSF and leads the planning direction of PNPM Mandiri and monitoring and evaluation of the program, are particularly critical to the success of the program. In response to the challenges of running a nation-wide program of this scale, the Indonesian Government has requested that PSF provide technical assistance (TA) to these agencies.

The PSF has assisted Pokja Pengendali to coordinate policy planning, implementation, planning, supervision and oversight, and to increase the level of awareness of the public and local stakeholders regarding PNPM Mandiri. A Secretariat has been established under the coordination of the Deputy Minister for the Coordination of Poverty Reduction, with the purpose of this Secretariat being to facilitate analysis and to provide administrative and technical services to support the daily operations of Pokja Pengendali. The PSF also provides specific support to Bappenas, including the provision of technical staff and training to improve the quality of planning and monitoring of poverty reduction policy and programs. In 2014, the project was extended for a second time, until March 2015, to provide ongoing support to Pokja Pengendali and Bappenas.

PROGRESS IN 2014

In early 2014, the Village Law was promulgated by the Government of Indonesia, in line with the PNPM Road Map jointly developed by Pokja Pengendali and the National Team for the Acceleration of Poverty Reduction (*Tim Nasional Percepatan Penanggulangan Kemiskinan/TNP2K*). In the context of the promulgation of this new law and its impending implementation in 2015, several activities were conducted to support this process.

Pokja Pengendali: The Pokja Pengendali Secretariat, in collaboration with the PSF and TNP2K, developed a concept note to develop a program to improve the capacity of local governments to implement community-based poverty alleviation activities, with this program being known as the Community Empowerment-based Poverty Alleviation Program (*Pengentasan Kemiskinan Berbasis Pemberdayaan Masyarakat/PKPM*). As a follow-up to the decentralization programs conducted in 2013, six regional and provincial workshops and a number of focus group discussions (FGDs) regarding the allocation of roles in the implementation of community-based poverty alleviation programs were conducted in the period from August to October 2014.

The Anti-Corruption Spirit (*Gelar Semangat Anti Korupsi*) event was jointly organized by the Pokja Pengendali Secretariat, the PSF Communications team, and the Corruption Eradication Commission (*Komisi Pemberantasan Korupsi/KPK*). This event was conducted in Jombang, East Java on March 8, 2014, with activities such as a national seminar in the format of a talk show, featuring key Government officials speaking up against corruption. In addition, a *wayang kulit* (shadow puppet) performance was staged to deliver messages on fighting corruption in the community, with this event being

attended by more than 500 people and being broadcast live by several radio stations in Jombang. Governance and complaints-handling mechanisms were also strengthened in 2014 through regular meetings of PNPM stakeholders to discuss anti-corruption measures; the provision of support to ministries tasked with preventing and handling corruption cases; and the drafting of guidelines for complaints-handling by provincial and district level agencies. With the implementation of these measures, 98 percent of received complaints were resolved (133,491 from 135,659 received complaints).

The National Congress on PNPM Mandiri (Temu Nasional) was held on May 8-10, 2014 in Jakarta, with 100 successful PNPM “ambassadors” from all parts of Indonesia in attendance. With the theme “Through PNPM, Communities are Empowered, Independent and Dignified,” the event included a training workshop for the PNPM ambassadors on the presentation of their stories and experiences; a visit by PNPM ambassadors to Ministries involved in the implementation of the program; and a community celebration of the program’s achievements at Indonesia’s National Monument. The Temu Nasional event was a successful means of building community pride and encouraging ambassadors, organizers, and Government agencies to build on and maintain the success of the PNPM programs into the future.

Lastly, to socialize the Village Law to communities, the Pokja Pengendali Sekretariat, the PSF Communications Team, the Ministry of Communications and Informatics, and KPK worked together to conduct a number of talk shows regarding the Village Law through TVRI, RRI and media streaming, with these talk shows addressing a number of themes to familiarize the broader community with the operationalization of the Village Law in 2015.

Bappenas: In 2014, PSF support to Bappenas focused on facilitating a higher level of coordination between relevant technical ministries and working groups in order to prepare a plan for the transition to the Village Law and to accelerate the achievement of poverty reduction. The plan promotes the fulfillment of the needs of the beneficiaries through the provision of effective facilitation and encourages PNPM facilitators to support the implementation of the Village Law. The project also assisted Bappenas in preparing a payroll standard for facilitators, to be accommodated within district government’s budgets (*Anggaran Pendapatan dan Belanja Daerah/APBD*). In addition, the PSF’s support to Bappenas included facilitating the monitoring and supervision of the Revolving Loans Fund (RLF) pilot project and

the preparation of a Regional Poverty Index to facilitate the allocation of block grants.

FUTURE PLANS

At the end of January 2015, the PSF’s provision of assistance to Pokja Pengendali and Bappenas came to an end. With the submission of the completion report, the project was formally closed in March 2015. With the transition of PNPM Mandiri in the context of the implementation of the Village Law, the two agencies will continue to support the implementation of the Government’s poverty alleviation programs, under financial and institutional arrangements that have yet to be defined.

LESSONS LEARNED

The Temu Nasional demonstrated that a diverse range of community members can be champions or agents of change for PNPM in their respective districts and communities. By demonstrating enthusiasm and the desire to achieve progress, these champions are influential in encouraging others in their region to actively participate in the program. By documenting the actions of these champions, a greater number of community members may be motivated to contribute to the development of their own regions through interactions with these champions. Creative and spontaneous initiatives by communities should also be systematically documented and shared to create similar impacts elsewhere. Field visits to PNPM Mandiri locations and interactions with community level institutions, including Activity Management Units (*Unit Pengelola Kegiatan/UPK*) and community organizations (*Badan Keswadayaan Masyarakat/BKM*) have found many cases of good practices that go well beyond the requirements established by official guidelines. For instance, the initiative to connect BKM and UPKs with Bank Rakyat Indonesia was initially conceived by the BKM Forum in DI Yogyakarta and Solo, Central Java, with this initiative enabling many operators of household businesses to learn how to obtain credit from banks. In addition, in 2014, a number of champions who had been successful in channeling program funds participated in a dissemination event held in Semarang and Yogyakarta, and shared their experiences with other community members.

KEY PERFORMANCE INDICATORS

Result Indicators	Unit of Measure	Base-line	Total Target	Targets (Cumulative)			Delivered in 2014 (only)	Cumulative Progress as of Dec 31, 2014	Difference with cumulative target for 2014	Comments on progress
				2012	2013	2014				
Project Development Objective: To provide support to Pokja Pengendali in the aspects of coordination, management and oversight of PNPM Mandiri										
# of policy notes prepared	# of notes	0	2	6	11	n/a	3	17	Target surpassed	
# of districts/cities that socialized with cost sharing policy	# of districts/ cities	0	497	496	505	n/a	0	505	On target	
# of action plans for the PNPM Roadmap has been prepared with PNPM stakeholders	# of stakeholders	0	125	125	137	n/a	8	144	Target surpassed	
# of participants in National Congress of PNPM Mandiri	# of participants	0	600	600	600	n/a				
Project Development Objective: To provide support to Bappenas for improving the quality of planning, budgeting, monitoring and evaluation process of poverty reduction policy and programs										
Number of analysts providing technical assistance	# of analysts	0	2	2	3	3	2	4	-1	
Number of staff trained in the formulation of poverty reduction policies and programs	# of staff	0	5 to 6	5 to 6	5 to 6	5 to 6	0	1	-5	
Number of staff attending seminars/ workshops on the planning/monitoring of poverty programs	# of staff	0	5 to 6	5 to 6	5 to 6	5 to 6	0	0	-5	

WINDOW TWO

PNPM COMMUNICATIONS

SUMMARY INFORMATION

Status	Task Team Leader(s)	Executing Agency(ies)
Active	Caroline Mary Sage (csage@worldbank.org)	PNPM Support Facility

Start Date to Closing Date

13 June 2008 to 31 December 2017

Geographic Coverage

National

Approved Budget

US\$4,350,000

PROJECT RATIONALE AND OVERVIEW

PNPM Mandiri is a constantly evolving, innovative program that requires an intensive communications process if members of the community, representatives of the press, government officials, academics, activists, development workers and other key stakeholders are to stay informed of the program's development and to support efforts to achieve its goals. In order to meet this need, the PNPM Support Facility (PSF) established the PNPM Communications program in 2008 to assist the Government to develop a communication strategy to support continuous program improvements. The main components of this strategy include information dissemination; the development of social accountability mechanisms; capacity-building; and enhanced knowledge sharing between all PNPM stakeholders. The need for a strong communications strategy has become even more vital in the context of the development of the PNPM Roadmap and the broader Master Plan for the Acceleration of Economic Development (MP3EI) and the associated Master Plan for the Acceleration of Poverty Reduction (MP3KI).

In this context, the PNPM Communications program aims to strengthen PNPM's overarching communications and learning platform by: (i) building the capacity of government institutions involved in the management and implementation of PNPM in the area of knowledge-sharing and communications; (ii) supporting a range of stakeholders to codify, organize and share their knowledge through innovative communication tools and approaches; and (iii) developing accountability mechanisms to strengthen the voices of communities and their members; to empower them to express their opinions and aspirations; and to become more actively engaged in issues that affect their lives and to hold the program's key actors accountable.

Overall, the PNPM Communications program has gone far beyond its original mandate of providing technical support to the Government to develop an effective communications strategy. It has generated frank and open dialogues and exchanges of knowledge at all levels through activities ranging from the provision of support for high-level meetings conducted by PSF Joint Management Committee (JMC) and the Communications Forum under the Pokja Pengandali (PNPM Steering Committee) to creating opportunities for community sharing through the development of a network of 149 community radio stations. The project has also developed innovative communication strategies that involve the use of social media and that facilitate the flow of information regarding project performance and other matters between members of the Pokja Pengandali and community facilitators, thereby creating opportunities for project participants at the village level to share their experiences with policymakers and implementers. In addition, the project has facilitated South-South Knowledge Exchange (SSKE) visits involving delegations from more than 80 countries over the last three years. The project has also been involved in the production of an extensive list of high-quality publications, audio-visual presentations, media releases and other tangible outputs.

PROGRESS IN 2014

In 2014, the project's most significant activities included the following:

Support for the Government's PNPM Communications

Strategy: The project provided support to the PNPM Oversight Committee to engage with the Ministry of Communication and Informatics (Kemenkominfo) to provide 10 free airtime slots for television and radio talk shows on TVRI and RRI to socialize the Village Law; it assisted the Ministry of Home Affairs (MOHA) and

the Local Government Team to conduct an event to socialize the Village Law entitled Forum Desa Nusantara in Magelang; and it assisted in the organization of the 2014 PNPM National Congress (Temu Nasional, or Temnas), which was attended by more than 700 community development champions; representatives of women's groups; representatives of disabled people's organizations; village heads; and other stakeholders. The project also provided support to the PNPM Oversight Committee to engage with the Corruption Eradication Commission (Komisi Pemberantasan Korupsi, KPK) to stage events related to the 2014 Anti-Corruption Movement (Gelar Semangat Anti-Korupsi 2014) in Surabaya and Jombang.

South-South Knowledge Exchanges: The project continued to support the exchange of knowledge between representatives of Indonesian government agencies and international delegations. In 2014, the program facilitated four SSKes on community empowerment, delegations from Timor Leste, Colombia, Vietnam, and Ethiopia. In November, the program also facilitated knowledge exchanges between representatives of the Indonesian Government and universities from ASEAN countries, India, and Pakistan as part of the AsiaEngage conference held by the University of Indonesia. In addition, the team facilitated eight VIP visits, including a visit from Australia's Development Cooperation Minister, Australia's Ambassador for Women and Girls, the Millennium Challenge Corporation's Vice President, and a high level delegation from the United States Treasury.

Media monitoring and engagement: Throughout 2014, more than 7,000 references to the PNPM program were recorded through PSF's social media accounts, with these accounts potentially reaching more than two million individuals and with these social media accounts having attracted more than 21,000 followers. Since July 2014, the project has disseminated a range of infographic products to socialize issues related to the Village Law. After being revamped this year, the PSF's website (<http://www.pnpm-support.org>) attracted more than 31,400 unique visits, while the PSF online library (<http://www.psflibrary.org>) attracted more than 62,000 unique visits. The project engaged with more than 40 new conventional mass media organizations, with these engagements resulting in significant positive coverage of PNPM. Throughout 2014, the PNPM program and related issues were discussed in a total of 2,031 news articles, of which 752 were gauged to be positive, 153 negative, and the rest neutral. The largest proportion of these articles provided coverage

related to the Temnas and its call for the new Government to continue PNPM, the Village Law, the future of PNPM, and the partnership between PNPM and the KPK to address corruption and to facilitate the alleviation of poverty. In December 2014, the project also facilitated a visit by journalists from five countries to cover issues related to the implementation of PNPM and associated program activities.

Publications: Through the PSF Library, the project facilitated the dissemination of more than 15,000 copies of more than 50 publications, including a number of titles published this year, such as *Opportunities and Approaches for Better Nutrition Outcomes through PNPM Generasi*, the PNPM Rural factsheet, and a qualitative study on the proliferation and integration of community empowerment programs in Central Java, West Nusa Tenggara and South Sulawesi. The project also facilitated the dissemination of publications through PNPM Corners located at the Indonesia National Library; the Indonesian Parliamentary Library; the Secretariat of the PNPM Oversight Committee Office; and at a number of exhibitions. The project also provided assistance to the PNPM Oversight Committee to publish an Indonesian language coffee-table book titled *Berdaya di Kaki Langit* (Empowered Under Indonesia's Horizon), which documents the stories and experiences of 1000 PNPM champions.

FUTURE PLANS

With the transition of the PNPM Mandiri program in the context of the implementation of the Village Law, the PNPM Communications project will close in early 2015. All knowledge products produced by the program will continue to be disseminated digitally through PSF websites, which will be managed by the PSF Secretariat and the PSF Analytical team until the structure for the provision of support for ongoing community empowerment programs implemented in the context of the Village Law becomes clearer. The output report for the program is being drafted by the team in preparation for its closure.

LESSONS LEARNED

Some of the key lessons learned from the implementation of the PSF Communications project include the following:

Building effective relationships with multiple stakeholders is central to creating a positive public image and a higher level of awareness of PNPM:

The project was able to facilitate the establishment of these relationships by investing time and resources in frequent outreach activities, in formal and informal meetings, in learning events, and in the production and dissemination of a range of publications. For example, through concerted efforts, the project team successfully established close communication between a range of PNPM stakeholders, including representatives of the Coordinating Ministry for People's Welfare (Kemenkokesra), Kemenkominfo, MOHA and donor agencies. This also led to tangible outcomes such as in-kind support from Kemenkominfo, including the provision of free broadcasting slots to socialize issues related to PNPM since 2012.

The project team's ability to work together cooperatively was a critical factor in facilitating good communication and in creating opportunities for knowledge-sharing. The team members each focused

on their own areas of expertise, while at the same time supporting each other and working together to achieve common goals. This teamwork also involved close collaboration with other teams at the PSF, such as the Analytics team and project implementation support teams.

The rise of social media in Indonesia created an opportunity to improve the program's effectiveness.

The period in which the project was implemented coincided with the phenomenal growth in Indonesians' use of online social media. This provided a means to reach a broad base of project facilitators and community members across the country, which facilitated communications between grassroots stakeholders. It also enables the stakeholders to provide feedback directly to government officials and policymakers at the highest levels.

KEY PERFORMANCE INDICATORS

Result Indicators	Unit of Measure	Baseline	Total Target	Targets (Cumulative)			Delivered in 2014 (only)	Cumulative Progress as of Dec 31, 2014	Difference with cumulative target for 2014	Comments on progress
				2012	2013	2014				
Project Development Objective: To strengthen PNPM's overarching communications, social accountability and learning platform which supports continuous program improvements through information dissemination, development of social accountability mechanism, capacity-building and enhanced knowledge sharing among all PNPM stakeholders										
Strengthen public understanding of and support to PNPM Mandiri	n/a	PNPM known but limited public understanding of empowerment principles & process	The public's understanding of and support to PNPM increased through information dissemination and public diplomacy efforts	n/a	n/a	Level of familiarity and understanding of the public, key public figures and champions are increasing through public diplomacy efforts	Increased media coverage in conventional media, community media as well as social media, contributing to improved public understanding and support	Increased media coverage in conventional media, community media as well as social media, contributing to improved public understanding and support	On track	-
Enhance knowledge sharing (KS) among PNPM stakeholders	n/a	n/a	KS enhanced through ongoing use of communication channels and learning events/visits	Development of website and implementation of learning events and visits	Continuous improvement	Knowledge sharing is improved through the ongoing use of social tools by PNPM actors	Learning events and visits started in 2013 continued; documentation of PNPM's spirit and principles in the form of coffee table books initiated KS process among PNPM actors and other stakeholders	Website is revamped; learning events and visits implemented; analytical reports produced and disseminated	On track	

Result Indicators	Unit of Measure	Baseline	Total Target	Targets (Cumulative)			Delivered in 2014 (only)	Cumulative Progress as of Dec 31, 2014	Difference with cumulative target for 2014	Comments on progress
				2012	2013	2014				
Enhance PNP's transparency and social accountability by using communication channels as community feedback tools as well as tools to educate community on governance and anti-corruption (GAC)	# of communication channels being used as feedback and education tools on GAC	Community radio in 3 provinces engaged to be the feedback and education tools on GAC	Various communication channels being used as feedback and education tools on GAC; online mechanism developed	Community radio and social media being used as feedback tools; online mechanism developed	Community radio and social media being used as feedback and education tools; online mechanism launched and improved	Community radio and social media being used as feedback mechanism; creative events being held to educate community on GAC	Community radio and social media being used as feedback and education tools; Corruption Eradication Commission (KPK) is engaged to conduct an outreach event together	Community radio engaged, social media effectively used, creative events being held, Corruption Eradication Commission (KPK) is engaged as a partner on corruption prevention	On-track	
Media organizations participating in field visits	# of media organizations/year	23	30	28	30	30	44	44	On target	
PNPM publicity published and advertised in a variety of media	# publicity* # advertisement	25 publicity 12 advertisement	35 publicity	25 publicity	27 publicity	30 publicity	38 publicity	115 publicity and 27 advertisements	On target	*Publicity (free advertisement)
Community media engaged in information dissemination & community-driven monitoring	# of community media and association of community radio (JRK) engaged in # provinces	149 community radio and 9 JRK in 9 provinces	150 community radio and 15 JRK in 15 provinces	150 community radio and 12 JRK in 12 provinces	150 community radio and 15 JRK in 15 provinces	150 community radio and 15 JRK in 15 provinces	142 community radio and 15 JRK in 15 provinces	142 community radio, 15 JRK in 15 provinces and national level JRK	-8 community radio	Technical problems faced by 8 community radio stations forced them to exit the program
Media Monitoring	# of media monitored & articles analyzed for PNP's oversight bodies	49 daily media 1,300 articles annually	51 conventional media & social media, 2,200 articles per year	51 1,800	51 2,000	51 2,200	51 conventional media + over 30 online media & social media; 2,031 articles	51 conventional media + over 30 online media & social media; 2,031 articles	-169 articles monitored	
Publications/ Reports	# of titles & exemplars disseminated	25 titles 20,500 exemplars	30 titles & 5,000 exemplars per year	25 & 10,000	30 & 5,000	30 & 5,000	9 titles & 4,500 exemplars	120 titles & 39,700 exemplars for 4 years	-21 publications due to focus on PNP's lesson learned and analytical reports	# exemplars reduced as digital versions increasing
Learning events/workshop/exhibitions	# events/ workshops/ exhibitions	3 annually	10 annually	3	5	7	9	29 in total	Target surpassed	
Visits/study tours from foreign delegations	# of visits	4 annually	5 annually +1 GOI visits to foreign countries	5 incoming + 1 outgoing	5 incoming + 1 outgoing	5 incoming + 1 outgoing	7	30 incoming + 1 outgoing annually	Target surpassed	No outgoing visits for 2014

WINDOW TWO

PSF SECRETARIAT

SUMMARY INFORMATION

Status	Task Team Leader(s)	Executing Agency(ies)
Active	Narae Choi (nchoi@worldbank.org)	PNPM Support Facility
Start Date to Closing Date		
31 January 2008 to 31 March 2018		
Geographic Coverage		Approved Budget
National		US\$13,465,646

PROJECT RATIONALE AND OVERVIEW

The PNPM Support Facility (PSF) Secretariat provides operational and administrative services to the PSF to sustain an effective framework for the implementation of PNPM Mandiri. In addition to supporting the management of the PSF and coordinating the Joint Management Committee (JMC), the Secretariat provides fiduciary oversight and reports on the progress of all PSF programs. Key activities undertaken by the Secretariat include: (i) administering grant agreements issued through the PSF Trust Fund; (ii) coordinating program supervision missions and appraisals; (iii) providing operational and technical assistance to agencies managing PNPM Mandiri programs at the national, provincial and district levels; (iv) preparing financial reports and quarterly and annual progress reports; and (v) documenting and disseminating minutes of JMC meetings.

The Secretariat has supported the growth of the PSF portfolio, with the total value of commitments having increased from US\$ 37 million in 2008 to US\$ 404 million in 2014, and has managed a range of activities by engaging with a large number of government, civil society and other agencies. Nearly 80 percent of PSF resources are implemented through programs managed by the Government and Indonesian civil society organizations. To support this growth and diversification, the Secretariat focuses on enhancing client engagements with the JMC and other PNPM stakeholders and on maintaining the management and quality control systems to ensure the successful implementation of PSF-financed activities and the overall effectiveness of the development and coordination platform.

PROGRESS IN 2014

In 2014, the PSF underwent multiple transitions, including the restructuring of its portfolio, as agreed upon by the Government and donor agencies in 2013. In addition, there were major changes to the policy environment, with the promulgation of the Village Law in early

2014 and the assumption of authority by the newly-elected Government in October 2014. To address issues related to the transition, the Secretariat facilitated two JMC meetings (April and August) and three JMC Technical Committee meetings (March, July and December).

At the first JMC meeting in April, the meeting formally recommended that a mapping of PSF functions be implemented, so that clear roles and responsibilities would be delineated between the World Bank-managed PSF and the Managing Contractor (MC) to be hired by the Australian Department of Foreign Affairs and Trade (DFAT). At the second JMC meeting in August, representatives from the Coordinating Ministry of People's Welfare (Kemenko Kesra); the Directorate General of Community and Village Empowerment (PMD); and Bappenas presented updates on the preparations for the implementation of the Village Law. The meeting requested assistance to minimize risks and to promote quality impacts during the transition. With a range of different stakeholders holding different points of view, the discussions related to the transition were contentious at times, but they resulted in the forging of a common understanding of the Government's needs and of the roles expected from the PSF throughout the transition process. The Secretariat supported the process by providing information related to the PSF budget, staffing arrangements, and the progress of the project and its portfolio to the PSF.

