

PNPM Support Facility (PSF) Joint Management Committee:

Friday, July 12, 2013

Minutes of Meeting

Chairman: Dr.Ir. Sujana Royat, DEA., Deputy to the Minister of Poverty Alleviation and Community Empowerment, Coordinating Ministry of People Welfare.

Participants: See attachment

The objective of this Joint Management Committee (JMC) meeting was to discuss:

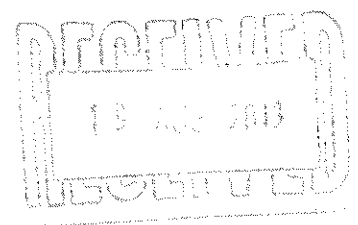
1. PSF Strategy: A Framework for Engagement 2013 - 2015
2. PSF Re-Branding, including New Logo
3. New/Top Up Proposals related to the following:
 - PNPM Monitoring and Evaluations (M&E) and Special Studies (2013 – 2015)
 - Technical Assistance for Coordination, Oversight, Monitoring of PNPM Implementation and Operationalization the action plans of PNPM Roadmap and Relevant MP3KI Pillars (2013 – 2015)
 - Legal Aid and Community Legal Empowerment
 - PNPM Peduli Phase II
4. PSF Financial Summary

PSF Strategy

Mr. Jan Weetjens from PSF briefly reiterated an outline of the proposed PSF 2013-2015 strategy and pipeline. This PSF Strategy presents the proposed strategic direction and program pipeline for the PNPM Support Facility (PSF) for the period 2013-2015. The PSF strategy has been designed to support Government of Indonesia's main policies for community empowerment and poverty reduction – the PNPM Roadmap and the broad Indonesian Government strategy for poverty alleviation, MP3KI.

The proposed areas of focus under the Strategy are (a) Consolidation of achievements to date, (b) Frontline Service Delivery, Social accountability and Governance; and (c) Livelihoods. These focus areas will be supported by two cross-cutting areas: (a) Analytical work, Knowledge Management and Technical Assistance (which covers capacity-building within knowledge institutions); and (b) Policy dialogue and proposal preparation.

A major change for this Strategy is a sharper focus on capacity building. Building capacity of Government to more effectively manage the national community empowerment program, PNPM, and to ensure that the opportunities presented by broadening the scope of that program for greater support of community development aspirations, is possible. Secondly, the PSF will aim to build a new network of knowledge institutions, which will build greater capacity



to produce high quality qualitative analysis. Thirdly, the Strategy envisions that the PSF itself will move towards becoming a strong indigenous Indonesian institution which will continue in the future to provide Government and communities with high quality social development and community empowerment support and advice. A second major change is the focus on deepening the community empowerment principles which underpin PNPM and the core ideals which represent the spirit of the program. Work will focus on improving facilitation quality and outcomes and on ensuring that as programs move towards multi-sectoral delivery, there will remain a strong focus on community participation, community agency and ownership.

Comments and Questions from JMC members
<p>Mr. Tarmizi A. Karim from Ditjen PMD Kemendagri</p> <p>Strategy very clear. Participation translates into social capital. People trust project, which leads to the development of social capital. The strategy aims to achieve the transformation of local governments to enable them to fulfill their role of providing services to poor people.</p> <p>Transformation must be reflected in national budget planning.</p> <p>PNPM Mandiri has to link with all poverty alleviation projects.</p> <p>With focus on livelihood, changes in PNPM will affect day to day life of people. The key to success is facilitation.</p> <p>It is necessary to ensure that the model is compatible with local culture and conditions.</p>
<p>Mr. Sujana Royat, Deputy to the Minister of Poverty Alleviation and Community Empowerment, Coordinating Ministry of People Welfare</p> <p>The goal of the strategy is to transform PNPM to become an autonomous social movement with deep community roots, placing the movement beyond the possibility of political interference, even if and when government administrations change.</p>
<p>Mr. Rudy S. Prawiradinata from Bappenas</p> <p>Stated that the numbers in the pipeline are indicative only and that PSF needs to secure the approval of the JMC of the various project proposals listed in the pipeline.</p>
<p>Ms. Pamuji Lestari from SetPokja Pengendali Kemenko Kesra</p> <p>Expressed strong approval and support for the Strategy's move to transform PSF to become an indigenized, national institution. Stated that at present, there is still an overlap between WB and PSF. Expressed the need for indicators and/or milestones to determine the extent to which GOI ownership of PSF has been achieved.</p> <p>Stated that at present, the RLF study, while a well conducted study, doesn't clearly</p>

