

Quarterly Progress Report

October - December 2011



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GLOSSARY

APBD	Anggaran Pendapatan dan Belanja Daerah (Local Government Budget)
APBN	Anggaran Pendapatan dan Belanja National (State Budget)
ASEAN	Association of Southeast Asian Nations
AusAID	Australian Agency for International Development
Bappenas	Badan Perencanaan dan Pembangunan Nasional (National Development Planning Board)
Bappeda	Badan Perencanaan dan Pembangunan Daerah (Agency for Regional Development and Planning)
Bappepam-LK	Badan Pengawas Pasar Modal dan Lembaga Keuangan (The Capital Market and Financial Institution Supervisory Agency)
BLT	Bantuan Langsung Tunai (Unconditional Cash Transfer)
BPJS	Badan Penyelenggara Jaminan Sosial (Social Security Organizing Body)
BPR	Bank Perkreditan Rakyat (Rural Banks)
BPS	Badan Pusat Statistik (Central Agency on Statistics)
BSM	Beasiswa untuk Siswa Miskin (Scholarship for Poor Students)
Bulog	Badan Usaha Logistik (Logistic Agency)
CAR	Central Africa Republic
CCT	Conditional Cash Transfer
CSOs	Civil Society Organizations
CSR	Corporate Social Responsibility
DJSN	Dewan Jaminan Sosial Nasional (National Social Insurance Council)
DPR	Dewan Perwakilan Rakyat (People's Representative Council)
DPRD	Dewan Perwakilan Rakyat Daerah (Regional House of People's Representative)
FADG	First Assistant Director General
FIS	Financial Inclusion Strategy
GIZ	The Deutsche Gesellschaft für Internationale Zusammenarbeit
IFC	International Finance Cooperation
IFLS	Indonesian Family Live Survey
Inpres	Instruksi Presiden (Presidential Directive)
IPRCC	The International Poverty Reduction Center China
J-PAL	The Abdul Latief Jameel Poverty Action Lab
Jamkesmas	Jaminan Kesehatan Masyarakat (Health Insurance for the Poor)
K/L	Kementerian/Lembaga (Ministry/Institutions)
Kemendiknas	Kementerian Pendidikan Nasional (Ministry of National Education)
Kemendes	Kementerian Kesehatan (Ministry of Health)
Kemensos	Kementerian Sosial (Ministry of Social Affairs)
KUR	Kredit Usaha Rakyat (People's Business Credit)
LSM/NGO	Lembaga Swadaya Masyarakat/ Non-Governmental Organization
M&E	Monitoring & Evaluation
MenkoKesra	Kementerian Koordinator Bidang Kesejahteraan Rakyat (the Coordinating Ministry for People's Welfare)

GLOSSARY

MIS	Management Information System
MFI	Micro Finance Institution
MSMEs	Micro, Small and Medium Enterprises
MESs	Micro and Small Enterprises
NTT	Nusa Tenggara Timur/East Nusa Tenggara (one of the Province in Indonesia)
PEKKA	Perempuan Kepala Keluarga (the Program for Women Headed Households in Indonesia)
PKH	Program Keluarga Harapan (the Conditional Cash Transfer program)
PMD	Pemberdayaan Masyarakat dan Desa (Community and Village Empowerment)
PMT	Proxy Means Testing
PNPM	Program Nasional Pemberdayaan Masyarakat (The National Program for Community Empowerment)
PPLS	Pendataan Program Perlindungan Sosial (Data Collection of Social Protection Programs)
PR	Public Relation
PRSF	The Poverty Reduction Support Facility
Raskin	Beras untuk keluarga Miskin (program of subsidized rice for the poor)
SMERU	an independent institution for research and public policy studies
SMEs	Small Medium Enterprises
TKPKD	Tim Koordinasi Penanggulangan Kemiskinan Daerah (the Local Coordination Team for Poverty Reduction)
TNP2K	Tim Nasional Percepatan Penanggulangan Kemiskinan (National Team for Accelerating Poverty Reduction)
UDM	Unified Data Base
UKP4	Unit Kerja Presiden bidang Pengawasan dan Pengendalian Pembangunan (The President Working Unit for Development Supervision and Control)
UNICEF	The United Nations Children's Fund
USAID	United States Agency for International Development
ToR	Term of Reference
WB	World Bank
WG	Working Group

1. Summary of Progress

Key Highlights

This quarterly report covers the period of October-December 2011, being the second quarter of the PRSF. The main features of note during this period are the speed of operations of the unified data base team who are trying to meet very tight deadlines, the large number of activities being planned by cluster 1, and the activation of cluster 3.

The Unified Data Base is one of the TNP2K's core priorities. Based on the Pendataan Program Perlindungan Sosial (PPLS), a survey of roughly 26 million households conducted by BPS in July-October 2011, the unified data base includes socio-economic information on the lowest ranked 40 percent of households in Indonesia. The data base will be used to extract lists of beneficiaries (by name and address) eligible to receive social protection benefits. Over the last few months, TNP2K has continued to work closely with BPS to monitor the PPLS survey in the field and supervise data analysis process in preparation of issuing lists of beneficiaries starting in January 2012. The current and most urgent task is to finalise the proxy means testing which will identify the families eligible to receive social assistance. This task has become even more urgent than previously planned because of the possible need for a program of unconditional cash transfers (BLT) in December this year for the poorest 30% of families in compensation for a planned reduction in fuel subsidies.

Cluster 1 - The Family Based Social Assistance working group is producing a social assistance roadmap in order to ascertain coverage and gaps which will contribute to the development of an integrated set of social assistance programs. To do this the cluster will continue commissioning research activities for specific programs and specific sets of beneficiaries over the next 6 months, which may then lead into the development of pilot projects, concerning the living conditions of elderly, people living with disabilities, temporary employment programs and the effectiveness of current social assistance programs (PKH, Raskin, Scholarships). An increase in human resources is urgently needed to implement this enormous workload.

The cluster has produced a roadmap for the expansion of PKH, Program Performance Reports for Scholarships and Raskin which have been submitted to the Vice President's office, and an assessment of the implementation mechanisms of Raskin is currently underway.

Future activities will concentrate on implementation of the research accompanying the development of the Social Assistance Roadmap and the design of pilot activities for the second half of 2012, as shown in Annex 1 – Planned Activities.

The health component of cluster one will concentrate on studies for the integration of Jamkesda into BPJS1 (Social Security Organizing Body), Indonesia's first social security program, representing universal health insurance coverage and the mapping of health facilities and personnel.

Cluster 2 – Community Driven Development working group is tasked with supporting the preparation of a roadmap for PNPM Mandiri with recommendations regarding integration, decentralisation and transition. The roadmap is due to be completed by the end of this year and the mapping exercises and the drafting of mechanisms for integration are ongoing.

Priority activities for 2012 will be the implementation of aspects of the roadmap, including analysis of community institutional capabilities mapping, the piloting of integration manuals and protocols,

and also the development of tools and regulatory framework for the decentralisation of community empowerment programs.

Attention needs to be given to the staffing needs of this unit, as further resources may be needed to help them complete their goals and ensure a good quality of output.

Cluster 3 – Micro, Small and Medium Enterprises (MSMEs) Cluster 3 has only recently become fully operational hence are still formulating their development plan. The focus of work for this cluster will be centred around two major pillars: improving MSMEs' access to finance; and promoting the development of MSMEs. These pillars can in turn be broken down into themes and activities.

- (i) Improving MSMEs' access to finance will have two major themes. Firstly, Kredit Usaha Rakyat (KUR) will be a focus for research in terms of its impact on poverty and regional economic growth, improved targeting, involvement of micro-enterprises. Secondly, TNP2K has been involved in the preparation of the government's Financial Inclusion Strategy which, once endorsed by the relevant agencies, will require further work to implement the strategy. Cluster 3 will concentrate on those aspects of the strategy with the greatest potential for improving the lives of the poor.
- (ii) The strategy for promoting and the development of MSMEs will require a study to identify key policies and variables on which the cluster should focus. Much of their work will concentrate on identifying which MSMEs and which conditions have the highest chance for growth and which contribute to reducing poverty.

For the next 6 months the cluster 3 working group will focus on achieving buy-in from relevant government agencies and the initial scoping work will have been completed and specific issues identified for policy research.

The Monitoring and Evaluation working group has been preparing a roadmap for the integration of M&E systems across the major social assistance programs and preparing some of the preparatory stock taking and mapping work. They plan to undertake monitoring of the progress of PNPM urban and rural, PKH, disability and elderly programs and Jamkesmas. They will also undertake an in-depth impact evaluation of the PKH program. They will need further technical staff to assist them.

The Advocacy Unit is mandated to build capacity of the local TKPKD at provincial and district levels which has so far been conducted through a series of trainings on evidence based policy making for poverty reduction. To enhance this work the unit will be involved in the development of a training syllabus for the analysis of local poverty conditions, followed by technical back-up for the TKPKD.

The TNP2K Secretariat is mandated to provide administrative and technical support to the work of TNP2K Secretary. Prominent work that the secretariat plans to undertake in 2012 is to develop a Communication Strategy as an integral part of the public face of TNP2K, to support the executive secretary in his multiple functions, and to facilitate linkages between TNP2K and both national and local government agencies. As has already happened with the working groups, an institutional assessment of the secretariat may be required during 2012 to help align their staffing and structures with the dynamic working environment of TNP2K and the policy working groups.

The AusAID Activity Funding Window currently consists of one grant, that of Pekka's research into women headed households. This grant is already under contract, the mobilisation workshop completed and initial funds released. Other activities under this window consist of the contracting of

a grant to support the GIZ-BAPPENAS Social Assistance Poverty Reduction, and the TIFA Poverty Reduction through Safe Migration: Pilot Initiative.

The Technical Assistance for PNPM recruitment is underway, and the first phase of recruitment and equipping all staff has been completed (14 staff) and they are currently being mobilised in their relevant offices in the 3 different ministries.

Other (non cluster) major themes will include:

- Further work on food subsidies and the use of BLTs.
- Developing a model for public private partnerships and the better use of CSR funds for poverty reduction.
- Developing a public face for TNP2K through contracting a PR company to design and implement a PR program.
- Support for extending the Indonesian Family Life Survey to eastern Indonesia in 2012.

Operations of PRSF TNP2K is nearing its capacity for staff and an extra floor has been leased to cater for the needs of the Unified Data Base project. An institutional assessment of the working groups was conducted in September which suggested several further positions for technical support of the working groups, the creation of a knowledge management unit, and some changes in working procedures.

TNP2K is in the process of activating the Task Force and their critical role in enhancing TNP2K's outreach to Ministries and other agencies. Furthermore the Technical Secretariat is now operational in their role of converting ideas and concepts into concrete action. PRSF is in the process of helping TNP2K to establish a Knowledge Management Unit for both the input and output of knowledge across all working groups.

One of the main features of note during this period is the number and complexity of TNP2K activities either in progress or still in the design stage and due to begin in the first half of 2012. If approved, these activities will exceed the total four-year budget allocation for the PRSF which will limit the ability of the PRSF (hence GRM) to sign contracts and will also put additional pressure on existing staffing resources within the PRSF to process and manage these activities. It will be necessary to consider an amendment to the GRM contract early in 2012.

2. TNP2K/PRSF Objectives

The oversight and coordination of poverty and social protection programs was moved from the Coordinating Ministry of Social Welfare to TNP2K, within the office of the Vice President, in 2010. The main tasks are to improve the quality of policy advice for poverty programs and hence contribute to an acceleration of poverty reduction in Indonesia. The specific objectives of TNP2K, and hence also of PRSF supporting role, are to:

- Design and oversee a large-scale program of social assistance and poverty reduction.
- Consolidate, simplify and improve the efficiency of existing programs.
- Identify important but troubled social assistance programs and resolve their implementation problems.

3. Progress and Current Activities of TNP2K

3.1 The Unified Data Base for Social Protection Programs

Key Highlights

The Unified Data Base Project is now operational and the first lists of beneficiaries for the proposed BLT program are being processed at the time of writing. The project and its equipment is established in its own secure location on the 14th floor of the current TNP2K building. Staffing is nearly complete.

3.1.1 Progress to date

The unified data base (UDB) was set up as a project managed within TNP2K with AusAID funding of AUD2.9 million over a thirty month period. The full compliment of project staff is under recruitment, procurement of equipment is almost completed and the project has been placed in a secure location on the 14th floor of the TNP2K building.

The UDB was established specifically to:

- Develop a system to identify the poorest households in Indonesia based on scientific methods and technical criteria and facilitate its use by social protection program stakeholders.
- Minimise targeting errors in order to improve the effectiveness of Indonesia's social protection programs, i.e. ensure low levels of exclusion of poor households and low levels of inclusion of non-poor households.

The unified database includes socio-economic information on the poorest households/individuals in Indonesia who may be potentially eligible for poverty reduction programs. This database will be used to extract lists of beneficiaries (by name and address) eligible to receive social protection benefits from programs targeted at the poor such as conditional cash transfers (PKH), health insurance (Jamkesmas), subsidised rice (Raskin), scholarships (BSM), as well as emergency social support measures such as unconditional cash transfers (BLT). The development of the system is being coordinated by TNP2K working in close partnership together with the Badan Pusat Statistik (BPS), Bappenas, government ministries involved in social protection, and with technical assistance from the World Bank.

