

PNPM Rural Implementation Support

Quarterly Progress Report: January to March 2016

Summary Information	
Status	Active
Activity Number	TF092138
Task Team Leader(s)	Sonya Woo (swoo1@workdbank.org)
Executing Agency(ies)	PNPM Support Facility/The World Bank
Start Date to Closing Date	14 May 2008 to 31 December 2016 (103 months)
Geographic Coverage	National : 5300 sub-districts, 403 districts, 33 provinces
Approved Budget	US\$7,796,270
Disbursements During the Quarter	US\$178,386
Cumulative Disbursements	US\$7,060,854

Project Rationale and Overview

Since it was first launched in 2008, PNPM Rural has undergone a significant expansion, with its coverage increasing from 2,600 sub-districts to 5,300 subdistricts in 2014. A number of studies and evaluations indicated that this rapid expansion placed substantial strain on the program's management and governance framework. To ensure that PNPM Rural continues to achieve its stated objective, which is for villagers to benefit from improved local governance and socioeconomic conditions, additional support from the PNPM Support Facility (PSF) managed by the World Bank was required to provide full supervision coverage and to improve its quality.

To facilitate the provision of this support, the PSF Joint Management Committee (JMC) approved the establishment of a trust fund for implementation support in May 2008. In 2010, two separate projects were designed to work in close cooperation under this single trust fund: (i) Implementation Support and Monitoring of PNPM Rural and the two Papua-based initiatives, PNPM Rural/RESPEK and PNPM Agriculture; and (ii) Field-Based Implementation Support and Governance and Fiduciary Support.

The PNPM Rural Implementation Support and Monitoring project aims to provide field-based monitoring and implementation support, governance and fiduciary support, as well as monitoring and evaluation (M&E), to the overall PNPM Rural activities. The Implementation Support team provides national-level oversight; conducts thematic reviews; and engages in a higher level policy dialogue with PNPM Rural's implementing agency, which have been moved from the Directorate General of Community and Village Empowerment (PMD) under the Ministry of Home Affairs (MoHA) to the Directorate General of Development and Village Community Empowerment (PPMD) under the Ministry of Village, Disadvantaged Areas and Transmigration (MoV). The project assists PPMD to formulate recommendations, strategies and policies through technical assistance and thematic reviews.

Overall progress toward development objective

PNPM Rural has been undergoing an extensive and complex transition since the newly elected government came into office in October 2014. In addition, the institutional and regulatory context for the program has changed, following the approval of the Village Law in January 2014, which came into effect in 2015. This affected implementation progress significantly, as the implementing agency for the program moved from the Ministry of Home Affairs (MoHA) to the newly established Ministry of Villages, Disadvantaged Areas and Transmigration (MoV), as well as project personnel.

Due to the project's transition from the Ministry of Home Affairs to the Ministry of Villages, Disadvantaged Areas and Transmigration (MoV), the progress of implementation has been slow, which has resulted in delays in some key areas such as the institutional arrangements, the establishment of a national secretariat, as well as consultant and facilitator arrangements. Although at the end of 2015, MoV's institutions begun to organize, in February and March 2016, a change of key positions in MoV resulted in miscommunications about the various agreements and delays in filling a wide variety of consultant positions at both the national and provincial levels. In this vein, the implementation team has been providing additional support to MoV, in order to revisit what was discussed and agreed upon before.

Key developments during the quarter

The following summarizes key activities that have been carried out in the first quarter, with support from the PSF Implementation Support Team:

- **Village Facilitators (Pendamping) - TORs**

After a series of discussions and workshops held from January to March between the implementation team and MoV, the Terms of References (TORs) for nine positions were submitted by MoV on March 24 for further review by the implementation support team, and was approved by the World Bank. The aforementioned positions were: Community Empowerment Expert (TA-PMD), Village Infrastructure Expert (TA-ID), Participatory Development Expert (TA-PP), Rural Economic Development Expert (TA-PED), Development of Appropriate Technology Expert (TA-TTG), Basic Social Services (TA-PSD), Village Empowerment Facilitators, Infrastructure Development Facilitators and Village Facilitator. Generally, the TORs' scopes, responsibilities, and qualifications for each position were in line with what was discussed and agreed upon between MoV and the World Bank on 5 February. However, minor issues still need to be revised by the MoV. It is expected that the final TORs will be ready by mid-April 2016.

- **Facilitators/Pendamping Recruitment**

According to data received from MoV on March 24, the number of pendamping needed in 2016 to cover 434 districts, 6,446 sub-districts and 74,754 villages, is approximately 39,165 facilitators. At the moment, 27,352 facilitators are in the field, and about 11,813 facilitator vacancies are as yet un-filled. Although an agreement was made between the Bank and the MoV to recruit, train, mobilize the new pendamping by 29 April 2016, this process has been delayed due to following reasons: i) TORs for pendamping and recruitment guidelines have not been finalized yet, ii) the budget for recruitment has not yet been allocated in the national budget, and iii) national and provincial professional consultants have not been recruited.

