

**PSF Joint Management Committee Meeting**  
**Bappenas Office, Room SG-4, Friday, April 24, 2009**  
**09.00 – 12.00 WIB**  
**MEETING MINUTES**

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Attended by:

Prasetijono Widjojo, Endah Murniningtyas, Rudy, Sidik, Rosy (Bappenas)

Sudjana Royat, Butet (Kesra)

Hagar Ligtoet (the Netherlands Embassy)

Gerard Howe, David Lloyd-Davies (DFID)

Blair Exell, Kate Shanahan (AusAid)

Lars Jensen (DANIDA)

Susan Wong, Sentot Satria, John Voss, Threesia Siregar, Yulia Herawati, Evi

Hermirasari, Jeremy Foster, Priyanto Wibowo, Tanny Gautama-Johan (World Bank)

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**A. Overview of Program Status**

1. The meeting was called to order by Pak Pras, who proceeded to give quick updates on the progress of current PNPM Mandiri and PSF activities. Following those, he outlined the next activities for discussion and consideration (ppt presentation attached).
2. In terms of next activities, the meeting was reminded of the importance of discussing the PNPM Mandiri evaluation and how to manage the program for longer term sustainability across governments. An assessment of the sustainability of PNPM Mandiri would be required, particularly the current & future roles of LKM (institutionalizing of community groups), community vs local government plans, the current & future roles of the facilitators, and the integration of the 5 PNPM Core and PNPM Support programs.
3. The meeting was also asked to think about an “evolutionary” strategy (vs an “exit” strategy) in line with Pak Pras’ discussion with John Roome (WB HQ) during his visit here earlier in the month.
4. Another issue raised was that in the new Presidential Regulation PNPM Generasi has been put in Cluster 2, while Conditional Cash Transfer (Program Keluarga Harapan) in Cluster 1. Therefore, as the impact survey gets implemented, we need to think if in the future we will be looking at the integration of those 2 programs, or a kind of transformation.
5. The next issue proposed by Pak Pras to be discussed by PSF was the integration of “bottom-up” participatory planning (Musrenbangdes) and GOI’s regular “top to bottom” planning processes. As a rule, the Government must be ready to present its *Rencana Kerja Pembangunan (RKP)* in May for the Parliament to approve by

October and implementation in January. On the other hand, the process of deliberations on development plans (*Musrenbang*) from the village up to the provincial level usually takes approx. 6 months. A matching of timings need be put in place for the integration to happen.

## **B. Green KDP Design Paper**

6. Jeremy reported that in the 20 April technical meeting prior to this JMC meeting there was a consensus to make a few changes to the Concept Paper, i.e.: emphasis should not be put so much on heavy micro-hydro power and the funding should reflect this, gender issues, geographic coverage (2009 Sulawesi project starts in April or May, 2010 Sumatera), and a more detailed plan on expanding the program. The team is finalizing the design paper now based upon comments from the technical meeting.

## **C. PNPM Facilitator Training**

7. Susan informed the meeting that the Facilitator Training which was originally planned for 2008 was delayed to this year due to issues in recruiting a suitable contractor. This issue has been resolved with the British Council who will assign 600 master trainers in 6 hubs. Sentot updated the meeting of the approximate new numbers of facilitators in urban and rural, i.e. around 15,000 from the 5 programs.
8. Ibu Endah reminded the team to think of how to facilitate the underdeveloped programs and the need to improve the materials. Susan explained that the contract with the British Council is to build a bench of qualified community facilitators across all programs, not just PNPM.

## **D. Evaluation of PNPM Mandiri**

9. John Voss presented the proposed plan for PNPM Mandiri Impact Evaluations across the five main programs. (Powerpoint and technical paper were distributed earlier).
10. Gerard Howe (DFID) expressed DFID's gratitude for the evaluation and reiterated that we cannot "leave" PNPM without an evaluation of its impact on poverty reduction.
11. Blair also commended the way the presentation has been written and stressed the importance of having the evaluations in place. He also inquired as to the status of the PNPM-Urban evaluation per Scott's e-mail circulated earlier.
12. Lars Jensen (DANIDA) sees this evaluation as trying to find out if we are doing the right things, and what if we don't get impact because we are not doing things right. He suggested that perhaps a qualitative study is needed to check if things are being done right because any organization would worry about the lack of efficiency in the

- use of funds esp. as the program is expanding so rapidly. In response, John explained that a Quantitative Study provides the base from which one can build a Qualitative story. It serves as a foundation in terms of what kind of impacts we would be able to see from this intervention. He also explained that more suggestions can be added to the list.
13. Ibu Endah commented that in spite of the different objectives among the 5 programs, we need to think of how we can have a common methodology to see, in a broader view, the integrated impact of those five programs as one PNPM Mandiri.
  14. Pak Pras reminded that the new Government would want to know the benefit of PNPM Mandiri without waiting for June 2010. Pak Pras also asked if in the Core there is a component to see if the project design is effective or not. John explained that the Study will not evaluate the design of the project, and for that purpose other tools are required. Unfortunately getting the results earlier seems unlikely as the study can effectively start only after the fasting period.
  15. To address Ibu Endah's and Pak Pras's points above, Susan suggested that the role of MIS is to provide data on how many kms of roads and how many infrastructure have been built, e.g., the direct results. Qualitative and other studies will also help. However, we need to see, for instance, if we need to increase BLM in order to have impact on poverty.
  16. As it is currently unclear as to where people who graduated from Cluster 2 go to next in terms of the provision of "fish, fishing rod and boat", Pak Pras then asked if the design should be adjusted to be in line with the clusters as defined in the new Perpres (Presidential Regulation) or if the Perpres should be adjusted otherwise. To this question, Pak Sudjana replied that the new Perpres has been made just recently and therefore, should not be changed. Pak Sudjana reiterated again that by October we must be able to convince the new Government that PNPM is effective. He went on to suggest that John makes a presentation of the results to the new Government, perhaps every 3 months or so, emphasizing on the indicators of job creation (to what extent can PNPM create jobs and reduce poverty) at the grass roots level. The impact of PNPM on the grassroots is crucial to the continuation of PNPM Mandiri.
  17. Gerard commented that if we wanted to advocate for more \$\$\$, we must show that it works in terms of, for instance, what would create jobs, what would save energy, etc. Gerard also mentioned that as many people are not yet familiar with RIS/ RISE, it would be good to be clear about what are under the PNPM umbrella and which one is most effective.
  18. Blair asked if PNPM can fit into social protection and how. In response, Pak Pras explained that while PSF covers only PNPM, the TKPK covers 3 clusters which includes Social Protection. Pak Pras suggested that this PSF meeting can discuss Social Protection if the participants agreed. Hagar seconded the suggestion.