The Secretariat also played a significant role by supporting project teams to enable them to continue their work while adjusting to the new implementation arrangements. Following the JMC meeting in August, the Secretariat assisted the management of the PSF in the formulation of an interim strategy to adapt to the priorities of the new Indonesian administration and Cabinet and to facilitate the transition of the PSF projects in the context of the implementation of the Village Law. The Secretariat also facilitated a concept note for the programmatic Analytical and Advisory (AAA) services to support the implementation of the Village Law. Meanwhile, the Secretariat

Figure 14. Donor partner contributions: 2008-2014 (Calendar Year (CY) and cumulative; in US\$ million)

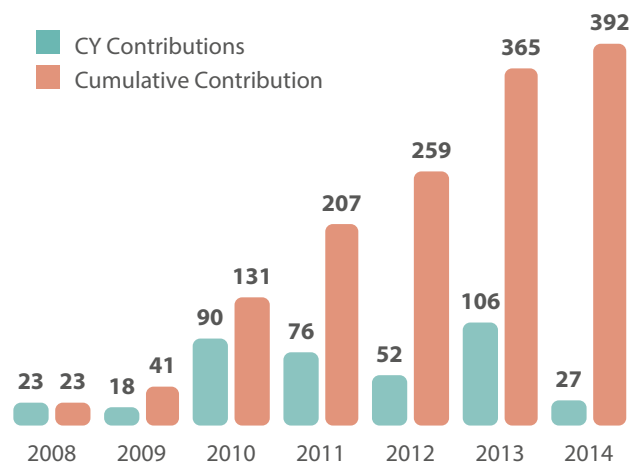


Figure 15. Total disbursements: 2008-2014 (cumulative; in US\$ million)

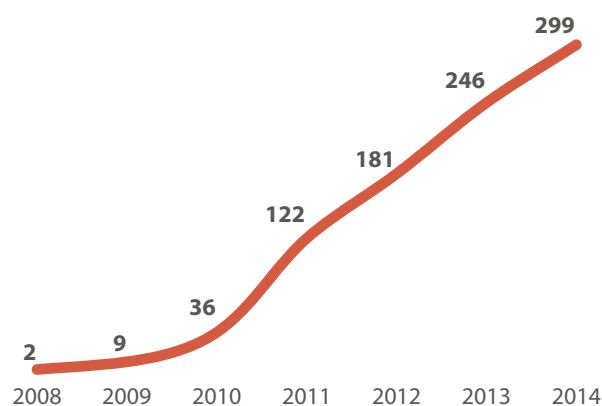


Figure 16. Approved commitments (in US\$ million)



ensured the sustainability of the PSF by assisting with the arrangements to amend the Administration Agreement with the Australian Government to include a new contribution to a value of AU\$ 8.4 million. These funds were previously allocated to the Kalimantan Forest Development Project (PNPM Green), which was closed in 2014.

With these and other changes, portfolio management remained on track throughout the year, with the total value of disbursements for 2014 (as of 31 December 2014) reaching over US\$ 52 million, or 87 percent of the funds allocated under this year's disbursement plan. With a number of projects closing in 2014, the Secretariat provided support to project teams to follow project completion procedures and reporting requirements, including one AAA, two Implementation Completion Memoranda (ICMs), 21 Implementation Status Reports (ISRs), and seven Grant Reporting and Monitoring reports. Major programs that closed during the year included PNPM Rural IV, Respek, PNPM Green, PNPM Generasi (pilot) and PNPM Disaster Management Support, as well as programmatic AAAs, including the Consolidating Peaceful Development in Aceh (CPDA) program. At least seven other projects supported by the PSF also closed during the year, with the responsibility for the management of some, such as PNPM Peduli, being transferred to MC. In addition, the Secretariat assisted with project restructuring, additional financing arrangements, and extension procedures. This ensured that the necessary support to the Government continued while the required arrangements for the preparations for a new era of community empowerment-based poverty reduction programs were made.

Overall, the PSF also experienced a number of internal adjustments related to the change process at the World Bank, which serves as the trustee of the PSF trust funds. The Secretariat provided administrative support to the respective World Bank units' transition to the Social, Urban, Rural and Resilience Global Practice (GPSURR) since July 2014, followed by a management transition shortly afterwards. The PSF office was also relocated to the main Indonesia Stock Exchange Building (*Bursa Efek Jakarta*) in order to facilitate collaboration with other units at the World Bank and to better support the PNPM transition in the context of the implementation of the Village Law.

FUTURE PLANS

In 2015, the Secretariat will focus on the completion of major deliverables for the projects scheduled to close under the existing portfolio, including six Implementation

Completion Reports (ICRs) and six AAAs due in this period. The Secretariat will also intensify its support for the realignment of the institutional arrangements governing the PSF and its portfolio resulting from the transition to the Village Law platform. With the Government's recent decision that PNPM Rural will be implemented under the management of the newly established Ministry of Villages, Disadvantaged Regions and Transmigration until the project's closure, the priority for the first quarter will be to facilitate a swift transition and to ensure smooth implementation to the greatest extent possible. The Secretariat also anticipates major organizational changes following the full mobilization of the MC in early 2015 and the finalization of the joint work program. To ensure the smooth management of these changes, the Secretariat will engage in activities to facilitate communication among the JMC members throughout the process.

LESSONS LEARNED

The experiences of the project over the year demonstrate that early preparation and services provided by a dedicated support team are essential during periods of transition. In the period before the closing of business at the end of the World Bank fiscal year in June, when numerous deliverables were

due at the same time, the Secretariat identified the need to improve project teams' knowledge of operations and project processing procedures in order to prevent the risk of missing important deadlines for deliverables and other necessary outputs and actions. With another major deadline falling at the end of the year, the Secretariat endeavored to build the capacities of project teams six months in advance by: (i) creating a compendium of reference samples, internal-use manuals and best-practice operational guidelines for different types of deliverables; and (ii) delivering a training session for project teams to improve their report writing skills, covering effective ways to communicate project progress to readers. The in-house training was met with enthusiasm, as demonstrated by the high rate of attendance by members of PSF teams. The use of the operational reference/best practice package for the remaining half of the year improved the quality of the Secretariat's work greatly, with its value being recognized both by PSF teams and other stakeholders. Since the building of a resource pool and capacity requires time and effort, it cannot be conducted when teams are in the midst of change and under intense pressure to deliver. The lessons learned from the first half of the year paid off later when a dedicated team's groundwork led the more systematic management of ongoing changes.

KEY PERFORMANCE INDICATORS

Result Indicators	Unit of Measure	Baseline	Total Target	Targets (Cumulative)				Delivered in 2014 (only)	Cumulative Progress as of Dec 31, 2014	Difference with cumulative target for 2014	Comments on progress
				2012	2013	2014	2015				
Project Development Objective: hereto Provide operational and administrative services to the PSF to sustain an effective framework for the implementation of PNPM Mandiri											
# of JMC meetings held within the year	# meetings	2 (2010)	6/year	6	6	6	6	2	2 (2014)	-4	In addition, three Technical Committee meetings took place in 2014.
Disbursements (US\$)	US\$ million	28 (2010) 36 (2008-10)	n/a	188	271	312	n/a	47	299	-13	
Disbursement ratio	Disbursed during year/undisbursed at year start	20% (2009)	70% each year	70%	70%	70%	70%	87%	87%	+17%	
% of funding executed by Government	% of total approved projects	53% (2010)	75%	75%	75%	75%	75%	74.4%	74.4%	-0.6%	
% of funding executed by NGOs	% of total approved projects	7% (2010)	10%	10%	10%	10%	10%	5.4%	5.4%	-4.6%	Peduli and DPOW are transitioning.
# types of reports to the JMC*		1 AR	1 AR, 3 QU, 2 GR	1 AR, 3 QU, 2 GR	1 AR, 3 QU, 2 GR	1 AR, 3 QU, 2 GR	1 AR, 3 QU, 2 GR	1 AR, 3 QU, 2 GR*	1 AR, 3 QU, 2 GR*	-1GR	GRs delivered in 2014 include the second GR of 2013. The 2nd GR for 2014 is in preparation.

*AR = Annual Report; QU = Quarterly Updates; GR = Governance Report (Note: the last Quarterly Update of the year is replaced by the Annual Report)

WINDOW TWO

BAREFOOT ENGINEERS TRAINING 3

SUMMARY INFORMATION

Status	Task Team Leader(s)	Executing Agency(ies)
Closed	Sonya Woo (swoo1@worldbank.org)	BaKTI (Bursa Pengetahuan Kawasan Timur Indonesia/Eastern Indonesia Knowledge Exchange)
Start Date to Closing Date		
25 October 2012 to 31 December 2014		
Geographic Coverage	Approved Budget	
Papua and Papua Barat	US\$4,153,500	

PROJECT RATIONALE AND OVERVIEW

The Barefoot Engineers (BE) program trains local high school graduates to become technical facilitators under the PNPM RESPEK (*Rencana Strategis Pembangunan Kampung*, or Strategic Plan for Village Development) program in the provinces of Papua and Papua Barat, where challenging working conditions, particularly in remote areas, have resulted in a high number of difficult-to-fill vacancies for the position of technical facilitator. The participants are provided with basic training in areas such as civil engineering; mechanics; micro-hydro power generation; construction; budget planning; and social facilitation/empowerment through a 6-month residential course. In addition, trainees participate in two short residential refresher training courses and are provided with constant field-based coaching and mentoring. The training of new technical facilitators is also intended to improve the quality of the small-scale infrastructure projects selected and built by communities through PNPM and the provincial RESPEK program.

In February 2011, the Joint Management Committee (JMC) approved the third round of the Barefoot Engineers (BE 3) training program in order to fill the increasing number of vacant positions. At that time, the program required more than 400 technical facilitators but could only recruit less than half that number because of the chronic shortage of engineering graduates and/or skilled construction workers in the region. The training of 162 graduates in the two previous rounds, conducted in 2002-3 and 2008-9, helped address this shortage, as these graduates constituted more than half of the total number of PNPM-RESPEK field engineers at the point when BE 3 was initiated.

The executing agency for this project is *Bursa Pengetahuan Kawasan Timur Indonesia* (BaKTI), with technical support from *Lembaga Penelitian dan Pengabdian Masyarakat-Universitas Cenderawasih* (LPPM-UNCEN; Research and Community Dedication Institution-University of Cenderawasih). An additional no-cost extension was

approved in late 2013 to enable the project to complete the production of the remaining deliverables, including the provision of intensive coaching and mentoring. The project was then closed on December 30, 2014.

PROGRESS IN 2014

Overall, the project has recorded a high level of achievement, providing an excellent platform for the Indonesian Government to improve the recruitment of facilitators and to strengthen their performance in Papua. The project met its development objective of providing trained technical facilitators for the PNPM Rural/RESPEK program in the provinces of Papua and Papua Barat. In total, 290 of 300 selected participants graduated from the training program, which was successfully completed in March 2013. With an anticipated dropout rate of 10 percent. The project exceeded the original target of 270 graduates. External assessments and feedback by engineers and other stakeholders indicated that the training was of a high standard.

To facilitate supervision of the project, six regular coordination meetings between stakeholders and implementers from PNPM-RESPEK and other development programs in the Papuan provinces were conducted in 2014, together with six supervision missions. Following the completion of the training program, BaKTI collaborated with local work units to deploy the newly-graduated technical facilitators in their respective districts, filling all the vacant technical facilitator positions by the end of 2013. An assessment conducted in the final quarter of 2014 demonstrated that districts in which these facilitators were deployed had achieved improvements in the quality of the small-scale village infrastructure developed under the program. Other activities, including the mentoring and refresher training, monitoring and evaluation (M&E) support and implementation support activities, also proceeded well throughout the year.

Mentoring and refresher training: The project endeavored to sustain the impacts of the training program by providing ongoing mentoring and refresher training to BE graduates. Three rounds of residential refresher training were provided to a total of 166 participants in the first quarter of 2014, on topics such as facilitation, professional ethics, codes of conduct, and safeguards. Through a post-training evaluation, it was agreed to merge BE and non-BE technical facilitator performance ratings, whereas previously two different rating systems had been applied. The final refresher training course was held in the third quarter at various locations throughout the province of Papua, involving 249 participants. In the final quarter of the year, a similar course was conducted in Papua Barat, involving 50 participants.

Tutoring and Supervision: Coaches contracted by BaKTI in 38 districts in Papua and Papua Barat continued to provide field-based tutoring to graduates of the BE training program. The tutoring process included practical exercises related to facilitation, reporting, the completion of forms and the preparation of final project handover documentation to communities. This process also addressed project design revisions resulting from the Government's nationwide reduction in the total value of block grants by 11.8 percent, which necessitated a reduction in the scale of certain infrastructure projects designed by BE graduates.

BE 3 Technical Evaluation: A technical evaluation was conducted in order to assess the quality of PNPM Rural and RESPEK infrastructure sub-projects; ongoing operations and maintenance; and the process through which these projects were selected, with this assessment involving a comparison of BE 3 outcomes with non-BE 3 outcomes. BaKTI provided a grant to a local CSO, Akatiga, to conduct the evaluation. The final report was completed by the end of December 2014, and will serve as inputs for the Directorate of Community and Village Empowerment (Pemberdayaan Masyarakat dan Desa/PMD) to determine whether the project will be continued in the Papuan provinces and whether it should be expanded to other remote areas facing similar challenges in the recruitment and deployment of technical facilitators.

Proposed Nationwide Technical Facilitator Training Program: On the basis of experiences with the BE program, PMD originally requested technical assistance to implement a nationwide technical facilitator training program for remote areas such as East Kalimantan, Maluku, and North Maluku. However, procurement issues led to the postponement of this program. Nonetheless, in

order to support the possible implementation of such a program in the future, the project created a manual of standard operating procedures on the basis of experiences and lessons learnt through the BE projects by PMD, the PSF, and service providers over the course of the various phases of the project. The manual will serve as the basis for multiple private service providers to implement the project as Event Organizers (EOs), in partnership with both provincial PMD officers and local universities in provincial capitals. Trainers would be provided directly by Regional Management Consultants (RMCs) or recruited by the EO at the RMC's behest, with grading of participants undertaken by the Village Community Empowerment Agency (Badan Pemberdayaan Masyarakat Desa/BPMD). BPMD will then have the option of recruiting PNPM technical facilitators from this graduate pool, and will provide them with pre-service training before deploying them.

FUTURE PLANS

The project closed on December 31, 2014. The next step is for the Government to consider the use of a similar model to support the implementation of its facilitation strategy in remote and disadvantaged areas. Both the final technical evaluation and the project manual will serve as inputs for Government counterparts to assess the value of the program and to determine the operational means by which to implement similar programs in other provinces.

LESSONS LEARNED

From the implementation of the project, it has been learnt that better outcomes are achieved if the recruitment of facilitators is accompanied by mentoring and the provision of residential support. A tracer study conducted in 2013 shows that BE 3 graduates remain in their posts for longer periods than the qualified engineers that they replaced and that their technical outputs are of a sufficiently high standard. Discussions with BE graduates show that they remain in their posts for the following reasons: (i) they feel that they have been provided with good opportunities and appreciate the significant investment in their professional development; and (ii) they received significant support through mentoring and refresher trainings. With social and technical facilitators recruited through regular processes under PNPM in Papua, these characteristics are lacking. Given the demonstrated positive outcomes of the program, endeavors should be made to replicate these characteristics in future projects.

KEY PERFORMANCE INDICATORS

Result Indicators	Unit of Measure	Baseline	Total Target	Targets (Cumulative)			Delivered in 2014 (only)	Cumulative Progress as of Dec 31, 2014	Difference with cumulative target for 2014	Comments on progress
				2012	2013	2014				
Project Development Objective: To provide trained technical facilitators for the PNPM Rural/RESPEK Program in the provinces of Papua and West Papua										
Qualified technical facilitators provided by the project to PNPM Rural/RESPEK in the provinces of Papua and West Papua	# of positions filled	n/a	270 (i.e. 90% of trainees)	-	270	-	0	290	+20	Achieved in 2013: BE graduates were recruited by PNPM Papua and Papua Barat and they were deployed to their duty stations.
Improved quality of small-scale village infrastructure	% of sub-projects in good condition	60% (2012)	65%	-	62%	65%	n/a	n/a	n/a	This was measured in Q4 2014 and will be available at the end of Q1 2015.
# of participants trained	# of trainees	n/a	300 (270 with 10% dropout rate)	-	300 (270)	-	0	290	+20	Actual dropout rate was lower than the anticipated rate 10%. Achieved in 2013.
% of female trainees	% of women participants	n/a	30% (i.e. 90 total)	-	30%	-	0	29%	-1%	Women were successfully recruited but nearly all dropouts were female.
BE graduates receive 2-week refresher trainings	# of facilitators	n/a	350	-	370	-	327	327	-23	The target of 370 was revised to 350 due to dismissals, resignations, and deaths.
Tracer Study of BE graduates	Status of the activity	n/a	1	Study starts	Continues	Final report completed	0	Completed	0	Already completed in 2013.

WINDOW TWO

COMMUNITY FACILITATORS DEVELOPMENT PROJECT 3

SUMMARY INFORMATION

Status	Task Team Leader	Executing Agency(ies)
Closed	Hans Antlov (hantlov@worldbank.org)	Yayasan Nusantara Sejati (Institute for Good Governance and Regional Development/YNS-IGGRD)
Start Date to Closing Date		
9 July 2012 to 31 December 2014		
Geographic Coverage		Approved Budget
National		US\$2,138,000

PROJECT RATIONALE AND OVERVIEW

An estimated total of approximately 25,000 facilitators are deployed throughout PNPM programs. These facilitators play an indispensable role in assisting communities to formulate and develop their village development plans and in providing advice to village implementation teams related to the management of micro-enterprise ventures and revolving loan funds. While evaluations show that facilitators play a central role in ensuring the success of PNPM, a decline in the quality of facilitation has also been noted and identified as a factor that may undermine the effectiveness of the program. The 2012 Governance Review of PNPM Rural¹ reported that a significant proportion of facilitators are poorly trained, lacking in the right skills or motivation, and/or facing political pressure by local governments and their agencies. The scale-up of PNPM Rural in the period from 2007 to 2009 has also resulted in a significant increase in the number of areas that facilitators have to cover. Coupled with heavy reporting obligations, this often leaves them with insufficient time to focus on their core responsibilities.

In the context of these challenges, the PNPM Roadmap was promulgated in 2012 by the PNPM Steering Committee (*Pokja Pengendali PNPM*) and the National Team for Acceleration of Poverty Alleviation (TNP2K). The PNPM Roadmap emphasizes the importance of the sustainability of facilitation as a means of ensuring the achievement of the Government's poverty reduction and community empowerment goals. This agenda has become even more critical with the implementation of the new Village

Law (*Undang-Undang 6 Tahun 2014 Tentang Desa*), which mandates that the Government to provide facilitators to villages in order to ensure the transparent and accountable management of village development funds and to build the capacities of village institutions.

The Community Facilitators Development Project Phase 3 (CDFP 3) builds directly on the groundwork laid during the program's previous two phases, which were implemented between 2007 and 2010. Activities under the previous phases of the project were intended to: (i) build consensus among a range of stakeholders on the need for a national facilitator certification system; (ii) identify professional and basic competency standards; and (iii) provide master training to PNPM staff, who in turn trained 650 participants across Indonesia, preparing them to train facilitators. During consultations in these previous phases of the project, it was recognized that the performance and leadership of facilitators can only be improved by equipping them with basic competencies; by certifying those trained through an authoritative process, and by providing continuous professional development. CFDP3 was thus designed to: (i) equip all PNPM facilitators with standard basic competencies by creating a nationally-recognized and standardized certification program; and (ii) to provide ongoing professional development and refresher training for community facilitators. A certification program is conducted by the independent Institute for Professional Certification of Community Facilitators (*Lembaga Sertifikasi Profesi Fasilitator Pemberdayaan Masyarakat/LSP-FPM*), which employs competency assessors at a number of competency test centers across the country, and which applies national and international guidelines for professional certification.

¹ <http://psflibrary.org/catalog/repository/Governance%20Review%20of%20PNPM%20Rural%202012.pdf>



In Palu, an aspiring facilitator is interviewed and tested to meet CFDP's professional competency standards. Upon passing a rigorous series of training modules, facilitators are officially certified and deployed by LSP-FSM.

PROGRESS IN 2014

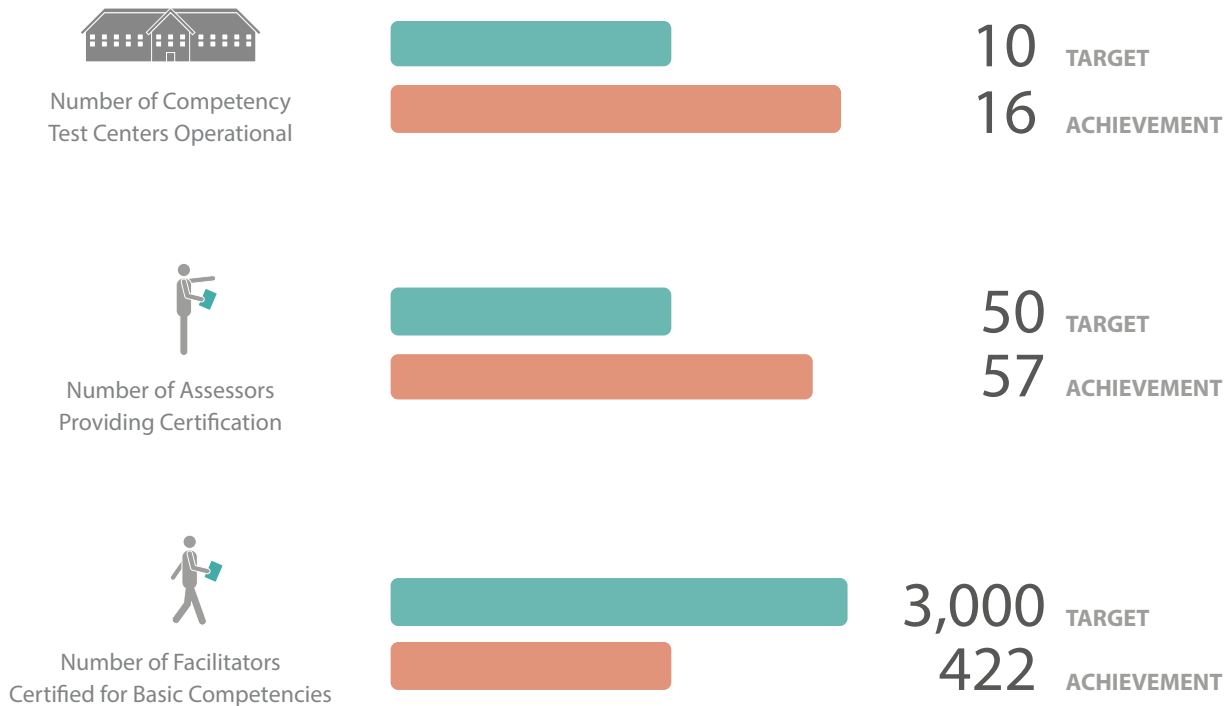
Overall, the project has produced mixed results in terms of achieving its stated project development objectives. The project has been successful in facilitating the establishment of the LSP-FSM; mobilizing trainers and administrators for capacity-building, and providing refresher training. However, the project failed to achieve a number of its defined enrollment and certification targets, especially in terms of scaling up the certification of facilitators.

Throughout the year, LSP-FPM has continued to operate and conduct the certification process, although it failed to meet some defined targets by the project closure. Throughout 2014, LSP-FPM certified 1,421 facilitators, bringing the total number of certified facilitators to 1,843, although the stated target is 3000. This shortage was primarily due to the fact that the process of certification began only in late 2013, later than scheduled commencement. It was not possible for the centers to catch up and certify the number of facilitators in 2014. The development of test materials, the provision of training to assessors, and the completion of the strict documentation requirements to obtain the LSP-FPM license proved particularly challenging. The Competency Test Centers

also needed more time to prepare their internal legal documentations to fulfill the accreditation requirements. Some PNPM facilitators were reluctant to join the program because of uncertainties regarding the future of PNPM. Nonetheless, a significantly higher number of facilitators were certified during 2014 than in the previous year, when only 422 facilitators were certified. This increase was partly the result of the high level of engagement between LSP-FPM and facilitators' associations. Facilitators' associations helped socialize the certification program and assisted members in paying their certification fees.