The implementation team therefore facilitated a workshop with the MoV from March 2-3 to accelerate the finalization of key documents, including the aforementioned Facilitators' TORs and the Facilitator Recruitment Guidelines. The MoV submitted the penultimate versions of these documents for the Bank's approval, and the latter emphasized that the recruitment process should not only be transparent, efficient, accountable, fairly competitive, and provide equal opportunity for all candidates, but should also clarify the roles of provincial and district satkers. The final consensus documents are expected to be agreed-upon by mid-April 2016.

- **Implementation Support Mission**

As part of support to the MoV, the implementation team conducted a technical joint mission with the MoV on February 22-26, 2016 visiting 10 provinces: Aceh, South Sumatra, Central Java, South Kalimantan, East Java, NTT, Jambi, North Maluku, NTB and West Papua. The main objectives of the mission were to: (i) review the progress in the field with regards to facilitator recruitment and training, ii) verify the applicability/efficacy of the Bank's recommendations; (iii) review additional key actions that can be taken to accelerate the transition and decentralization of the facilitation in a transparent and participatory manner; and (iv) prepare a schedule for recruitment and training. The findings from the mission were then discussed in a workshop held from March 3-4 with the MoV. The workshop was then followed by another workshop held on March 18-19, in order to review and finalize the TORs for the abovementioned nine facilitator positions, Facilitator Recruitment Guidelines, the Performance Appraisal Mechanism, and Standard Operating Procedures (SOP).

- **Administration Support Firm (ASF) Contracts**

In line with the mandate of the Village Law, the MoV has agreed to provide implementation support by approving the hiring of 10 ASFs to manage consultants: three firms will be responsible to manage professional consultants at the national level and seven firms will be responsible to manage professional facilitators in seven subnational regions. The Facilitator Recruitment Guidelines prepared by MOV in consultation with the implementation team, were submitted on March 21. The team is reviewing the guidelines to allow the firms to begin recruiting the professional consultants at the national and provincial levels.

Critical Challenges:

The following challenges need attention:

One of the major challenges is the large number of yet-to-be-filled pendamping vacancies in the field despite the MoV's disbursements of funds to the villages. This concern is being urgently addressed by the implementation team by their speedy finalization of Facilitator TORs, Recruitment Guidelines, and other important reference documents in conjunction with the MoV.

Coordination among government agencies responsible for the implementation of the Village Law is weak, due to political interventions from certain political parties to influence the program's design. As a consequence, policies on pendamping and professional consultants remain unclear. To address this challenge, the implementation team convened meetings with Bappenas, the Ministry of Finance, and Coordinating Ministry of Human Development and Culture (PMK) in order to encourage the agencies to develop a clear policy on facilitation. Dialogue and engagement is still ongoing.

Future Plans

During the next quarter, the following activities are planned:

The implementation support team will work closely with MoV to review the final versions of the Facilitator Recruitment Guidelines, SOPs, and related documents by April 2016.

A technical mission will probably be conducted in April - May to oversee the implementation of the recruitment process for national and regional consultants through ASFs, as well as at the provincial level.

The team will also assist MoV with developing the training materials (which will include guidelines for Village Law socialization, village planning and budgeting, village regulations and facilitators' responsibilities. It is expected that the training documents will be finalized by early June 2016.

Key Performance Indicators

Indicator	Baseline	Cumulative Target	Cumulative Achievements	VAR	Target for 2016	Achieved in Q2 2016	VAR	Remarks
Project Development Objective: To provide technical support, guidance and supervision to the overall Rural activities through field-based monitoring and support, governance, fiduciary, M&E								
MoV ¹ 's capacity to manage the various Rural ² operations under its mandate is enhanced.	PNPM operation managed by PPMD in MoV	A joint secretariat established; MIS and Complaint Handling System (CHS) overhauled.	<ul style="list-style-type: none"> Rural operations moved from the MoHA (PMD) to the MoV (PPMD) Secretariat for PNPM Rural closure and the Village Law implementation is established MIS redesign completed but not yet utilized CHS redesign completed. 	On track The new MIS has not been utilized.	The closure of PNPM managed properly and final report submitted	<ul style="list-style-type: none"> A new secretariat was established, but the contracts of professional consultants were terminated end of December 2015 ASFs contract have been awarded 	<ul style="list-style-type: none"> MIS user training is completed but delays in utilization The final report on PNPM closure has not been submitted by MOV 	National and Regional Program Development Consultants are not in place yet since the termination of their contract in December 2015
Field supervision, system reviews & studies help shape the policy dialogues on Village Law (and (Rural closure).	n/a	Field findings translate into strategic reform agenda for Rural ⁱ and/or Village Law.	<ul style="list-style-type: none"> Inputs and advice to MOV on developing guidelines for recruiting field facilitators and consultants at the sub-district and district levels have been provided by the PSF team. 	On track	Field facilitators are recruited, trained, and mobilized.	<ul style="list-style-type: none"> TORs for facilitators have almost been finalized Recruitment guidelines for facilitators has not been finalized 	TORs for facilitators and recruitment guidelines need to be finalized	<ul style="list-style-type: none"> The PSF will continue to provide policy and operational advice to the MoVDAT with regards to the Rural closure and the Village Law implementation The finalization of recruitment guidelines is urgent and need to be ready at least by mid April 2016
Component 1: Increase risk-based implementation support to Rural, to assess the effectiveness of existing management systems and assist the								