The unified database will include the lowest ranked 40 percent of households in Indonesia. The primary data source for the unified database is the Pendataan Program Perlindungan Sosial (PPLS), a survey of roughly 26 million households conducted by the Badan Pusat Statistik (BPS) in July-October 2011. Currently, a proxy-means testing process is being conducted to rank the surveyed households based on estimated consumption/poverty levels. The system is designed to flexibly meet the needs of programs that will identify their own target groups. It is expected that the main users who will benefit from the unified database include government ministries such as KemenSos, KemenKes, KemenDiknas (social affairs/health/education), and other parties involved in providing social assistance programs.

During the first half of 2011, the UDB team focused mainly on designing the targeting methodology for the PPLS data collection in partnership with the BPS through providing technical inputs on the survey design/instruments/operational manuals, coordinating a poverty mapping exercise using

census data as the starting point for PPLS, and collecting inputs from different social protection programs to inform the process.

Over the past few months, TNP2K has continued to work closely with BPS to monitor the PPLS survey in the field and supervise the data analysis process in preparation for issuing lists of program beneficiaries starting in January 2012. TNP2K has also increasingly focused on socialization/coordination efforts to build awareness and secure commitments by social assistance programs to use the database, particularly PKH and Jamkesmas, and has engaged in various operational activities including the development of management and information systems (MIS) necessary to get the unified database system running given the ambitious project timeline.

Recent activities include:

- Monitoring and oversight of the PPLS survey by BPS including ongoing efforts to ensure minimal under-coverage of the poor by sending BPS enumerators back to the field to re-survey areas identified as potential under-covered locations based on comparing the PPLS survey realization with other existing socio-economic data.
- Development of research design for a PPLS rapid assessment field study recently completed by SMERU.
- Coordination of the proxy-means-testing process to analyse poverty status of households in PPLS/unified database in partnership with World Bank and BPS.
- Coordination of meetings/workshops with PKH, Jamkesmas, Raskin, Ministry of Education and Ministry of Religious Affairs on preparation/transition strategy for using the unified database.
- Technical assistance to PKH on issues relevant to targeting and program expansion.
- Preparation of estimated optimal distribution of program-specific beneficiary quotas across districts based on updated poverty data from BPS and program budgets, including comparison charts with current budget allocations.
- Development of policy brief/socialisation brochure on unified database and distribution to TKPKD stakeholders.
- Production of early drafts of several policy/operational protocols for management of the unified database including data-sharing agreements, data security policy, etc.
- Data-cleaning/quality-checking activities to improve reliability of unified database.
- Design of small-sample household consumption survey add-on to get early indications on accuracy of targeting in PPLS 2011.
- Establishment of the Unified Database project, including procurement of IT software / hardware (servers, computers, etc), recruiting and training of new staff, leasing and fitting out new office space.

3.1.2 Planned Activities

During the next two months, the unified database team will focus mainly on the urgent priority of getting the basic system up and running so that beneficiary lists will be ready to distribute to the key ministries implementing social assistance programs in January 2012. In the following months, the team will focus on expanding efforts to socialise the database, providing technical assistance to help programs to achieve more optimal use of the system, refining operational protocols relevant to use of the database, expanding MIS capacity / tools, seeking feedback / complaints and research / monitoring activities as follows:

- Ongoing extraction of beneficiary data from unified database and response to user requests; delivery of beneficiary lists to programs starting in early 2012 along with data use guidebook.
- Provision of intensive technical support to ministries using the database, in particular to facilitate the use of the database for the scholarship program given complexities in existing program institutional structure / budgeting mechanisms / targeting methods / MIS requirements.
- Establishment of unified database website including online data access system and geographic mapping tools to present aggregated information from the database in a user-friendly manner.
- Monitoring use of unified database by programs via program feedback reports on which of the designated beneficiaries have received benefits.
- Development of protocols and operational manuals necessary to strengthen institutional structure / policies of unified database system and protect data security.
- Development and gradual execution of strategy for a large-scale socialisation campaign including official launch of unified database and outreach to local government / program implementers in the field.
- Preparation of analysis on relevant legal issues to inform the future use and development of the system including potential long-term institutional options for the database.
- Development and early implementation of plans for collecting and responding to complaints related to the unified database, with pilot-testing of different mechanisms.
- Development of MIS / software applications / tools as necessary to facilitate access and responsiveness of the system to program needs, including software application to accommodate re-surveying of households as necessary.
- Establishment of monitoring and evaluation plan for unified database, including logframe with key indicators and plan for regular audits and meetings of key leaders / stakeholders to review current policies and user experiences.
- Development of long-term research agenda for unified database team including studies on targeting accuracy of database / PMT, other analyses relevant to poverty targeting / program impacts, database user experiences / satisfaction, exploration and pilot-testing of different targeting approaches such as community-targeting and self-targeting, etc.
- Capacity-building and training activities for unified database team and social program counterparts.

3.1.3 Key Issues and Mitigating Strategies

Key issues and Mitigating Strategies

The UDB is a relatively high-risk strategy and there are many challenges to overcome. The original deadline of the end of December for the finalisation of beneficiaries amongst the poorest 40% of households in Indonesia was itself a tight deadline. However, this has been brought forward to 15 December for beneficiaries of the poorest 30% of households for receipt of BLT funds in compensation for the possible lowering of the fuel subsidy. The team is working long hours to try and achieve this deadline.

The issue of Ministry and local government buy-in to the UDB will always be problematic but the recent activation of the Task Force will enhance TNP2K's outreach into relevant ministries and the planned training for TKPK-D will enhance regional governments' awareness and understanding of the UDB. Also, specialist MIS staff are being recruited to work with the key ministries of Social Affairs, Health, Education and Religious Affairs.

Exclusion and inclusion errors, while greatly improved from previous PPLS surveys, will still be high and are likely to be targets of some discontent and criticism. PRSF is currently contracting an organisation to study existing grievance mechanisms in social assistance programs.

3.2 Cluster 1 – The Family Based Social Assistance

Key Highlights

Cluster 1 has an enormous workload as they carry out the necessary research and eventual piloting of activities that will lead to the preparation of a Social Assistance roadmap for an integrated set of social assistance programs to reduce poverty, vulnerability and inequality. Activities are already underway for the evaluation of Raskin, the development of a roadmap for the expansion of PKH and performance reviews of Raskin and Scholarships. Further activities are being commissioned for people living with disabilities, the elderly, and a grievance mechanism for social assistance programs.

3.2.1 Progress to Date

The Cluster 1 Policy Working Group has initiated an assessment of the social assistance programs including the short and medium term impacts on poverty reduction. As part of this assessment the Cluster 1 Policy Working Group began a review of targeting mechanisms used for current social assistance programs including geographical, categorical, life-cycle approaches and means-testing. An initial report on relevance of lifecycle approaches is being prepared.

The cluster has begun developing a social assistance roadmap based on current coverage and gap analysis of existing social assistance programs. The social assistance roadmap seeks to develop an integrated set of social assistance programs to reduce poverty, vulnerability and inequality. In order to produce an evidence based policy roadmap, several research activities have been commissioned for specific programs and specific beneficiaries. The essential reforms required to existing social assistance programs and the coverage gaps in current social assistance programs will be identified, as well as directions to be followed in the short-term to meet the Government of Indonesia's poverty reduction goals, and for the medium term to support Indonesia's growth as a middle income country.

Research has been commissioned into living conditions of Elderly and People with Disabilities, and the effectiveness of current programs to alleviate poverty for those beneficiaries, as well as the living conditions of those not covered by specific programs and the forms of social protection they receive or need to prevent them from falling into poverty. The cluster has also begun a review of the results of the current KemenSos pilots for abandoned elderly and persons with severe disabilities and will assess their potential to be scaled-up nationally. Following an analysis of the results of the research, the cluster will develop pilot proposals for alternative implementation methods for testing during 2012 -2013.

The cluster has developed a roadmap for PKH to support the expansion and scaling up of PKH from a household based pilot to a national family based program requiring both vertical scaling up (institutionalization through policy, political, legal, budgetary, systems and procedural changes); and horizontal scaling up (expansion/replication to other provinces, kabupaten and kecamatan). On-going technical and operational support for PKH will be provided through AusAID. The Cluster 1 Policy Working Group will focus on strategic policy and program reforms and has begun an assessment of the current PKH policy for graduation and exits from the PKH program, including

examining opportunities for utilizing PNPM support for poverty reduction programs and a review of evidence and experience of graduation and exit from CCT programs in other countries.

The cluster completed a Program Performance Report on Scholarships for Poor Students which was submitted to the Office of the Vice President with a series of recommendations including:

- Scholarships should be targeted to students from very poor and poor families using Unified Database PPLS11 data.
- Sufficient budget should be provided from the national budget allocation for education for all students from very poor families to receive BSM.
- Scholarships should focus on supporting transition of poor students from:
 - primary school to junior high schools,
 - junior high school to senior high school; and
 - junior high schools to vocational training.
- The timing of the new school year, which commences in June rather than in line with the budget fiscal year which commences in January, has an effect of providing funding after school has commenced, rather than at the same time as when school enrolment and registrations are occurring. Financing for Scholarships should be aligned with the timing of fee requirements for education.
- Administrative links between PKH and BSM programs to be strengthened to facilitate support between transitions from grade to grade and from primary to secondary schools.

The cluster completed a Program Performance Report on Raskin – Rice for the Poor - which was submitted to the Office of the Vice President with a series of recommendations. Raskin is an important social safety net, but one that can be improved to better target the poor, through the following measures:

- Raskin should be concentrated in food insecure areas, in addition to poor households, and benefit amounts adjusted to ensure minimum daily calorie intake for food insecure households. The amount of Raskin should be allocated based on family size.
- Raskin distribution should consider the geographic distribution of poverty and food insecurity. Food Insecure areas and areas where poverty incidence is concentrated should receive higher shares of total Raskin. BULOG distribution outlets should be concentrated in food insecure and poor neighborhoods.
- Alternative payment mechanisms should be explored to enable poor families to buy more Raskin according to their need (for example a voucher or card system¹ for rice should provide full-subsidies only to lowest-income families and issue other vouchers with less value subsidies to poor families, using the PPLS11 proxy means test, to distinguish very poor and poor families from non-poor households).
- The expected impacts (reduced subsidy costs through better targeting and thus improved cost-effectiveness in transferring benefits to the poor), from this targeting method could de-link the food subsidy system from price interventions in the wholesale rice market.
- Research has been initiated into beneficiary and administrative perspectives on these proposed reforms for the Raskin program, as well as current practices in the implementation of the Raskin program. Following an analysis of the results of the research, the working

¹ Electronic or smart cards could be used based on PPLS11 data and linked to Bulog Management Information System

groups will develop pilot proposals for alternative implementation methods for the Raskin program for testing during 2012 -2013. The Cluster 1 Policy Working Group has also begun investigating and reviewing evidence whether greater stability in the price of rice contributes to equity and poverty reduction by reducing the vulnerability of the poor to sudden shocks in food prices or availability.

The cluster has commissioned research into a review of existing complaints and grievance mechanisms among the major social assistance programs focusing on types of grievances, mechanisms for making and addressing grievances, and recommending improvements. As one of the types of grievances will be of exclusions (and, possibly, inclusion) then improvements in grievance making and resolution procedures can also feed into systems for updating the Unified Data Base.

3.2.2 Planned Activities

The Cluster 1 Policy Working Group (in conjunction with cluster 3) will commission research to analyze the patterns of poverty pathways, exits and graduations as well as how households avoid falling into poverty, by examining the processes of socio-economic mobility among rural and urban, formal and informal working households. The research will distinguish between transitory and chronic poverty and identify the underlying factors associated with rural and urban poverty dynamics. The research should address three questions: (i) how have poverty measures, income distribution and inequality changed? (ii) what factors are associated with rural and urban household income change? and (iii) what factors are associated with moving out of or into poverty in the short-medium term? Specific analysis will be required to identify the impacts of social protection programs including:

1. What effects do changing household needs over time, as well as the changing household resources, in particular family labour and social expenses, play in poverty status versus increases in household consumption?
2. What effects do household demography and related priority investments, such as payments for child education or health care, need to be taken into account for rural and urban households to move out of poverty?
3. How much do social welfare programs (e.g. PKH, BLT, JAMKESMAS, RASKIN, Scholarships) impact on rural and urban households capacity to move out of poverty, or to mitigate the impacts of shocks?
4. What other programs are needed to ensure sustainable graduation from poverty for poor households?

Policy implications will then be drawn from the findings from the research study, and appropriate recommendations made for social assistance programs to accelerate poverty reduction in areas with high poverty incidence and severity, including design of pilot activities to be implemented, beginning in the second half of 2012.

The cluster will implement a new research activity designed to assess the effectiveness of current social assistance and poverty reduction programs to reduce poverty through the development of micro-simulation models. The micro-simulation models will evaluate the social assistance programs as to the economic benefits they bring at household, local economy and national economy levels.

The cluster will also begin research into the impacts of access to finance among PKH households as the current exit strategy proposed by Ministry of Social Affairs. The research will assess PKH cash transfer impacts on beneficiary households for poverty status and whether any have been able to save (and/or invest) certain amounts of their income. The cluster will begin the design

of linkages to other programs in the labor market, agricultural or micro enterprise sectors, and the integration of PKH into broader poverty-reduction programs, including PNPM and SME clusters. The cluster will initiate research into PKH students receiving and not receiving BSM, as well as tracer studies following PKH students transitioning between primary and junior secondary school.