On a positive note, LSP-FPM trained 18 additional competency assessors in 2014. This brings the total number of assessors to 75, surpassing the target of 50. Presently, the certification process is conducted in 16 permanent and 11 temporary test centers across 17 provinces. 12 license assessors are currently working to verify that new test centers have the necessary requirements prior to accreditation by the National Board for Professional Certification (BNSP).

The project began to run short on funds in June 2014 and thus had to postpone and reprioritize its activities. As a result, a planned batch of training of trainers was not

Figure 17. Achievements under CFDP 3

conducted, and no pilot was conducted to certify training institutes. Instead, project funds were used to accelerate the implementation of the certification program. In addition, the LSP-FPM generated user-fee income streams, which allowed the organizations to continue at a basic level of operations throughout 2014.

FUTURE PLANS

The project was closed on December 31, 2014 after an extension was granted, from the original closure date being scheduled for April 30, 2014. As part of the broader PSF transition strategy, responsibility for the management of CFDP will be transferred from the World Bank, possibly to the Australian Department of Foreign Affairs and Trade (DFAT). This transition creates an opportunity to review the project's design and achievements to date and to determine how CFDP can be adapted to facilitation needs created by the promulgation of the Village Law. Discussions of the new roles, responsibilities, and requisite competencies of facilitators in the context of the implementation of the Village Law were conducted in 2014. On the basis of these discussions, LSP-FPM will develop new certification schemes, with Government counterparts and facilitators' associations having agreed

to develop further special competencies necessary for village facilitation. A review of the certification process was also conducted in order to streamline this process, in a manner that enables LSP-FPM to conduct certification in a more effective and efficient way. Based on this review, Bappenas, as the Secretariat for the LSP-FSM, has agreed to move forward with a new grand design and business plan. Proposals related to this plan will be presented for approval by the LSP-FPM board in early 2015.

LESSONS LEARNED

The project overestimated the capacity of the LSP-FPM to become fully operational soon after its establishment in early 2013. At the same time, it underestimated the bureaucratic challenges related to setting up the certification process. This led to delays in the roll-out of the project, which in turn led to questions regarding the efficiency of the certification program, the complexity of the test material, and the need to document candidate achievements. On the basis of this experience, the importance of carefully assessing and establishing realistic targets has been recognized, as has the need to provide targeted support to identify and address bottlenecks in the certification program.

KEY PERFORMANCE INDICATORS

Result Indicators	Unit of Measure	Base-line	Total Target	Cumulative Target			Delivered in 2014 (only)	Cumulative Progress as of Dec 31, 2014	Differ-ence with cumulative target for 2014	Comments on progress
				2012	2013	2014				
Project Development Objective: To advance the role of community facilitators as agents of change through certification and training programs										
# of facilitators enrolled in the certification process	# of facilitators	0	3,000	250	3,000	3,000	1,421	1,843	-1,157	
# assessors providing certification	# of as-sessors	0	50	20	50	50	18	75	+25	Target achieved
# of competency test centers operational	# of test centers accredited	0	10	5	10	10	5	16	+6	Tar-get achieved (Data ex-cludes tem-porary test centers)
# of operational master trainers	# of trainers complete training	0	400	0	233	400	0	233	-167	No training in 2014 due to lack of funds
Development of training design mod-ules	# of modules devel-oped	0	1	0	1	0	0	1	0	Target achieved
Accreditation of training centers	# of draft manual	0	1	0	1	0	0	1	0	1 draft manual produced in 2013

WINDOW TWO

PRO POOR PLANNING, BUDGETING AND MONITORING (P3BM) PROJECT

PROJECT RATIONALE AND OVERVIEW

The Pro-Poor Planning, Budgeting and Monitoring (P3BM) is a toolkit consisting of a set of instruments that local governments across Indonesia can use to ensure that local development plans and government budgets are pro-poor and sensitive to socio-economic inequalities. With P3BM, officials have the tools to monitor and evaluate local governments' performance in terms of the provision of public services for the poor, while citizens have access to monitoring tools to ensure that such plans are implemented appropriately. The underlying development assumption is that the availability and the use of reliable data can make planning decisions more pro-poor and responsive to local needs.

The P3BM project was originally implemented by the Asian Development Bank and the United Nations Development Programme (UNDP) in the period from 2007 to 2009. Since 2010, the P3BM project has been managed by the Poverty Reduction Unit of Bappenas, which requested the support of the PNPM Support Facility (PSF) to build the capacities and to conduct an initial series of pilots through the Local Government Capacity Development (LGCD) project. Under this project, the P3BM toolkit was used to train national and provincial master trainers, who in turn trained officials from 29 local governments (2011-2012).

An independent review conducted in 2011 found that that P3BM had a significant positive impact in terms of assisting local governments to better manage poverty data, and of improving pro-poor planning and the quality of planning documents. Based on these findings, Bappenas requested that P3BM be scaled-up under a separate trust fund. The project was approved by the Joint Management Committee (JMC) in April

SUMMARY INFORMATION

Status	Task Team Leaders	Implementing Agency
Active	Hans Antlov (hantlov@worldbank.org)	Kemitraan Bagi Pembaruan Tata Pemerintahan (Partnership for Governance Reforms)
Start Date to Closing Date		
26 May 2013 to 30 June 2015		
Geographic Coverage		Approved Budget
National		US\$1,665,000

2012, with an institutional arrangement under which the Partnership for Governance Reform (Kemitraan) served as the implementing agency, while Bappenas' Poverty Reduction Unit provided strategic guidance. The Grant Agreement with Kemitraan became effective in July 2013, and the project is now fully operational.

PROGRESS IN 2014

The project has made good progress in terms of achieving its stated project development objective, which is to improve poverty targeting of local government expenditures and local government responsiveness to community needs through the scale-up and institutionalization of the P3BM program. As of December 2014, many of the project's targets have been met or surpassed. In 2014, 329 regional and provincial master trainers were trained, bringing the total number of these trainers to 659, which is significantly in excess of the defined target of 432. A business plan to ensure P3BM's long-term sustainability is in its final draft, to be implemented in 2015. The quality of district level Millennium Development Goals (MDG) data sets improved over the year, with 69 local governments using the P3BM database, significantly in excess of the target of 32. A total of 62 local governments have adopted poverty targeting in annual development planning, a number somewhat lower than the specified target of 71. 50 CSOs and community groups have been trained to use P3BM instruments to track pro-poor expenditures at the district level, with their actual use of P3BM to be monitored in early 2015.

During 2014, the project facilitated the implementation of 84 training and other activities, with these including the training of trainers (ToT) at regional and provincial



P3BM Team Leader La Ode introduces the MDG Database to provincial and district staff in the province of North Maluku.

levels, the provision of P3BM training at the provincial and district levels, the launch of the MDGs and Development Program Database System, and the delivery of regional poverty data-updating workshops. In collaboration with the World Bank-funded Public Expenditure Analysis and Capacity Strengthening Program (PECCAP) and the Aceh Local Financial Development Center, the project also developed a new training module to analyze public expenditures in Aceh. In 2015, this module will be mainstreamed in other provinces. In terms of training, a total of 2,511 regional staff was trained in 2014, of whom 32 percent were women. The trainees included 2,330 local government staff, 111 CSO representatives, and 70 staff from local universities. Recently, there has been a significant increase in the number of requests for training from local governments using own funding: out of the 84 activities conducted by the project in 2014, 51 trainings (61%) were financed by regional government budgets (Anggaran Pendapatan dan Belanja Daerah/APBD).

The project has facilitated the establishment of 18 provincial P3BM clinics, which play a crucial role in assisting local governments to follow up on P3BM training activities, particularly in terms of utilizing databases relevant to the achievement of MDGs and the implementation of local development programs, which are drafted during the training activities; improving the quality of data through “data forums” in districts; and socializing P3BM activities to other local stakeholders, such as local parliaments and communities. The clinics collected MDG-related data in 18 provinces and 47 districts, with the activities of some of these clinics being supported by decrees promulgated by district heads. In addition, to support the new Government’s expressed prioritization of maritime affairs, in September 2014, P3BM in Maluku developed and launched a local database to accommodate the specific characteristics of remote, inaccessible island regions, with specific local indicators, in order to improve the province’s poverty analyses and future planning processes.

Overall, the project has made significant contributions to the adoption of poverty targeting in annual development planning. A survey conducted in the period from October to November 2014 of key districts that received assistance related to the utilization of P3BM showed that on average, these governments increased their allocations for pro-poor, MDG-based government agencies by 8.3 percent compared to their allocations for non-MDG-based agencies.

FUTURE PLANS

As part of the broader PSF transition strategy, responsibility for the management of P3BM will be transferred from the World Bank to the Australian Department of Foreign Affairs and Trade (DFAT). This will take place towards the end of the current grant agreement, which is scheduled for closing on June 30, 2015. This transition will create an opportunity to review the project's design and achievements to date, and to determine how P3BM can be adapted within the context of the new Village Law framework. Since some local governments have shown themselves to be willing to use their own funds for P3BM training, a strategy for sustainability through the use of government budget funds will be prepared accordingly. The task team is assisting Kemitraan and the National Secretariat to prepare a business plan for the implementation of the project, possibly with funding under DFAT. In 2015, the project will recruit new consultants to develop the P3BM exit strategy and to identify necessary steps for the institutionalisation of P3BM.

In addition to the preparations for this transition, other activities will continue to be implemented to strengthen P3BM. Clinics in more than 20 provinces and districts will be equipped to facilitate the development of work plans and the establishment of agreements with local governments, using ABPD resources. A manual for the use of the P3BM toolkit at the village level will be developed over the next few months. This will be piloted in five districts during 2015, and will focus on sub-district level planning meetings. Provincial administrations will be assisted to utilize Bappenas' funds to finance P3BM activities at the provincial and district levels through activities that includes a Database Updating Workshop and a Data Dissemination and Coordination Workshop to discuss poverty reduction efforts. To wrap up the entire project, a P3BM National Workshop will be held to disseminate information related to the progress of the project and to share lessons and experiences between

local governments regarding their poverty alleviation efforts involving the use of P3BM tools.

LESSONS LEARNED

Most poverty programs are designed by national ministries and delivered by sectoral district agencies, with these agencies not always being aware of P3BM tools. This tends to result in a failure to discuss the use of P3BM in community planning meetings (Musrenbang). To include these in community dialogues, district and provincial poverty reduction task forces (TKPKD) could potentially play an important role in ensuring issues related to the use of P3BM are included in development plans. In addition, P3BM could be institutionalized by using poverty indicators from P3BM as performance measures to determine the level of effectiveness of the use of public funds, whether at the provincial, district, or village levels. To date, the main challenge in determining this level of effectiveness has been the lack of reliable indicators and data. To some extent, the MDG data produced by P3BM demonstrates that the quality of indicators can be improved. The implementation of the Village Law in 2015 may provide an opportunity for the use of the P3BM toolkit to monitor village grants.

KEY PERFORMANCE INDICATORS

Result Indicators	Unit of Measure	Base-line (2012)	Total Target	Targets (Cumulative)			Delivered in 2014 (only)	Cumulative Progress as of Dec 31, 2014	Difference with cumulative target for 2014	Comments on progress
				2013	2014	2015				
Project Development Objective: To improve poverty targeting of local government expenditures and local government responsiveness to community needs through the scale-up and institutionalization of the P3BM program										
# of local governments (LGs) that have adopted poverty targeting in annual development planning	# of LGs	11	71	31	71	-	40	62	-9	
Increased percentage of direct LG budgets allocated for MDG targeting and poverty-related spending	% of budget	n/a	7.5%	5%	7.5%	-	8.3%	8.3%	+0.8%	Achieved. Based on a sample of 8 districts.
# master trainers trained	# of trainees	152	432	272	432	-	329	624	+192	Achieved
# of P3BM provincial clinics established	# of clinic established	2	14	8	14	-	7	18	+4	Achieved
# of CSOs and community groups that use P3BM instruments to track district pro-poor expenditures	# of CSOs	0	60	30	60	-	50	50	-10	50 NGOs involved in training; monitoring of actual use of P3BM planned for early 2015
District-level MDG data sets improved	# of LG using database	3	32	17	32	-	38	69	+37	Achieved

WINDOW TWO

SIMPADU PHASE 2

PROJECT RATIONALE AND OVERVIEW

PNPM Mandiri's Integrated Management Information System (SIMPADU) is designed to manage data related to the implementation of PNPM Mandiri, and thereby to enable national and provincial level government institutions to more effectively monitor and plan community empowerment and poverty reduction programs. By allowing stakeholders to access reliable data related to PNPM programs, SIMPADU supports PNPM's social accountability agenda. The system, which was first launched by the Minister of National Development Planning and the Head of Bappenas in August 2009, is accessible to program stakeholders and the general public through a website located at <http://simpadu-pnpm.bappenas.go.id>.

The primary objective of SIMPADU PNPM Phase 2 is to improve PNPM stakeholders' level of access to data and information through an analysis of the existing PNPM Management Information Systems (MIS), which in turn informs the design, installation, and operation of SIMPADU for all of PNPM Mandiri's programs. More specifically, SIMPADU Phase 2 is intended to develop and socialize strong, user-friendly operating procedures and to build capacities at the national and provincial levels to ensure the quality and verification of data collection, storage, and reporting procedures. Building on the work completed during Phase 1, Phase 2 of this project consists of two components:

- **Component One** focuses on the development of a PNPM MIS Roadmap, based on a thorough needs assessment at all levels and including detailed plans for the integration of SIMPADU with other MISs operated by a full range of national and local government institutions. The Roadmap will define a plan to improve the analytical capabilities of SIMPADU and to ensure the accuracy of its data.

SUMMARY INFORMATION

Status	Task Team Leader(s)	Executing Agency(ies)
Closed	Alexander B. Setiadji (asetiadji@worldbank.org)	Bappenas
Start Date to Closing Date		
13 May 2011 to 30 November 2014		
Geographic Coverage		Approved Budget
Jakarta for national-level SIMPADU; 33 targeted provinces for provincial-level SIMPADU		US\$977,000

- **Component Two** involves the implementation of the Roadmap developed during the first year of the project. This component provides selected local government agencies and PNPM programs with an integrated MIS for their own program data and facilitates the transfer of knowledge and the provision of technical expertise.

PROGRESS IN 2014

At the point of the project's closure on November 30, 2014, SIMPADU received data directly from 18 out of 20 PNPM Mandiri's core and special programs. At that point, SIMPADU had been installed in all 33 target provinces and was online in 27 provinces. The remaining six provinces experienced issues related to Internet access. The Ministry of Communication and Informatics will provide assistance to resolve these issues by the end of 2015. Throughout the year, training was provided to agencies in all 20 new target provinces, with refresher training to agencies in 13 provinces which already had access to the system. The project also facilitated a redesign of SIMPADU's database utility and the development of new features to enable better monitoring and analysis. As a result, the system now enables users to produce outputs in the form of tables, maps, or graphs. The project provided technical assistance to the PNPM MIS teams to enable the better management of an integrated MIS and the collection and entry of more complete and more accurate data from the field. The SIMPADU database and features have also been upgraded to allow accessible links to the new MIS for both PNPM Rural and RLFs.

The national SIMPADU now consists of two main systems, both of which were launched in October 2014.

- **SIMPADU Kemiskinan**, an MIS that manages data related to the management and implementation of national poverty programs from all sectors, including data derived from SIMPADU PNPM Mandiri.

This system also facilitates the management of all data generated by local government poverty programs and entered into provincial-level SIMPADU. SIMPADU Kemiskinan is also designed to facilitate full integration with other MIS managed and operated by related poverty programs, and to collect poverty statistics from the Central Statistics Bureau (*Badan Pusat Statistik/BPS*); and

- **SIMPADU Mobile**, a mobile version of SIMPADU Kemiskinan that enables access by members of the general public and to facilitate the real-time entry of data by provincial SIMPADU stakeholders.

The SIMPADU team also successfully collected and uploaded data from four clusters of poverty programs at Bappenas, including Program Keluarga Harapan (PKH), PNPM Mandiri, Kredit Usaha Rakyat (KUR), Program Rumah Sangat Murah, and the Quick Wins Locations of the Master Plan for the Acceleration and Expansion of Poverty Reduction (MP3KI).



SIMPADU Mobile can be accessed almost anywhere by multiple devices, including smartphones. This improves data analysis and updating in the field.

Evaluations show that the quality of SIMPADU has improved over time. In particular, the system now utilizes a business intelligence application to provide a user-friendly interface for data collection. SIMPADU's database utility has also been redesigned, with the integration of new features related to monitoring and analysis. Technical assistance has been provided to the PNPM MIS teams to better manage an integrated MIS and to facilitate the collection and entry of more complete and accurate data from the field. A routine technical maintenance mechanism has also been developed to assess the performance of the installed servers in order to mitigate any technical issues related to the application, including issues such as data-loading, code base, security, and remote and local access. The Bappenas/SIMPADU team developed standard Terms of Reference (TOR) to enable local government agencies to begin recruiting the relevant personnel to operate and maintain the SIMPADU system. In addition, the team developed a strategy to address the expanded integration of data resulting from the integration of provincial and central databases, and to accommodate the exchange of high volumes of data. An evaluation workshop was held in November 2014, attended by representatives of provincial-level planning boards (Bappeda), universities, and CSOs. The evaluation found that in 14 provincial-level administrations, the use of SIMPADU data contributed to enhancing the capacity of the Bappeda of each of these administrations to design and target poverty alleviation programs in their respective provinces.

FUTURE PLANS

Since the closure of the project on November 30, 2014, Bappenas has continued to facilitate the formal handover of SIMPADU assets from Bappenas to Provincial Bappedas with its own budget and to reconcile all expenditures. These processes are expected to be completed by the end of March 2015. In the future, Bappenas plans to improve and expand SIMPADU to make it serve as a strong, reliable decision-making tool, capable of facilitating the design and implementation of a full range of poverty alleviation programs at national, provincial, and district levels.

LESSONS LEARNED

From the experiences derived from the implementation of this project, it has been learned that the application of an incentive system and the establishment of a dedicated team at the provincial level plays a vital role in ensuring the quality of data and the timeliness of its inputs by local government stakeholders into integrated

MIS such as SIMPADU. Since PNPM and other poverty alleviation programs in Indonesia are implemented by a wide range of different implementing agencies, the quality of their MIS systems and the reliability of data entered into these systems varies considerably, which affects the overall quality of data made available through SIMPADU. In provinces where local teams had strong capabilities, the data entered into the SIMPADU system by local government agencies was quite comprehensive and reliable. By contrast, in provinces where no team was established to maintain the SIMPADU, the entry of data into the SIMPADU system was often delayed and incomplete, which undermined the overall quality and reliability of SIMPADU data.

The participation of stakeholders from the relevant line Ministries, associated agencies, Bappedas and other provincial level agencies at the introductory conceptual design phase is critical for ensuring that SIMPADU

adequately addresses their data-analysis and targeting needs. A high level of involvement by all stakeholders at this point encourages them to take ownership and responsibility for their future utility of SIMPADU. Stakeholders at some Bappeda still lack an understanding of the issues involved in the implementation of SIMPADU, since they were not involved during the design process. It was also learned that to enhance the utility of the system, it would have been desirable to deploy a business analyst to be responsible for capturing all key user requirements and translating them into a business process design prior to the establishment of the MIS. This exercise would include addressing non-technical issues related to the development and implementation of SIMPADU and procedures, including data publication policies, data validation processes, monitoring and evaluation processes, and policies related to the management of resources, including personnel, budget, and a computer room, among others.

KEY RESULTS

Result Indicators	Unit of Measure	Base-line	Total Target	Targets (Cumulative)			Delivered in 2014 (only)	Cumulative Progress as of Dec 31, 2014	Difference with cumulative target for 2014	Comments on progress
				2012	2013	2014				
Project Development Objective: To enable selected GOI institutions to more effectively monitor and plan interventions designed to reduce poverty throughout Indonesia										
SIMPADU fully integrated with the MIS of PNPM Mandiri programs	# of PNPM Mandiri programs	3 (under SIMPADU 1.0)	13	8	13	13	5	18	+5	More programs are linked with SIMPADU but technical problems remain for PNPM Rural MIS, due to incompatible databases and changes to some SIMPADU features.
SIMPADU data quality and analytical capabilities enhanced and aligned with PNPM Mandiri's existing M&E framework	n/a	Original database engine had very limited features	n/a	Update Extract, Transfer and Load (ETL) application for other PNPM Sectors; additional features	Updated data warehouse for all PNPM programs	Database expanded to additional PNPM programs; New features for SIMPADU; Improved ETL application if needed; Provincial SIMPADU developed	Business Intelligence and Geospatial Information System (GIS) developed; Applications and additional features developed; User defined query added to allow users to make their own query with existing datasets	Additional features developed: • Chart • Thematic categories • Pivot tables • Statistical data • Regional Profile Migration to new database finished; Application Engine, Status Update, Home administrator developed; ETL updated.	More features for data queries to be developed, which will be more user-friendly and allow users to utilize predefined queries or to define their own queries	Data validation protocol at each program must be established to ensure the quality of data provided to SIMPADU.
Increased capacity of the MIS teams/staff of all PNPM programs to manage the integrated system and collect complete and accurate data from the field	n/a	No direct involvement of SIMPADU team with the MIS team of PNPM programs. SIMPADU Team assisted MIS team of Rural PNPM	TA and knowledge transfer to MIS staff of various PNPM secretariats continues	TA and knowledge transfer to MIS staff of various PNPM secretariats continues	TA and knowledge transfer to MIS staff of various PNPM secretariats continues	TA and knowledge transfer to MIS staff of various PNPM secretariats continues	TA intensified for 3 programs and completed (PIIP, Border, Integrasi); Coordination with the PNPM Rural MIS Team to support the maintenance of the existing functions for data cleaning and importing into SIMPADU	TA provided to all PNPM programs and intensified at several programs with weak MIS. Regular coordination meetings with the PNPM Rural MIS team	More coordination with PNPM Rural needed to help address data problems of PNPM Rural.	TA ongoing but 10 out of 18 programs still face difficulties with standardized data formats.
Increased involvement of local governments in SIMPADU pilot provinces	# of provinces covered by provincial SIMPADU	0	33	5	13	33	20	33	On target	The target has been expanded from the original 13 provinces, to 33 provinces.

WINDOW TWO

VILLAGE TRAINING PROGRAM

SUMMARY INFORMATION

Status	Task Team Leader(s)	Executing Agency(ies)
Active	Hans Antlov (hantlov@worldbank.org)	Directorate General of Community and Village Empowerment (PMD), Ministry of Home Affairs
Start Date to Closing Date		
28 November 2012 to 31 December 2015		
Geographic Coverage		Approved Budget
National		US\$1,645,000

PROJECT RATIONALE AND OVERVIEW

As part of the broader framework to improve efforts to achieve decentralization and poverty reduction, the Village Law (*Undang-Undang 6 Tahun 2014 Tentang Desa*) was signed into effect by the Indonesian President in January 2014, with the aim of providing increased authority and resources at the village level. With village governments now being empowered to manage a greater value of funds to provide public services, there is also a need to balance these new powers by improving the capacities of these administrations and by developing better mechanisms to ensure accountability. However, the current skills of village administrations and the accountability mechanisms to monitor the use of increased resources are recognized as being weak. Addressing these gaps has required substantial investments in the capacity-building of village governments and key institutions.