<p>support the Roadmap.</p>
<p>Mr. Sujana Royat, Deputy to the Minister of Poverty Alleviation and Community Empowerment, Coordinating Ministry of People Welfare</p> <p>Stated that MP3KI is an umbrella policy to accelerate poverty reduction and that PNPM is an integral part of the master plan. The Master plan does not mandate the creation of a program to replace PNPM.</p>
<p>Mr. Rudy S. Prawiradinata from Bappenas</p> <p>Stated that a PTO for PSF is being prepared that defines the roles of all partners. This PTO is still incomplete, but will hopefully be ready for discussion at next JMC meeting.</p>
<p>Mr. Lachlan Pontifex from AUSAID</p> <p>Expressed his appreciation for the measures taken to consult with AUSAID and other partners regarding the formulation of the strategy. Expressed the need to ensure that the strategy defines operational implementation guidelines, rather than general principles. Stated that AUSAID wants to be involved in implementation.</p> <p>This document is a living document that can be adjusted based on review and feedback from the JMC.</p>
<p>Mr. J.W. Saputro from MCA-I</p> <p>Expressed the support of MCA-I for the transformation of PSF to become an indigenized national institution. Stated that this support was not just at the level of general principles, but took the form of active involvement in the discussion and formulation of an action plan.</p>
<p>Mr. Andreas Roettger from EU</p> <p>Expressed his support for the strategy, with particular emphasis on aspects related to ensuring the sustainability of PSF.</p>
<p>Ms. Josephine Bassinette from The World Bank</p> <p>Stated that WB strongly supports the transformation of PSF to become a national institution. Stated that there is a need to more clearly separate the management of WB and PSF, with WB participating as a partner rather than as the manager of PSF staff.</p>
<p>Mr. Sujana Royat, Deputy to the Minister of Poverty Alleviation and Community Empowerment, Coordinating Ministry of People Welfare</p> <p>Expressed appreciation for the role of the WB in ensuring good governance within the PNPM program. Added that there was a need for the WB to become a flexible partner.</p>

Mr. Tarmizi A. Karim from Ditjen PMD Kemendagri

Expressed the need for a clear exit strategy, with training for local institutions, such as BAPPEDA and other local government institutions, included in the pipeline. Stated that the program still needed support from donors.

Mr. Kun Wildan from Ditjen PMD Kemendagri

Stated that there is a need to clearly define the steps that need to be implemented in the period from 2013-15, as a lot of preparation was still needed to ensure that the program was ready for 2015. Stated that there was a need to pilot measures in 2014 to ensure that they could be ready for replication in 2015. Stated that there was a need to mainstream the key features of PNPM.

Mr. Jan Weetjens from PSF

Stated that AusAid will conduct PSF Strategy Evaluation which the implementation will be coordinated with PSF and JMC Members.

Decisions: 1) broad endorsement of the proposed strategy and indicative pipeline; 2) agreement on the transformation of PSF to become an indigenized national institution and establishing in the near future a clear work plan with milestones to so; 3) agreement that all PSF activities should be in line and support the implementation of the PNPM Roadmap; 4) agreement that Livelihoods should be fully integrated within the existing framework; 5) agreement that governance within the PNPM program needs to be strengthened, particularly as means of preventing political manipulation.

PSF Re-Branding

Ms. Citra Indah Lestari from PSF reiterated the objectives of the PSF re-branding activity, stating that the objectives of the stakeholder consultation were to 1) capture the existing PSF image from stake holders; 2) address interest of stakeholders in PSF; 3) identify the key issues to be accommodated into PSF rebranding activities; and 4) capture expected image of PSF. She stated that on the basis of the stakeholder consultation, it was found that the current **Perceived Brand Image of PSF** was that it was: 1) a World Bank institution; 2) it was focused on supporting PNPM Rural; 3) that it was professional and accountable in handling PSF Trust funds. The **Desired Brand Image of PSF** is that it is: 1) a National Institution and a Partner of GOI; 2) that it supports the integration process in accordance to PNPM Road map; 3) that it is professional and accountable in handling PSF Trust funds.