At the request of Bappenas, TNP2K will conduct a detailed study of the effects of cash transfers on social capital and mobilisation. The cluster is currently analysing the past use of BLT and looking at various scenarios for the right balance between conditional and unconditional cash transfers.

New research into the design of temporary employment programs to provide short-term, temporary subsidised work and necessary support, e.g. childcare and health care coverage, skills/literacy training will be commissioned. Similar programs in other countries show that poverty rates declined among families that participated in the program, and employment and earnings increased among participants who were not initially working. Cluster 1, together with the M&E working group, will design pilots to test the effectiveness of additional social protection interventions for families with unemployed / underemployed household members with working capacity.

Research will also be embarked into looking at several aspects of an emergency response to counter negative impacts of a sudden increase in food prices. This includes the trigger mechanisms; the types of support to be given; numbers of beneficiaries to be compensated/supported; the effect on local food prices of a sudden influx of cash; and the implementation mechanisms.

The Secretary of the Vice President's Office has issued minutes to outline how agencies implementing social protection programs are to use the unified database starting in 2012 to better target beneficiaries of social assistance programs. The cluster will monitor whether the introduction of the Unified database has resulted in increased access for eligible poor families to social assistance programs, better targeted social assistance programs and predictable access for eligible poor families to the full range of social assistance programs.

As a resource for future policy considerations all clusters are considering proposing the extension of the Indonesian Family Live Survey (IFLS) to eastern Indonesia. This study should start in 2012 but the results will only be available in 2013 and such results will constitute only the base line for a longitudinal survey.

Early 2012 a proposed study tour is planned to selected South American countries and South Africa to learn from their experience in developing a comprehensive social protection system that achieves poverty reduction objectives and implements programs that provide pathways out of poverty that focus on increasing social inclusion and reducing social inequalities for specific vulnerable groups. This will be followed in April with a further proposed study tour to selected South Asian countries to learn from their experience in developing social protection systems that achieve poverty reduction objectives and implement programs that focus on supporting employment and entrepreneurship programs for poor households to move out of poverty, and in mid year another study tour to the International Poverty Reduction Center China (IPRCC) to learn from their experience in research into optimizing poverty reduction through social protection and employment programs.

Cluster one working group currently consists of two fulltime specialists; this is insufficient to implement the ambitious work plan envisaged by the cluster. Their core staff need to be increased by the addition of the following:

- Data analyst
- General technical assistant

- Social assistance program designer

Further long-term positions will be needed as activity designers and managers (which can be funded through the activity budgets) for the following sets of activities:

- Vulnerability and poverty
- Disability
- Food security
- Elderly
- Employment

3.2.3 Health Working Group

The Health Working Group is funded by GIZ and is currently not part of the PRSF. However, discussions are currently underway for AusAID to provide funding to GIZ to assist with supporting activities in this working group.

The working group is tasked to make a thorough review of the Jamkesmas (health assistance) program and to make recommendations for improvement. The review will examine the institutional structure, its membership, the benefits package and the performance of the health care providers.

Planned activities for 2012 include:

- A study of the integration of Jamkesda into BPJS1 producing a policy brief for Jamkesda integration strategies into National Health Insurance; the role and function of local governments in the social security system.
- Assessment and mapping of availability and eligibility of health facilities (utilising results of Risfaskes (research of health facilities) and personnel in preparation for health insurance and universal coverage. The output will be a policy brief on the availability of health facilities and personnel to support the achievement of universal coverage.

3.2.4 Key Issues and Mitigating Strategies

Key issues and Mitigating Strategies

The major issue for Cluster one will be the quality and quantity of human resources needed to implement their large workload. PRSF is currently undertaking the recruitment process for further technical staff to support this working group – some as full staff members and some as temporary project staff. While it is probable that the right quality of staff will be found, there is proving to be a dearth of research organisations in Indonesia with the relevant experience of social assistance to undertake all the research work needed by this cluster. To overcome some of these problems PRSF is seeking innovative procurement solutions, contracting some individual experts directly while contracting organisations to conduct parts of the research (for instance field surveys) for which they are experienced. This requires a more complex set of management arrangements and will stretch the management capabilities of both Cluster 1 and PRSF. The activation of the Technical Secretariat will help in this respect.

3.3 Cluster 2 – Community Driven Development

Key Highlights

Cluster 2 is facilitating the preparation of a roadmap for the future of PNPM Mandiri. It is, however, difficult to isolate the outputs of this cluster as against that of the other actors involved in this process.

3.3.1 Progress to Date

The policy working group was formed to improve and consolidate community empowerment based programs in Indonesia. In particular, to develop a Road Map for PNPM Mandiri and provide policy recommendations on issues relating to community empowerment based programs, including, among others, integration and consolidation, partnerships and coordination, institutional strengthening, monitoring, sustainability.

To achieve its mandates and objectives, the policy work for this working group is focused around the following strategic issues:

- Integration and consolidation of the key PNPM based poverty reduction programs.
- A transition strategy of PNPM beyond 2014.
- Decentralization of management of community empowerment based poverty reduction programs.

The working group has commenced several activities, as follows:

- The Roadmap for PNPM Mandiri is being driven by Kemenkokesra with inputs from TNP2K; it is scheduled to be completed by the end of December 2011 and will become the basis for directing future activities relating to community empowerment-based programs.
- Mapping of institutional capacities at the community level is on-going.
- Mechanisms and protocols for integration of community empowerment based programs at various levels have been drafted, including manuals for;
 - Increasing local government contribution to PNPM Mandiri;
 - Integration of PNPM Mandiri into village based planning, and
 - Integration of PNPM Mandiri into financing facilities;
- Stocktaking on the local government's capacities in PNPM implementation is on-going.

The different roles and responsibility for producing the Roadmap can be confusing between the different actors. However, once the Roadmap has been drafted it will clearly be the responsibility of TNP2K to take it forward for implementation.

3.3.2 Planned Activities

Once the Roadmap has been endorsed by government, the activities for TNP2K to promote its implementation will become clearer. As of the time of writing, the following activities have been identified as priorities for 2012:

The integration and consolidation of all community empowerment based poverty reduction programs

Strategies and efforts to integrate and consolidate the PNPM based programs which have differing methodologies and implementing arrangements would be focused on program locus, design, institution and facilitation processes. This requires strategic and operational decisions at various levels, from the village level up to the national level.

Still relating to the issue of integration is the importance of adjusting the modus operandi of PNPM to match different socio-economic and geographic conditions, thus helping to improve the PNPM effectiveness as part of the country's broader social protection scheme.

As part of the initial efforts of PNPM integration, (i) mapping has been conducted on institutional capacities at the community level and (ii) mechanisms and protocols for integration at the national government level and the community level have been drafted. It is in this regard, priority activities for the next six months and more over 2012 are:

- Analysis of the community institutional capacities mapping and how the results of this analysis are referred to as basis for consolidation and integration of community-empowerment based programs at the community level; and
- Finalisation and piloting of integration protocols/manuals (national government institutions/ministries and community levels).

The decentralisation of the management of community empowerment based poverty reduction programs

Efforts to decentralise PNPM's management to the provinces and districts have to take into account different levels of local leadership commitments and capacities. Provinces and districts which have the leadership and capacity to successfully implement community empowerment based programs may not constitute the majority.

Therefore, priority activities of the Policy Working Group for 2012 include the following:

- Development of tools and approaches needed to assess readiness (institutional, fiscal) and performance of local governments managing community empowerment based programs.
- Regulatory frameworks including a clear division of roles and responsibilities between national and sub-national governments in PNPM implementation, and accountability mechanisms for local governments.
- Capacity development (such as social mobilisation, community facilitation, pro-poor/community-based planning, budgeting and monitoring) for provincial and district government authorities.
- Incentives (fiscal and non-monetary) for provinces and districts demonstrating championship in community empowerment based programs.

Transition strategy of PNPM beyond 2014

The design of a transition strategy for PNPM beyond 2014 is one of the major issues the WG is addressing. Building on the activities under strategic issues 1 and 2, a number of activities are planned to be undertaken in 2012 in order to develop the transition strategy for PNPM including:

- Stocktaking on different community empowerment based programs.
- More detailed studies/researches on a variety of aspects relating to PNPM.
- Technical workshops involving different stakeholders etc.

3.3.3 Key Issues and Mitigating Strategies

Key issues and Mitigating Strategies

The apparent confusion between the roles of TNP2K and that of Kesra should be clearer once the road map has been drafted and TNP2K can begin work on the implementation aspects of it.

It is unclear at this stage what human resources are needed for this working group to complete future activities, although this will become clearer once the requirements for the implementation of the roadmap have been identified and prioritised. However, a study of their human resources in terms of both numbers and skill sets would be necessary if they are to produce quality outputs. The recent addition of a part time adviser from AusAID will help in prioritising the work of the working group and assisting in ensuring a high quality of output.

3.4 Cluster 3 – Micro, Small and Medium Enterprises (MSME)

Key Highlights

Cluster 3 has only been fully operational for little over a month during which time they have established their overall strategy for improving MSMEs' access to finance and promoting their development. Their current task is to interact with the relevant Ministries and identify the specific areas where activities will be required.

3.4.1 Progress to Date

Cluster 3 has only been fully operational for approximately one month, hence their strategy reflects the early stages of developing a work program. It is expected that as the working group becomes more involved with line Ministries for each of the policy themes mentioned below, additional activities will be identified and existing activities expanded or reduced, depending on the priority of government and their likely impact on poverty.

The aim of Cluster 3 is to reduce the incident of poverty by supporting the development of Micro, Small and Medium Enterprises (MSMEs) through the provision of high quality evidence based policy advice that enables the Government to make more informed policy decisions for reducing poverty. To achieve this aim, the policy work for this cluster will be focused around the follow broad issues or pillars:

- Improving MSMEs access to finance.
- Promoting the development of MSMEs.
- Supporting Government's immediate needs.

Under each of these pillars a small number of themes have already been identified as priorities for stakeholders. For each theme there are a number of activities that relate to and help achieve the goal of that theme. For example, the Government has indicated that improving the Kredit Usaha Rakyat (KUR) program is a priority and a number of activities are planned to assist with this. Activities identified may change depending on events and progress but the themes are more stable and the pillars are fixed.

The "supporting government's immediate needs" pillar is there because it should be recognised that in day to day operations, government often have sudden policy needs and requests that all working groups need to address.

The current complement of staff for Cluster 3 working group was only completed in October 2011 and therefore the work is still in its early stages. Nevertheless, several activities within the themes have begun and some already completed. A summary of current activities includes:

1. Improving MSME Access to Finance.

- a. Providing technical input into a study on KUR being carried out by Pt. Tata Guna Patria and funded by APBN through the TNP2K secretariat.

- b. Assisting in organising a workshop to be held on November 29th 2011 for officials involved in managing KUR. The aim being to share their experience and identify critical issues.
- c. Developing a more specific work plan for the KUR work.

2. Promoting the Development of MSMEs

- a. Currently finalising the TOR for:
 - Carrying out initial work on mapping government MSME programs;
 - Secondary data collection and analysis for KUR;
 - Holding a small workshop on the role of MSMEs in poverty alleviation.
- b. Assisting TNP2K in negotiating and agreeing with USAID and World Bank on bringing in additional expertise for working on “mobile money”.

3. Immediate needs

- a. The National Financial Inclusion Strategy was completed and launched by the government during the ASEAN leaders meeting. Cluster 3 working group took over the draft report at late notice, negotiated the content with government and the World Bank and rewrote the report ready for launching. This work was done in close collaboration with the M&E Working Group who had done much of the earlier work.
- b. Working with several other working groups, developing the Job Creation Action Plan that the Vice President hopes to launch in mid-December. The focus is on improving government’s employment creating programs. If the strategy is sufficiently robust, it will become a Presidential Directive (Inpres).

3.4.2 Planned Activities

Below is a list of the activities and themes Cluster 3 working group aims to pursue in 2012. Over the next month or two there should be sufficient buy-in to the themes from government to enable the cluster to prioritise activities and add new ones as necessary. To achieve this, a concerted effort will be made to engage with the relevant government and private sector counterparts, as well as work with other donors. This will involve the engagement of counterparts in developing initial scoping work or, where this is not possible, sharing and discussing findings from scoping work. A number of position papers and workshops will also be developed to influence and develop policy outcomes.

(A) Access to Finance

Kredit Usaha Rakyat (KUR)

A key focus of the Cluster 3 Working Group will be on Kredit Usaha Rakyat (KUR). The program is a nationwide credit guarantee scheme covering all provinces. The program has been in operation since 2007. Since September 2010, KUR has disbursed approximately A\$2.7 billion, and reached 3.2 million borrowers. In 2012, the government proposes to scale up the program by about 30% and target it more at the agricultural sector SMEs.

Very little work has been done on the effectiveness of this program, particularly in relation to impact on poverty reduction. The World Bank, on behalf of the government, has conducted one of the few

evaluations but has not released the report and there are some questions about its quality (TNP2K has informally received a copy of the report).

In order to advise and assist the government with improving this program, the Cluster 3 working group is planning a range of activities. Initially it will commission some scoping work to better understand some of the underlying concerns and functions of the program which will be followed by more targeted studies that focus on identifying how the program can be improved. This may include, but will not be limited to, the following issues.