In this context, the objective of the Village Training Program is to develop and pilot a government capacity development program to improve the core competencies of village and to prepare them for their increased responsibilities and inflows of resources under the new decentralization framework. This will be achieved by: (i) reviewing and revising the Government's training program and modules for village authorities, (ii) enhancing the capacity of governmental training agencies and selected civil society organizations to ensure they can deliver quality training programs at scale, and (iii) strengthening the policy framework and implementing regulations regarding village capacity-building in such a way that they would realize the Village Law and broader village development. The program adds value by improving the quality of existing training programs and by mainstreaming PNPM principles and training materials into regular village government capacity development programs and processes.

PROGRESS IN 2014

The Grant Agreement with the implementing agency, the Directorate General of Community and Village Empowerment (*Pemberdayaan Masyarakat dan Desa/PMD*) was signed in March 2014. However, slow progress in the revision of the national budget process caused significant delays in the implementation of activities. The first advance disbursement was only made in October 2014, after approval had been granted for the revised Budget-Funded Project Proposal Lists (*Daftar Isian Pelaksanaan Anggaran/DIPA*) for 2014. Further delays were caused by the procurement of an administrative service firm to manage staff in the project implementation unit, which was hampered by new national procurement regulations. Because of these delays, several activities planned for 2014 have not yet been implemented, including the finalizing and piloting of training modules. To mitigate these delays, PMD has used national budget funds to conduct training of trainers (ToT) for village management and village councils, which were attended by a total of 210 national master trainers from local governments from all provinces in Indonesia. Provincial and district level administrations will follow up on the provision of this training by providing technical assistance to villages using project funds.

In addition, an associated Bank-executed Trust Fund (BETF) has provided implementation support to the PMD in the form of: (i) workshops and policy advice for the overall design of the roll-out of village training in 2015, (ii) technical assistance to facilitate the drafting of Government Regulation Number 43/2014 on Villages and draft ministerial regulations and technical guidelines (*Peraturan Menteri*) related to the implementation of the Village Law, and (iii) advice on the training material, encompassing the topics such as development planning, financial management, village legal document drafting and village councils. The project has also prepared policy notes on village capacity development as well as community and village facilitators and has supported discussions on these notes with the PMD, Bappenas, and the Coordinating Ministry for People's Welfare.



In Banyumas, village residents participate in a workshop geared towards building administrative capacity. Basic training sessions like these improve the core competencies of villages.

FUTURE PLANS

Once the institutional arrangements for the program under the new Government are clarified and the 2015 DIPA released, it is anticipated that activities under the Recipient-executed Trust Fund (RETF) will commence, such as the procurement of an administrative services firm and key project staff, the finalization of remaining training modules, the piloting of the training, and the training of provincial trainers. The work plan for 2015 will be reviewed in light of the delays and the need to roll-out training to villages to keep pace with the implementation of the Village Law, which will begin in 2015. Ongoing policy advice will also be provided to PMD, Bappenas and the new Ministry for Villages, Disadvantaged Areas and Transmigration on matters related to village governance and institutional development and the PNPM transition, as well as the roll-out of the training program.

LESSONS LEARNED

There is presently no viable alternative structure to PNPM Rural among government programs to organize basic training to village governments with national outreach. The PNPM ToT cascade approach has been used for the last 15 years and has facilitated the provision

of quality training throughout every sub-district in Indonesia. Thus, PNPM Rural provides the most effective platform for the provision at scale of basic training for village governments in preparation for and as part of effective implementation of the Village Law. Lessons and practices from PNPM's ToT cascade approach should be incorporated in the new training design under consideration by the new Ministry for Villages, Disadvantaged Areas and Transmigration.

Formal training is only one method of facilitating capacity development, with other methods including discussions, reflections, on-the-job training (OJT) and knowledge-sharing. It has been found that capacity-building initiatives are most effective when training participants in training activities have an opportunity to discuss issues which are important to them and which enable them to draw on their own experiences and situations. Moreover, training participants in training initiatives respond positively to follow-up OJT and mentoring, as it allows them to undertake practical activities under close guidance. New village facilitators should embrace these highly-effective capacity-building methods.

KEY PERFORMANCE INDICATORS

Result Indicators	Unit of Measure	Base-line	Total Target	Targets (Cumulative)			Delivered in 2014 (only)	Cumulative Progress as of Dec 31, 2014	Difference with cumulative target for 2014	Comments on progress
				2013	2014	2015				
Project Development Objective: To develop and pilot a Government training program for village authorities on core functions and skills in order to prepare villages for increased responsibilities and inflows of resources under the decentralization framework										
# of relevant GOI training agencies that have incorporated the improved training design and modules into their training program/ agenda.	# of GOI training agencies	0	10	0	0	10	0	0	-10	Scheduled for 2015
# of laws/regulations/guidelines developed and/or revised with input the from the project to support community-based institutional development	# of policy recommendations	0	5	0	2	5	1	12	0	Government Regulation no 43/2014 on Villages
# of training modules revised	# of modules	0	10	0	3	10	0	0	-3	Scheduled for 2015
# of training agencies and institutes that have received capacity-building on the improved village training programs	# of relevant GOI training agencies	-	25	0	10	25	0	0	-10	Delayed and scheduled for 2016
# of NGOs/CSOs involved in the development of village training design/plans	# of NGOs	-	50	0	20	50	5	33	+13	Scheduled for 2015
# of policy recommendations in village and community-based institutional development produced and discussed with relevant parties	# of policy recommendations	-	10	0	5	10	2	5	n/a	Advice on Village Training and on Facilitators Training

WINDOW TWO

CREATIVE COMMUNITIES 2

PROJECT RATIONALE AND OVERVIEW

Creative Communities 2 (CC 2) was developed to address low levels of participation of poor and marginalized members of communities in PNPM decision-making processes and general participation fatigue with many community forums within the PNPM program cycle.² Building on the experience of the previous initiative (CC 1), CC 2 aims to improve the ability of villagers, especially poor and marginalized people, to participate actively in PNPM processes using creative expressions in project locations. The project provides a grant to a leading national arts organization, Yayasan Kelola, who directly carries out community theatre and video activities in collaboration with local PNPM teams (Component 1: Creative Empowerment Process [CEP]), and also on-grants to other individuals and organizations to implement other community cultural activities to support PNPM's goals (Component 2: Sub Grants). To improve coordination with PNPM, CC 2 works closely with PNPM provincial and local teams to jointly implement community cultural activities that can help PNPM to reach out to more poor and marginalized people.

CC 2 was designed to be implemented in two phases: the Preparation and Operation Setup phase (Phase 1), and the Implementation phase (Phase 2) to replicate

SUMMARY INFORMATION

Status	Task Team Leader(s)	Executing Agency(ies)
Closed	Caroline Mary Sage (csage@worldbank.org)	Yayasan Kelola and PNPM Support Facility

Start Date to Closing Date

19 September 2012 to 31 March 2015

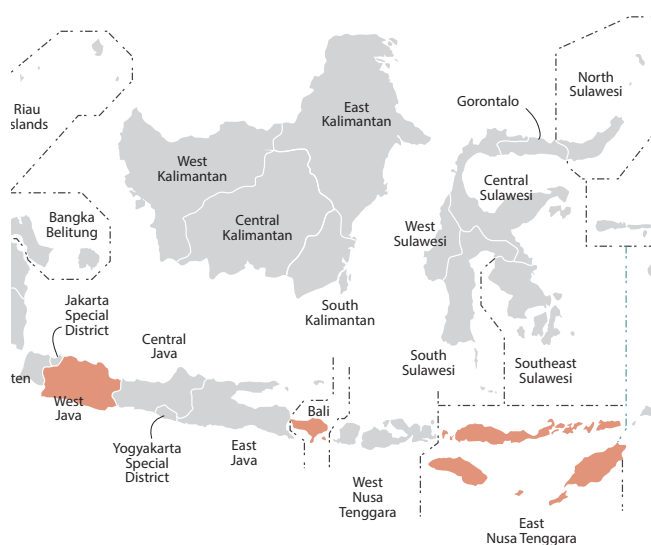
Geographic Coverage

24 sub districts in three provinces of Bali, East Nusa Tenggara and West Java for replication of project activities. Small pilot already conducted in three districts of Landek (West Kalimantan), Bone (South Sulawesi), and North Lombok (West Nusa Tenggara).

Approved Budget

US\$2,264,000

Map 5. Provinces Covered by CREATIVE COMMUNITIES 2



the project in 50 sub districts. Phase 1 was implemented from April 2013 to June 2014 in 13 villages across seven sub-districts in three districts, Bone (South Sulawesi), North Lombok (West Nusa Tenggara) and Landak (West Kalimantan). The original design of CC 2 was modified as the PSF has undergone a transition process, which includes the transfer of a range of activities from the World Bank to a Managing Contractor (MC) hired by the Australian Department of Foreign Affairs and Trade (DFAT). CC 2 is one of the projects that will be transferred to the MC in 2015. To facilitate this change, CC 2 was restructured in 2014 to carry out transition activities and a further cycle of project activities in three locations — Bali, West Java, and East Nusa Tenggara. The World Bank's support for these activities will come to an end on March 31, 2015 and any future development of CC 2 thereafter will be undertaken under the MC's arrangements.

² World Bank. 2010. *Marginalized Groups in PNPM Rural*. Washington, DC: World Bank; Voss, J. 2013. *PNPM Impact Evaluation April 2012*. Jakarta, Indonesia. PNPM Support Facility.



For the Creative Communities program in North Lombok, the local people used Cupak Gerantang, a Lombokian masked performance tradition, to creatively express their views on PNPM processes.

PROGRESS IN 2014

Activities and outputs originally planned for 2014 included the completion of Phase 1, as well as the implementation of the first six months of Phase 2. Completed activities in Phase 1 included: empowerment of community groups using theatre for development and participatory video approaches in three villages, as well as eight sub-grant activities consisting of a range of community cultural activities that facilitated community planning in 11 villages. These activities contributed to 37 cultural processes, presentations, and community dialogues that conveyed local development challenges as experienced by the communities, including poor people and marginalized groups, to decision makers and the public. More than 1,200 individuals (villagers, PNPM facilitators, and cultural workers) participated directly in these activities, while around 5,600 participated indirectly by attending presentations and/or performances.

Evaluation of the Phase 1 indicated that project activities were effective in increasing people's understanding of PNPM, in the context where many community members had little or no knowledge of PNPM prior to CC 2. The project also demonstrated that cultural activities contributed to considerable increases in community attendance in PNPM village-level community fora. For example, in Bajoe village, Bone district, South Sulawesi, CC 2 collaborated with PNPM to combine a PNPM community forum with a theatre performance, discussing the importance of monitoring and accountability. The forum was attended by 200 people, compared to 40 people in the previous year (2012). The percentage of female participants also increased from 54 percent in 2012 to 60 percent in 2013, and the attendance of poor households increased from 41 percent to 79 percent. PNPM facilitators in CC 2 project locations attributed a high turnout rate to CC 2 activities and noted that attendees included demographic groups such as youth who had previously never attended such fora. The use of video media, participatory theatre, music, and dance by CC 2 appeals well to youth. There was also evidence that CC 2 enhanced the quality of participation in PNPM processes and village planning. For example, community members proactively took on greater roles in planning and became agents of change by mobilizing other community members and local governments to improve conditions in their village.

A key activity worth noting is a three-day, large-scale anti-corruption event held in Jombang and Surabaya on March 3-8, 2014, consisting of three workshops, one public forum, and a *wayang kulit* (Indonesian shadow

puppet) performance about the theme of combating corruption. The aim of the event was to publicize PNPM's Zero Tolerance for Corruption campaign, and to advocate against the misuse of PNPM funds for political gains in the General Election year. More than 1,000 people attended the event, including Deputy Ministers of the Coordinating Ministry of People's Welfare and the Ministry of Law and Human Rights, religious and cultural leaders and regional PNPM stakeholders.

Other project outputs during this year include the development of monitoring and evaluation tools, video documentation of project activities, design of a model to integrate CC 2 activities into PNPM, the training of 63 people in the cultural empowerment process, development of a communication strategy and outreach materials, and a CC 2 Phase 1 Progress Report that was shared with the members of the Joint Management Committee (JMC). In addition, two outputs resulted from coordination and collaboration with PNPM Rural, PNPM Generasi, and the relevant local governments to create synergies between CC 2, PNPM, and the new Village Law. First, the revised PNPM Rural Technical and Operational Guidelines, approved in March 2014, included a provision for PNPM Rural facilitators to use arts and cultural media to explain the concept and program cycle of the PNPM Rural to the community. Second, the Ministry of Home Affairs' Directorate General of Community and Village Empowerment (*Pemberdayaan Masyarakat dan Desa/PMD*) requested the CC 2 team to help strengthen the implementation of PNPM Generasi through the use of cultural expressions, and as a result, CC 2 is collaborating with PNPM Generasi in the Phase 1 extension.

After the completion of Phase 1 activities in June 2014, subsequent project activities largely focused on restructuring the project, which involved discussions between the World Bank, the Government and DFAT regarding the schedule of transition and expected outcomes and deliverables prior to the closing of the project under the World Bank. The next Phase of CC 2 began in October 2014. To date, a project baseline study was conducted for the revised Results Framework, and project activities are being implemented across Bali, East Nusa Tenggara, and West Java. Six sub-grant proposals were also approved and will soon begin implementation across these same provinces.

FUTURE PLANS

For 2015, the main activity would be to complete all remaining deliverables for the project under the oversight



In the South Sulawesi district of Bone, Creative Communities groups in Bajoe Village developed and performed a play to express their views on youth issues and the disappearance of traditional games.

of the World Bank, including the implementation of project activities in 24 sub-districts, the evaluation of the project to measure results against the revised Result Framework, development of a training module on using CC 2 approaches, and the preparation of the project Implementation Completion Report. In addition, workshops will be held to share lessons and knowledge with project stakeholders. The CC 2 project under the World Bank is expected to close by March 31, 2015 and a longer-term design of the project under the oversight of the MC will be proposed to the JMC.

It is also recognized that the environment in which the first phase of the project was designed has now changed with the introduction of the Village Law in early 2014. The Village Law creates opportunities to integrate creative empowerment approaches into the village planning process, particularly as a high level of community participation will be a vital precondition for ensuring that village funds are used effectively. There is potential for Creative Communities to play an important role in

enhancing the ability of all segments of the community, including poor and marginalized members, to participate meaningfully in this process. Thus, a key focus of the next stage of the project is on how its cultural approach could best support, and possibly be integrated into, the implementation of the Village Law to ensure broad base and inclusive village planning.

LESSONS LEARNED

The experience of CC 2 Phase 1 has pointed to a number of lessons around sustainability. In Phase 1, experienced cultural facilitators from outside the project regions were brought in to work with local communities. Under this arrangement, the newly-formed creative community groups and the community cultural activities were less likely to continue after the facilitators returned to their home bases. To address this, the project design has since been modified to pair experienced CC 2 facilitators with local Creative Empowerment Cadres. The local cadres will continue to work with the communities



Creative Communities II awards sub-grants to enable individuals and groups to implement community-based activities. This incentive approach has been designed to encourage a variety of innovative ideas in harnessing cultural expressions, including that of traditional Balinese music.

after the facilitators leave. To improve sustainability, the project also aims to work with existing community groups as much as possible, rather than establishing new groups, and to assist sub-grant recipients in developing longer-term plans beyond the initial grant period.

Another lesson is the importance of involving PNPM and local government agencies in CC 2 activities, which can increase community participation in village planning greatly. Drawing on this lesson, the project has added the position of Project Coordinators to liaise with PNPM and local government agencies at the provincial and district levels, which also allows CC 2 facilitators and cadres more time to focus on the empowerment process within communities.

The experience of Phase 1 indicated that CC 2 facilitators' involvement in local cultural and traditional life can be critical for building relationships with communities. At times, a death and a traditional ceremony in a community meant that project implementation would have to

temporarily be put on hold while the event took place. It was also often expected that facilitators would be involved in whole, or in part in these events. Thus, flexibility was factored into project schedules to accommodate these, often unexpected, events. Additionally, with changes in project oversight, transitions from PNPM to the Village Law system, and the contextual differences between each project location, the importance of flexibility is further underlined within project design and implementation.

KEY PERFORMANCE INDICATORS*

Result Indicators	Unit of Measure	Baseline	Total Target	Target (Cumulative)		Delivered in 2014 (only)	Cumulative Progress as of Dec 31, 2014	Difference with cumulative target for 2014	Comments on progress
				2013	2014				
Project Development Objective: To carry out preparation and pilot activities for Creative Communities II (CC II), and ensure the design of the program uses locally-appropriate cultural approaches to enhance public participation and increases voices of the poor and marginalized groups in community planning.									
Project design completed & CCII formally launched	-	–	Project design completed & CC 2 formally launched	Project design in Project Paper approved by World Bank	CC 2 formally launched	Restructuring of project to reflect transition plan	Restructuring of the project approved	(Formal launch not yet completed)	Due to the project's transition plan, formal launch is postponed until further scale up under the MC.
Pilot indicates improvements in PNPMP public participation	# people per PNPMP village forum	20-40	50-100	50-100	50-100	-	70-200 people	+20-100	2014 participation data from new locations being collected.
Pilot indicates that poor & marginalized people are better able to raise their concerns	-	Poor people and marginalized groups have limited access to decision-making of PNPMP Rural	Poor and marginalized people are able to convey their needs to policy makers through CC 2 cultural activities	Poor and marginalized are able to convey their needs to policy makers through CC 2 cultural activities	Poor and marginalized are able to convey their needs to policy makers through CC 2 cultural activities	Poor and marginalized are able to convey their needs to policy makers through CC 2 cultural activities	Evaluation of pilot shows that CC 2 has improved access of the poor and marginalized to community planning in PNPMP	On target	Findings based on qualitative evaluation of Phase 1.
Consultations on lessons from CC 2 & design of CC 2	# of consultations	0	10	8	10	3	18	+8	-
Field assessment to inform design	-	-	Field assessment completed	Field assessment report completed	Field assessment report completed	-	Field assessment report completed	On target	Field assessment findings informed the design of CC II Phase 1.
Full-fledged design that can operate at scale	-	-	Full-fledged design and budget developed and ready for implementation	Project Operation Manual and Sub Grant Manual developed and approved by World Bank. Project Paper approved by World Bank.	Project Operation Manual and Sub Grant Manual developed and approved by World Bank. Project Paper approved by World Bank	Restructuring of project to reflect transition of project oversight from World Bank to MC	Project Operation Manual and Sub Grant Manual developed and approved by World Bank. Project Paper approved by World Bank	On target	Original plan of implementing full project starting July 2014 has been changed. Project has been restructured and further scale-up will be under MC arrangements in mid-2015.
Pilot cultural activities conducted to inform design of CC II	# of culture activities	0	11	7	53	46	53	0	CC 2 Phase 1 benefited 1,200 direct participants and around 5,600 indirect participants. 8 sub grants awarded. Following restructuring of the project in Oct-Dec 2014, there were an additional 754 direct participants and around 3200 indirect participants.
Training on creative approaches	# people trained	0	40	0	40	63	96	56	Additional training was provided to 33 PNPMP facilitators in Landak in 2013, upon a request from the local team.
Monitoring and evaluation framework determined	-	-	Phase 1 evaluation completed, monitoring and evaluation framework for full project developed	Tools for monitoring developed; Evaluation of CEP activities completed	Phase 1 evaluation completed, monitoring and evaluation framework for full project developed	Evaluation of Phase 1 CC 2 Phase 1 Progress Report Baseline study Results Framework revised to better capture project results M&E framework and plan developed	Evaluation of Phase 1 CC 2 Phase 1 Progress Report Baseline study Results Framework revised to better capture project results M&E framework and plan developed	Evaluation design to cover Phase 1 Extension Period not yet completed	Evaluation design is being developed to capture results over the period under the World Bank's management. Delayed due to project restructuring. MEL Specialist contracted by Kelola in November 2014 to develop and carry out M&E plan.

* The KPI table is based on the indicators and targets outlined in the approved CC 2 Phase 1 project proposal to the JMC. With the restructuring of the project in light of the project transition, a Revised Results Framework was approved by the JMC and the World Bank, covering the period up to the closing date of the project under the World Bank management (March 31, 2015). As the Revised Results Framework was only put in place starting October 2014, this report presents the KPI table to report the achievement of indicators in Phase 1.



WINDOW THREE

ON-GRANTING TO INDONESIAN CIVIL SOCIETY

Recognizing that PNPM's broad-brush approach as not reaching the most marginalized, who require more intensive and specialized facilitation, the PSF opened a new Window in 2011 to channel resources to Indonesian civil society organizations (CSOs) who work at the grassroots level to help marginalized people develop new skills, access services, learn about their rights, and engage with the Government.

PNPM Peduli aims to empower the marginalized groups and improve their socio-economic conditions by strengthening the capacity of Indonesian CSOs. Until it came to a close in 2014, the project has engaged with 72 CSOs, benefiting 19,645 marginalized and socially-excluded people from 91 districts in 25 provinces around Indonesia. Through intensive facilitation by CSOs,

cadres, and other actors, beneficiaries have received improved access to health and education services, established new small businesses, and have reported enhanced local-government and private-sector support to address marginalization challenges. In addition, a number of CSOs reported changes in local policies, practices and/or funding allocations on issues related to marginalization and the needs of marginalized members of the community. This year, despite a lengthy and complicated transition process, local CSOs and marginalized communities completed the remaining activities to meet their immediate needs and strategic priorities.

The **Disabled People Organizations (DPOs) Window** was approved in September 2012 to support DPOs in

Facilitated by the civil society organization Lakpesdam NU Cilacap, a group of rural farmers in Cipari Village receive training in organic farming to improve their agribusiness skills.



Figure 18. Funds committed and disbursed under Window Three, 2008-2014 (US\$ million)



their ability to improve the lives of people with disabilities (PWDs), and to advocate for inclusive development in their local communities. In 2014, the project team focused on building a cadre of PWDs to train and orient PNPM Generasi facilitators on how to identify and engage PWDs, particularly children with disabilities (CWDs). Multiple training workshops took place throughout the year, as well as the team's finalization of the DPO Mapping report, the completion of a technical review, and the transfer of preliminary disability inclusion work with PNPM Generasi to the task team. The project's lessons learned, especially with regards to the selection and on-granting of implementing organizations, will be utilized to inform future disability-inclusion work by the PNPM Generasi team. In the first quarter of 2015, the DPOW was closed.

WINDOW THREE

PNPM PEDULI

SUMMARY INFORMATION

Status	Task Team Leader(s)	Executing Agency(ies)
Closed	Natasha Hayward (nhayward@worldbank.org)	Lakpesdam NU, Kemitraan, ACE

Start Date to Closing Date

30 June 2011 to 30 November 2014

Geographic Coverage

91 districts in 25 provinces: Bali, Banten, Bengkulu, Central Java, Central Kalimantan, Central Sulawesi, DI Yogyakarta, DKI Jakarta, East Java, East Kalimantan, East Nusa Tenggara, Jambi, Lampung, Maluku, Nanggroe Aceh Darussalam, North Sumatera, North Sulawesi, Papua, South Sulawesi, South Sumatera, West Java, West Papua, West Nusa Tenggara, West Kalimantan, West Sumatera

Approved Budget

US\$11,119,247

PROJECT RATIONALE AND OVERVIEW

In the National Mid-Term Development Plan 2010-2014, the Government placed a high priority on promoting inclusive and equitable growth to realize the potential of all citizens to actively participate in, and contribute to, Indonesia's development. While Indonesia has achieved a reduction in its rate of incidence of poverty from 23.4 percent in 1999 to 11.4 percent in 2013,³ inequality as measured by the Gini coefficient has increased from 0.29 in 1999 to approximately 0.41 in 2013. A number of studies conducted by the Setara Institute and United Nations Development Programme (UNDP) have also identified growing intolerance towards certain marginalized populations and identity groups, including religious minorities, sexual minorities, and indigenous populations.