Ms. Citra presented the logo selected at a previous TC meeting (a flower image with the letters PSF next to the image). With input from the previous meeting, some revisions had been made. Ms. Citra reiterated previous discussions regarding the possibility of changing the name 'PNPM Support Facility' to an Indonesian name to with the same initials (P-S-F) to emphasize the transformation of PSF to become a national institution. She presented some possible alternatives, but reiterated the downsides of making this change (PSF is already a known quantity).

Comments and Questions from JMC members

It was suggested that if the decision was taken to change the name to an Indonesian name, consultations should be conducted with community-level stakeholder groups to attract participation.

It was suggested that the logo include a tag line that clearly stated the institution's core principles.

Decision: Since the concept has been discussed broadly, the meeting agreed to have one round discussion to finalize this. PSF suggests the final discussion will be held by mid-September 2013.

New Proposals Activities

Details of four proposals were presented before the meeting was opened to questions and comments:

1. PNPM Monitoring and Evaluations (M&E) and Special Studies (2013-2015) [PSF Analytics Top-Up Proposal]: US\$4,750,000

Ms. Natasha Hayward from PSF presented an overview of this proposal.

This proposal, for a subset of key evaluations and pieces of analytic work for the PSF portfolio from 2013-2015, will support the continued production of high-quality evidence and well-researched recommendations to inform both operational procedures in, and policy dialogue regarding, Cluster 2 of the GOI poverty program, in particular, the PNPM Mandiri program. The analytical agenda focuses on GOI evaluation concerns relating to community empowerment and poverty reduction as well as the strategic directions outlined in the PNPM Roadmap, the MP3KI and elsewhere.

The analytical agenda led by the PSF's Monitoring and Evaluation (M&E) team, developed in collaboration with GOI, has consistently emphasized the rigorous construction of the PNPM and community-driven development (CDD) evidence base through empirically-focused impact evaluations and quantitative studies as well as detailed case studies and longitudinal qualitative work. The M&E team's 2013-2015 'core' program continues that approach with a focus on quality, relevance and timeliness of evaluations and analysis, while expanding the range of its partnerships with both national and international institutions in the delivery of M&E products.

2. Project Proposal for Technical Assistance for PNPM Operation, Delivery and Oversight: US\$ 9,500,000

Mr. Sentot Surya Satria from PSF presented an overview of this proposal.

Building on the positive experience to date and guidance provided by the JMC's Technical Committee to further integrate the implementation support and TA activities across PNPM Rural, PNPM Urban, SetPokja Pengendali Kemenko Kesra and Bappenas, **the proposed technical assistance focuses on strengthening Government's capacity for program oversight and implementation while providing ongoing implementation support.** At this point, the TA will focus on PNPM Urban and PNPM Rural and their special programs and

pilots. However, once the GOI has reviewed all of the programs under PNPM Mandiri, including Rural Infrastructure Support to PNPM Mandiri (RIS) project, co-financed with the Asian Development Bank, and the Regional Infrastructure for Social and Economic Development (RISE) project, co-financed with the Japan International Cooperation Agency, the JMC can consider additional implementation support and TA for RIS, RISE, and other PNPM programs.

The project consists of five components.

1. Support for coordination, oversight, governance and anti-corruption efforts
2. Support for evidence-based program planning and development
3. Support for strengthened program management
4. Support for fiduciary and program oversight
5. Support for stakeholder engagement to promote accountability and governance

Following approval of the proposal, each implementing agency, Bappenas, SetPokja Pengendali Kemenko Kesra and the PSF, will prepare an annual work plan for activities to be undertaken for each of the components. This will be consolidated into a consolidated work plan to ensure synergies and submit to the JMC for information.

3. Legal Aid and Community Legal Empowerment: US\$ 6,285,072

Ms. Sonja E. Litz presented an overview of this proposal.