- a. What has been KUR's impact on poverty and regional economic growth?
- b. Can the program be better targeted to have a greater impact on poverty?
- c. Can its reach be extended to smaller micro enterprises that represent poorer households who are less well served?
- d. How serious is the issue of moral hazard and what should be done about it, if anything?
- e. What is the evidence of crowding out and what should be done about it, if anything?
- f. What are the implications of scaling up?
- g. What are the implications of targeting the agricultural sector's MSMEs?

Note: final issues will be determined in consultation with line Ministries and by the scoping work.

Financial Inclusion Strategy

The Government of Indonesia has committed to developing a Financial Inclusion Strategy (FIS), a draft of which has already been prepared. Bank Indonesia and the World Bank assisted in developing the draft Strategy, and TNP2K took an active role because of the implications for the poor. Identified as important agencies for the delivery of the strategy are Bank Indonesia, the Ministry of Finance, Ministry of Cooperatives, Ministry of Home Affairs and the Coordinating Ministry of Economic Affairs. The strategy is in line with the ASEAN focus on financial inclusion.

The strategy contains a matrix of activities that each of the Ministries listed above are committed to implement. However, these activities do not yet contain a great amount of detail. Once endorsed by the various government agencies, it will need to be developed further. Within the FIS, TNP2K can play a role in identifying key issues and policies that have the greatest potential for improving the lives of the poor.

Examples of the studies and pilots that TNP2K could undertake include:

- A study on the implementation of the joint decree. The purpose of the study is to assess the progress and impact of its implementation. The joint decree requires microfinance institutions to transform into cooperatives, rural banks (BPR), joint venture and village-owned enterprises. The study will assess how many MFIs have been registered by the relevant government agencies, how many have started to transform, etc. and what has been the impact.
- An assessment of the possibility of relaxing Know-Your-Customer requirements to open a bank account for low-value customers (the assessment would be coordinated with Bank Indonesia).
- A pilot for developing micro-insurance products for the poor (this would be done in coordination with Bappepam-LK).
- Workshop(s) to support mobile money. The World Bank is working with BI on the regulation side; IFC and USAID are developing and implementing pilots. TNP2K can complement and support this work by working with line Ministries on the issue of mobile money.

(B) Promoting the Development of MSMEs

Developing an MSME Policy Agenda

The strategy for an MSME Policy Agenda with a focus on poverty is not yet well defined, therefore a study will be conducted to identify the key policies and variables on which the cluster should focus. Although an MSME policy mapping exercise (mentioned below), utilising the unified data base, will help, there is also a need for complementary work which identifies the aspects of MSMEs which should be the focus. In other words, which MSMEs have the greatest potential to positively impact on poverty and/or economic growth. The following activities will be needed to provide this information:

- Work with J-PAL, or a similar organisation, to experiment with how one might identify small businesses/entrepreneurs who, if given the appropriate support, have the highest chance of substantial growth (and contributing to reducing poverty).
- Workshops to share findings with key stakeholders and Ministries.

Unified Data Base Survey Work

TNP2K is proposing to conduct a baseline survey using the Unified Data Base in February or March. Such a baseline survey provides an opportunity for examining several key characteristics of the poorest 40 percent. This could include questions related to access to finance, characteristics of entrepreneurs and more generally MSMEs. It is proposed that the Cluster 3 working group carry out the following:

- Develop a survey instrument that, ideally, can be incorporated into the baseline survey being proposed.
- Commission some statistical analytical work on the survey results with a view to identify key policy areas for further work.

By the middle of 2012, Cluster 3 aim to have achieved:

- Significant government buy-in and a working relationship for several themes.
- Initial scoping work completed and leading to specific issues identified for policy work.
- Continued support to meet the government's immediate policy needs as they emerge

Cluster 3 remains under-staffed if the above activities are to be implemented effectively. Currently, there is a senior private development specialist and an international MSME expert. A further national expert in MSME development is requested, and a technical assistant is currently being recruited, as recommended in the Working Group Organisational Review.

3.4.3 Key Issues and Mitigating Strategies

Key issues and Mitigating Strategies

As this working group is very new they do not, as yet, have any major issues. However, it is already apparent that they will need both new and further human resources to complete their activities. The recruitment process is currently underway.

3.5 *Monitoring and Evaluation*

Key Highlights

The M&E working group will concentrate on the monitoring of both social assistance programs and PNPM and the evaluation of the impact of PKH.

3.5.1 Progress to date

The working group's main mandate is institutionalize an integrated M&E system for Indonesia's major poverty reduction programs. This is manifested into two functions. First is to assess the performance of poverty reduction programs through integrated monitoring and evaluation systems. The findings will inform the decision of TNP2K regarding the optimal mix and scale of programs and in determining budget allocations. In particular, the objectives of the working group are (i) monitoring the implementation of national poverty reduction programs across all Clusters; (ii) overseeing evaluations and assessments of major poverty reduction programs; and (iii) sharing findings to taskforces and the National Team. Second is to facilitate the establishment of an M&E system in government agencies that own and implement major poverty programs.

To achieve its mandates and objectives, the policy work for this working group will focus on the following strategic and interlinked issues:

- Perform regular monitoring for poverty reduction programs to analyze the quality of implementation and how they achieve the targets. Monitoring activities will be conducted through regular analysis using the data from program management, as well as thematic activities like spot checks, rapid appraisals or mini surveys.
- Conduct outcome and impact evaluation of poverty reduction programs, both qualitatively and quantitatively.
- Help developing the capacity of program management to plan and conduct monitoring and evaluation activities and use the information for decision making.

In order to do the task effectively, the working group will need to:

- Establish integrated MIS in TNP2K that link to program MIS in K/L, starting from four programs: PKH, Jamkesmas, urban and rural PNPMs.
- Expand the structure of the working group with necessary functions and support particularly that enable the working group to conduct such regular evaluation.
- Closely work with other working groups in determining areas, themes and activities to monitor and evaluate poverty programs.
- Maintain relationships with and provide technical support to government agencies that own and run poverty programs in areas related to program monitoring and evaluation.

Several activities have begun and some already completed, as follows:

- Framework of Roadmap for integration of M&E system for poverty reduction has been drafted.

- Draft design and framework of M&E has been formulated.
- Readiness assessment has been undertaken, including stocktaking, mapping of existing M&E system and results, stakeholder analysis and identification of partners (TNP2K, Bappenas, UKP4, relevant government institutions/ministries) assigned to M&E and their respective functions.
- Analysis of demand for Monitoring and Evaluation has been conducted.
- Integration of Management Information System (MIS) has commenced.
- Assistance to Bappenas and UNICEF in designing an evaluation framework for a PKH nutrition strengthening pilot project as well as to cluster 2 working group on doing the Raskin study has been provided.
- A PNPM Impact Evaluation as an extension to the one conducted by the World Bank is at finalization stage.

3.5.2 Planned Activities

Efforts to integrate monitoring and evaluation systems for poverty reduction require a number of interlinked steps including assessment and analysis, framework development, technical and coordination workshops/meetings, capacity development and advocacy, pilot-testing, scale up and implementation, and utilization of data and information from M&E for the policy making processes. There is also a need to address variables associated with the supply side, demand-side, legal and institutional aspects.

Apart from their more routine tasks in support of the other working groups, the M&E working group has identified several key activities:

- An in-depth impact evaluation(s) of PKH, as a follow up to a World Bank evaluation conducted three years ago, and to prepare for the exit strategy.
- The dissemination of the results of the PNPM evaluation.
- Finalizing the key monitoring indicators monitoring the progress of the following four programs; PNPM urban and rural, PKH, Jamkesmas and start regular monitoring activities.
- A desk study compiling and documenting all monitoring and evaluation studies of poverty reduction programs (and related programs) in Indonesia since 1998.
- A desk study reviewing the international best practices and models for grievance and complaint handling mechanisms of development programs.

3.5.3 Key Issues and Mitigating Strategies

Key issues and Mitigating Strategies

The working group have reduced their previous plans into practical support for Social Assistance programs, however the workload for this will still be high and they will require additional technical staff. The additional staffing is currently under discussion with the Coordinator of the Working Groups and PRSF.

3.6 Advocacy Unit

Key Highlights

The advocacy unit is redesigning its strategy for supporting the TKPKD with more intensive training in poverty analysis and policy making backed up with the piloting of outreach units at provincial levels.

3.6.1 Progress to date

The Advocacy Team of TNP2K is mandated to support the institutional strengthening of local Coordinating Teams for Poverty Reduction (TKPKD) at the provincial and district/city level. In particular, its objectives are to promote evidence based policy-making processes for poverty reduction at the local level and to provide capacity development services to TKPKDs and other relevant stakeholders on various issues relating to local poverty reduction.

To achieve its mandate and objectives, the work for this team will be focused around the following strategic areas:

- Capacity development for provincial and district/city TKPKDs and other relevant local stakeholders assigned to poverty reduction.
- Integration of evidence-based policy making for poverty reduction into planning, budgeting, and monitoring processes at the provincial and district level.
- Support for improved coordination of provincial and district/city TKPKDs.

The Advocacy Team has commenced and completed several activities:

- Manual for Poverty Reduction – official handbook for TKPKD.
- Two-day training on analysis of poverty for government officials, local parliaments, and members of TKPKD of 31 provinces and 358 districts/cities.
- On-going internship program at the TNP2K office in Jakarta for local government officials from provinces and districts.
- Serving as resource person in coordinating meetings of 10 provincial TKPKDs.
- Technical consultations on poverty reduction for local stakeholders at the provincial and district/city level.
- Framework of database for policy intervention in poverty reduction through Corporate Social Responsibilities (CSRs) in East Nusa Tenggara (NTT).

3.6.2 Planned Activities

Under each of the strategic areas of focus, a number of activities have already been identified as priorities for 2012, including the following:

Capacity development for provincial and district/city TKPKDs and other relevant local stakeholders assigned to poverty reduction

Capacity within many provinces and district governments to properly analyse local poverty conditions and use such analysis in their decision making is limited. As a consequence, provincial and district poverty reduction strategies and plans often lack realistic targets, and expected outputs related to poverty reduction and targeting of the poor in poverty reduction programs is also often not carried out in a systematic manner.

To help respond to these challenges, the TNP2K Advocacy Team plans to continue and expand the following two main activities in 2012:

- A series of training courses on the analysis of local poverty conditions for local government officials and other relevant stakeholders at the provincial and district level. The poverty condition analysis is aimed at assessing the root causes of poverty within the provincial and district-level local specificities by focusing on a number of development sectors and selected indicators.
- Internship program for local government officials and other local stakeholders who need to follow up with the results of the training courses. The internship program takes place in the TNP2K office in Jakarta for 2-3 day duration, depending on the local stakeholders' needs.

Promotion of Regional, evidence-based policy making for poverty reduction

The training will be supported by the establishment of outreach units at the provincial level in selected (pilot) areas to work with the provincial BAPPEDA to help both provincial and district level authorities to implement the necessary actions. More specifically, the Unit will:

- Coordinate and administer capacity development including technical assistance and training on evidence-based policy making for local different stakeholders;
- Act as liaison of poverty related data between provincial and district/city governments and TNP2K ; and
- Build linkages to and coalition with other local stakeholders (DPRD, media, CSOs, universities, private sectors) in the effort to accelerate poverty reduction.

Support for improved coordination of provincial and district/city TKPKDs

Other constraints to poverty reduction at the local level include (i) lack of effective monitoring and evaluation systems resulting in inadequate level of feedback for improvements in implementation and (ii) lack of information exchange and coordination among local governments and other stakeholders assigned to poverty reduction hampering optimal results in addressing the needs of the poor.

To help address this issue, the provincial and district governments throughout Indonesia have been encouraged to revitalize TKPKD (as local partner of TNP2K) as many have not been effective in coordinating and preparing poverty reduction strategies and action plans. The revised approach places BAPPEDA as the Secretary of the local team in order to mainstream poverty reduction in the structure and functions of local governments. Participation in the TKPKD has also been broadened to include the participation of the local legislative assemblies and non-government stakeholders.

The TNP2K Advocacy Team will continue supporting the improvement of coordination among different stakeholders involved in poverty reduction at the local level by monitoring the regular coordinating meetings of provincial and district/city TKPKD.

Current active members of this unit consist of three officers. Three further registered staff act directly as researchers for the Executive Secretary responding to urgent needs from the Vice President's Office. As the Advocacy Unit is due to be relocated into the policy working groups, it may be opportune to reallocate the 3 researchers into a specialised section within the secretariat. The core staff of the advocacy unit will need to be expanded to meet their mandate with an additional officer to support the development of the regional outreach units.

3.6.3 Key Issues and Mitigating Strategies

Key issues and Mitigating Strategies

So as to ensure greater integration of the advocacy team working at the regional levels with the other working groups in TNP2K, it was decided that the advocacy unit will report to the coordinator of the policy working groups.

3.7 Secretariat of TNP2K

3.7.1 Progress to date

The Secretariat of TNP2K is mandated to provide administrative and technical support to the work of the TNP2K Secretary and to facilitate relationships with national and regional government agencies. To achieve this mandate, the work of the secretariat is divided into the following divisions:

- Planning, finance and budgeting.
- Program implementation.
- Data and information.
- Program support.
- Publication and media.
- Advocacy.