In the context of the implementation of PNPM Mandiri, a study conducted in 2010⁴ concluded that members of very poor, marginalized and socially excluded groups had limited access to the decision-making processes in PNPM Mandiri programs, with village meetings often dominated by local elites and activists. In 2010, the Government established PNPM Peduli to address concerns that PNPM Mandiri programs were not reaching

these marginalized groups, with an aim *to strengthen the capacities of Indonesian civil society organizations (CSOs) to reach and empower marginalized groups to improve their socio-economic conditions*. To achieve its intended objectives, PNPM Peduli consists of three main components:

Component 1: Partnerships between CSOs and marginalized groups.

This component focuses on the empowerment of marginalized groups to enable them to become more self-reliant, to take action, to access services, and to participate in development activities. The project finances a wide range of small activities implemented by local CSOs and marginalized communities, including: support to micro-and small economic activities; improving access to health, education and legal services; providing specialized services in remote locations; and promoting rights and social justice.

Component 2: Strengthening Indonesian CSO capacity to empower marginalized groups.

This component aims to strengthen the capacity of Indonesian CSOs to act as facilitators for marginalized people by providing trainings and conducting learning forums and peer reviews.

Component 3: Strengthening the capacities of Executing Organizations (EOs) to identify and provide grants and technical support to CSO partners that work with and empower marginalized groups.

PNPM Peduli awards grants to three Indonesian CSOs at the national level: the Governance for Partnership

3 World Bank (December 2013) *Slower Growth, High Risks*, The Indonesia Economic Quarterly

4 World Bank (2010), *Marginalized Groups in PNPM Rural*. Washington, DC: World Bank; Voss, J. 2013. *PNPM Impact Evaluation* April 2012. Jakarta, Indonesia

A mother and her child in Wamena



A group of organic farmers in Arfak Highlands, West Papua participate in a focus group discussion to develop a Quality Assurance Tool facilitated by PSF.



Supported by the civil society organization Lakpesdam NU Cimahi, the urban poor in Cimahi deliver patchwork training for new group members.

Reform (Kemitraan); the Institute for Human Resources Study and Development under Nadlahtul Ulama (LAKPESDAM NU); and the Association for Community Empowerment (ACE). The grants were intended to strengthen the management and operational capacities of these EOs, and to enable them to provide sub-grants to their local CSO partners working with marginalized communities.

Over a period of 47 months of implementation, PNPM Peduli engaged with 72 CSOs (66 at the local level and six at the national level) active in 25 provinces across Indonesia. Activities conducted by local-level CSOs have involved more than 19,000 marginalized individuals in 231 villages across 91 districts/municipalities. The participating CSOs have contributed to improved socio-economic conditions amongst members of the marginalized groups by enabling access to public services, especially health, education, civic registration, and legal aid services; by improving access to income generating activities; and by increasing the level of participation in public decision-making processes.

PROGRESS IN 2014

In early 2014, the PSF Joint Management Committee (JMC) took the decision to shift oversight of the next phase of PNPM Peduli and the Disabled Persons Organizations Window (DPOW) to the Australian Department of Foreign Affairs and Trade (DFAT). With these changes, DFAT has awarded a grant to The Asia Foundation (TAF) to provide operational oversight and support to the program's national and local CSO partners. In order to enable the completion of the final round of the project's activities and to ensure a smooth transition, the Grant Agreements with Lakpesdam NU and Kemitraan were extended until November 30, 2014, with additional funding of US\$ 703,100.

Despite these significant changes to the management of the project, local CSOs and marginalized communities continued to implement activities to meet their immediate needs and strategic priorities. In 2014, PNPM Peduli benefited 19,645 people, of whom 59 percent were female, 39 percent male, and two percent transgender. These individuals were involved in 442 community groups,

exceeding the revised targets for 2014 by 31 percent. In total, 13,254 marginalized individuals (68% of the total beneficiaries) have benefited from improved access to health and education services as a result of the CSOs' intensive facilitation. This is a significant increase from the number of 8,254 beneficiaries reported in 2013. Moreover, 6,026 marginalized individuals (31% of the total beneficiaries) were involved in livelihoods activities, establishing 72 new small businesses with support provided by the PNPM Peduli project. Over the year, representatives of marginalized groups also reported enhanced support from local governments and the private sector as a result of intensive facilitation from local CSO partners. To date, 38 local CSOs have engaged with 44 districts/cities or provincial governments on issues related to marginalization and the needs of marginalized members of the communities.

Local CSOs also advocated for the promulgation and implementation of a number of policies and practices related to issues affecting marginalized groups. As a result of this advocacy, a number of CSOs reported changes in local policies, practices and/or funding allocations. In April 2014, Kemitraan conducted four provincial multi-stakeholder focus group discussions (FGDs) in East Kalimantan, West Kalimantan, East Nusa Tenggara, and West Nusa Tenggara. The purpose of these discussions was to consolidate program planning and to synchronize PNPM Peduli with other local government programs/initiatives. As a result of the FGD process, PNPM Peduli beneficiaries are beginning to benefit from other government-led programs, such as the revolving loan funds (RLFs) for women's groups.

PNPM Peduli has generated a number of lessons learned and best practices to highlight its achievements, and to serve as substantial inputs for a range of different stakeholders in the area of social inclusion practice. In 2014, for example, the project facilitated the publication of two books, *Mereka yang Tidak Pernah Menyerah* (The Ones Who Never Give Up) by Kemitraan; and *Transformasi NU dan Kaum Marginalitas* (NU Transformation and Marginalized Peoples) by Lakpesdam. These books describe beneficiaries' change stories.

In addition, PNPM Peduli also contributed to global knowledge exchange initiatives through a number of activities, including participation in an international conference held by UNESCO, Trinity College Dublin and the University of Melbourne, titled "Support to Policy Making and Planning for Social Inclusion of Disadvantaged Groups and Communities in Southeast

Asia." At this conference, the PNPM Peduli team delivered a presentation on the program's experience with the Suku Anak Dalam community and the transgender community. Through its participation in this conference, PNPM Peduli expanded its network with regional actors, shared stories of PNPM Peduli's success with a wider audience, and gained the insights regarding a range of social inclusion practices conducted by both governments and CSOs throughout Southeast Asia.

FUTURE PLANS

PNPM Peduli under the World Bank-managed portfolio formally closed on November 30, 2014. The PSF task team is currently preparing the Implementation Completion Report (ICR), which is expected to be complete by the end of April 2015.

LESSONS LEARNED

A program such as PNPM Peduli that aims to facilitate systemic changes and that utilizes a network approach needs long-term partnerships and secure funding commitments, in order to facilitate the establishment of a body of knowledge and learning over time. Such an arrangement would also improve efficiency by reducing the transaction costs borne by all partners that arose from short-term tranche-based financing periods.

Implementing an innovative pilot program such as PNPM Peduli requires a significant degree of flexibility to experiment and learn from experiences, in order to enable improvements to the program's implementation. A more flexible operational environment, involving a cross-sectoral approach and partnerships with multiple entities with a wide geographical coverage, would enable the program to test different approaches that best enable the achievement of the program's objectives. In addition, ensuring the quality of the program is crucial to the implementation of a complex pilot program such as PNPM Peduli. Learning from the PNPM Peduli experience, establishing defined program standards and utilizing a quality assurance tool are strongly recommended to achieve good quality programming.

To reach and empower marginalized groups, CSOs utilize local cadres as community facilitators, who are usually members of the target communities and are selected based on their ability to facilitate discussions. Especially in geographically-remote locations, these cadres play a vital role in ensuring the achievement of the program's objectives, as they are continuously present in

the communities and inherently understand the dynamics and challenges that these excluded groups face. As these cadres are at the front line of PNPM Peduli, the provision of appropriate mentoring is critically important.

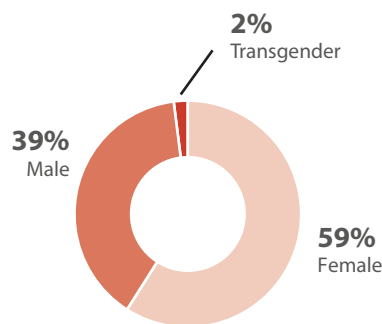
A multi-stakeholder approach is ideal in designing, planning and evaluating programs intended to empower marginalized groups. It is crucial to include

the voices of a range of stakeholders at every level of program management. These interactions allow CSOs to better understand the root causes of the issues and the challenges faced by members of marginalized groups, and to foster a higher level of commitment and program ownership by the stakeholders involved.

Figure 19. Number of Peduli partners



Figure 20. Composition of Peduli Beneficiaries



KEY PERFORMANCE INDICATORS

[illegible]

WINDOW THREE

DISABLED PERSONS ORGANIZATIONS (DPO) WINDOW

PROJECT RATIONALE AND OVERVIEW

In November 2011, the Government formally acknowledged that PNPM had fell short of including people with disabilities (PWDs). This recognition of the failure to include PWDs in PNPM programs raised questions and concerns regarding the degree to which the needs of PWDs had been addressed through the full range of Indonesia's poverty reduction and community empowerment programs. To address this, the Government requested the assistance of the PNPM Support Facility (PSF) to establish a project specifically designed to meet the needs of PWDs, principally by providing capacity-building and other assistance to Disabled Persons Organizations (DPOs), or civil society organizations led by and targeting PWDs. In September 2012, the PSF's Joint Management Committee (JMC) formally granted approval for the establishment of the Disabled Persons Organizations Window (DPOW) project, which included both World Bank-and recipient-executed activities.

The DPOW falls under the civil society window of the PSF. The objective of the project is to enhance the capacity of both the Government and Disabled Persons Organizations (DPOs) to represent PWDs and to engage key stakeholders in promoting the inclusion of PWDs in poverty reduction programs. The project was intended to create a unique opportunity to engage, support and build the capacities of DPOs to enable them to facilitate improvements in the lives of PWDs, and to advocate for disability-inclusive development in their local communities and at the national level. The project consists of the following components:

Filling data gaps related to the capacities of DPOs through a mapping of DPOs in Eastern Indonesia:

In this region of Indonesia, data gaps are particularly severe and the needs of people with disabilities are compounded by the more general development challenges affecting disadvantaged areas. The data derived from the mapping process is intended to assist the Government and development partners to better

SUMMARY INFORMATION

Status	Task Team Leader(s)	Implementing Agency
Closed	Natasha Hayward (nhayward@worldbank.org)	PNPM Support Facility
Start Date to Closing Date		
1 October 2012 to 31 March 2015		
Geographic Coverage		Approved Budget
n/a		US\$840,000

serve PWDs through poverty reduction and community empowerment programs. This mapping is also intended to support the design of the subsequent recipient-executed project and to help implementing partners understand the organizational and technical capacities of DPOs in the target region in order to provide customized support.

The establishment of a multi-stakeholder forum

(MSF): This MSF was intended to serve as a venue for Government stakeholders, DPOs and other development partners to discuss and formulate more coherent disability-related policies and programs.

The implementation of a recipient-executed project:

This project was intended to build on existing strengths to enable the Government and development partners to provide customized capacity-building and organizational development support to Eastern Indonesian DPOs by making grants accessible to DPOs and PWDs to address their identified needs.

PROGRESS IN 2014

In the context of the broader reorganization of PSF's portfolio, a recommendation was made and approved by the JMC on March 5, 2014, that the strategic oversight of both PNPM Peduli and the DPOW be shifted to the Australian Department of Foreign Affairs and Trade (DFAT), through their partnership with the Asia Foundation (TAF). In this context, the focus of the project in 2014 was on completing planned activities in preparation for the handover to TAF. All planning for the recipient-executed, grant-making component of the project was halted until TAF assumes their responsibility for the management of the project.⁵ In light of this transition, the PSF DPOW technical team was disbanded in August 2014, with the team leader continuing to oversee the formulation of final reports

⁵ Accordingly, no data was collected for key performance indicators (KPIs) that are meant to measure the recipient-executed activities and KPIs are not included in this report.

and the management of the formal closure of the project under the PSF/World Bank management.

In 2014, the project team's work to identify PWDs in regular PNPM programs was conducted in collaboration with PNPM Generasi, with a focus on building a cadre of PWDs to serve as resource persons and master trainers whose roles would be to train and orient PNPM Generasi facilitators on issues related to the inclusion of PWDs. The training provided by these resource persons is intended to improve the facilitators' abilities to identify PWDs, particularly children with disabilities (CWDs), and to enable these adults and children to participate in and benefit from PNPM Generasi processes. The first training was held in March 2014, with three missions visiting PNPM Generasi sites in Sumba, East Nusa Tenggara, to better understand the project and to pre-test their skills and tools. A final training of trainers (ToT) workshop was conducted in July 2014, bringing together 14 resource persons, the PNPM Generasi team, and representatives of DPOs, to document lessons learned from the process, to identify remaining skills gaps, and to consider future actions.

In the context of PNPM Rural's ongoing transition, particularly following the promulgation of the Village Law in January 2014, the team has reviewed options to ensure that DPOs and PWDs are aware of the law, and are able to align their strategies for inclusion with its implementation. While the DPOW's original goal of facilitating the establishment of a multi-stakeholder forum has been modified given that other agencies are already in the process of establishing fora that fulfil similar functions, the DPOW team engaged in preliminary discussions with the PSF's Village Law team and TAF regarding the possibility of conducting socialization workshops with DPOs on issues related to the Village Law.

FUTURE PLANS

Towards the end of the third quarter of 2014, DFAT stated that it would not be able to support those aspects of the DPO initiative that focus on integration with the Government's PNPM portfolio. With this decision, the project team explored potential ways to continue a limited number of World Bank-executed disability-inclusion activities directly under PNPM Generasi. In the first quarter of 2015, the two remaining DPOW activities will be brought to a close, these being (i) the dissemination of the final DPO Mapping report; and (ii) the completion of a technical review and the transfer of preliminary disability inclusion work with PNPM Generasi

to the task team. Following the completion of these two activities, in early 2015, DPOW will be formally closed under the World Bank/PSF in parallel with the formal closure of PNPM Peduli, at which point completion reports will be submitted.

LESSONS LEARNED

From experiences gathered from the implementation of the project, it was found that the original intention of immediately launching a DPOW recipient-led project based on the PNPM Peduli grant-making model was not feasible, with findings from the field demonstrating the existence of significant organizational, administrative, and management weaknesses in most grassroots DPOs. Any future project or initiative will need to take into account the current limited organizational capacities of DPOs, and to place significant emphasis on building their capacities to enable them to fulfill their intended functions.

From the project's experience with its original plans to establish a multi-stakeholder forum, it was learnt that while the disability-inclusion subsector in Indonesia is small, it is relatively crowded with many actors involved, and harmonization and coordination between these actors is often challenging. While the DPOW modified its plans to establish the MSF given the number of pre-existing fora and networks, rather than competing in this space, improved coordination between existing disability initiatives would benefit the greater cause.

Another lesson learnt is that there is a need to focus on facilitating changes in attitudes and on raising the level of knowledge of non-disabled actors and stakeholders. This includes facilitating a shift in thinking on disability issues away from a welfare approach, to one that focuses on real empowerment and partnership, and that recognizes PWDs' and DPOs' existing assets. It should also be recognized that this involves a number of challenges. For example, while involving PWDs in consultation, planning, and implementation processes is critical, it cannot be easily achieved without the allocation of significant resources to ensure full accessibility. Consideration should be given to physical accessibility requirements, selecting appropriate meeting venues, and providing translation and other services. This may incur a significant allocation of resources, but the benefits of DPO involvement, including a far greater understanding of PWD assets, needs and priorities, clearly outweigh the additional resource and time requirements that enable full participation.



WINDOW FOUR

M&E AND SPECIAL STUDIES

The PSF's analytical work supports the formulation and implementation of the Government's Roadmap and the newly approved Village Law, among many commitments, by linking operational experience and local-learning with applied research and evaluation, all in the service of generating a knowledge base for best-practice solutions and maximizing the impacts of community-led development in Indonesia. In 2014, the PSF's **Analytics team** focused on finishing ongoing PNPM-related research studies and also initiated a number of new key evaluations/studies, including a new PNPM Generasi Impact Evaluation and a PNPM Generasi Performance Monitoring Survey. In addition, the team

contributed to generating an enabling environment for evidence-based policy making, by both participating in and organizing international workshops.

In 2014, **the PNPM Mandiri Revolving Loan Funds (RLFs) Capacity-building and Sustainability Project** team continued to support the establishment of legal and governance structures for RLFs, in order to address key risk areas and to utilize concomitant opportunities. Three provincial-level workshops were delivered to begin a dialogue about the creation of linkages with bank and non-bank financial institutions, and a report that mapped existing informal linkages among 3,614 RLFs in



Community members meet at Forum Desa Nusantara to discuss the impending implementation of the Village Law, which will change the management structures and increase the funding available to villages across Indonesia.

Figure 21. Funds committed and disbursed under Window Four, 2008-2014 (US\$ million)



the four project provinces was published during the year. In December 2014, the Joint Management Committee approved a no-cost extension to the project's closing date to 30 April 2015 to complete the remaining activities. This year, **Technical Assistance to the Ministry for Development of Disadvantaged Regions (KPDT)** went through various changes that impacted its scope and modalities of delivery, but managed to consolidate its deliverables to help strengthen the ministry's capacities in the areas of policy development, inter-agency coordination and the design and implementation of investment programs in Indonesia's disadvantaged areas, before closing at the end of 2014.

WINDOW FOUR

PNPM MONITORING AND EVALUATION (M&E) AND SPECIAL STUDIES

PROJECT RATIONALE AND OVERVIEW

PNPM Mandiri and its predecessor have benefited from rigorous analytical work, which has helped to improve the design and operation of these programs and has served as inputs to inform and influence the formulation of policy related to the Government's community-based poverty reduction programs. For example, the findings of the Kecamatan Development Program (KDP) impact evaluation paved the way for the decision to scale up the program to achieve nationwide coverage in 2007 with the establishment of PNPM Rural. Utilizing a wide range of mixed-research methods including experiments, social analysis, simulations and ethnographies, the Monitoring and Evaluation (M&E) and Special Studies program is designed to: (i) provide stakeholders with empirical data related to the results and impact of PNPM Mandiri programs; (ii) conduct research into special topics of relevance to PNPM and the social development field in Indonesia; and (iii) support efforts to build the capacities of Indonesian research organizations.

The first phase of the program was completed in 2012. Following this, in July 2013, the Joint Management Committee (JMC) approved additional funding to allow the PSF Analytics team to continue the production of high-quality evidence and policy/program recommendations. Based on the premise that community empowerment and participation in development efforts leads to more effective and sustainable poverty reduction, the PSF Analytics team focuses on five thematic areas: (i) continued poverty impact; (ii) improved accountability in service delivery; (iii) social justice and inclusion; (iv) conflict and fragility; and (v) a supportive enabling environment for empirical-based policymaking.

SUMMARY INFORMATION

Status	Task Team Leader(s)	Executing Agency(ies)
Active	Lily Hoo (lhoo@worldbank.org)	PNPM Support Facility
Start Date to Closing Date		
26 May 2008 to 31 December 2017		
Geographic Coverage		Approved Budget
National		US\$14,411,000

Over the years, the PSF Analytics team has consistently emphasized the importance of evidence-based decision-making to inform the design and implementation of policy and programs. In particular, the team has supported the design and implementation of programs under the PNPM Mandiri umbrella through rigorous impact evaluations and other analytical works, including thematic studies using a mixed-methods approach. Since its inception in 2009, the PSF Analytics team has completed 13 evaluations to support PNPM Mandiri programs and other smaller initiatives. The team has also expanded the range of its partnerships in the delivery of analytical products and increased access to global experience and expertise in poverty alleviation practice, especially community-based poverty reduction. These efforts have been fed into important policy dialogues. The team has also contributed to the development of the PNPM Roadmap process by conducting studies that provide data and evidence for the Working Group in making decisions. Recently, inputs provided by the team have been instrumental for the drafting of the Village Law, which was approved in early 2014.

PROGRESS IN 2014

In 2014, the PSF Analytics team focused on completing ongoing studies that commenced in the previous year, in addition to initiating a number of new key evaluations/studies. The PEKKA Endline Survey evaluations aim to better understand how PEKKA can reduce poor female-headed households' marginalization, namely their limited access and control over resources and policies. This study also intended to analyze why some groups are successful in implementing the PEKKA program, and why some groups are less successful.

Table 5. Planned Evaluations and Studies for 2015 and 2016

No	Name of Study	Description of Study	Methodology	Expected Timeline
1	PNPM Rural 2012-15 Evaluation	The final evaluation will assess the performance of PNPM Rural 2012-15 against its key performance indicators, which include: (i) an economic analysis of infrastructure sub-projects built under the PNPM Rural 2012-15; (ii) a beneficiary survey that comprises an assessment of beneficiaries' access to infrastructure and other sub-project as well as perceived project benefits; and (iii) a facilitation assessment that includes facilitation performance and lessons learned to strengthen the Village Law Implementation.	Quantitative	The final report is expected to be completed by Q4-2015
2	Social Monitoring, Feedback and Response Systems	Social monitoring and feedback systems will help to quickly identify problems and improve policy and operational responses for the implementation of the Village Law, particularly in the first year. The Analytic Team will support piloting of social monitoring and feedback mechanism using existing tools such as the National Violence Monitoring System (NVMS) and taking into account lessons-learned from PNPM Rural & Generasi Complaints Handling System.	Quantitative	Concept draft by Q2 2015
3	Tracking Village Development in National Survey Instruments	Existing mechanisms and instruments can be adapted to improve the quality of village level data on development expenditure, outputs and outcomes, including poverty, participation and services delivery. This could include the National Socio-Economic Survey (Susenas) and other national survey such as Basic Health Indicators Survey (Riskesdas). The Analytics Team will lead discussions with National Statistics (Badan Pusat Statistik, BPS)/Ministry of Health and other relevant survey providers to negotiate for incorporation of additional Village Law-related modules in the existing surveys.	Quantitative	Concept draft by Q2 2015

The final Creative Communities Phase II (CC2) Evaluation aims to see to what extent CC2 creative approaches are effective in increasing the active participation of the poor and marginalized members of communities in PNPM and other village development programs. These mixed methods studies are to be completed approximately in Q3 2015.

The objective of the final qualitative evaluation PNPM Disaster Management Final Evaluation (DMS) Study is twofold, namely: (i) to assess beneficiaries' satisfaction levels with PNPM DMS objectives; and (ii) to assess the Economic Internal Rate of Return (EIRR) of the major infrastructure components built under the project, to be completed approximately at the end of Q1 2015.

The PSF Analytics Team, the World Bank Research Group, and the World Bank Poverty Team jointly carried out the SUSENAS Consumption Experiment to support Indonesia's National Statistics Office (BPS) in order to improve the quality of food-consumption data

collected through its annual statistical socioeconomic survey (SUSENAS). Upon completion, it is expected that this activity will contribute to enhancing BPS's institutional capacity in conducting SUSENAS, based on the improved quality of statistical data and the ability to compare measurements.

