

PNPM Support Facility (PSF)
Joint Management Committee (JMC) - Technical Committee (TC) Meeting
Date: Wednesday, December 17, 2014 / Time: 14:00 – 16:00 WIB
Venue: Meeting room SS-3, Bappenas, Jl. Surapati No. 2, Jakarta, Indonesia

Meeting minutes

Chair: Dr. Rudy Soeprihadi Prawiradinata MCRP, Ph.D., Director for Poverty Reduction, Bappenas

Participants: See attachment

1. The objective of this Technical Committee (TC) meeting was to discuss (i) a top-up proposal to conduct an evaluation of the PNPM Mandiri Revolving Loan Funds (RLFs) and close the program; (ii) future options for support to community economic empowerment; (iii) support to the Village Law; and (iv) PSF governance arrangements.

Top-up Proposal for RLFs

2. Safriza Sofyan from the World Bank presented a proposal of a nine-month extension of the project's closing date (December 31, 2014) and additional funding allocation of US\$ 561,000 to complete the remaining activities, including the handover of the Management Information System (MIS) to the Government, and to carry out a project evaluation as well as a fiduciary risk assessment.

3. In the following discussion, questions were raised regarding the amount of the requested funding and the breakdown of activities to be funded by additional resources; and the objective, scope, and methodology of the proposed evaluation. In response, Clarita Kusharto from the project team shared a preliminary design of the evaluation, of which the objectives are to review lessons learned from the pilot and to produce recommendations for RLF replication in the future. The methodology includes a desk review of the existing data such as project documents and the national SUSENAS and a series of interviews with key stakeholders and target UPKs. Regarding the budget, Pak Safriza clarified that the evaluation is one of the components and the handover of the MIS is a critical component.

4. There was a broad agreement that the current RLF project would close and an evaluation was needed to capture lessons for future activities such as community economic empowerment and the implementation of the Village Law. Kevin Tomlinson of the World Bank underlined the need of clear direction on spending authority before the project closing on December 31, 2014. Pak Rudy concluded that Pak Safriza and his team should revise the proposal with a clear budget breakdown and the scope, methodology and timeframe of an evaluation and circulate to the JMC TC in the next one or two days.

Future options for community economic empowerment

5. Pak Rudy expressed his desire to discuss further with the development partners to prepare a proposal to support/expand sustainable livelihood projects (currently 65 pilot projects in 6 sub-districts),

for which he envisaged nine months of preparation would be needed. For this, PNPM facilitators should be equipped with greater and broader knowledge of economic empowerment and markets on both the demand and supply side. However, there is still lack of clarity regarding whether these facilitators can be utilized going forward, and more broadly, related to the new ministerial arrangements, the details of which have to be decided (e.g., it is unknown whether PMD staff will move to the new Ministry of Village or not). This also has implications for the timeline when the Government budget will be available, which is currently delaying the implementation of the Village Law. Nevertheless, Pak Rudy emphasized the ongoing support from DFAT through PRSF and the PSF to address the needs of the poor.

Support to the Village Law

6. A presentation by Samuel Clark from the World Bank covered the preparation work by the World Bank and the DFAT for supporting the Village Law implementation. While substantial progress has been made in 2014 such as the approval of two implementation regulations (PPs), pending issues still need to be incorporated into the Village Law regulations, including the adaptation of the PNPM structure (facilitation, training, socialization, monitoring and evaluation). Decisions are awaiting the further finalization of the regulatory framework which is interdependent on the finalization of the institutional arrangement under the new administration. Going forward, in 2015, both DFAT and the World Bank are ready to provide technical, analytical and financial support for the Village Law.

7. Pak Rudy affirmed that the Village Law's focus remains on poverty reduction and community empowerment as a general strategy, which was endorsed by Scott Guggenheim of DFAT. A question was raised by a representative of the CIDA about the fate of PNPM in light of the Village Law. In reply, Pak Rudy answered that RPJMN sets out a plan for the next decade, for which the main strategy encompasses (i) comprehensive social protection; (ii) frontline services; (iii) sustainable livelihoods, and that PNPM concepts and mechanisms have already been adopted in the Village Law, while PNPM continues with PNPM Urban and PNPM Generasi. Pak Rudy clarified that the presentation today was not a proposal of activities and suggested that a coordinated proposal be discussed with the Government and the development partners in January 2015 to elaborate who is doing what and how best to facilitate intra-JMC dialogues going forward.

PSF governance arrangements

8. There is broad agreement that the PSF governance arrangements need to be revisited next year in order to better meet the development demands in economic, political and government changes as well as in light of the Managing Contractor (MC)'s entry to the PSF. Pak Rudy reiterated that, the PSF should be a government-lead mechanism to meet the government needs, in particular, the new Government's priority agenda of poverty reduction. He also reaffirmed that future proposals from the World Bank and the MC will be reviewed through the existing JMC mechanism. Going forward, the PSF will need to continue to uphold efficiency, good communication, and teamwork between all JMC partners. Pak Rudy also raised the need for unimpeded JMC actions based on pluralistic consensus and for streamlining the decision-making process to facilitate this.

**List of Participants
JMC Technical Meeting
Bappenas Office, 17 December 2014**

No.	Name	Institution
1	Rudy Prawiradinata	Bappenas
2	Pamuji Lestari	Kesra
3	Katiman	Kesra
4	Woro Srihastuti	Bappenas
5	Dodi R	Ministry of Finance
6	Partono	Ministry of Finance
7	Zainah	Ministry of Village, Disadvantage Areas and Transmigration
8	Aris Ahmad Risadi	Ministry of Village, Disadvantage Areas and Transmigration
9	Scott Guggenheim	DFAT
10	Iwan Sriwidiyanto	DFAT
11	Kate Shanahan	DFAT
12	Martha Bowen	MCC
13	Minarto	MCA - Indonesia
14	Jacynthe Rivard	Canadian Embassy/DFATD
15	Cristobal Riado-Cano	World Bank
16	Susanne Holste	World Bank
17	Kevin A. Tomlinson	World Bank
18	Samuel T Clark	World Bank
19	Natasha Hayward	World Bank
20	Sentot S Satria	World Bank
21	Lily Hoo	World Bank
22	Narae Choi	World Bank
23	Niruban Balachandran	World Bank
24	Safriza Sofyan	World Bank
25	Cynthia Clarita Kusharto	World Bank
26	Fajar Pane	World Bank
27	Alwaleed F. Alatabani	World Bank
28	Chatarina A Widiarti	PSF
29	Sidik Permana AM	PNPM Sekretariat - Bappenas
30	Dianty Ayu Shintadewi	PNPM Sekretariat – Bappenas