19. Hagar continued by saying that considering PNPM's long history and several evaluations done previously, it is worrying that there is no baseline in the PNPM Urban because it implied that the designs were not appropriately prepared. She suggested that there is a need to check the impact of the urban side.
20. Evi Hermirasari from the WB PNPM-Urban team explained that a Quantitative Study for UPP2 (2004-2008) has been conducted, but the result has been delayed due to the quality of the final report. While the hired consultant tries to improve it, WB is preparing a similar report which is expected to be finalized in 2 or 3 months' time. This would allow us to see what works and what does not. There are also 8 thematic evaluations on-going to learn more about the project designs.
21. Ibu Endah agreed that urban poverty "is the issue" and asked if there was a better way to tackle it. She is concerned with local governments' capacity, and needs inputs to increase the effectiveness of not just PNPM, but poverty alleviation in general. Ibu Endah suggested to have a quarterly review of the results so that quick assessments can be provided should a policy question arise in October.
22. Pak Pras reminded the meeting that the new Parliament needs to be convinced of PNPM's usefulness in order to allow more funding in the future.
23. Although neither "quick but bad answers" nor "good and wellfounded ones which are too late" are acceptable, Lars warned of the danger of jumping to conclusions based only on quick, preliminary findings.
24. **Next steps:**
  - Need PNPM Urban evaluation study to be finalized and presented.
  - Need to integrate Social Protection into PNPM
  - Need to do a presentation on RIS and RISE
  - Proceed with the PNPM Rural Impact Evaluation Study as presented.

**E. Program Keluarga Harapan/ Household Conditional Cash Transfer & PNPM Generasi/ Community CCT – Proposal for Funding Round 3 Impact Survey, 2009-2010**

25. Susan summarized the proposal for the benefit of the meeting (proposal was circulated earlier with the meeting invitation.)
26. Pak Sujana commented that KPK (Komisi Pemberantasan Korupsi) needs to be involved in the auditing of PKH (HH CCT) as there have been indications of this being used for money politics. Pak Sujana reminded everybody not to integrate HH CCT into PNPM before it has been cleaned.
27. Hagar supported the proposal and thanked Pak Sujana for his remarks. Blair also supported Pak Sujana's standpoint that there is a need for scrutiny on the process

beyond just focusing on the impact. AusAid supported the proposal. Rudy remarked that there is a need to see the impact on health and education in addition to the efficiency of the implementation. Susan informed the meeting that the intention is also to involve Indonesian universities in this study as a sort of capacity building effort. Gerard also supported the proposal. He also suggested that the Government publicizes the report later.

28. After the discussions, the group endorsed to go ahead with the Wave III survey as specified in the proposal.

#### **F. PNPM and Local Government Work – Support through PSF**

29. Susan introduced and summarized the Concept Note for the benefit of the meeting. Ibu Endah supported the idea, agreeing that local government capacity as a whole needs to be built up as part of a pro-poor strategy.
30. Kate said she was very happy with the Concept Note as it captured what has been discussed during the Retreat.
31. It was agreed by the group to move forward with the work described in the Concept Note.

#### **G. Other Issues**

32. **CSOs** - Pak Sujana remarked on the importance of the role of CSOs (PSF Window 3). In the future, we need to discuss the CSO involvement with PNPM.
33. **Future PSF Retreats** - In view of the need for more in-depth discussions on the issues raised today, Pak Pras suggested to have retreats to discuss each of the issues in more depth one at a time.
34. **Attendance at PSF Meetings** - Susan asked the meeting about how to deal with the PSF meeting attendance issues as more potential donors may be interested in attending the meetings. She informed the meeting that besides a Euro 5 Million addition to the funding by the European Union, Japan and USAID have also expressed their interest in PNPM.
35. Pak Sujana's standpoint is to welcome any donor to attend the PSF meetings as long as they do not burden the PSF with additional conditionalities. Both Ibu Endah and Pak Pras are of the view that inviting potential donors is better done for the retreats, but not for the regular PSF JMC meetings. Blair agreed the donor contribution dictates their eligibility to be at the meetings or not. Hagar agreed.
36. **WB Transition Strategy** - Lastly, Blair inquired about the WB's transition

strategy in light of Scott's departure from WB and Susan's imminent departure at the end of June. Susan updated the meeting that THE WB is shortlisting for Scott's position now, and WB is looking for someone to help temporarily post-June until the two positions are filled.

END OF MEETING

May 1, 2009