Utilizing longitudinal methods, the mixed-methods PNPM Generasi Impact Evaluation study and the Village Governance and Community Empowerment study ("Sentinel Villages") both aim to better understand decision-making and accountability processes at the village level, especially in relation to village development and service delivery. Aligned with Village Law implementation in 2015, it will be important to know what factors influence decision-making and accountability, and how these post-implementation changes support the Government in monitoring and evaluating the impact of the Village Law. This study will be completed by Q4 2016.

The accountability experiment will focus on what enables or constrains PNPM good governance practices to be taken up more widely within the community or local government. The statistical Accountability Initiative study aims to: (i) identify relevant features and characteristics of accountability relationships that either constrain or support the delivery of public goods and services in Indonesia; (ii) record and understand responses when additional features and characteristics (expected to increase accountability) are introduced within a service provider relationship that has poor accountability; and (iii) develop a general checklist to assist operational CDD staff or stakeholders in determining to what extent supply-side interventions are likely to benefit from local-level accountability and potential remedies if they are determined to be less accountable. The content of the diagnostics will be based on results from (i), (ii), and all resultant field-based learning, and will be completed by Q3 2016. The PNPM RESPEK/Papua Beneficiary Assessment's qualitative component was completed in the second quarter of this year, and it was presented to the Government. The quantitative component of this study also neared completion in this year, with its findings to be presented in early March 2015. Work on two new analytical studies commenced in 2014: (i) a PNPM Generasi Impact Evaluation that was preceded by a feasibility study; and (ii) a PNPM Generasi Performance Monitoring Survey. Both of these studies were intended to support the prioritized goal of improving accountability in service delivery, and will be completed by Q4 2016. The PSF Analytics and PNPM Generasi teams also presented the results from a PNPM Generasi feasibility study at an international conference in Manila (September 3 to 5, 2014), with this conference being jointly hosted by the Asian Development Bank (ADB) and the International Initiative for Impact Evaluation (3IE).

Throughout 2014, the team conducted a number of activities to promote an enabling environment for evidence-based policy making. With the UN Pulse Lab Jakarta and the Australian Department of Foreign Affairs and Trade (DFAT), the PSF Analytics team participated in the Big Data Mission hosted by Bappenas to identify, develop and test a policy on data innovation. This mission, which was conducted in the period from June 24 to 26, involved training in mixed methods research techniques, bringing together international experts on service delivery and local governance from around East Asia and the Pacific. The training covered key competencies, including those involving causal inferences, surveys, impact evaluations, experiential learning, and natural case studies.

FUTURE PLANS

In 2015, the PSF Analytics team will remain focused on the completion of ongoing analytical works carried over from 2014. These works include: (i) ongoing support to the existing core PNPM programs, such as PNPM Rural and PNPM Generasi; (ii) active participation in Village Law M&E and Analytics Working Groups; (iii) the provision of analytical expertise on a number of smaller initiatives such as Creative Communities 2 and the Female-Headed Household Empowerment Program (*Pemberdayaan Perempuan Kepala Keluarga/PEKKA*); (iv) capacity-building of Indonesian research institutions; and (v) knowledge management and dissemination.

In the context of PNPM's transition, the focus of the program will be on emerging priorities such as frontline service delivery and the imminent implementation of the Village Law. Accordingly, research facilitated by the program will aim to provide solutions to enable the measurement of pro-poor programs and to increase the impact. This research will also aim to facilitate a better understanding of social and institutional dynamics at the local level, which influence community empowerment.

LESSONS LEARNED

The PSF Analytics Team has learned that strong engagement and intense collaboration with Government agencies is vitally important for the implementation of evaluation activities. For example, a strong collaboration with the BPS team has resulted in the development of a joint project, the SUSENAS Consumption Experiment, which includes a strong capacity-building component to improve the quality of data derived from BPS's key annual socio-economic survey. Providing regular updates to key stakeholders is important for maintaining the level of engagement, given the often long time-lag between the evaluation/study concept review stage and the presentation of results. If regular updates are not provided, there is a risk that key stakeholders will lose track of the evaluation/study and fail to develop a sense of ownership over the results. Thus, for major evaluations/studies that are expected to take more than a year to complete, it is important that the team conduct periodic meetings/seminars to update key stakeholders on the progress of the work. In addition to collaboration with external stakeholders, the team also learned that strong internal coordination with a range of PSF task teams at all stages of the work was a success factor for good results, as demonstrated by PNPM Rural and PNPM Generasi.

KEY PERFORMANCE INDICATORS

[illegible]

WINDOW FOUR

PNPM MANDIRI REVOLVING LOAN FUNDS CAPACITY- BUILDING AND SUSTAINABILITY (PNPM RLF)

PROJECT RATIONALE AND OVERVIEW

Community-based revolving loan funds (RLFs) were initially conceived as an integral component of the Kecamatan Development Program, the predecessor to PNPM Rural, which was first established in 1998 as a short-term response to the impact of the Asian financial crisis in Indonesia, when massive unemployment, migration back to villages, and the curtailment of bank lending created an urgent need to provide funds to rural areas. By 2013, PNPM Rural and PNPM Urban program had expanded to cover 5,000 sub-districts and 10,900 urban wards and the value of the assets of outstanding RLF portfolios had grown to an estimated US\$ 1 billion for PNPM Rural and US\$ 300 million for PNPM Urban, with these programs providing loans to more than 990,000 groups and nine million individual borrowers. However, by 2000, it had already become clear that the micro-finance components of the programs were not performing optimally. This was the result of a number of factors, including the fact that Activity Management Units (UPKs) did not have the necessary management, technical or financial capacities to administer the RLFs; the performance of borrowers was poor, with limited support provided at the group level; and members of communities perceived the RLF more as a social assistance program, rather than as a program to provide loans that needed to be repaid.

In this context, in 2010, the PSF Joint Management Committee (JMC) approved the establishment of the PNPM Mandiri RLF Capacity-building and Sustainability project, with financing through a World Bank-executed trust fund for a five-year period. The purpose of the project was to formulate and test a set of approaches and strategies to assist the Government to address

SUMMARY INFORMATION

Status	Task Team Leader(s)	Executing Agency(ies)
Active	Safriza Sofyan (ssofyan@worldbank.org)	PNPM Support Facility
Start Date to Closing Date		
15 January 2010 to 30 April 2015		
Geographic Coverage		Approved Budget
The Special Region of Yogyakarta, Central Java, East Nusa Tenggara (NTT) and West Sumatra		US\$9,971,956

Map 6. Provinces Covered by PNPM MANDIRI REVOLVING LOAN FUNDS CAPACITY-BUILDING AND SUSTAINABILITY (PNPM RLF)



the issues affecting the RLFs and to strengthen RLFs that had recorded a relatively good level of performance to become self-sustaining in anticipation of the phasing-out of direct Government support. The project supports the Government in: (i) building and enhancing the structure and operations of the PNPM RLF scheme; (ii) strengthening linkages between the PNPM RLFs and bank and non-bank financial institutions to help ensure growth and sustainability in the provision of financial services to the poor; (iii) developing and establishing a monitoring and supervision system to provide fiduciary oversight of the microfinance operations and to track the institutional development and performance of the RLFs; and (iv) evolving RLFs from a Government-backed scheme to becoming more operationally and financially self-reliant.

The project operates in four provinces (the Special Region of Yogyakarta, Central Java, West Sumatra and East Nusa Tenggara), which account for approximately a third of the total value of all RLF assets. The first phase of the project focused on the preparation of diagnostic

A woman in Limapoccoe, Cenrana, South Sulawesi, has succeeded in utilizing her SPP loan to raise thousands of chickens each season. Her poultry-management operation also produces organic fertilizers from the waste of the chickens.





Women RLF beneficiaries in Bogor, West Java, produce sweets made from nutmeg, some of which are then exported to world markets.

assessments and studies, and on consultations with stakeholders to build support for the design and testing of approaches. However, there were significant implementation delays during this initial phase, which were caused by Bank procurement procedures, the protracted period required to conduct RLF needs assessments, and challenges related to ensuring good coordination between a range of Government stakeholders. A major breakthrough occurred in mid-2013, at which point the level of engagement of Government stakeholders had strengthened, and after which the project had accelerated field-testing of project activities. The Government has now included measures to reform the RLF system in its 2015-2019 Medium-Term Development Plan, and indicated that it is willing to allocate implementation funding to a value of up to US\$ 100 million. The Government's planned reforms include measures to protect RLF community assets; to implement a RLF Management Information System (MIS) to ensure data reliability and transparency; to build the capacities of managers and operators of the RLFs; to develop strategies to establish linkages between PNPM RLFs and micro-finance institutions and to manage non-performing RLFs.

PROGRESS IN 2014

By the project's original closing date on December 31, 2014, the project had made good progress toward meeting its defined targets. However, since additional time was needed to complete a number of activities, the JMC granted a four-month extension to enable the completion of these activities. The project's main achievements and activities in 2014 include the following:

Capacity-building and Institutionalization:

Independent assessments of the financial, management and operational performance of 508 RLF UPKs were conducted in the four provinces by Micro-credit Ratings International Ltd. (M-CRIL), an internationally-recognized microfinance rating agency, while a training needs assessment was conducted by the Frankfurt School of Management. The needs assessments reaffirmed a number of existing weaknesses that had already been identified by earlier studies, including declining levels of loan repayments; the unclear legal status of the funds; and weak management capacity. After extensive stakeholder consultations, five core training modules were developed to include an induction/orientation, loan management, loan recovery, accounting including double-entry

bookkeeping, and RLF supervision. These modules were tested in 2014, with training provided to a number of stakeholders involved in the operation of PNPM Rural RLFs, including members of UPKs and Inter-Village Coordinating Bodies (BKAD), and facilitators. Following this testing, modules were finalized for roll-out as part of the Government's measures to reform the RLF system. In total, 36 individuals in 46 PNPM Rural and in 10 PNPM Urban locations were trained as trainers, eight of whom served as master trainers to train additional trainers for the nationwide rollout of the program.

In 2014, the project team continued to support the future establishment of new legal and governance structures for RLFs, which will clarify asset ownership and enable the establishment of linkages with bank and non-bank financial institutions. The Government formulated and issued a policy to offer communities three legal options by which to transform RLFs. This policy being formally communicated to stakeholders by the Coordinating Ministry for Human Development and Culture (*Kementerian Koordinator Bidang Pembangunan Manusia dan Kebudayaan/KemenkoPMK*). The Government also worked to develop technical and implementation guidelines to enable communities to implement the selection process. These guidelines are now being reviewed by the Financial Services Authority (*Otoritas Jasa Keuangan/OJK*), the Ministry of Cooperatives, and the Ministry of Law and Justice. The legal transformation of a number of RLFs in PNPM Urban project locations in Central Java and Yogyakarta is currently being field-tested.

Bank and Non-bank Linkages: In 2014, the development of the aforementioned three legal options also created opportunities for the Government to enter into agreements with the formal banking sector, as the existence of a solid legal status for the RLFs is a precondition for such cooperation. A report that mapped existing informal linkages among 3,614 RLFs in the four project provinces was published during the year, with a collection of 18 case studies of linkages. This report and the case studies are intended to serve as inputs for the Government to further develop its linkage strategies. In addition, a catalogue of linkages under the PNPM Rural and PNPM Urban programs in Central Java was published, with this catalogue describing the key features of the RLFs' data profiles. In the second half of 2014, three provincial-level workshops on linkages were delivered in Semarang, Yogyakarta and Padang to conduct public-private dialogues to introduce linkage potential and to strengthen the provision of financial services.

Each workshop was attended by more than 270 local representatives of the public and private sectors, PNPM consultants, and PNPM community representatives.

Monitoring and Supervision: Assessments by M-CRIL show that RLF data is characterized by a lack of accuracy, integrity, and transparency. The Existing Management Information System (MIS) for PNPM Rural does not currently have the capacity to capture detailed financial data, and therefore to monitor effectively. A prototype web-based data management developed under the project is now live and in use by UPKs in 46 locations across the four project provinces. As a result, under the prototype, RLF bookkeeping is now automatically integrated, loan processing is simplified, and real-time routine and ad-hoc data reports are available at all levels to enable the monitoring of the performance of RLFs. The system also tracks financial anomalies and utilizes a separate simplified performance-rating tool to determine the health of RLFs.

Cross-cutting Policy and Strategy: The project was initially designed in anticipation of a phase-out of direct Government support to the RLFs. However, through its Medium-Term Development Plan (RPJM), the Government has signaled that it will continue to provide support for RLFs. Accordingly, policy advice is focusing on building capacities through the development of a master plan for the future of RLFs as a community trust fund (*Dana Amanah Pemberdayaan Masyarakat/DAPM*).

FUTURE PLANS

In December 2014, the JMC approved a no-cost extension to the project's closing date to April 30, 2015 in order to facilitate the completion of project activities, including the finalization of a project evaluation, of a fiduciary risk assessment, and of the handover of project activities to the Government to support its prospective nationwide scale-up. Accordingly, for the first four months of 2015, the project team will focus on finalizing the closure of the project and generating inputs for the next phase of activities. The JMC has determined that the planned evaluation study of RLF activities and processes will not be included in the pilot project activities. A comprehensive study measuring the impact of the RLFs will be conducted and funded by the Government.

LESSONS LEARNED

One of the most significant lessons learnt from the implementation of the project is that the development of an effective structure to facilitate consultation and communications between stakeholders is critical to the success of multi-stakeholder projects, such as the RLF project. The project made significant progress only after strong support from a range of stakeholders, after the technical working group led by Bappenas

began to meet regularly. Prior to these regular meetings, coordination was conducted bilaterally with individual ministries, without any focal point representing each particular ministry. The establishment of the technical working group brought together all stakeholders to regular discussions of the progress of each component, which resulted in significant improvements to the quality of implementation.

KEY PERFORMANCE INDICATORS

Result Indicators	Unit of Measure	Baseline	Total Target	Targets (cumulative)			Delivered in 2014 (only)	Cumulative Progress as of Dec 31, 2014	Difference with cumulative target for 2014/ Comments on progress
				2012	2013	2014			
Project Development Objective: The objective of the Project is to support the capacity-building, restructuring and institutionalization of the PNPM Revolving Loan Fund scheme and to strengthen linkages between the PNPM RLFs and the commercial microfinance sector so as to help ensure growth and sustainability in the provision of financial services to the poor.									
Percent increase in # and amount of loans to groups/ members in supported RLFs	Loans	To be extracted from baseline data after determination of RLFs to be supported by pilot.	Targets to be set in collaboration with PNPM.	-	-	-	All project activities are in the final stages.	Baseline data collected. All pilot activities (legal, capacity-building, MIS, bank linkages) that will improve RLF operations in final stages.	
# UPK-RLFs with increased non-government financial resources	UPK-RLFs	0 (all funded from PNPM Block Grants and reflows)	Number targets to be set after linkage discussions with stakeholders.	-	-	-	Reports of existing linkages and case studies were published and strategy workshops held with stakeholders.	Mapping of linkages between 3,614 RLFs and formal financial sector showed a small number had linkages but no partners were providing financial resources directly to the UPK-RLFs, which requires legal status of RLFs.	It is expected that significant progress is made once UPK-RLFs are transforming to legal status as this will be the foundation for future linkages with formal financial institutions.
# of UPKs with completed sustainability assessments	# UPKs	0	507	-	-	-	n/a	508 assessments completed in 2011, and discussed and disseminated in 2012.	Assessments found significant weaknesses in the RLF system and also informed RLF project activities.
% of supported RLFs with regular, complete and timely performance rating results	% UPK-RLFs	0	100%	-	-	100%	Prototype RLF monitoring system that will support automated generation of ratings, data integrity and transparency is "live" in 46 project locations.	Independent ratings provided for a sample of RLFs. PNPM Rural ratings simplified from 60 to 17 proposed indicators. PNPM stakeholders eventually agreed on much simpler performance/RLF "health" indicators. Prototype RLF monitoring system will support automated generation of ratings, data integrity and transparency.	

WINDOW FOUR

TECHNICAL ASSISTANCE TO THE STATE MINISTRY OF DISADVANTAGED AREAS (KPDT)

PROJECT RATIONALE AND OVERVIEW

The core mandate of the State Ministry of Disadvantaged Areas (KPDT) is to support disadvantaged, border, remote, and post-conflict areas, with this being one of 11 national priorities established through the National Medium-Term Development Plan (*Rencana Pembangunan Jangka Menengah/RPJMN*) 2009-2014. There is a significant gap in the living standards of members of communities in disadvantaged areas relative to those living elsewhere. Through its measures to reduce or eliminate this gap, KPDT aims to contribute to Indonesia's territorial cohesion, a particularly sensitive issue given the archipelagic nature of the country. To achieve this, KPDT focuses its activities on fostering coordination between national agencies and local governments, building the capacities of local governments, and on implementing pilot programs that may be scaled-up following their successful testing. KPDT's ability to implement programs and projects in accordance with its mandate will become a major test of its long-term viability as an agency to promote local economic development and territorial cohesion.

The PSF provides Technical Assistance (TA) to strengthen KPDT's capacities in the areas of policy development, inter-agency coordination at the national and provincial level, and the design and implementation of investment programs in Indonesia's disadvantaged areas. The project originally consisted of four components, as follows:

- Strengthening KPDT's capacity to coordinate the Government's interventions in disadvantaged areas;
- Strengthening KPDT's systems and programming and operational capacities;
- Building the capacities of provincial governments to assist disadvantaged areas; and
- Program Management

SUMMARY INFORMATION

Status	Task Team Leaders	Implementing Agency
Closed	Mariam Rikhana (mrikhana@worldbank.org)	PNPM Support Facility
Start Date to Closing Date		
2 July 2012 to 31 December 2014		
Geographic Coverage	Approved Budget	
National	US\$414,000	

The activities proposed under the TA are intended to assist KPDT in its efforts to bolster its strategic pillars; to develop an articulated and well-aligned National Medium-Term Development Plan in disadvantaged areas (RPJMN) 2015-19; to strengthen its capacities for inter-ministerial coordination; to identify priority development gaps in disadvantaged areas and to formulate strategies to tackle them; and to conceptualize public projects that are consistent and coherent with its strategic and programmatic framework.

PROGRESS IN 2014

In 2014, the project underwent significant internal and external changes, which impacted the scope and modality of its deliverables. The closing date of the project was extended from July 2, 2014 until December 31, 2014, in order to enable the completion of remaining activities. At the same time, a new Task Team Leader was appointed, with substantial delays in the handover of activities, further compounded by a four-month hiatus in the recruitment of project consultants. As a result, two outputs under Component 3 could not be implemented, this being the development and delivery of a training program. The scope of the TA was modified accordingly to focus on the provision of advisory services and on operational capacity-building, mainly under the first two components.

Component 1: Strengthening KPDT's Capacity to Coordinate Government of Indonesia's Interventions in Disadvantaged Areas:

In 2014, the project assisted the KPDT in the preparation of inputs for the development of the RPJMN 2015-2019; the National Strategy (STRANAS), the Guidelines for Regional Strategy (STRADA) for accelerating the development of disadvantaged areas, the Strategic Plan for 2015-2019, the Annual Work Plan for 2015, and the improved Monitoring and Evaluation system. In addition, the TA completed assessments of the priority

programs of KPDT. Inputs and recommendations to improve the design of the block grant system were successfully submitted to KPDT, together with three monitoring and progress reports. The project also produced an evidence-based advisory that contributed to the drafting of Government Regulation No. 78 in October 2014, regarding Accelerating the Development of Disadvantaged Areas. This Government regulation has strengthened the role of the KPDT in supporting disadvantaged areas' development through inter-agency coordination at the national and provincial levels.

Component 2: Strengthening KPDT's systems and programming and operational capacity: A major institutional change occurred following the inauguration of the newly-elected government in October 2014. Through the enactment of the Presidential Decree (No 121/P/2014) dated October 27, 2014, KPDT was merged into a new ministry, named the Ministry of Villages, Disadvantaged Areas Development, and Transmigration. This ministerial change entailed the alignment of the TA outputs with the current structure of this new ministry. Nonetheless, the objective of the TA has continued to remain relevant with the establishment of the new Ministry, as the latter merges three sub-sectors to generate a framework

regarding area-based rural development. The team also managed to provide revised inputs for the development and implementation of the RPJMN, STRANAS, Strategic Plan (RENSTRA), and Annual Work Plan, which are now incorporated in to the programs, strategies and institutional designs of the new ministry.

FUTURE PLANS

The PSF grant supporting the TA was closed on December 31, 2014. The final output of the TA will be consolidated by March 2015 and presented as inputs for the development of strategic documents of the Ministry of Villages, Disadvantaged Areas, and Transmigration.

LESSONS LEARNED

By working with an appropriate counterpart (KPDT's Bureau of Policy and Planning Division), the TA managed to contribute significant inputs in preparation for the debut of the new Government administration. Identifying an appropriate client team with which to work was crucial to ensure project effectiveness, as this team was responsible for the organization of meetings around key issues, and had the most experience with planning.

KEY PERFORMANCE INDICATORS

Result Indicators	Unit of Measure	Base-line	Total Target	Targets (Cumulative)		Delivered in 2014 (only)	Cumulative Progress as of Dec 31, 2014	Difference with cumulative target for 2014	Comments on progress
				2013	2014				
Project Development Objective: Strengthen KPDT's capacity in policy development, in inter-agency coordination at the national and provincial level, and in the design and implementation of investment programs in Indonesia's Disadvantaged Areas									
RENSTRA 2015-19 for Disadvantaged Areas is prepared with inputs from the overall TA	No. of documents	0	1 document as an input to RENSTRA 2015-2019	0	1	Revised input to RENSTRA 2015-2019	1 document as an input to RENS-TRA 2015-2019	0	
KPDT establishes an inter-ministerial coordinating mechanism with the aim of ensuring that policies and strategies for disadvantage areas are shared and concurred upon	No. of coordination meetings	0	4	0	2	Two coordination meetings were conducted in April and May 2014	Two coordination meetings were conducted in April and May	0	
Strengthened coordination mechanism with other line agencies	No. of coordination meetings	0	4	0	2	Two coordination meetings were conducted in April and May	Two coordination meetings were conducted in April and May	-2	
Improved block grant design	No. of document/assessment reports	0	1	0	1	1 Inputs and recommendations submitted to KPDT	Inputs and recommendations submitted to KPDT	0	
2.2. Assessment reports on the current performance of KPDT's key programs i.e. Prukab, Bedah Desa, DAK SPDT, etc	No. of assessment reports	0	3	0	0	3 assessment reports completed	3 assessment reports completed	0	
2.3. Improved Monitoring and Evaluation System and Results Framework	No. of manual	0	2	0	0	1 M&E manual improved and tested	1 manual	0	
3.3. Training provincial staff on planning	No. of staff trained by gender	0	20 (men 10, women 10)	0	0	0	0	-20	
Monitoring and progress reports	No. of reports	0	6	0	3	3 reports	3 reports	0	

* Total targets were set in anticipation of the project extension beyond 2014.

ANNEXES

ANNEX ONE: FINANCIAL OVERVIEW

In 2014, the PSF continued to respond to the Government's request for increased financial and technical assistance to support its poverty reduction efforts through the PNPM programs. To this end, the Australian Department of Foreign Affairs and Trade (DFAT) pledged an additional US\$16.4 million (AU\$17.5 million). The Joint Management Committee (JMC) approved US\$60.85 million for new activities or additional financing.

PLEDGES AND CONTRIBUTIONS TO THE PSF

In 2014, pledges to the PSF increased by roughly 4 percent from US\$438 million to reach approximately US\$454 million, as cash contributions increased by roughly 7 percent from US\$365 million to reach US \$392 million. During the year, two donors— the Government of Denmark and the European Union — exited the Multi Donor Trust Fund (MDTF).