The Secretariat has commenced several activities, as follows:

- Organized national-sub-national coordination meeting on poverty reduction policies, attended by all provincial and district/city level TKPKD, TNP2K and other relevant stakeholders and development partners.
- Publications including the monthly PROGRESS magazine, operational manual on poverty reduction as official handbook for TKPKD, newsletters on emerging issues such as human development, booklet on poverty reduction.
- Establishment, maintenance and administration of the TNP2K website and e-mail.
- Trainings on analysis of poverty condition for government officials, local parliaments, and members of TKPKD of 31 provinces and 358 districts/cities.
- On-going internship program at the TNP2K office in Jakarta for local government officials from provinces and districts.
- Serving as resource person in coordinating meetings of 10 provincial TKPKDs.
- Technical consultations on poverty reduction for local stakeholders at the provincial and district/city level.
- Framework of database for policy intervention in poverty reduction through Corporate Social Responsibilities (CSRs) in East Nusa Tenggara (NTT).
- Field spot-check on poverty reduction/social protection programs implemented by relevant ministries.

3.7.2 Planned Activities

The following activities have been identified as priorities for 2012:

- To develop an integrated communication strategy/PR program as an integral part of the TNP2K public face. TNP2K has a major role to play in the transparency of the government's attempts to accelerate poverty reduction.
- To continue and expand regular spot check on the implementation of social protection programs. In 2012, it is expected that the spot checking will be conducted on more social

protection/poverty reduction programs implemented by various government agencies and ministries at the local level. The spot-check findings become the basis for the report of the TNP2K Secretary to the Vice President and feedback to the formulation of poverty reduction policies by the TNP2K Policy Working Groups.

- To continue developing publications on poverty related issues (such as PROGRESS magazine, newsletters).
- To establish a centralized information system including establishment of data warehouse, business intelligence application and development of data mining and analysis.
- To enhance website and intranet as part of knowledge management.
- Working closely with the advocacy team, (i) to continue facilitating capacity development activities for provincial and district/city TKPKD, and (ii) to establish regional poverty reduction information system.
- To organize technical meeting on institutional strengthening of TKPKD, central – local coordination meeting on poverty reduction policies, workshop on poverty reduction acceleration.

3.7.3 Key Issues and Mitigating Strategies

Key issues and Mitigating Strategies

The secretariat has an important function in supporting the complex and multiple roles of the Executive Secretary and also the needs of the different working groups. The secretariat has expressed a need for additional staff in various roles, however, they also agree that the complexity of their multiple tasks would benefit from a study of their business processes which would result in recommendations as to the resources and structures they will need to support TNP2K in the long term. Such an assessment should be conducted by an external agency early in 2012.

There are valuable services being supplied by the secretariat (e.g. their data base on poverty) which are not currently being fully utilised by the working groups. This will be a topic for discussion and resolution in a TNP2K retreat that is being planned for early in January 2012

4. Progress of AusAID directed PRSF Activities and PNPM TA

Pekka - PRSF has been working with Pekka to help them improve their proposal and develop a practical work plan for their first year's activities. Pekka have also been in contact with SMERU in terms of their capacity building for research activities. A contract has now been signed with Pekka, a work plan and monitoring framework developed, and first payment (AUD600,000) has been made. The working relationship with Pekka has been first class and we all look forward to working with them in the future.

GIZ - Negotiations are near completion with GIZ for a Grant Agreement to provide PRSF funds to support the GIZ-BAPPENAS Social Protection Program. The key areas where additional funds will be provided are: to support the DJSN Council and Secretariat to implement the Roadmap for Universal Coverage in Health; support TNP2K to carry out work in the Health Policy Working Group; expanding coverage for informal workers; cash transfers for the poor to improve human development outcomes. The grant is for approximately A\$2.4million which will be disbursed between October 2011 – June 2012.

TIFA - The design for Poverty Reduction through Safe Migration: a Pilot Initiative is currently being peer-reviewed by AusAID and it is anticipated the grant will commence in early 2012. The grant will be for approximately A\$2.8 million to TIFA over the next 2.5 years.

PNPM Technical Assistance - The recruitment and equipping of all staff in the first phase recruitment has been completed (14 people, see Annex 2 for details) and are currently placed in their relevant offices in 3 different ministries/agencies. The formal inception meeting with PMD has been completed and the meeting with Kesra is awaiting a suitable date. Phase 2 recruitment (2 or 3 additional positions) will begin in the new year.

5. Emerging Issues and Future Directions for TNP2K

Food Subsidy - TNP2K is currently looking at several aspects of an emergency response strategy to counter negative impacts of a sudden increase in food prices. This includes the trigger mechanisms (increase in price of a food basket over consecutive months); the types of support to be given (cash transfers – conditional or not); numbers of beneficiaries to be compensated/supported; the effect on local food prices of a sudden influx of cash (about Rp7.7 trillion); the implementation mechanisms.

Future of BLTs - There is some concern about the appropriateness of **unconditional** cash transfers (Bantuan Langsung Tunai – BLT) within GoI circles. TNP2K is currently analysing the past use of BLT and looking at various scenarios for the right balance between conditional and unconditional cash transfers. It is likely that BLT will remain a priority for emergency response measures to specific types of emergency.

Employment strategy - TNP2K has been tasked with preparing a Job Creation Action Plan by mid-December. What activities will be taken up by TNP2K is yet to be decided.

Indonesia Family Life Survey (IFLS) has conducted a longitudinal in-depth family life survey in western and central Indonesia approximately every five years since the 1990s. Both cluster 1 and cluster 3, as well as the M&E unit of TNP2K require this type of data for eastern Indonesia. A proposal is currently underway to conduct such a survey with inputs into the design of the questionnaires from TNP2K. This survey will produce base line data in the second half of 2012 which will be of use in itself. Further follow up surveys in approximately five years will be able to give indications as to changes over that period and will provide some indicators as to the success or otherwise of some aspects of TNP2K's work in poverty reduction.

Cross cutting issues - Issues of both gender and disabilities are major concerns for TNP2K and all activities are cross-checked to ensure these concerns are adequately reflected. The PRSF has developed a gender action strategy and held one workshop to socialise the strategy. The gender consultant will conduct further training courses in incorporating gender into research designs in January. People living with disabilities is a particular concern of the Cluster 1 working group on social assistance and specific studies are being designed to better understand the conditions of people living with disabilities and the effectiveness of programs aimed at supporting them.

Public Private Partnerships - TNP2K is looking at the possibility of piloting a system (or model) for bringing together commercial and civil (LSM/NGO) organisations and individuals who have expressed interest in helping poverty reduction, and then mapping and matching the potential supply of funds/expertise/organisational support with specific needs in the fields of health, education, basic infrastructure, community empowerment, poverty reduction.

NTT - TNP2K has expressed a special interest in trying to intervene in NTT because it is one of the poorest areas and raises the question of the role that TNP2K could potentially play at the regional level. This is still at an early stage of conception but will probably begin with a series of workshops and meetings between TNP2K and community leaders, local NGOs and local government to look at needs and potential for intervention. Possible areas of intervention could be in the piloting of public/private partnerships mentioned above or in promoting the intensive training of local officials in pro-poor planning, budgeting and local policy recommendations.

Public Face of TNP2K - TNP2K appears to lack a 'public image', despite it's working mandate that puts the institution at the centre of debates about poverty issues and programs in Indonesia. TNP2K

has a major role to play in the transparency of the government's attempts to accelerate poverty reduction. TNP2K must also pre-position itself for political criticisms that will come over the next few years leading up to the next general election; one way of doing this is to prepare its 'public face' well in advance.

Effects of cash transfers on social capital - At the request of Bappenas, TNP2K will conduct a detailed study of the effects of cash transfers on social capital and social mobilisation. The TOR for this is currently being negotiated.

Small Scale Qualitative Research - There is always a need to look at special or atypical poverty issues or circumstances, local poverty gaps, novel poverty approaches, special circumstances and special groups which constitute important, albeit minority, aspects of local poverty and which may require special attention and which could also inform policy debates. Under PRSF there is a mechanism in place to procure and manage small grants for this purpose. The advantage of such small grants is that they can be used to support ideas/proposals developed by other institutions that can add value to the core work of TNP2K. Requests for proposals for small specialised studies or pilots could be funded through PRSF.

6. Operations of PRSF

Key Highlights

TNP2K/PRSF is adapting its structure to the dynamic needs of TNP2K. The Task Force is being quickly activated, the Technical Secretariat has been made functional, the Advocacy Unit has been relocated to the policy working groups, and a new Knowledge Management Unit is being designed.

6.1 Organisational Structure

An institutional assessment of the working groups was conducted in September which suggested the need for several further positions to enhance the working capabilities of each working group (extra technical assistance) and some changes in working procedures. All the recommended new positions are currently being advertised.

To enhance the flow and interchange of knowledge within TNP2K and between this institution and others, a Knowledge Management Unit will be established in TNP2K for the collection, storage and dissemination of knowledge products. The recruitment for the Coordinator for this unit is currently being finalised.

It is recommended to conduct an institutional assessment of the Secretariat, however the scope of work and key objectives of the assessment need to be carefully outlined to ensure a critical assessment on the functionality and alignment of the departments and business process work flow within the Secretariat.

To enhance the working relations between the working groups and key external agencies and other ministries, TNP2K will activate the Task Force. The TORs are currently being drafted and recruitment of relevant positions will begin shortly. The mandate of the task force is to assist relevant ministries/agencies to translate policy recommendations into action.

The Technical Secretariat has now been activated and, when fully staffed, will consist of specialist activity designer(s) and manager(s) to help in the task of designing and managing complex research activities. It is expected this unit will be playing an increasingly important role in providing direct assistance to national research organisations in the oversight, quality assurance and management of research activities, due to the lack of strong national research institutions in Indonesia.

It has been decided that beginning of 2012 the Advocacy Unit will be transferred to the policy working groups so as to enhance the synergy between their regional work and the national work being conducted by the working groups.

The Steering Committee is in the process of being activated and will assess and approve future research directions or themes for each working group. The first Steering Committee meeting is scheduled for January 2012.

6.2 Activity Funding

Strong momentum has been gathered in developing, procuring and contracting research activities. This has particularly been the case in Cluster 1 and 3, where longer term strategies are being developed to design and implement pilot initiatives as well as specific evaluations, situational analyses and research assignments on core programs and policies. The longer term planning has also been assisted by the activation of the Technical Secretariat which is now providing valuable resources in translating concepts in activity designs and paving a way for a more systematic (rather than reactive) development of activities.

Based upon the current activities being designed, procurement and implemented, approximately A\$15million have been committed. These committed / earmarked funds for activities are detailed in table below:

Table 1: Funds Committed / Earmarked for Current Activities

Activity	Organisation	Status	Value
Quality Assurance of PPLS poverty survey	SMERU	Nearing Completion	AUD100,000
Unified Data Base Project	Internal – managed by TNP2K	Office Space Fitted Out Server and Equipment Procurement and Operational Staff being recruited.	AUD2,900,000
Evaluation of implementation modalities of Raskin	Survey Meter	Nearing Completion	AUD150,000
Study of Grievances mechanism for Social Assistance programs	Oxford Policy Management	Being Mobilised	AUD210,000
Research on prevalence, typologies etc of people living with disabilities	Being tendered	Tenders being reviewed	AUD200,000
Research on elderly	HelpAge International	Being Mobilised	AUD 250,000
Pro Poor Planning		Design Near Completion	AUD 1,300,000
IFLS Study		Design Near Completion	AUD 2,500,000
BLT ToR		Design Submitted for Approval	AUD 250,000
Study and advocacy for poor women headed households	PEKKA	Mobilised	AUD2,090,000
Study effects of Migration and use of remittances amongst poor households	TIFA	Awaiting AusAID Peer Review	AUD2,800,000
GIZ support for Social Protection Programs in Bappenas	GIZ	Grant in negotiation	AUD2,400,000
TOTAL			AU 15,150,000

In addition there are a wide range of activity concepts and ideas that are in the process of fruition. These concepts are in Annex 1 and will be tabled at the first Steering Committee meeting for approval.

6.3 Recruitment

To date approximately two thirds of the allocated positions have been filled and there are a further 9 positions which are currently being recruited. This leaves in total 12 unallocated positions where the ToRs have not yet been finalized or defined. It is planned that around half of these positions will be allocated to resource growing areas within the Working Groups (Cluster 1 and 3 in particular), and the remaining positions for resourcing the Task Force and Technical Secretariat which are currently starting to take shape. Some fluidity in the allocation of positions is expected to respond to emerging needs. For a full list of staff positions see Annex 2.

Table 2: Summary of PRSF Recruitment

Division	Originally Planned Allocations	Total Number of Positions Filled	Total Number of Allocated Positions Currently being Recruited	Number of Unallocated Positions Remaining
Secretariat	18	18	0	0
Working Group	32	18	8	6
Task Force	4	2	0	2
Technical Secretariat	6	1	1	4
TOTAL	60	39	9	12

Performance reviews are currently being finalised for all Secretariat positions and also some Working Group positions where the probation period is near completion. For positions where concerns over the performance of individuals are raised, the position is also being openly advertised and the current candidate is welcome to also re-apply.

6.4 Short term Technical Assistance

Pre-Selection Shortlist: A widespread advert was released in November / December in the international and national media for consultants and companies interested in future opportunities on PRSF. A pool of key consultants and companies across disciplinary areas will be created, and managed in a similar manner to a 'period offer', so that rapid, transparent recruitment can be processed to meet emerging needs of TNP2K and AusAID.

Stephen Kidd was subcontracted through Development Pathways as a Senior Social Security Specialist to provide in country inputs into critical perspectives on key policy areas at TNP2K: namely Life Cycle Approaches, poverty targeting approaches, and a review of the DEPSOS programs. Premium rates for Dr Kidd's 2-week input were justified and approved by FADG.

