



REPUBLIC OF INDONESIA
THE STATE MINISTRY OF NATIONAL DEVELOPMENT PLANNING/
NATIONAL DEVELOPMENT PLANNING AGENCY

Ref. No.: 7097 /D.III/12/2008
Att : 1 (one) bundle

Jakarta, December 2, 2008

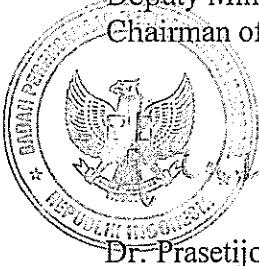
To:
(Please see the list attached)

Re: PSF Joint Management Committee Meeting Minutes

Based on the PSF Joint Management Committee meeting held on November 28, 2008 in Bappenas, herewith, please find on the attachment the minutes of the meeting that have been agreed.

Thank you for your kind attention and continued cooperation.

Sincerely,
Deputy Minister for Poverty, Manpower and SMEs
Chairman of the PSF Joint Management Committee



Dr. Prasetijono Widjojo MJ, M.A.
Dr. Prasetijono Widjojo MJ, M.A.

Attachment:

1. Deputy Minister of Social Welfare for Coordination of Poverty Reduction
2. Director General of Treasury, Ministry of Finance
3. Director General of Budget, Ministry of Finance
4. Director General of Debt Management, Ministry of Finance
5. Deputy Minister for Development Funding Affairs, Bappenas
6. Country Director of the World Bank for Indonesia
7. Mr. Robin Dayler, Representative of AusAid for PSF
8. Mr. Ulrich Sorecen, Representative of Danida for PSF
9. Mr. Hagar Ligtvoet, Representative of Netherlands for PSF
10. Ms. Susan Wong, the World Bank, Head of Secretariat PSF

PSF Joint Management Committee Meeting Minutes

Date : Friday, 28 November 2008, 02.00 - 03:30 pm

Venue : Bappenas, office of Pak Pras, Deputy for Poverty, Manpower and SME

Attendees : Pak Prasetijono Widjojo - Chair, Vivi Yulaswati (Bappenas), Burhanuddin, Indra S. (Min. of Finance), Wiebe Anema (Dutch Embassy), David Lloyd-Davies (DFID), Fairlie Williams (AusAid), Lars Eskild Jensen (Danish Embassy), Susan Wong, Threesia Siregar, Prianto Wibowo, Roksana Khan, Edgar Janz (World Bank), Siddik Permana (Bappenas Sekretariat)

Agenda items:

- 1) Proposal on Poverty Engagement, Knowledge and Action
- 2) Update on Green KDP
- 3) Update on PNPM community facilitator training funded by PSF

Meeting Minutes

1. The Chair welcomed the group to the meeting. The first agenda item was the **proposal "Poverty Engagement, Knowledge and Action"**, submitted by the World Bank Poverty Unit. Ms. Khan gave a brief overview of the proposal based upon the four platforms of: (i) strengthening poverty and social protection programming; (ii) deepening analysis of poverty and vulnerability; (iii) building technical capacity and "know-how"; and (iv) stimulating policy dialogue and providing inputs. The program uses strategic approaches of: government-led; sustainable; partnership and harmonization.

2. Mr. Wiebe of the Netherlands stressed that it was important for us to develop our knowledge on poverty and ensure that we are on the right track when it comes to poverty reduction. So the program should be supported. However, Wiebe raised the point from Pak Sujana's e-mail about keeping "policy studies" in PSF in proportion to actual grassroots outcomes of PNPM. Pak Pras stressed that the Government needed broader poverty analysis and monitoring to make informed policy, program evaluation and evidence to formulate new policies. The current proposal has already a built in balance between policy and other work like capacity building activities. Pak Pras stated that PNPM is a very big program, both in scale and budget, so we have to ensure that the program is running well and we have the ability to monitor and evaluate PNPM and other poverty reduction initiatives. Mr. Lloyd-Davies of DFID complimented the group on the proposal and emphasized that we need this kind of work in supporting PNPM and all the poverty reduction programs. He had a question about putting the funds through the government system and also placing the team with Bappenas or Menkokesra so the work is strongly connected with Govt. This work should be closely linked with the Government. Ms. Khan replied that they would like more government execution for the project but the problem is placing the activity and budget in the DIPA since the 2009 DIPA process is already complete. But in the next four years, they hope that there will be gradual changes in the GOI execution mechanism. Ms. Khan also