This project proposal seeks funding to train paralegals, provide financial and technical assistance to legal aid organizations, and incentivize the forging of networks between the two in order to improve the quality and quantity of justice services delivered at the local level. It responds to the PNPM Roadmap's stated goal of improving village level governance by using community legal education and access to independent legal advice as a means of empowering citizens to resolve disputes and exercise greater oversight of village decision-making processes. It also complements a number of recent GOI policy initiatives designed to improve access to justice for the poor and marginalized, most notably the establishment of a nation-wide state-funded legal aid system scheduled to commence operation in July 2013.

The core activities proposed are the training of approximately 750 community-based paralegals, grants to six legal aid organizations, the establishment of a legal services division within PEKKA, and the strengthening of the Indonesian Paralegal Network (JPI). These activities will be recipient-executed by non-government entities under the overall management of the PSF's Justice for the Poor team (J4P).

J4P will use specified funding from the PSF Trust Fund to issue contracts to a management organization and a training organization, and to issue a grant to PEKKA. The management organization will administer sub-grants to legal aid organizations and the Indonesian Paralegal Network (JPI). The training organization will manage all paralegal training under the project. The PEKKA grant will be administered directly by the PSF due to the long established working relationship between PEKKA and the Justice for the Poor team.

4. PNPM Peduli Phase II: US\$ 16,650,000

Ms. Sonja E. Litz presented an overview of this proposal.

This project proposal seeks funding to support implementation of PNPM Peduli Phase II up to December 2015. Funding will support: local CSO activities carried out in collaboration with marginalized individuals/groups to address issues of rights, access to basic services and to strengthen livelihoods; local and national level influencing to promote inclusive systems, policies, programs and practice in program locations; and targeted support to local and national CSOs to strengthen their management capacities and programming for social inclusion. It is proposed that Phase II will involve a single grant from the PSF awarded through a competitive process to a Managing Partner that will administer and manage sub-grants to a range of national and regional CSOs and provide overall management support to the implementation of PNPM Peduli Phase II. It will be recipient-executed by a non-government entity and managed by the PSF.

By endorsing this proposal and approving funding for Phase II, the JMC will be endorsing the Phase II re-design presented in the proposal that has been jointly developed by SetPokja Pengendali Kemenko Kesra, national pilot phase CSO partners and the PSF in response to pilot phase learning and recommendations from the pilot external assessment (carried out between Aug-Oct 2012). The Phase II results matrix proposes a revised PDO and additional PDO indicators that more strategically position PNPM Peduli Phase II as a program focused on social inclusion. New proposed Phase II indicators also align with PNPM Mandiri indicators capturing: i) improved access to public services; ii) participation of marginalized individuals/groups in community life (outside project activities); and promotion of more responsive governments. Proposed changes in the structure and mechanism for Phase II shift administration and management of CSO grants and overall program implementation support from the PSF to the selected Managing Partner (MP) to both better align and integrate both the capacity and grant making support given to key partners.

Comments and Questions from JMC members

Mr. Rudy S. Prawiradinata from Bappenas made the following comments regarding the proposals:

- **M&E and Special Studies:** There is need to ensure that all studies conducted under the program support the implementation of the Roadmap
- **Technical Assistance for PNPM Operation:** There is a need to ensure synergies between implementing agencies and to prevent overlapping of functions between different actors
- **PNPM Peduli Phase II:** Bappenas is satisfied with the current state of the proposal.

Mr. Tarmizi A. Karim from Ditjen PMD Kemendagri made the following comments:

Noted that the proposals could be criticized for their focus on PNPM Rural.

Mr. J.W. Saputro from MCA-I introduced himself as a new member of the JMC and expressed interest in being involved in the decision making process related to proposals.

Ms. Pamuji Lestari from SetPokja Pengendali Kemenko Kesra made the following comments:

- **M&E and Special Studies:** Reiterated the need for special studies to support the implementation of the Roadmap.
- **Technical Assistance for PNPM Operation:** Mentioned the need for accountability regarding staff
- **Legal Aid:** Questioned the link between second and fourth components of the proposal with PNPM.
- **PNPM Peduli Phase II:** Stated that there was need for management partner as a national consultant.