Tarsicio Castaneda has also provided additional in country and home based inputs to provide technical advice on the PKH expansion strategy/roadmap and organising the Study to the Philippines to learn about the Pantawid Pamilyan Pilipino Conditional Cash Transfer Program.

6.5 PRSF M&E Update

The national M&E Specialist, Kharisma Nugoho, resigned in October 2011 as he had been offered an international assignment. A recruitment round was conducted for a replacement and Supriyono appointed on 21st November 2011. A handover period with Kharisma was arranged to ensure a continuation of the ongoing M&E work.

A widespread recruitment round was also conducted for a short-term international M&E consultant to provide inputs in the Evaluability Assessment and design of the M&E System. The panel recommended the appoint of Jean-Charles Rouge and it was suggested it would be ideal if the AusAID Performance and Quality Unit could work closely with the new international consultant so that they can ensure that the M&E Framework that is developed is in line with AusAID's new M&E Standards and Approach. Initially it was envisaged the input being around 4 months per year, however in order to ensure strong continuous collaboration with the P&Q Unit, especially in the establishment of the M&E System, it was recommended to increase the input to 8 months in the first year.

Selection criteria for the approval of activities, grants and pilots have been developed and are being used.

6.6 Risk Management

All risks identified in the Risk Management Plan have been reviewed, re-assessed and new mitigation strategies identified if appropriate (see Annex 3 for the Updated Risk Management Plan). No terminal or extreme risks have been identified, but some noteworthy changes are:

- The risk that line agencies do not take up policy or program advice has also been downgraded as it is anticipated that the activation of the Task Force will assist in bridging this gap.
- The increasing of the risk that PRSF/PNPM TA or TNP2K resources are overstretched due to excessive up-scaling. This risk has been increased to a medium level risk and a contract amendment in early 2012 will undertaken to re-access human resource needs.
- Additional risks have also been identified, such as the lack of quality national research institutions that will impact the quality of research that can be subcontracted. This has led to the recognition of the need for “innovative procurement strategies / solutions” such as providing assistance in teaming up national research institutions with international advisers / institutions to provide technical guidance. A pre-selection of companies is also being developed which will also be used to directly approach companies and to identify companies that can provide quality assurance / mentoring to national institutions.

At the individual activity level, the activity design template requires the identification of key risks and strategies for dealing with these risks. During the mobilisation of the PEKKA grant activity, a risk management plan was also work shopped and the PRSF national M&E Specialist will provide on-going assistance in the monitoring of key risks and progress towards outcomes.

6.7 Financial Status and Contract Amendment PRSF

PRSF current budget is designed for a 42-month Facility with a total contract value of A\$ 36,275,463 for reimbursable expenses that include salaries, professional fees, program activities, and operating costs. As of 30 November 2011, PRSF had expended A\$1,803,316.

The total originally planned Activity Implementation Budget was A\$15,225,000 for the life of the Facility (2011-2014). However after discussions with AusAID during the mobilization of PRSF it was revealed that the PRSF budget will actually be considerably increased and the anticipated Activity Implementation Budget for the Financial Year 2011-2012 is A\$12,750,000.

In response GRM have therefore already considerably up-scaled activities to align with the new expected budget, and to date in total approximately A\$22.5 million have been committed. Broken down into Financial Years, for the Financial Year 2011-2012 approximately A\$10 million has already been committed, and for the Financial Years 2012-2014 approximately A\$12.5 million has already been committed (see Table 6 of Annex 4 for details).

The activity budget forecasts for the unallocated funds for the following financial years are only ball park figures and will be clarified with AusAID once the AusAID up-scaling plan is finalised.

To accommodate the up-scale of PRSF, it has been agreed with AusAID that a contract amendment will be processed in early 2012. This contract amendment will review the current PRSF management and operational resources, the activity budget and financing costs.

6.8 Key issues and Mitigating Strategies

Key issues and Mitigating Strategies

The size, scale and budget of the PRSF activities are increasing in both volume and complexity and will soon exceed the resources specified in the contract, hence a contract amendment will be needed.

Generally TNP2K is adapting its structure well to the needs of the work, however, further refinement of the relationship and the roles and responsibilities between the working groups and the secretariat needs further refinement and clarification.

ANNEX 1

Planned Activities

ANNEX 1: Planned Activities

	WORKING AREA	ISSUE/ACTIVITY	COMMENT
1	Cluster 1 and 3	A study of 'ways out of poverty'. A study of socio-econ mobility among rural/urban and formal/informal working households. What are the factors associated with moving into and out of poverty and impacts of social protection programs.	A proposed activity still at design stage. The results of this study will inform the design of pilot programs for 2 nd half of 2012.
2	Cluster 1	Micro-simulation to evaluate economic benefits of social assistance programs	Still at design stage
3	Cluster 1	Research into the design of temporary employment programs	Still at design stage. Will lead to pilot programs in 2 nd half 2012
4	Cluster 1 and 3	Extend the Indonesia Family Life Survey (IFLS) to eastern Indonesia	Original proposal being refined
5	Cluster 1	Monitoring of access to Social protection programs following the use of the unified data base.	To be designed
6	Cluster 1	Study Tours to South America, South Africa, South Asia and the Poverty Reduction Centre China – looking at comprehensive social protection systems	To be planned
7	Cluster 1	A study on the impact of cash transfers on social capital	At the request of Bappenas a TOR is being prepared
8	Cluster 1 (health)	Study of integration of Jamkesda into national health insurance	Being planned. Output will be a policy brief
9	Cluster 1 (health)	Assessment of facility/staffing mapping for health in relation to universal coverage	Being planned Output will be a policy brief
10	Cluster 2	Analysis of the mapping exercise of community institutional analysis	Being planned. Part of basis for PNPM integration
11	Cluster 2	Piloting of integration protocols/manuals	Being planned
12	Cluster 2	Development and application of tools for assessing the institutional capacity/readiness of local government's to manage community empowerment programs	Being planned
13	Cluster 2	Staffing needs	Unclear as to staffing needs of this cluster to implement their work plans
14	Cluster 3	Study of KUR, particularly is relation to and impact upon the poor, also targeting issues, up-scaling issues	Being designed
15	Cluster 3	Study on types of MSE's that have greatest potential to impact on poverty	Being designed
16	Cluster 3	Key characteristics of the poor in relation to access to finance, entrepreneurs and MSEs	Being designed
17	M&E working group and cluster 1	Impact Evaluation(s) of PKH	Being designed (with cluster 1)
18	Advocacy unit	Capacity building for TKPK-D for poverty analysis and evidence based policy making for poverty reduction – intensive training followed by establishment of regional centres to support the TKPK-D	Design nearing completion. Designed to be complimentary to the Bappenas P3BP program
19	New Area	TNP2K plans to pilot a public private partnership system harnessing interest in CSR for poverty reduction.	Only staff budget envisioned at this stage
20	New Area	Public relation – building a public face for TNP2K	Contracting a PR company to supply a range of PR services
21	New Area	Small grants for unsolicited proposals for poverty reduction projects with clear policy implications	PRSF to advertise for proposals
22	Institutional	A Knowledge management unit will be established	Advertising for coordinator in process
23	Institutional	The Task forces will be staffed and operational to enhance communication with relevant agencies	TOR being prepared

ANNEX 2

Recruitment Update

ANNEX 2: Recruitment Update

Secretariat Positions Update: 23 December 2011

	NAME	POSITION	STATUS	CONTRACT END DATE
	Program Planning and Finance Unit			
1	Ine Maryati	Budgeting and Finance Officer	Long Term Contract	31 December 2011, extension under review
2	Kunto Prastowo	Program Planning and Budgeting Officer	Long Term Contract	31 December 2011, extension under review
	Program Implementation Unit			
3	Kurniawan	PIO: Capacity Building	Long Term Contract	31 December 2011, extension under review
4	Kholid Fathirius	PIO: Capacity Building	Long Term Contract	31 December 2011, extension under review
	Executive Secretary Support Unit			
5	Priadi Asmanto	Assistant Researchers	Long Term Contract	31 December 2011, extension under review
6	Alie Sadikin	Assistant Researchers	Long Term Contract	31 December 2011, extension under review
7	Achmad Tohari	Assistant Researchers	Long Term Contract	31 December 2011, extension under review
	Data and Information Unit			
8	Yugo Gautomo	Head of Data and Information	Long Term Contract	31 December 2011, extension under review
9	Khoiril Anwar	Database Program Officer: Website Specialist	Long Term Contract	31 December 2011, extension under review
10	Mardanus Hasgoro	Database Program Officer: MIS Technical Support Officer	Long Term Contract	31 December 2011, extension under review
11	Togi Sianipar	Database Program Officer: Data Administrator	Long Term Contract	31 October 2012
12	Wirdawati	Dashboard Programmer	Long Term Contract	31 December 2011, extension under review
13	Toton Dartono	Dashboard Programmer	Long Term Contract	31 December 2011, extension under review
14	Herry Purnomo	Business Intelligence / Software Specialist	Long Term Contract	31 October 2012
	Program Support Unit			
15	Dewi Asihwati Kahulunan	Head of Program Support Unit	Long Term Contract	31 December 2011, extension under review
16	Ocky Nuraini	Admin Assistant - Working Groups	Long Term Contract	31 December 2011, extension under review
17a	Rani Hapsari	Administration Assistant - Secretariat	Long Term Contract	31 December 2011, extension under review
17b	Astiningrum Yudaningsih	Administration Assistant - Secretariat	3 months Maternity Leave Replacement	31 December 2011
18	Ben Haryo Himawanto	Translator- Program Support Unit	Long Term Contract	31 December 2011, extension under review

Working Group Positions Update: 23rd December 2011

	NAME	POSITION	STATUS	CONTRACT START DATE	CONTRACT END DATE	MAXIMUM INPUT
	Senior Executives					
1	Suhasil Nazara	Head of Working Groups Coordinator	Long Term Contract	1-Feb-11	31-Jan-12	180 days
2	Sudarno Sumarto	Policy Advisor	Long Term Contract	1-Apr-11	31-Mar-12	180 days
3		Technical Assistant for Senior Executives	being advertised			
	Data Unification Working Group					
4	Mohammad Illyas	MIS Coordinator	6 Month Initial Contract	12-Sep-11	31-Mar-12	6 months
5	Julia Tobias	Poverty Targeting Systems Technical Consultant	Long Term Contract	14-Mar-11	13-Mar-12	1 year
6	Purwanto A. Nugroho	Poverty Targeting Data Analyst	6 Month Initial Contract, extension under review	6-Jun-11	31-Dec-11	6months
	Social Assistance Working Group (Cluster 1)					
7	Fiona Howell	Social Assistance Specialist	Long Term Contract	1-Sep-11	31-Aug-12	1 year
8	Aufa Doarest	Data Analyst	Long Term Contract	1-Nov-11	30-Apr-11	6 months
9		Data Analyst	Being Advertised			
10		Technical Assistant for Cluster 1	Being Advertised			
	Community Driven Development Working Group (Cluster 2)					
11	Ibnu Taufan Kamaluddin	CDD Specialist	Long Term Contract	1-Feb-11	31-Jan-12	1 year
12		Position still to be decided				
13a		Technical Assistant for PNP and Cluster 3	being advertised			
	MSMEs Working Group (Cluster 3)					
14	Peter Van Diermen	SME Specialist	6 Months Initial Contract	3-Oct-11	2-Apr-12	6months
15	Iketut Budastra	Senior Micro-Economist / Private Sector Specialist	6 Month Initial Contract	18-Jul-11	31-Dec-11	6months
13b						
	M&E Working Group					
14	Elan Satriawan	Working Group Coordinator	Long Term Contract	1-May-11	30-Apr-12	176 days
15	Ari Perdana	Evaluation Specialist	Long Term Contract	3-Jul-11	2-Jul-12	1 year
16		Monitoring / MIS Specialist	Edy Irianto resigned, re-advertising			
17		Technical Assistant to M&E Working Group	Being Advertised			
	Assistant Coordinators					
18	Irwan Suryanto	Assistant Coordinator to Policy Working Groups	Long Term Contract	8-Jun-11	31-May-12	12months
19	Sri Kusumastuti Rahayu	Assistant Coordinator to Cluster 1	6 Month Initial Contract	20-Jun-11	31-Dec-11	6 months
20	Agus Munawar	Assistant Coordinator to Cluster 3	6 Month Initial Contract	1-Aug-11	31-Jan-12	6months
21		Knowledge Management Coordinator	being advertised			
	Advocacy Team					
22	M.Arif Tasrif	Head Advocacy Team	Long Term Contract	17-Jan-11	31-Dec-2011	12 months
23	Panca Ruthindartri	Advocacy Officer	Long Term Contract	4-May-11	31 July 2012	12 months
24	Himawan Fuady	Advocacy Officer	Long Term Contract	13-Jun-11	31-Aug-2012	12 months

Task Force Positions Update: 23rd December 2011

	NAME	POSITION	STATUS	CONTRACT START DATE	CONTRACT END DATE	MAXIMUM INPUT
1	Mohammed Nashihin	PKH Specialist Adviser	Long Term Contract	1-Feb-11	31-Jan-12	192days
2	Budi Hidayat	BAPPENAS Social Protection Advisor	Long Term Contract	15-June-11	31-May-12	115 days