mentioned that the Unit will be working closely with Pak Pras' office, Menkokesra, BPS and other agencies. The current Team already operates with several officers and projects located in Government institutions. For example, they have two persons based now in the offices of Depsos on the PKH program and in BPS for building statistical capacity. This can happen where the Government counterpart is ready and able to do this. The team had requested space for example in Bappenas however they have been advised that there is a space shortage for their own staff. But the overall aim is institutional capacity building and they will keep working towards being located together with partners in Government. As for the advisory committee mentioned in the proposal, the advisory committee had been suggested by the Poverty Directorate as the work under this program will be broader than PNPM but also in line with PNPM so it was suggested that an expert committee provide advice and direction for the activities and priorities. But the Advisory Committee will report back to the PSF Committee where the ultimate decision will rest. Ibu Vivi Yulaswati, Bappenas, suggested that to answer DFID's concern about close engagement with Govt, we follow the example of MoHA and WB where a MOU was developed so that the project is executed by WB but under close supervision of MoHA.

3. With no other objections, the poverty proposal was approved by the group.

4. In relation to Pak Sujana's e-mail which was sent prior to the meeting, the group spoke briefly about the **potential role of PNPM in the event of a financial crisis**. Bappenas and the WB mentioned ongoing discussions now regarding the stand-by loan including monitoring the poverty effects of the crisis and protecting and possibly augmenting funding for social poverty programs if there is a crisis. Mr. Jensen of the Danish Embassy expressed some concerns that PNPM not be overstretched too much beyond its current design, especially for communities to choose their own activities. Pak Pras also mentioned that his unit and the WB Poverty Unit would be holding a meeting in the next few weeks to focus upon the financial crisis and implications on programming. This meeting would bring Indonesian and international guest speakers together to discuss various issues related to responding to the financial crisis.

5. The group discussed also Pak Sujana's e-mail suggestion regarding a **possible donor review of PNPM** in the near future. Pak Pras mentioned that many of us visit and supervise project sites on a regular basis. If there is a desire to set up a formal donor review or visit, the Government would be able to pursue that in the next few months if the donors indicated their desire to pursue this.

6. The second discussion was an update on **Green KDP**. The Green KDP window had already been opened by PSF (Project Digest, Attachment 5.5), so this was just an update, not a new proposal. A concept note was distributed prior to the meeting describing the various project components as they stand now. Pak Bowo of World Bank provided a brief overview. Mr. Jensen of the Danish Embassy raised two issues: (i) regarding TA, the role of the incoming Danish advisor who would not just cover NRM issues but also renewable energy. There should also be some further clarifications of the coordination with the GTZ micro-hydro TA component, and how technical support for NRM and renewable energy will operate; and (ii) the need to describe in more detail the NRM components and renewable energy in general. There should be more emphasis on renewable energy as a whole, not just microhydro. MoHA and the WB Green team will be expanding upon this concept note

to lay out more details of the program and its operationalization over the next few months, so the comments from the meeting were most welcome.

7. The last agenda item was an update on the **community facilitator training** to be funded out of PSF (Project Digest, Attachment 5.3). The proposal with the implementing agency, British Council, was ready and had been discussed several times with MoHA and Bappenas. The WB has been asked by the Government to handle the contracting, and the WB is in the midst of finalizing the legal agreement allowing the program to hopefully start by early next year.

8. **Next meeting.** Lastly, there was a request that, as many government and donor representatives have very busy schedules, two weeks' notice be given in the future for the PSF JMC meetings and that materials be circulated early. In terms of future meetings, the group indicated that perhaps February would be a good time for the next meeting. But if there was an urgent need to have a PSF meeting earlier, Bappenas would call one.

End of Meeting