Mr. Lachlan Pontifex from AusAID stated that AUSAID supported all four proposals, but stated that it was not yet clear how comments and feedback regarding the PNPM Peduli proposal had been integrated.

Mr. Andreas Roettger from EU expressed support for all four proposals.

Mr. Donald Tambunan from USAID expressed support for all four proposals, suggesting that response to comments and feedback could be provided by email to prevent further delays.

Ms. Josephine Bassinette from The World Bank expressed support for all four proposals, stating that the PSF team should take comments from GOI into account.

Mr. Sujana Royat, Deputy to the Minister of Poverty Alleviation and Community Empowerment, Coordinating Ministry of People Welfare

Stated that PSF should incorporate the comments from JMC Members within two weeks.

Decisions:

The JMC 1) approved the four proposals; 2) instructed the PSF to move forward with the implementation without delay; and 3) asked the PSF to send as soon as possible additional information on the proposals as follows: (i) M&E: an explanation of how the team will ensure better reporting and communication of the results of its work in a "user-friendly" and easily understandable way; an explanation of how the team will ensure that the activities will closely linked to the PNPM Roadmap (ii) TA: an explanation of how the staff financed through this budget including those who will be hired and work at the PSF will be held accountable, and how the work of the teams in the various institutions involved (Bappenas, Kemenko Kesra, PSF) will be coordinated; (iii) Legal aid: further strengthen the linkage between the proposal and PNPM, including how the proposals will support GAC in PNPM; and (iv) Peduli: continuous update on the evolution of the design of the program.

PSF Financial Summary

Mr. Kevin Tomlinson updated the JMC of the PSF financial standing as of July 12, 2013.

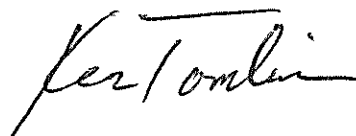
- Total Pledges: US\$ 433.3 mil
- Total Disbursements: US\$ 204.8 mil
- Total Contributions Paid-in: US\$ 362.7 mil
- Total Commitments: US\$ 309
- Number of Active Projects: 30

There were no comments or questions regarding this financial summary.



Mr. Sujana Royat

Deputy to the Minister for Poverty Alleviation
and Community Empowerment



Mr. Kevin Tomlinson

Head of PSF (Acting)

Attendance List

No	Name	Institution
1	Dr. Ir. Sujana Royat, DEA	Kemenko Kesra
2	Ir. Tarmizi A. Karim, M.Sc	MOHA
3	Ir. Rudy Soeprihadi Prawiradinata MCRP, Ph.D	Bappenas
4	Dr. Ir. Pamuji Lestari M.Sc	Kemenko Kesra
5	Drs. Kun Wildan, MBA	MOHA
6	Woro Srihastuti Sulistyaningrum, ST, MIDS (Lisa)	Bappenas
7	Katiman	Kemenko Kesra
8	Alfian M	MOF
9	KordiginToling	MOF
10	Lachlan Pontifex	AusAID
11	Arief Sugito	AusAID
12	Iwan Sriwidiyanto	AusAID
13	Dewi Sudharta	AusAID
14	Andreas Roettger	EU
15	Nur Isravivani	EU
16	J. W. Saputro	MCA Indonesia
17	Donald Tambunan	USAID
18	Taufik Rinaldi	Setpokja Kemenko Kesra
19	Risfan Munir	Setpokja Kemenko Kesra
20	Josephine M. Bassinette	WB

No	Name	Institution
21	Safriza Sofyan	WB
22	Kevin A. Tomlinson	PSF
23	Jan Weetjens	PSF
24	Natasha Hayward	PSF
25	Sadwanto Purnomo	PSF
26	Robert Wrobel	PSF
27	Sonja E. Litz	PSF
28	Hans Antlov	PSF
29	Bambang Soetono	PSF
30	Susanne Holste	PSF
31	Sentot S. Satria	PSF
32	F. Prahastanto	PSF
33	Bobby Anderson	PSF
34	Vinny F Hyunanda	PSF
35	Patrick J Mc Innis	PSF
36	Karrie McLaughlin	PSF
37	Chris Morris	PSF
38	Yasmin M. Kapitan	PSF
39	Citra Lestari	PSF
40	Daniel S. Yusanto	PSF