Technical Secretariat Positions Update

PRSF Activity Team

1	Abdurrahman Syebubakar	Activity Design Specialist	6 Month Initial Contract	1-Nov-11	31-Apr-12	6 months
2		Activity Management Specialist	being advertised			

PROGRESS STATUS

PNPM TA STAFF - Poverty Reduction Support Facility (PRSF)

STATUS : DEC 23, 2011

No.	Code	Positions	Names	Interview Process	Interview Report	User Approval	Candidate Appointment	Salary Verification	Reference Check	Letter of Offer	Contract Signing	Mobilized
1	PS-01	HUMAN RESOURCE DEVELOPMENT ADVISOR	Benecdictus Puspawardaja	Done	Done	Done	Done	Done	Done	Done	Contracted	Nov 14, 2011
2	PS-02	HUMAN RESOURCES MANAGEMENT SPCLIST	Renny Natalia	Done	Done	Done	Done	Done	Done	Done	Contracted	Jan 2, 2012
3	PS-03	TRAINING AND CAPACITY BUILDING ADVISOR	Tweela G Simanjuntak	Done	Done	Done	Done	Done	Done	Done	Contracted	Nov 14, 2011
4	PS-04	COMPLAINT HANDLING ADVISOR	Budi Nugroho	Done	Done	Done	Done	Done	Done	Done	Contracted	Jan 2, 2012
5	PS-05	FINANCIAL MANAGEMENT /BUDGET SPECIALIST	Harry Sovianto	Done	Done	Done	Done	Done	Done	Done	Contracted	Dec 1, 2011
6	PS-06	PROCUREMENT/CONTRACT MANAGEMENT SPECIALIST	Sutarno	Done	Done	Done	Done	Done	Done	Done	Contracted	Nov 14, 2011
7	PS-07	BILINGUAL SECRETARY	Elly Anggraeni	Done	Done	Done	Done	Done	Done	Done	Contracted	Nov 14, 2011
8	PS-08	TRANSLATOR	Tanti Susilawati	Done	Done	Done	Done	Done	Done	Done	Contracted	Dec 1, 2011
9	PS-09	GOOD GOVERNANCE AND ANTI CORRUPTION SPCLITS	Taufik Rinaldi	Done	Done	Done	Done	Done	Done	Done	Contracted	Dec 1, 2011
10	PS-10	MANAGEMENT DATA ASSISTANT	Kevin R Meracario	Done	Done	Done	Done	Done	Done	Done	Contracted	Dec 1, 2011
11	PS-11	COMMUNICATION	Anna Rosita	Done	Done	Done	Done	Done	Done	Done	Contracted	Nov 14, 2011

12	PS-12	PUBLIC POLICY ANALIST	Desi Indrimayutri	NA	NA	NA	NA	Done	Done	NA	Contracted	Sept 5, 2011
13	PS-13	LOCAL GOVERNMENT SPCLIST	Dyanti Ayu Shintadewi	NA	NA	NA	NA	Done	Done	NA	Contracted	Oct 26, 2011
14	PS-14	ACTING TEAM LEADER	Richard Gnagey	NA	NA	NA	NA	Process	NA	NA	Process	3-Jan-12

ANNEX 3

PRSF Risk Management Plan

ANNEX 3: PRSF Risk Management Plan (Updated 23rd December 2011)

Anticipated Risk	Impact on Program	L	C	R	Options for Ameliorating the Risk	Responsible
Line agencies do not take up policy or program advice generated by PRSF.	<ul style="list-style-type: none"> Improved policy/program advice is not translated into improved programming. 	3	3	M	<ul style="list-style-type: none"> Monitor uptake and quality of TNP2K advice by line agencies through MEF, address stated reasons for lack of uptake, and inform TNP2K and AusAID management accordingly. Activation of the Task Force Encourage the establishment of a wider working group by involving relevant ministries / agencies to provide inputs on the working group's proposals 	<ul style="list-style-type: none"> PRSF (TL, M&E) TNP2K
Political and economic instability or interference affects the focus of the Office of the VP and/or TNP2K.	<ul style="list-style-type: none"> The power or legitimacy of VP Office and therefore TNP2K as a driver of reform is weakened. TNP2K lose focus on and/or divert resources from objectives 	3	4	H	<ul style="list-style-type: none"> Develop and implement an effective public relations strategy. Monitor political and economic developments for potential impacts on TNP2K 	<ul style="list-style-type: none"> PRSF (TL, M&E) TNP2K
TNP2K unable to adapt to emerging needs.	<ul style="list-style-type: none"> Sub-optimal and slow response to emerging needs. 	3	3	M	<ul style="list-style-type: none"> Maintaining flexible approach but ensuring (through consultation) that any changes remain in line with agreed end-of-facility outcomes. Support regular HR assessments (alignment/re-drafting of TORs) and organisational reviews within TNP2K 	<ul style="list-style-type: none"> PRSF (TL, M&E, HRM) TNP2K
Lack of cohesion or relevance of PRSF activities (FSC and AusAID directed)	<ul style="list-style-type: none"> Activities do not clearly contribute to the achievement of Facility objectives. 	2	3	L	<ul style="list-style-type: none"> Develop a shared understanding of the Facility logic and end-of-facility outcomes through the Evaluability Assessment and resulting MEF. Develop and rigorously apply activity 	<ul style="list-style-type: none"> PRSF (M&E, TL, DTL) AusAID (for AusAID directed activities) FSC (FSC funded activities)

Anticipated Risk	Impact on Program	L	C	R	Options for Ameliorating the Risk	Responsible
					selection criteria.	
Difficulty in recruiting suitably qualified people for high level policy/taskforce/PNPM TA positions, in particular due to excessive remuneration demands outside the ARF boundaries	<ul style="list-style-type: none"> Performance of working groups / taskforces / PNPM TA, and quality of policy and implementation advice, is sub-optimal and/or delayed 	4	3	H	<ul style="list-style-type: none"> Maintain multi-faceted recruitment strategy with targeted advertising with and use of networks into multiple sources of technical expertise. Continue to expand database of high quality and 'value for money' consultants compiled from all recruitment rounds across all themes. Establish a pre-selection of high qualified consultants across a broad range of disciplines that can be accessed in a rapid manner. 	<ul style="list-style-type: none"> PRSF (HRM, DTL) AusAID
Difficulty in subcontracting suitably qualified national research companies due to lack of capacity (and quantity) of high quality Indonesian research institutions	<ul style="list-style-type: none"> Poor quality of research findings due to lack of capacity of research institutions Delays in the procurement of research activities while alternative solutions are sought 	4	3	H	<ul style="list-style-type: none"> Innovative procurement strategies / solutions undertaken such as providing assistance in teaming up national research institutions with international advisers / institutions to provide technical guidance. Establish a pre-selection of qualified companies that can be drawn upon in a responsive manner 	<ul style="list-style-type: none"> PRSF (DTL, PFM)
PRSF unable to directly manage staff outputs.	<ul style="list-style-type: none"> TNP2K objectives not met due to diverted HR resources. PNPM objectives not met due to weak line management or diversion of HR resources. 	3	3	M	<ul style="list-style-type: none"> Continue to implement rigorous, transparent performance management systems Work closely with TNP2K, BAPPENAS, Kesra, PMD leadership to monitor staff outputs on regular basis. 	<ul style="list-style-type: none"> TNP2K PRSF (HRM, DTL) BAPPENAS, Kesra, PMD

Anticipated Risk	Impact on Program	L	C	R	Options for Ameliorating the Risk	Responsible
PRSF/PNPM TA or TNP2K resources overstretched due to excessive up-scaling	<ul style="list-style-type: none"> Decreased effectiveness of TNP2K and/or PRSF operations. 	4	3	H	<ul style="list-style-type: none"> Amendment to current Head Contract to increase human resources to ensure the team has the capacity to manage the upscale of activities. 	<ul style="list-style-type: none"> PRSF (TL, HRM, DTL, M&E, PM), AusAID
Women and people living with a disability or HIV are not appropriately targeted through PRSF activities.	<ul style="list-style-type: none"> PRSF's commitment to increased equity for women and other marginalised groups is weakened. 	2	2	L	<ul style="list-style-type: none"> Gender and Action Plan developed and training and capacity building planned for Jan / Feb 2012. Disability research currently being commissioned Facility MEF to collect gender-disaggregated data and pay special consideration to people living with a disability or HIV. 	<ul style="list-style-type: none"> PRSF (TL, DTL, M&E, HRM) TNP2K
Stakeholders do not respond to lessons learned from Facility implementation	<ul style="list-style-type: none"> The Facility strategic direction and management, as well as partner reforms, are not responsive to identified learnings. 	2	4	L	<ul style="list-style-type: none"> Knowledge Management Unit established in TNP2K to cultivate learning culture internally and the sharing of information. MEF establishes mechanisms for identifying and adopting lessons. 	<ul style="list-style-type: none"> PRSF (M&E, TL, DTL) TNP2K

Key: L = Likelihood of occurrence (1=Rare, 2=Unlikely, 3=Possible, 4=Likely, 5=Almost certain); C = Consequence of occurring (1=Negligible, 2=Minor, 3=Moderate, 4=Major, 5=Severe); R = Risk level - a combination of the above two assessments (T= Terminal, E=Extreme, H=High, M=Medium, L=Low)

ANNEX 4

Financial Forecasts

ANNEX 4: Financial Forecasts

GRM INTERNATIONAL
Poverty Reduction Support Facility
Contract No. 59971

Summary Table: Reimbursable Line Items

Table	Item	Total Budget AU\$	Expenditures to date - Nov.11	Balance as Nov.11	FORECAST										TOTAL	Budget remaining	% Budget Remaining
					Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12 to Jun-13	Jul-13 to Jun-14	Jul-14 to Dec-14			
1	Specified Personnel Costs	1,930,463.00	155,996.00	1,774,467.00	40,280.40	40,280.40	40,280.40	40,280.40	40,088.50	40,088.50	40,088.50	485,286.84	509,926.36	260,253.28	1,536,853.56	237,613.44	12%
2	Reimbursable Operational Costs	3,875,000.00	602,625.00	3,272,375.00	132,000.00	108,000.00	208,000.00	108,000.00	108,000.00	108,000.00	108,000.00	1,125,000.00	1,225,750.00	536,278.00	3,767,028.00	-494,653.00	-13%
	A. Procurement & Replacement	360,000.00	31,180.00	328,820.00	8,500.00	10,000.00	110,000.00	10,000.00	10,000.00	10,000.00	10,000.00	75,000.00	70,750.00	13,890.00	328,140.00	680.00	0%
	B. Recurrent Expenditure	3,515,000.00	571,445.00	2,943,555.00	123,500.00	98,000.00	98,000.00	98,000.00	98,000.00	98,000.00	98,000.00	1,050,000.00	1,155,000.00	522,388.00	3,438,888.00	-495,333.00	-14%
3	Activity Implementation Cost	15,225,000.00	424,843.00	14,800,157.00	1,206,952.00	2,238,175.00	1,750,000.00	1,960,454.00	1,725,000.00	1,500,000.00	1,450,000.00	17,050,000.00	25,850,000.00	13,520,600.00	68,251,181.00	-53,451,024.00	-351%
4	Unallocated Short-Term Specialist	2,715,000.00	84,140.00	2,630,860.00	35,000.00	31,500.00	40,000.00	41,500.00	50,000.00	50,000.00	51,500.00	905,000.00	1,105,000.00	329,731.00	2,639,231.00	-8,371.00	0%
5	National Team Infrastructure Support	12,530,000.00	535,712.00	11,994,288.00	165,000.00	358,000.00	203,500.00	203,000.00	252,500.00	282,500.00	252,500.00	3,170,000.00	3,720,000.00	1,895,631.00	10,502,531.00	1,491,657.00	12%
TOTAL		36,275,463.00	1,803,316.00	34,472,147.00	1,579,232.40	2,775,955.40	2,241,780.40	2,353,234.40	2,175,588.50	1,980,588.50	1,902,088.50	22,735,286.84	32,410,676.36	16,542,493.28	86,696,924.56	-52,224,777.56	-144%