¹ Following the Presidential Decree no.12/2015, the implementing agency for Rural has been changed from Ministry of Home Affairs (MoHA) to Ministry of Village, Disadvantage Area and Transmigration (MoVDAT).

² Rural will be closed in December 2016 and will continue with the Village Law implementation.

Key Performance Indicators

Indicator	Baseline	Cumulative Target	Cumulative Achievements	VAR	Target for 2016	Achieved in Q2 2016	VAR	Remarks
strengthening of these system as needed								
# of risk based supervision p.a.	4 p.a.	6 p.a.	1	-5	2 p.a.	1	-1	Implementation support mission held on 22-26 February 2016
Follow-up on field findings with PPMD (MoVDAT)	n/a	Quarterly	Delayed in 2015 (see next section)	Delayed	Quarterly	Quarterly progress report provided by the MoHA/MoVDAT has been delayed since January 2015. The last quarterly progress report was received in December 2014.	Delayed	Following the delays in the implementation of PNPM Rural and the Village Law, there is heretofore no report submitted by the MoV.
# & type of thematic studies & performance conducted ⁱⁱ	n/a	n/a (as needed)	8 studies completed	On track	n/a	1	1	An evaluation on PNPM beneficiaries' satisfaction, economic impacts and quality of infrastructures are begun in October 2015, and will be ready in the first quarter of 2016.
Practical tools developed to improve contract management & oversight	n/a	New contract monitoring tools commonly used.	Tools finalized and shared with PMD	Achieved	n/a	n/a	Tools finalized and shared with PMD	This activity was completed in 2015.
Impact of a more comprehensive approach to capacity building and facilitation is demonstrated	n/a	Capacity building and facilitation recognized in the Village Law	<ul style="list-style-type: none"> Enhanced Empowerment Experiment (EEE) implementation discontinued since the Village Law introduction. Policies and operational advice 	On track	Pre-service training and PNPM Closure training for all facilitators conducted	<ul style="list-style-type: none"> Pre-service training materials have not been developed yet 	Refresher Trainings for facilitator on PNPM Closure have been done in district and sub-district levels.	Pre-service training material on Village Law for new recruited facilitators will be developed once the TORs and recruitment guidelines for facilitators are finalized. These documents are

Key Performance Indicators

Indicator	Baseline	Cumulative Target	Cumulative Achievements	VAR	Target for 2016	Achieved in Q2 2016	VAR	Remarks
			provided for the Village Law.					expected to be finalized.
Component 2: Increased stakeholders involvement in project preparation and implementation support								
Joint government and/or donor review missions	2 missions p.a.	3 missions p.a.	0	-3	2 missions p.a.	1	-1	Joint mission with MoV conducted on 22-26 Feb for reviewing facilitator recruitment as well as to get inputs in finalizing the TORs of facilitators.
Intensive dialogue with PMD (MoHA)/PPMD (MoV) and other government stakeholders on Rural/Village Law	n/a	Customized approach for remote areas, starting with Papua.	Intensive dialogues with PMD and government stakeholders by way of providing inputs and recommendations to the government policies to support PNPM/the Village Law have been intensively done	On track	Monthly	Intensive dialogue with MoV is always conducted several times a month in relation with the implementation of Village Law	On track	The discussion with the Government is focused on the PNPM Rural completion and implementation of the Village Law, including recruitment and mobilization of ex-PNPM Rural facilitators.
Customized approach developed for remote areas (e.g. Eastern Indonesia), starting with Papua.	n/a	Monthly coordination meetings (ad-hoc workshops to discuss specific issues).	<ul style="list-style-type: none"> Papua Desk at the PMD secretariat established Meetings held quarterly Discussion on the importance of revising the, PTO for Papua 	On track	n/a	<ul style="list-style-type: none"> No further discussion on Papua or East Indonesia issues. Extra number of facilitators will be provided to assist village law implementation in remote areas 	Delays for a specific manual (PTO), but an extra number of facilitators will be provided.	A specific manual for remote areas is not available yet.

ⁱ Roadmap of Rural is no longer relevant and subject to the change into the implementation of Village Law.

ⁱⁱ Some of these studies are co-financed by other PSF trust funds. The previous indicator on developing strategy for economic inclusion has been deleted since it is no longer relevant to activities under Rural Implementation Support.