COMMITMENTS

With the realization of the project pipeline and topping up of existing activities, the value of JMC approved activities grew by 18 percent from US\$343 million at the end

of 2013 to US\$404 million at the end of 2014. About 74 percent of the commitments were for Window One activities, namely direct budget support and co-financing.

DISBURSEMENTS

A total of US\$299 million has been disbursed since 2008 out of the received contributions of US\$404 million, leaving US\$105 million in balance. In 2014, PSF financed activities disbursed US\$52 million, down from US\$65 million in 2013. The disbursement ratio for the year was 87 percent of the 2014 Disbursement Plan. Government implemented activities, which disbursed US\$39 million, account for the largest share (75 percent), followed by the PSF/World Bank, and CSOs, which disbursed US\$9 million (18 percent) and US\$4 million (7 percent), respectively.

Window One, which provides direct budget support to Government special programs, disbursed US\$39 million in 2014. PNPM Generasi, which disbursed US\$30 million, accounts for the majority of the disbursements, followed by PNPM Urban in Aceh and Disaster Management Support of US\$8 million and US\$1 million, respectively. Disbursements under Window One are expected to increase by 5 percent in 2015, with a projected disbursement of US\$41 million for both PNPM Generasi and PNPM Urban in Aceh.

Figure 22. Share of funding by executing agencies

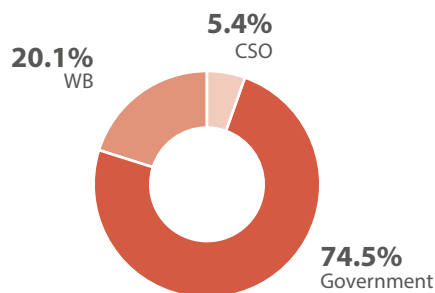
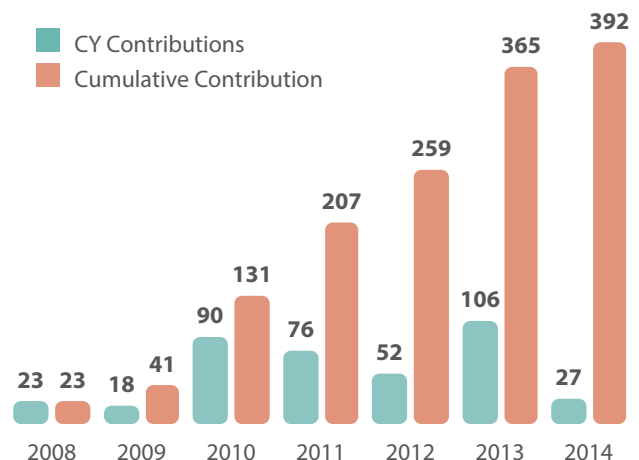


Figure 23. Donors' contributions (US\$ million)



Window Two, which provides coordination and implementation support to the Government, disbursed approximately US\$9 million in 2014 or down by 10% from the previous year. Disbursements under Window Two are expected to further decrease in 2015 due to completion of activities such as PNPM Field Operations, TA to Bappenas and Pokja, Creative Communities II, and PNPM Communications.

Window Three, which provides support to Indonesian philanthropies and civil society groups working on poverty reduction at the grassroots level, disbursed US\$1 million in 2014. Disbursements from the PSF MDTF

will wind down in 2015 as the PNPM Peduli and DPO portfolios transition to the Asia Foundation's oversight.

Window Four, which provides technical assistance and M&E services to PNPM, disbursed approximately US\$4 million in 2014. Similar to that of last calendar year, most of the disbursements were for the PNPM Revolving Loan Fund (RLF) capacity building pilot and the PNPM M&E and Special Studies program. Disbursements under Window Four are expected to remain strong in 2015 with PNPM M&E and Special Studies leading the line with a projected disbursement of US\$3 million in 2015.

Figure 24. Approved commitments (US\$ million)

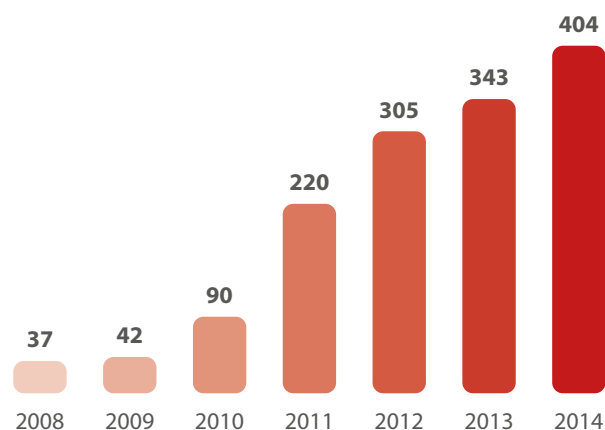


Figure 25. Total disbursement (US\$ million)

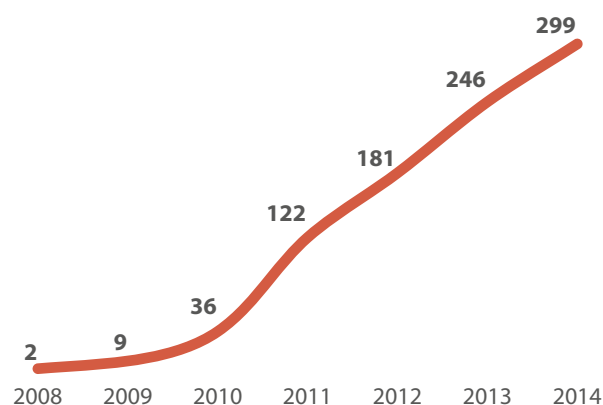


Figure 26. Disbursements Performance (US\$ million)

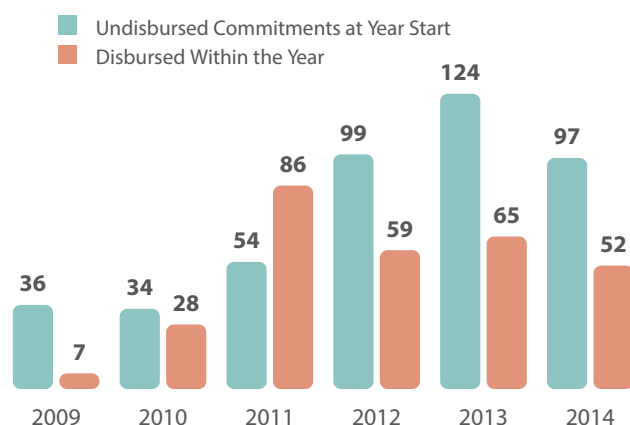
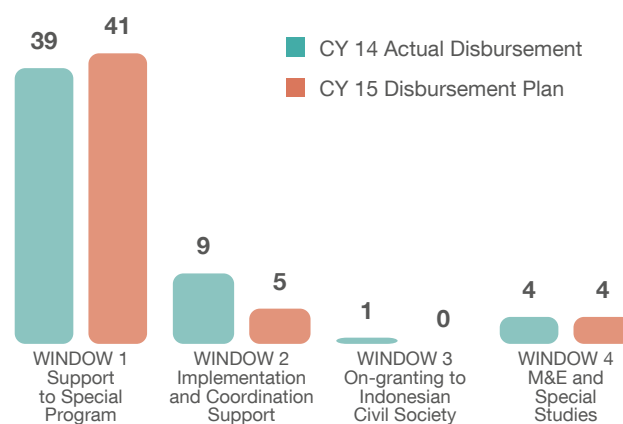


Figure 27. CY 15 Disbursement Plan vs CY 14 Actual disbursement (US\$ million)



ANNEX TWO: PSF FINANCIAL STATEMENT AT END 2014

MILLIONS OF US\$

RECEIPTS (ACTUAL)	2008	2009	2010	2011	2012	2013	2014	Total
Government of Netherlands	14.67	4.50	0.83	11.90	-	-	-	31.90
Government of Australia	6.20	3.14	14.89	34.09	50.34	78.10	16.40	203.16
Government of Denmark	2.07	4.54	4.27	4.23	-	-	-	15.12
Government of United Kingdom	-	5.63	2.31	-	-	-	-	7.93
European Union	-	-	3.35	1.35	1.26	0.64	-	6.60
Millennium Challenge Account-Indonesia	-	-	-	-	-	22.46	10.89	33.35
Government of The United States of America	-	-	64.70	24.81	-	4.85	-	94.36
SUB-TOTAL	22.95	17.81	90.35	76.38	51.60	106.05	27.30	392.43
Investment Income	0.44	0.40	0.34	0.18	0.35	0.33	0.27	2.31
SUB-TOTAL	23.39	18.21	90.69	76.56	51.94	106.39	27.57	394.74
Administration Fee (1%)	0.24	0.18	0.91	0.76	0.50	1.06	0.27	3.92
TOTAL	23.15	18.03	89.78	75.80	51.44	105.33	27.29	390.82

OPERATIONAL SUMMARY (CUMULATIVE)	2008	2009	2010	2011	2012	2013	2014
Approved Commitments	37.39	42.25	90.27	220.44	305.36	342.80	403.65
Disbursements	1.84	8.52	36.20	121.84	181.16	246.14	298.52
Undisbursed trust funds and grants	35.56	33.73	54.07	98.60	124.19	96.66	105.13

WINDOW ONE: DIRECT BUDGET SUPPORT AND CO-FINANCING		2008	2009	2010	2011	2012	2013	2014
Approved Commitments		16.00	16.00	44.25	156.88	222.22	216.79	298.39
1	PNPM Generasi (Community CCT) Scale-up	-	-	10.20	38.32	73.32	73.32	73.32
2	PNPM Generasi (Community CCT) Scale-up	-	-	-	-	31.70	31.70	113.34
3	PSF Disaster Mgt Support — Rekompak (MDTF TF070967)	-	-	-	0.40	0.40	0.40	0.40
4	PSF Disaster Mgt Support — Rekompak (USAID TF071562)	-	-	-	11.10	11.10	11.10	11.05
5	PNPM Urban in Aceh	-	-	-	24.81	23.50	23.50	23.50
6	PSF Disaster Mgt Support — PNPM Rural (MDTF TF070967)	-	-	-	0.20	0.20	-	-
7	PSF Disaster Mgt Support — PNPM Rural (USAID TF071562)	-	-	-	13.90	13.90	13.90	13.90
8	PNPM Green/Renewable Energy	16.00	16.00	34.05	34.05	34.00	30.68	30.68
9	Global Financial Crisis Supplement (GFCS) for PNPM Rural (AF)	-	-	-	32.70	32.70	30.84	30.84
10	PSF Disaster Mgt Support — PNPM Urban	-	-	-	1.40	1.40	1.34	1.34
Disbursements		-	1.60	19.39	91.27	130.26	177.15	215.85
1	PNPM Generasi (Community CCT) Scale-up	-	-	10.20	32.84	42.34	72.61	73.32
2	PNPM Generasi (Community CCT) Scale-up	-	-	-	-	-	10.78	40.16
3	PSF Disaster Mgt Support — Rekompak (MDTF TF070967)	-	-	-	0.40	0.40	0.40	0.40
4	PSF Disaster Mgt Support — Rekompak (USAID TF071562)	-	-	-	4.85	10.25	11.10	11.05
5	PNPM Urban in Aceh	-	-	-	-	-	6.40	14.50
6	PSF Disaster Mgt Support — PNPM Rural (MDTF TF070967)	-	-	-	-	-	-	-
7	PSF Disaster Mgt Support — PNPM Rural (USAID TF071562)	-	-	-	5.87	11.55	13.00	13.54
8	PNPM Green/Renewable Energy	-	1.60	9.19	16.00	31.68	30.68	30.68
9	Global Financial Crisis Supplement (GFCS) for PNPM Rural (AF)	-	-	-	30.61	32.70	30.84	30.84
10	PSF Disaster Mgt Support — PNPM Urban	-	-	-	0.70	1.35	1.34	1.34
Undisbursed Funds		16.00	14.40	24.86	65.61	91.96	39.64	82.54
1	PNPM Generasi (Community CCT) Scale-up	-	-	-	5.48	30.98	0.72	-
2	PNPM Generasi (Community CCT) Scale-up	-	-	-	-	31.70	20.92	73.18
3	PSF Disaster Mgt Support — Rekompak (MDTF TF070967)	-	-	-	-	-	-	-
4	PSF Disaster Mgt Support — Rekompak (USAID TF071562)	-	-	-	6.25	0.85	-	-
5	PNPM Urban in Aceh	-	-	-	24.81	23.50	17.10	9.00
6	PSF Disaster Mgt Support — PNPM Rural (MDTF TF070967)	-	-	-	0.20	0.20	-	-
7	PSF Disaster Mgt Support — PNPM Rural (USAID TF071562)	-	-	-	8.03	2.35	0.90	0.36
8	PNPM Green/Renewable Energy	16.00	14.40	24.86	18.05	2.32	-	-
9	Global Financial Crisis Supplement (GFCS) for PNPM Rural (AF)	-	-	-	2.09	-	-	-
10	PSF Disaster Mgt Support — PNPM Urban	-	-	-	0.70	0.05	-	-

WINDOW TWO: IMPLEMENTATION AND COORDINATION SUPPORT		2008	2009	2010	2011	2012	2013	2014
Approved Commitments		11.95	12.90	19.37	30.31	36.34	50.04	54.58
1	PSF Secretariat/Operations Support	3.65	3.65	5.35	5.35	6.59	8.39	13.94
2	USAID Program Mgt and Administration	-	-	-	2.89	2.89	2.89	3.04
3	Socialization/Dissemination: Communication Strategy	2.00	2.00	2.50	4.35	4.35	4.35	4.35
4	PNPM Supervision & Monitoring (Rural)	4.00	4.00	6.00	6.15	5.12	5.35	7.73
5	PNPM Field Team Operations (Rural)	-	-	-	1.50	2.53	2.80	4.10
6	MIS/Info Management: Integrated MIS for PNPM Mandiri (Simpadu II)	-	-	0.98	0.98	0.98	0.98	0.98
7	TA Support to Bappenas and Pokja Pengendali PNPM (Kesra)	-	-	-	1.66	1.66	1.66	3.08
8	PNPM RESPEK: Barefoot Engineers Training Wave III	-	-	-	1.75	1.75	4.09	4.09
9	Barefoot Engineers Training III (BETF)	-	-	-	-	-	0.07	0.07
10	PNPM Community Facilitator Devt Program, Phase III (Approved 7/25/2011)	-	-	-	1.19	1.19	1.19	1.19
11	National Community Empowerment Program In Urban Areas For 2012-2014 Supervision	-	-	-	-	0.35	0.35	1.86
12	Creative Communities II (BETF)	-	-	-	-	0.27	0.27	0.34
13	Creative Communities II (RETF)	-	-	-	-	0.61	0.61	1.92
14	Pro-Poor Planning and Budgeting	-	-	-	-	1.67	1.67	1.67
15	Village Training Program (BETF)	-	-	-	-	0.40	0.40	0.40
16	Village Training Program (RETF)	-	-	-	-	1.25	1.25	1.25
17	Technical Assistance for PNPM Mandiri Operation, Delivery and Oversight	-	-	-	-	-	6.01	-
18	Technical Assistance for PNPM Mandiri Operation, Delivery and Oversight (USAID)	-	-	-	-	-	2.44	-
19	Technical Assistance for PNPM Mandiri Operation, Delivery and Oversight (PNPM Urban)	-	-	-	-	-	0.55	-
20	USAID Supervision and Operational	-	-	-	0.15	0.15	0.15	-
21	PNPM Green Awareness Raising Project	-	-	-	-	0.27	0.27	0.27
22	Green PNPM Env. Awareness: Pilot Project	2.30	2.30	2.30	2.30	2.30	2.30	2.30
23	PNPM Supervision & Monitoring (Urban)	-	-	0.50	0.80	0.80	0.79	0.79
24	PNPM Community Facilitator Devt Program	-	0.95	0.95	0.95	0.95	0.95	0.95
25	Training of Local Auditor (Inspektorat Kota/Kab) in PNPM Mandiri Perkotaan 2010	-	-	0.30	0.30	0.29	0.29	0.29
26	Policy Workshop	-	-	0.50	-	-	-	-
Disbursements		0.92	3.21	8.05	12.87	22.78	33.08	41.62
1	PSF Secretariat/Operations Support	0.60	1.56	2.98	4.62	5.49	5.95	6.20
2	USAID Program Mgt and Administration	-	-	-	0.03	0.63	1.64	2.52
3	Socialization/Dissemination: Communication Strategy	0.11	0.35	1.26	1.90	2.68	3.72	4.30
4	PNPM Supervision & Monitoring (Rural)	0.22	1.29	2.65	4.09	5.19	5.73	6.33
5	PNPM Field Team Operations (Rural)	-	-	-	0.15	1.89	3.01	3.93
6	MIS/Info Management: Integrated MIS for PNPM Mandiri (Simpadu II)	-	-	-	0.10	0.30	0.61	0.87
7	TA Support to Bappenas and Pokja Pengendali PNPM (Kesra)	-	-	-	0.11	0.89	1.70	2.84
8	PNPM RESPEK: Barefoot Engineers Training Wave III	-	-	-	-	1.18	3.19	4.02
9	Barefoot Engineers Training III (BETF)	-	-	-	-	-	0.01	0.03
10	PNPM Community Facilitator Devt Program, Phase III (Approved 7/25/2011)	-	-	-	-	0.19	1.12	1.19
11	National Community Empowerment Program In Urban Areas For 2012-2014 Supervision	-	-	-	-	-	0.02	0.56
12	Creative Communities II (BETF)	-	-	-	-	0.07	0.25	0.30
13	Creative Communities II (RETF)	-	-	-	-	-	0.60	1.69

WINDOW TWO: IMPLEMENTATION AND COORDINATION SUPPORT		2008	2009	2010	2011	2012	2013	2014
14	Pro-Poor Planning and Budgeting	-	-	-	-	-	0.74	1.62
15	Village Training Program (BETF)	-	-	-	-	-	0.21	0.37
16	Village Training Program (RETF)	-	-	-	-	-	-	0.28
17	Technical Assistance for PNPM Mandiri Operation, Delivery and Oversight	-	-	-	-	-	-	-
18	Technical Assistance for PNPM Mandiri Operation, Delivery and Oversight (USAID)	-	-	-	-	-	-	-
19	Technical Assistance for PNPM Mandiri Operation, Delivery and Oversight (PNPM Urban)	-	-	-	-	-	-	-
20	USAID Supervision and Operational	-	-	-	0.05	0.15	-	-
21	PNPM Green Awareness Raising Project	-	-	-	-	0.27	0.27	0.27
22	Green PNPM Env. Awareness: Pilot Project	-	-	-	-	1.84	2.30	2.30
23	PNPM Supervision & Monitoring (Urban)	-	-	0.22	0.59	0.78	0.79	0.79
24	PNPM Community Facilitator Devt Program	-	0.01	0.95	0.95	0.95	0.95	0.95
25	Training of Local Auditor (Inspektorat Kota/Kab) in PNPM Mandiri Perkotaan 2010	-	-	-	0.29	0.29	0.29	0.29
26	Policy Workshop	-	-	-	-	-	-	-
Undisbursed Funds		11.03	9.68	11.32	17.44	13.56	16.96	12.96
1	PSF Secretariat/Operations Support	3.05	2.09	2.37	0.72	1.09	2.44	7.74
2	USAID Program Mgt and Administration	-	-	-	2.86	2.26	1.25	0.52
3	Socialization/Dissemination: Communication Strategy	1.89	1.65	1.24	2.45	1.67	0.63	0.05
4	PNPM Supervision & Monitoring (Rural)	3.78	2.71	3.35	2.06	(0.07)	(0.38)	1.41
5	PNPM Field Team Operations (Rural)	-	-	-	1.35	0.64	(0.21)	0.17
6	MIS/Info Management: Integrated MIS for PNPM Mandiri (Simpadu II)	-	-	0.98	0.88	0.67	0.37	0.11
7	TA Support to Bappenas and Pokja Pengendali PNPM (Kesra)	-	-	-	1.55	0.77	(0.04)	0.25
8	PNPM RESPEK: Barefoot Engineers Training Wave III	-	-	-	1.75	0.57	0.89	0.07
9	Barefoot Engineers Training III (BETF)	-	-	-	-	-	0.06	0.04
10	PNPM Community Facilitator Devt Program, Phase III (Approved 7/25/2011)	-	-	-	1.19	1.00	0.07	0.00
11	National Community Empowerment Program In Urban Areas For 2012-2014 Supervision	-	-	-	-	0.35	0.33	1.30
12	Creative Communities II (BETF)	-	-	-	-	0.20	0.03	0.05
13	Creative Communities II (RETF)	-	-	-	-	0.61	0.01	0.23
14	Pro-Poor Planning and Budgeting	-	-	-	-	1.67	0.92	0.05
15	Village Training Program (BETF)	-	-	-	-	0.40	0.18	0.02
16	Village Training Program (RETF)	-	-	-	-	1.25	1.25	0.97
17	Technical Assistance for PNPM Mandiri Operation, Delivery and Oversight	-	-	-	-	-	6.01	-
18	Technical Assistance for PNPM Mandiri Operation, Delivery and Oversight (USAID)	-	-	-	-	-	2.44	-
19	Technical Assistance for PNPM Mandiri Operation, Delivery and Oversight (PNPM Urban)	-	-	-	-	-	0.55	-
20	USAID Supervision and Operational	-	-	-	0.10	-	0.15	-
21	PNPM Green Awareness Raising Project	-	-	-	-	-	-	-
22	Green PNPM Env. Awareness: Pilot Project	2.30	2.30	2.30	2.30	0.46	-	-
23	PNPM Supervision & Monitoring (Urban)	-	-	0.28	0.21	0.02	-	-
24	PNPM Community Facilitator Devt Program	-	0.94	-	-	-	-	-
25	Training of Local Auditor (Inspektorat Kota/Kab) in PNPM Mandiri Perkotaan 2010	-	-	0.30	0.01	0.00	-	-
26	Policy Workshop	-	-	0.50	-	-	-	-