GRM INTERNATIONAL
Poverty Reduction Support Facility
Contract No. 59771

Table 1: Specified Personnel Costs

No	Item	Total Budget A US	Expenditures to date - Nov.11	Balance as Nov.11	FORECAST											Budget remaining	% of budget remaining
					Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12 to Jun-13	Jul-13 to Jun-14	Jul-14 to Dec-14	TOTAL		
Category Reimbursable Costs																	
1	Team Leader	621,240.00	70,901.00	550,339.00	14,038.33	14,038.33	14,038.33	14,038.33	14,529.67	14,529.67	14,529.67	175,882.00	182,038.00	93,387.00	551,049.34	-710.34	0%
2	Monitoring & Evaluation Advisor	352,845.00	9,984.00	342,861.00	4,500.00	4,500.00	4,500.00	4,500.00	4,500.00	4,500.00	4,500.00	54,000.00	56,430.00	29,484.68	171,414.68	171,446.33	49%
3	Finance & Procurement Manager	150,702.00	14,674.00	136,028.00	3,202.78	3,202.78	3,202.78	3,202.78	3,346.90	3,346.90	3,346.90	40,614.68	42,442.34	21,929.42	127,838.27	8,189.73	5%
4	Human Resource Manager	150,702.00	14,674.00	136,028.00	3,202.78	3,202.78	3,202.78	3,202.78	3,346.90	3,346.90	3,346.90	40,614.68	42,442.34	21,929.42	127,838.27	8,189.73	5%
5	Technical Assistance Coordinator	309,153.00	32,884.00	276,269.00	6,570.23	6,570.23	6,570.23	6,570.23	6,865.89	6,865.89	6,865.89	83,317.54	87,066.83	44,986.32	262,249.27	14,019.73	5%
6	Deputy Team Leader	224,260.00	200.00	224,060.00	6,182.84	6,182.84	6,182.84	6,182.84	4,799.43	4,799.43	4,799.43	58,097.10	65,271.77	30,847.62	193,346.15	30,713.85	14%
7	IT Expert	73,010.00	7,272.00	65,738.00	1,551.63	1,551.63	1,551.63	1,551.63	1,621.45	1,621.45	1,621.45	19,676.32	20,561.76	10,624.00	61,932.96	3,805.04	5%
8	Assistant Administration Officer	48,551.00	5,407.00	43,144.00	1,031.81	1,031.81	1,031.81	1,031.81	1,078.25	1,078.25	1,078.25	13,084.51	13,673.31	7,064.83	41,184.63	1,959.37	4%
TOTAL		1,930,463.00	155,996.00	1,774,467.00	40,280.40	40,280.40	40,280.40	40,280.40	40,088.50	40,088.50	40,088.50	485,286.84	509,926.36	260,253.28	1,536,853.56	237,613.44	12%

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Table 2A: Reimbursable Operational Costs - Procurement & Replacement

No	Item	Total Budget AU\$	Expenditures to date - Nov.11	Balance as Nov.11	FORECAST											Budget remaining	% of budget remaining
					Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12 to Jun-13	Jul-13 to Jun-14	Jul-14 to Dec-14	TOTAL		
Category	Reimbursable Costs																
1	Access cards, standalone small printer, desktop computers, laptop computers	107,800.00	23,146.00	84,654.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	22,000.00	20,000.00	7,500.00	84,500.00	154.00	0%
2	Server hardware & software, internet upgrade, general software, specialist software	62,340.00	7,806.00	54,534.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	15,000.00	15,000.00	3,500.00	54,500.00	34.00	0%
3	Mobile Phone Handsets	11,220.00	228.00	10,992.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	3,000.00	3,000.00	1,000.00	10,500.00	492.00	4%
4	General office equipment, workstation	19,750.00	0.00	19,750.00	0.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	5,000.00	4,750.00	1,000.00	19,750.00	0.00	0%
5	Replacement cost from 2nd year	158,890.00	0.00	158,890.00	0.00	0.00	100,000.00	0.00	0.00	0.00	0.00	30,000.00	28,000.00	890.00	158,890.00	-	0%
TOTAL		360,000.00	31,180.00	328,820.00	8,500.00	10,000.00	110,000.00	10,000.00	10,000.00	10,000.00	10,000.00	75,000.00	70,750.00	13,890.00	328,140.00	680.00	0%

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Table 2B: Reimbursable Operational Costs - Recurrent Expenditure

No	Item	Total Budget AUS	Expenditures to date - Nov.11	Balance as Nov.11	FORECAST											Budget remaining	% of budget remaining
					Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12 to Jun-13	Jul-13 to Jun-14	Jul-14 to Dec-14	TOTAL		
Category	Reimbursable Costs																
1	Office lease, power costs	1,048,385.00	211,152.00	837,233.00	11,000.00	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00	250,000.00	300,000.00	150,000.00	801,000.00	36,233.00	3%
2	Vehicle hire, vehicle running costs	350,860.00	16,795.00	334,065.00	5,000.00	7,500.00	7,500.00	7,500.00	7,500.00	7,500.00	7,500.00	100,000.00	130,000.00	50,000.00	330,000.00	4,065.00	1%
3	IT system support, internet service	306,995.00	3,534.00	303,461.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	50,000.00	50,000.00	30,000.00	151,000.00	152,461.00	50%
4	Office fit out maintenance	78,826.00	1,184.00	77,642.00	0.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	25,000.00	30,000.00	10,642.00	77,642.00	0.00	0%
5	Phone rental, Phone/Fax usage, mobile phone allowance	254,373.00	6,680.00	247,693.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	40,000.00	50,000.00	30,000.00	141,000.00	106,693.00	42%
6	Office consumables, office cleaning services	76,020.00	23,475.00	52,545.00	7,500.00	7,500.00	7,500.00	7,500.00	7,500.00	7,500.00	7,500.00	100,000.00	100,000.00	50,000.00	302,500.00	-249,955.00	-329%
7	Security services	140,344.00	8,913.00	131,431.00	2,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	40,000.00	50,000.00	20,000.00	130,000.00	1,431.00	1%
8	Equipment insurance & rental cost	23,391.00	4,422.00	18,969.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	25,000.00	25,000.00	10,000.00	74,000.00	-55,031.00	-235%
9	Printing costs	280,688.00	155,320.00	125,368.00	5,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	120,000.00	120,000.00	50,000.00	355,000.00	-229,632.00	-82%
10	Workshops & meetings, Training costs	604,258.00	125,856.00	478,402.00	30,000.00	35,000.00	35,000.00	35,000.00	35,000.00	35,000.00	35,000.00	200,000.00	200,000.00	100,000.00	740,000.00	-261,596.00	-43%
11	Program level travel	350,860.00	14,114.00	336,746.00	55,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	100,000.00	100,000.00	21,746.00	336,746.00	0.00	0%
	TOTAL	3,515,000.00	571,445.00	2,943,555.00	123,500.00	98,000.00	98,000.00	98,000.00	98,000.00	98,000.00	98,000.00	1,050,000.00	1,155,000.00	522,388.00	3,438,888.00	-495,333.00	-14%

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Table 3: Activity Implementation Costs

No	Item	Total Budget AU\$	Expenditures to date - Nov.11	Balance as Nov.11	FORECAST											Budget remaining	% of budget remaining
					Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12 to Jun-13	Jul-13 to Jun-14	Jul-14 to Dec-14	TOTAL		
Category Reimbursable Costs																	
1	Facility Steering Committee activities	7,309,580.00	386,189.00	6,923,391.00	506,952.00	750,000.00	1,300,000.00	648,629.00	1,125,000.00	1,000,000.00	600,000.00	12,550,000.00	20,250,000.00	10,250,000.00	48,980,581.00	-42,057,190.00	-575%
2	AusAID Workplan activities	975,420.00	29,254.00	946,166.00	650,000.00	1,388,175.00	300,000.00	1,111,825.00	400,000.00	300,000.00	650,000.00	2,300,000.00	3,300,000.00	1,940,000.00	12,340,000.00	-11,393,834.00	-1168%
3	Technical Assistance (for PNPM & PRSF)	6,940,000.00	9,400.00	6,930,600.00	50,000.00	100,000.00	150,000.00	200,000.00	200,000.00	200,000.00	200,000.00	2,200,000.00	2,300,000.00	1,330,600.00	6,930,600.00	0.00	0%
4	Additional Donor Funds	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0%
TOTAL		15,225,000.00	424,843.00	14,800,157.00	1,206,952.00	2,238,175.00	1,750,000.00	1,960,454.00	1,725,000.00	1,500,000.00	1,450,000.00	17,050,000.00	25,850,000.00	13,520,600.00	68,251,181.00	-53,451,024.00	-351%

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Table 4: Unallocated Short-Term Specialist Expertise

No	Item	Total Budget AU\$	Expenditures to date - Nov.11	Balance as Nov.11	FORECAST										TOTAL	Budget remaining	% of budget remaining
					Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12 to Jun- 13	Jul-13 to Jun- 14	Jul-14 to Dec- 14			
Category	Reimbursable Costs																
1	Indonesian short-term specialists	1,700,000.00	0.00	1,700,000.00	0.00	0.00	10,000.00	10,000.00	20,000.00	20,000.00	20,000.00	600,000.00	800,000.00	200,000.00	1,680,000.00	20,000.00	1%
2	International short-term specialists	1,015,000.00	70,269.00	944,731.00	35,000.00	30,000.00	30,000.00	30,000.00	30,000.00	30,000.00	30,000.00	300,000.00	300,000.00	129,731.00	944,731.00	0.00	0%
3	Advertising	-	13,871.00	-13,871.00	0.00	1,500.00	0.00	1,500.00	0.00	0.00	1,500.00	5,000.00	5,000.00	0.00	14,500.00	-28,371.00	
	TOTAL	2,715,000.00	84,140.00	2,630,860.00	35,000.00	31,500.00	40,000.00	41,500.00	50,000.00	50,000.00	51,500.00	905,000.00	1,105,000.00	329,731.00	2,639,231.00	-8,371.00	0%

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Table 5: National Team Infrastructure Costs

No	Item	Total Budget AU\$	Expenditures to date - Nov.11	Balance as Nov.11	FORECAST										
					Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12 to Jun- 13	Jul-13 to Jun- 14	Jul-14 to Dec- 14	TOTAL
Category Reimbursable Costs															
1	Working Groups	10,568,518.00	399,765.00	10,168,753.00	130,000.00	300,000.00	150,000.00	150,000.00	200,000.00	200,000.00	200,000.00	2,500,000.00	3,000,000.00	1,500,000.00	8,330,000.00
2	National Team Secretariat	1,961,482.00	120,851.00	1,840,631.00	30,000.00	50,000.00	45,000.00	45,000.00	45,000.00	45,000.00	45,000.00	550,000.00	600,000.00	385,631.00	1,840,631.00
3	WG & National Team Secretariat staffs	0.00	4,345.00	-4,345.00	0.00	1,000.00	1,000.00	500.00	0.00	30,000.00	0.00	50,000.00	50,000.00	0.00	132,500.00
4	Advertising Costs	0.00	10,751.00	-10,751.00	5,000.00	7,000.00	7,500.00	7,500.00	7,500.00	7,500.00	7,500.00	70,000.00	70,000.00	10,000.00	199,500.00
TOTAL		12,530,000.00	535,712.00	11,994,288.00	165,000.00	358,000.00	203,500.00	203,000.00	252,500.00	282,500.00	252,500.00	3,170,000.00	3,720,000.00	1,895,631.00	10,502,631.00

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Table 6: Detailed Forecast and Committed Funds for Activity Budget

Update: 23 December 2011

No	Item	Activity Phase	Total Budget AU\$	Expenditure as Nov11	Balance as Nov11	FORECAST										SUMMARY			TOTAL
						Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul12-Jun13	Jul13-Jun14	Jul14-Dec14	Total Committed until Jun-12	Total Committed Jul-12 - Dec-14	Total Non-allocated funds	
	Activity Implementation Cost																		
1	Facility Steering Committee Activities		7,309,580	386,190	6,923,390														
	SMERU PPLS11 M&E Study	Implementing		32,243		76,028	-	-	-	-	-	-	-	-	-	108,271	-	-	108,271
	Data Unification Project	Implementing		272,718		300,000	350,000	450,000	327,282	250,000	100,000	100,000	250,000	250,000	250,000	2,150,000	750,000	-	2,900,000
	Raskin Research Activity	Implementing		69,076		80,924	-	-	-	-	-	-	-	-	-	150,000	-	-	150,000
	Grievance Mechanisms for Social Assistance programmes	Implementing		3,804		25,000		75,000	29,696	75,000	-	-	-	-	-	208,500	-	-	208,500
	Disability Research Activity	Procurement		3,803			25,000	100,000	21,197	50,000	-	-	-	-	-	200,000	-	-	200,000
	Elderly Research Activity	Implementing		4,546		25,000	25,000	75,000	70,454	50,000	-	-	-	-	-	250,000	-	-	250,000
	Pro Poor Planning	In Design					250,000			250,000			800,000			500,000	800,000	-	1,300,000
	IFLS	In Design						500,000			500,000		1,500,000			1,000,000	1,500,000	-	2,500,000
	BLT	In Design					100,000			150,000						250,000	-	-	250,000
	Non Allocated Funds (estimations)							100,000	200,000	300,000	400,000	500,000	10,000,000	20,000,000	10,000,000		41,500,000	-	41,500,000
2	AusAID Workplan Activities		975,420	29,254	946,166														-
	Asean - China Forum	Completed		29,254		-	-	-	-	-	-	-	-	-	-	29,254	-	-	29,254
	TIFA - Migrant	AusAID Designing				-		250,000	-	-	-	250,000	900,000	900,000	500,000	500,000	2,300,000	-	2,800,000
	Pekka	AusAID Designing				650,000	-	-	-	200,000	-	-	400,000	400,000	440,000	850,000	1,240,000	-	2,090,000
	GIZ	Procurement			-	-	1,388,175	-	1,011,825	-	-	-	-	-	-	2,400,000	-	-	2,400,000
	Non Allocated Funds (estimations)							50,000	100,000	200,000	300,000	400,000	1,000,000	2,000,000	1,000,000		5,050,000	-	5,050,000
3	Technical Assistance (for PNPM & PRSF)		6,940,000	9,400	6,930,600	50,000	100,000	150,000	200,000	200,000	200,000	200,000	2,200,000	2,300,000	1,330,600	1,109,400	5,830,600	-	6,940,000
4	Additional Donor Funds		-	-	-														-
	TOTAL		15,225,000	424,844	14,800,156	1,206,952	2,238,175	1,750,000	1,960,454	1,725,000	1,500,000	1,450,000	17,050,000	25,850,000	13,520,600	9,705,425	12,420,600	46,550,000	68,676,025