WINDOW THREE: ON-GRANTING TO INDONESIAN CIVIL SOCIETY		2008	2009	2010	2011	2012	2013	2014
Approved Commitments		-	-	4.22	4.27	11.52	29.67	11.96
1	PNPM Window 3 — PNPM Peduli Phase II	-	-	-	0.35	1.56	1.56	1.56
2	PNPM Peduli Executing Organization: Lakpesdam	-	-	-	0.87	1.52	1.84	2.05
3	PNPM Peduli Executing Organization: Kemitraan	-	-	-	1.56	2.73	3.34	3.84
4	PNPM Peduli Executing Organization: ACE (Assoc for Community Empowerment)	-	-	-	1.28	1.97	2.46	2.37
5	Supporting Disabled People Organizations (DPOs) to Promote Inclusion within Indonesian Poverty Reduction Programs (RETF)	-	-	-	-	1.25	0.96	-
6	Supporting Disabled People Organizations (DPOs) to Promote Inclusion within Indonesian Poverty Reduction Programs (BETF)	-	-	-	-	0.55	0.84	0.84
7	PNPM Window 3 Phase I — PNPM Peduli (Capacity of Philanthropy)	-	-	4.00	-	1.77	1.84	1.14
8	PNPM Peduli Phase II — Additional Financing (RETF)	-	-	-	-	-	15.95	-
9	PNPM Peduli Phase II — Additional Financing (BETF)	-	-	-	-	-	0.70	-
10	PNPM Window 3 — PNPM Peduli Phase I	-	-	0.22	0.22	0.17	0.17	0.17
Disbursements		-	-	0.05	1.43	6.34	9.03	10.33
1	PNPM Window 3 — PNPM Peduli Phase II	-	-	-	0.06	0.67	1.10	1.36
2	PNPM Peduli Executing Organization: Lakpesdam	-	-	-	0.16	1.42	1.84	2.04
3	PNPM Peduli Executing Organization: Kemitraan	-	-	-	0.75	2.12	3.25	3.84
4	PNPM Peduli Executing Organization: ACE (Assoc for Community Empowerment)	-	-	-	0.29	1.97	2.41	2.37
5	Supporting Disabled People Organizations (DPOs) to Promote Inclusion within Indonesian Poverty Reduction Programs (RETF)	-	-	-	-	-	0.27	-
6	Supporting Disabled People Organizations (DPOs) to Promote Inclusion within Indonesian Poverty Reduction Programs (BETF)	-	-	-	-	-	-	0.56
7	PNPM Window 3 Phase I — PNPM Peduli (Capacity of Philanthropy)	-	-	-	-	-	-	-
8	PNPM Peduli Phase II — Additional Financing (RETF)	-	-	-	-	-	-	-
9	PNPM Peduli Phase II — Additional Financing (BETF)	-	-	-	-	-	-	-
10	PNPM Window 3 — PNPM Peduli Phase I	-	-	0.05	0.17	0.17	0.17	0.17
Undisbursed Funds		-	-	4.17	2.84	5.18	20.63	1.63
1	PNPM Window 3 — PNPM Peduli Phase II	-	-	-	0.29	0.89	0.45	0.19
2	PNPM Peduli Executing Organization: Lakpesdam	-	-	-	0.70	0.10	0.01	0.02
3	PNPM Peduli Executing Organization: Kemitraan	-	-	-	0.81	0.62	0.10	-
4	PNPM Peduli Executing Organization: ACE (Assoc for Community Empowerment)	-	-	-	0.99	-	0.05	-
5	Supporting Disabled People Organizations (DPOs) to Promote Inclusion within Indonesian Poverty Reduction Programs (RETF)	-	-	-	-	1.25	0.69	-
6	Supporting Disabled People Organizations (DPOs) to Promote Inclusion within Indonesian Poverty Reduction Programs (BETF)	-	-	-	-	0.55	0.84	0.28
7	PNPM Window 3 Phase I — PNPM Peduli (Capacity of Philanthropy)	-	-	4.00	-	1.77	1.84	1.14
8	PNPM Peduli Phase II — Additional Financing (RETF)	-	-	-	-	-	15.95	-
9	PNPM Peduli Phase II — Additional Financing (BETF)	-	-	-	-	-	0.70	-
10	PNPM Window 3 — PNPM Peduli Phase I	-	-	0.17	0.05	-	-	-

WINDOW FOUR: M&E AND SPECIAL STUDIES		2008	2009	2010	2011	2012	2013	2014
Approved Commitments		9.44	13.35	22.44	28.97	35.28	46.30	38.72
1	TA for PNPM Generasi — CCT	1.25	3.16	4.41	4.41	5.82	5.82	8.08
2	PNPM M&E, Special Studies (Incl. Infrs Census for Ind villages)	5.00	5.00	6.56	9.66	9.66	14.41	14.36
3	Impact Evaluation of PNPM Generasi	-	-	-	-	-	-	0.05
4	PNPM Green/Renewable Energy (TA)	2.25	2.25	2.25	1.00	0.74	0.74	0.73
5	Micro Finance Development: PNPM Revolving Loan Fund (RLF) Cap.Bldg.	-	-	4.21	8.89	8.89	8.89	9.97
6	National Community Empowerment Program In Urban Areas For 2012-2014 BETF for Technical Assistance	-	-	-	-	0.96	0.96	(0.00)
7	Technical Assistant to KPDT	-	-	-	-	0.41	0.41	0.41
8	Increasing Accountability Capacity in PNPM — PNPM Justice Services (BETF)	-	-	-	-	1.32	1.32	-
9	Increasing Accountability Capacity in PNPM — PNPM Justice Services (RETF)	-	-	-	-	2.64	2.64	-
10	Legal Aid and Community Legal Empowerment (RETF)	-	-	-	-	-	4.36	-
11	Legal Aid and Community Legal Empowerment (BETF)	-	-	-	-	-	1.93	-
12	Local Government Capacity Development (Training of Loc Gov't)	-	-	1.43	1.43	1.43	1.43	1.72
13	Delivering Services to Poor Community	0.94	0.94	0.94	0.94	0.77	0.77	0.77
14	Poverty Engagement, Knowledge & Action Prog.(total \$9,156,171)	-	2.00	2.00	2.00	2.00	2.00	2.00
15	ID Urban Pov Analysis, Program Review and Urban Evaluation	-	-	0.64	0.64	0.64	0.63	0.63
Disbursements		0.92	3.70	8.71	16.26	21.78	26.87	30.72
1	TA for PNPM Generasi — CCT	0.62	1.77	2.80	3.11	3.90	4.68	5.17
2	PNPM M&E, Special Studies (Incl. Infrs Census for Ind villages)	0.29	1.27	3.13	6.85	8.03	9.33	10.30
3	Impact Evaluation of PNPM Generasi	-	-	-	-	-	-	0.01
4	PNPM Green/Renewable Energy (TA)	-	0.01	0.12	0.24	0.55	0.73	0.73
5	Micro Finance Development: PNPM Revolving Loan Fund (RLF) Cap.Bldg.	-	-	0.32	1.97	4.27	6.75	9.30
6	National Community Empowerment Program In Urban Areas For 2012-2014 BETF for Technical Assistance	-	-	-	-	0.09	0.26	(0.00)
7	Technical Assistant to KPDT	-	-	-	-	0.02	0.02	0.10
8	Increasing Accountability Capacity in PNPM — PNPM Justice Services (BETF)	-	-	-	-	-	-	-
9	Increasing Accountability Capacity in PNPM-PNPM Justice Services (RETF)	-	-	-	-	-	-	-
10	Legal Aid and Community Legal Empowerment (RETF)	-	-	-	-	-	-	-
11	Legal Aid and Community Legal Empowerment (BETF)	-	-	-	-	-	-	-
12	Local Government Capacity Development (Training of Loc Gov't)	-	-	0.00	0.95	1.54	1.72	1.72
13	Delivering Services to Poor Community	0.00	0.30	0.59	0.76	0.77	0.77	0.77
14	Poverty Engagement, Knowledge & Action Prog.(total \$9,156,171)	-	0.35	1.73	2.00	2.00	2.00	2.00
15	ID Urban Pov Analysis, Program Review and Urban Evaluation	-	-	0.00	0.39	0.63	0.63	0.63

WINDOW FOUR: M&E AND SPECIAL STUDIES		2008	2009	2010	2011	2012	2013	2014
Undisbursed Funds		8.53	9.65	13.73	12.71	13.50	19.43	8.00
1	TA for PNPM Generasi — CCT	0.63	1.39	1.60	1.30	1.92	1.14	2.91
2	PNPM M&E, Special Studies (Incl. Infrass Census for Ind villages)	4.71	3.73	3.43	2.81	1.63	5.08	4.06
3	Impact Evaluation of PNPM Generasi	-	-	-	-	-	-	0.04
4	PNPM Green/Renewable Energy (TA)	2.25	2.24	2.13	0.76	0.19	0.00	-
5	Micro Finance Development: PNPM Revolving Loan Fund (RLF) Cap.Bldg.	-	-	3.89	6.92	4.62	2.14	0.67
6	National Community Empowerment Program In Urban Areas For 2012-2014 BETF for Technical Assistance	-	-	-	-	0.87	0.70	0.00
7	Technical Assistant to KPDT	-	-	-	-	0.40	0.40	0.32
8	Increasing Accountability Capacity in PNPM — PNPM Justice Services (BETF)	-	-	-	-	1.32	1.32	-
9	Increasing Accountability Capacity in PNPM — PNPM Justice Services (RETF)	-	-	-	-	2.64	2.64	-
10	Legal Aid and Community Legal Empowerment (RETF)	-	-	-	-	-	4.36	-
11	Legal Aid and Community Legal Empowerment (BETF)	-	-	-	-	-	1.93	-
12	Local Government Capacity Development (Training of Loc Gov't)	-	-	1.43	0.48	(0.11)	(0.29)	-
13	Delivering Services to Poor Community	0.94	0.64	0.35	0.19	-	-	-
14	Poverty Engagement, Knowledge & Action Prog. (total \$9,156,171)	-	1.65	0.27	0.00	(0.00)	-	-
15	ID Urban Pov Analysis, Program Review and Urban Evaluation	-	-	0.64	0.25	0.01	-	-

ANNEX THREE: SUMMARIES OF MAJOR ANALYTICAL WORK CONDUCTED IN 2009-2013 AND IN 2014

Table 6. Completed Evaluations/Studies from 2009-2014

	Evaluations/Studies	Methodology	Main Findings
1	PNPM Rural Impact Evaluation http://www.pnpm-support.org/publication/pnpm-rural-impact-evaluation-report-2012	Quantitative (propensity score matching); endline 2010	<ul style="list-style-type: none"> Real per capita consumption gains of 9.1 % for households in PNPM Rural areas The gains were higher for poor households and poor sub-districts (11.8% and 12.7% respectively) Households in PNPM areas were 2.1% more likely to move out of poverty Access to health services increased by 5.1% for households in PNPM areas
2	PNPM Rural Qualitative Impact Evaluation http://www.pnpm-support.org/publication/research-report-qualitative-study-impact-pnpm-rural-east-java-west-sumatra-southeast	Qualitative, multi-years (2007 and 2010)	<ul style="list-style-type: none"> Participation, transparency, and accountability were strong within the program, especially at the sub-district and village levels PNPM is most effective at reducing poverty and impacting poor households when the needs of the poor are aligned with those of communities
3	PNPM Rural Marginalized Groups Study http://www.pnpm-support.org/publication/marginalized-groups-pnpm-rural	Qualitative (2010)	<ul style="list-style-type: none"> Marginalized groups have limited participation in PNPM meetings, which were still dominated by elites and interest groups Although facilitation/project procedures have often led to increased participation rates, they have not encouraged active or influential participation of marginalized groups in the development of proposals Officials and leaders of interest groups (religious and traditional elites) still possess the greatest influence over which proposals are developed and selected, therefore reducing opportunities for marginalized groups to impact decision-making about the use of project resources
4	Village Capacity in Maintaining Infrastructure Study: Evidence from Rural Indonesia http://www.pnpm-support.org/publication/village-capacity-maintaining-infrastructure-evidence-rural-indonesia	Quantitative (repeated surveys every quarter in a year to capture cyclical income fluctuation, 2010)	<ul style="list-style-type: none"> Many communities still found it difficult to maintain existing infrastructure projects The cost of maintaining infrastructure was up to 2.8 percent of a household's total consumption - although small, it is likely burdensome for poor households Although villagers are willing to pay for the maintenance of infrastructure, the amount that communities are willing to pay does not cover all infrastructure maintenance needs The communities' willingness to pay is strongly influenced by the direct impact of the infrastructure on individual households and institutional responsiveness, in terms of complaint handling
5	PNPM Generasi Impact Evaluation http://www.pnpm-support.org/publication/indonesias-pnpm-generasi-program-final-impact-evaluation-report-2011	Quantitative (randomized control trial, baseline 2007, endline 2010)	<ul style="list-style-type: none"> Significant impacts on all 12 indicators The strongest improvements among health indicators were for the frequency of weight checks for young children The improvement in education indicators was most notable in the increased school participation rate among the primary school-age group In terms of long-term impact, there was about 10 percent decrease in malnutrition, compared with control areas
6	PNPM Generasi Qualitative Evaluation http://pnpm-support.org/data/pdf/pnpm-evaluations/2008/QualitativebaselinestudyforPNPMGenerasiQualitativeImpactEvaluation%20(1).pdf	Qualitative, multi-years (2007, 2010)	<ul style="list-style-type: none"> Communities, village elite, and service providers considered PNPM Generasi more beneficial to maternal child health (MCH) and basic education than other programs — it offered wide variety of aid, accessible to almost everyone, and could complement other existing programs PNPM Generasi contributed to increased utilization of MCH services through subsidized costs for delivery, transport for pre- and post-natal checks, supplementary foods, and transport to visit health posts. PNPM Generasi also contributed to a lower level of school dropouts and absenteeism at primary/junior high through provision of various supports (uniform, transport, school equipment, etc.) to lessen the economic burden of the parents

	Evaluations/Studies	Methodology	Main Findings
7	PNPM RESPEK Infrastructure and Community Organization Capacity Evaluation http://www.pnpm-support.org/publication/evaluation-pnpm-respek-village-infrastructure-and-institutional-capacity	Mixed-methods (2011)	<ul style="list-style-type: none"> All infrastructure samples evaluated were of good to moderate quality - a significant achievement considering major implementation challenges in Papua and West Papua 67% of the infrastructure built were utilized by the communities PNPM RESPEK improved administrative capacity of local facilitators, but not facilitation capacity
8	Impact Evaluation Baseline Report http://psflibrary.org/catalog/repository/3715_PEKKA%20Impact%20Evaluation%20Baseline%20Report.pdf	Quantitative (2011)	<ul style="list-style-type: none"> Female-headed households (HH) have lower subjective welfare, bleaker view of their future, and negative mental state No differences between female and male-headed HHs in terms of per capita expenditure, access to financial services and government social assistance, and assets Female-headed households have lower per capita income but the differences disappear after controlling for age and education. This difference persists for the poorest sub- population
9	Perception of Local Governance Study http://psflibrary.org/catalog/repository/Governance%20Review%20of%20PNPM%20Rural%202012.pdf	Qualitative (2010)	<ul style="list-style-type: none"> Local governments generally perceived PNPM (Rural and Urban) as programs with very high participation rate, better transparency and stronger accountability mechanism compared to other programs Participation is the principle that is most readily adopted by local governments for their own programs. Transparency and accountability, however, are not yet being adopted by most local governments Most respondents believed that to improve the sustainability and long-term impact of PNPM on poverty reduction, the programs should focus on building the capacity of the community through training, education and mentoring
10	Rapid Assessment of Women's Participation in PNPM http://www.pnpm-support.org/publication/pnpm-womens-participation-study-report	Qualitative (2012)	<ul style="list-style-type: none"> Quality of women's participation was mixed in study areas and is still not maximized Women's involvement in the project cycle is still low beyond the initial project stages of socialization and needs assessment Women's proposals that are funded are usually infrastructure, rather than e.g., capacity-building and trainings that are requested when the local actors provide a more in-depth analysis of women's needs Local initiatives and strategies around women's participation existed but were yet to be integrated into additional general local decision-making processes
11	Local Level Governance Review http://www.pnpm-support.org/publication/governance-review-pnpm-rural-community-level-analysis-final-report	Qualitative/ Action Research (2012)	<ul style="list-style-type: none"> The state of local governance in PNPM is mixed: it is still remarkably strong, but faces problems Participation rates are still mostly high, but the quality of participation has declined in some places There are weaknesses in transparency and information-sharing: the performance of accountability mechanisms in the program varies, and the incidence of serious corruption is up Despite these shortcomings, the "foundations" of PNPM are still strong. These foundations, though, are being eroded by serious pressure from "higher-up" problems related to the broader governance environment, changes in the program design, and problems with implementation and management PNPM must address these program design, implementation, and management issues to avoid undoing its years of good work at the community level
12	Rate of Return Analysis (EIRR) of PNPM-Rural Infrastructure Sub-Projects http://www.pnpm-support.org/publication/laporan-akhir-studi-skala-kecil-analisis-manfaat-ekonomi-proyek-infrastruktur-pnpm	Quantitative (economic analysis), small scale study in 20 villages assessing 48 sub-projects using similar methodology as in 2005 exercise	<ul style="list-style-type: none"> Similar to 2005 results (Torrens, 2005), the EIRR varied among sub-projects with a median value of 30 - 50% The average general income multiplier is 1.3 Sub-projects are generally 25 - 30% cheaper than projects built using typical local government contractors

Evaluations/Studies	Methodology	Main Findings
13 Village Infrastructure Census http://www.pnpm-support.org/publication/infrastructure-census-report-infrastructure-supply-readiness-indonesia-achievements-and	Quantitative (village level census) - piggybacking on PODES 2011	<ul style="list-style-type: none"> • Comprehensive data on basic infrastructure availability and quality (including health and education facilities) in nearly all urban and rural villages in Indonesia (over 76,000 villages) • A consistent picture of geographic variation in the supply of basic infrastructure across Indonesia. In general, the island of Java and the province of Bali perform best, while local needs for investment still exist in these regions, and particularly so in the provinces of West Java and Banten • The largest gaps in infrastructure supply-readiness were found in the Papua region, the Maluku islands, NTT, as well as in the interior of Kalimantan • Data has been used to create a supply-readiness index for health and education (to support PNPM Generasi in location selection/targeting). • Further analyses will be done to calculate financing gaps (pending data availability on costs) and to provide more information for PNPM-Rural in terms of location selection and the allocation of block-grants
14 Local Level Institutions 3 (LLI3) http://www.pnpm-support.org/publication/local-level-institution-study-3-overview-report	Mixed-methods (longitudinal study, 1 st one in 1996 and the 2 nd in 2001); 40 villages in 3 provinces for HH survey, 20 villages for qualitative methods	<ul style="list-style-type: none"> • A decade after the last round of LLI, almost half of the villages studied maintained the same local capacity (defined as the ability to solve common problems collectively), about a third experienced declines in capacity, and a quarter experienced improvements in capacity • Declines in capacity were mostly attributed to deteriorating access to natural resources, nascent signs of reduced reciprocity, and unresponsive village leaders who did not work in villagers' interests • On the other hand, increases in capacity were mostly due to villagers' own efforts to improve their livelihoods, increase control over natural resources, and sustain mechanisms to ensure that village leaders were oriented towards solving collective problems. Reformist officials and external actors (such as NGOs) also contributed to increased problem-solving capacity • More village heads are responsive to villagers' interests and are more powerful than before; however, strengthening of the village heads' powers does not translate directly to strengthening local capacity. Additional accountability mechanisms are needed to engender synergy between strengthened village heads and their constituents
15 Integration of Community-based Poverty Reduction Programs at Community Level http://www.pnpm-support.org/publication/qualitative-study-proliferation-and-integration-community-empowerment-programs-central	Qualitative, 18 villages in 3 provinces	<ul style="list-style-type: none"> • Proliferation of programs is largely considered to be beneficial for villagers, with greatest benefit being the availability of additional facilities and improved quality of public services, improved access (transport) and increased incomes, evenly-distributed development, availability of capital and more business opportunities, and improved local community and village government capacities • Integration between empowerment programs is generally not done systematically, usually in the form of sporadic initiatives to synergize programs that have the same targets and beneficiaries to avoid overlap. There are no initiatives at the district level that encourage actors at the village level to synergize by forming program-implementing organizations/institutions • The general model of empowerment program integration in the sample villages is to have just one development plan per village. In this way, empowerment programs no longer make their own development plans in the villages, but follow the plan produced by communities at village development planning meetings • Factors enabling empowerment program integration are: program design that is directed towards integration, which takes the form of program technical operating procedures that are then communicated to all stakeholders; having regulations and institutions/forums that promote and facilitate integration or collaboration between programs; having initiatives to build the quality of village medium term development plans; having a district head and village heads who understand - and are committed to - integration; having civil society groups (NGOs and community leaders in the village) who have knowledge of - and commitment to - improving the effectiveness of village development planning and implementation of empowerment programs; and having the commitment of national and local governments

	Evaluations/Studies	Methodology	Main Findings
16	Community Groups Study (report published by Poverty Reduction Support Facility [PRSF]) http://www.pnpm-support.org/publication/studi-kelompok-masyarakat-pnpm	Qualitative, 6 villages/urban wards in 5 provinces	<ul style="list-style-type: none"> • Within the programs, community groups in PNPM Rural and Urban performed well, but almost no spill-over of PNPM principles and processes outside of PNPM, both at the village and kecamatan level (PNPM is seen as merely a project) • Communities' experience participating in PNPM did not foster collective awareness to demand their governments (esp. village governments) to do the same despite the benefits felt from PNPM • At the village level, power is often concentrated in the hands of village heads and a few elites who dominated PNPM activities (although often with benevolent intent). This power is not balanced with power from other institutions (e.g. BPD) to serve as a control mechanism (checks and balances) • Facilitation - which is key for empowerment programs - is still weak and unable to bridge the gaps between elites and communities in general. Facilitators often too busy with administrative duties and do not have time to engage with communities

Table 7. Completed Evaluations/Studies in 2014

	Evaluations/Studies	Methodology	Main Findings
1	Bantuan Keuangan Peumakmu Gampong (BKPG) Aceh Evaluation	Qualitative through cluster sampling method from 600 households (20 households each for 30 villages)	<ul style="list-style-type: none"> • This study concludes that Bantuan Keuangan Peumakmu Gampong (BKPG) has been successful in producing infrastructure and projects that are perceived to benefit both the village as a whole and those living in close proximity to the project. Even apart from the favorable views of BKPG as a whole, 49 percent of respondents did not know that particular projects were funded by BKPG, suggesting that the program's functioning on a day-to-day basis is less well-known • In line with other findings from PNPM studies and the larger literature, results from this study illustrate the difficulty in CDD programs of providing benefits for the whole village, while balancing attention towards the needs of villages' marginalized groups. Survey respondents perceive that benefits from BKPGs tend to benefit villages as a whole. Respondents do not tend to see poor households and marginalized groups as the beneficiaries of the program • The study also confirms that gender disparities in BKPG are apparent. Female-headed households are less likely to be aware of, and participate in, BKPG projects. In addition, education levels also influence the quality of participation in BKPG projects. These two variables may account for passive attendance of meetings.

Table 8. Planned Evaluations/Studies: 2015 - 2016

No	Name of Study	Description of Study	Methodology	Expected Timeline
1	PNPM Rural 2012-15 Evaluation	The final evaluation will assess the performance of PNPM Rural 2012-15 which includes: (i) an economic analysis of infrastructure sub-projects built under PNPM Rural 2012-15; (ii) a beneficiary survey that comprises an assessment of beneficiaries' access to infrastructure and other sub-projects, as well as perceived project benefits; and (iii) a facilitation assessment that includes a facilitation performance evaluation and lessons learned to strengthen Village Law implementation	Quantitative	The final report is expected to be completed by Q4 2015
2	Social Monitoring, Feedback and Response Systems	Social monitoring and feedback systems will help to quickly identify problems and improve policy and operational responses for the implementation of Village Law, particularly in the first year. The Analytic Team will support piloting of social monitoring and feedback mechanism using existing tools such as the National Violence Monitoring System (NVMS) and taking into account lessons-learned from PNPM Rural & Generasi Complaint Handling System	Quantitative	Concept draft by Q2 2015
3	Tracking Village Development in National Survey Instruments	Existing mechanisms and instruments can be adapted to improve the quality of village level data on development expenditures, outputs and outcomes, including poverty, participation and service delivery. This could include the National Socio-Economic Survey (SUSENAS) and other national surveys such as the Basic Health Indicators Survey (Riskesdas). The Analytics Team will lead discussions with BPS/MoH and other relevant survey providers to advocate for the incorporation of additional Village Law-related modules/questions in their existing surveys	Quantitative	Concept draft by Q2 2015

