

PNPM Support Facility (PSF)
Technical Committee - July 19, 2012 Meeting
Meeting Minutes

Chairman: Ir. Rudy Soeprihadi Prawiradinata, Director for Poverty Reduction, State Ministry of National Development Planning/Bappenas

Co-chairman: Jan Weetjens, Head of the PSF, World Bank

Participants: See attachment 1

1. The objective of this Technical Committee (TC) meeting was to review seven proposals for funding in order to provide technical feedback and authorize their submission to the Joint Management Committee (JMC), whose next meeting has been tentatively scheduled for mid-September 2012.
2. The seven proposals for review had been circulated by Jan Weetjens via email on July 13, 2012. The draft proposals, as submitted, are attached.
3. Feedback on each of the proposals is discussed at continuation. The TC's decisions are highlighted.

(I) PNPM-Generasi Scale-up: \$31.7 millions

4. Rob Wrobel presented a request for an additional allocation of \$31.7 million to the existing, PNPM-Generasi program. The December 2013 closing date remains unchanged. The first four components of the proposal are to be Government-executed, the fifth to be executed by an Indonesian non-governmental organization. The proposal serves two purposes:
 - 4.1 The first is to complement Government investments in scaling up PNPM Generasi coverage to approximately 500 poor *kecamatan* where use and access of basic services is low and the supply of services is expected to be constrained in 2013-14. This represents the fourth and final installment of the US\$105 million pledge from PSF to support PNPM-Generasi scale-up over the period 2010-14.
 - 4.2 The second objective is to provide intensive training and capacity building support to village and *kecamatan* facilitators to (a) improve knowledge of health and education topics including nutrition, healthy sanitation behaviors, inclusive education approaches for children with disabilities, and health and education policies, programs, and actors; and (b) encourage the use of advanced facilitation techniques to assist community members to diagnose problems and identify creative, locally appropriate solutions. The proposed \$900,000 for this second objective would be used to strengthen the capacity of an Indonesian institution identified jointly with PMD that is active in strengthening village capacity to facilitate the delivery of basic health and education services.
5. Pak Rudy highlighted that this top-up request did not involve any major modification to the design of the PNPM Generasi program, with exception of the proposed allocation of \$900,000 to provide intensive training and capacity-building (Component 5).

Comments and Questions from TC members	Answers and/or actions to be taken
Pak Rudy: Why propose execution of Component 5 by a NGO?	Rob Wrobel: The idea is to find a partner with extensive experience working with communities on health and education, and who is capable of delivering quality technical training programs to sub-district facilitators and village stakeholders at scale. PMD agrees that it would have difficulties procuring such technical trainings. If a suitable partner cannot be identified, this component will need to be rethought and allocated funds will be transferred to block grants.
Bu Fatimah Sari Nasution: Need for clarifications on the conditions for the disbursement of this grant, and whether it will be treated as a loan for processing.	Rob Wrobel/Jan Weetjens: This proposed additional allocation will not be processed as an additional financing to the PNPM-Rural III loan (as was the case for all previous installments). Loan conditionalities will therefore not apply to this grant. The same safeguards will however be maintained and the Bank's internal due diligence requirements will be the same as for a loan. The Government's counterpart funding is approximately \$15m in 2013.
Pak Katiman: How to make sure that program implementation is synchronized with PKH?	<p>Pak Rudy: At the local level targeting should be synchronized by TKPKD. In May Bappenas chaired a meeting involving TNP2K the Ministry of Social Affairs, PMD, AusAID, and PSF to discuss findings from a joint implementation support mission to West Java to areas in which both PKH and PNPM Generasi operate. The meeting concluded that PKH and Generasi are complementary and should be scaled up, particularly in rural areas experiencing supply constraints. Generasi's community-based targeting mechanism is flexible and can be updated to target assistance to households not included on the PKH list. Generasi block grant funds are used to provide public goods, and support group health and education awareness-raising activities, thereby addressing supply gaps in information and facilities. Meeting participants agreed to draft a circular letter for Depsos and PMD aimed at removing barriers to collaboration between PKH and PNPM Generasi facilitators.</p> <p>Rob Wrobel: Will make this more explicit in the proposal.</p>
What are the differences between PNPM-Rural and	Rob Wrobel: Training materials are roughly

PNPM-Generasi's training materials?	the same in terms of program objectives and basic facilitation skills, but the new training component will finance the development of training materials for Generasi stakeholders with an in-depth focus on health and education programs and services, inclusion for children with disabilities, and advanced facilitation skills. Local government health and education personnel will be invited to the training; local leaders could also possibly be involved.
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6. *Pak Rudy, as chair, indicated the TC's no-objection to the submission of the PNPM-Generasi proposal to the JMC for review and approval.*

(II) Social Accountability and Public Service Performance (Phase Two of the Local Governance Capacity Development Project): \$ 4.5 millions

7. Hans Antlov presented a proposal for a \$4.5 million, 24 month project to “Strengthen Social Accountability and Local Government Responsiveness in Community-level Service Delivery”.

7.1 The first NGO-executed component will be test this in basic health and education service delivery by: (i) drafting joint service agreements and informing communities about the standards of service delivery they can expect in basic service provision; (ii) encouraging communities to provide feedback on actual service performance; (iii) supporting civil society-based service improvement advocacy and organize district dialogues and feedback meetings; and (iv) developing the capacity of the TKPKD and health and education agencies to respond to community needs. This will be done in eight selected districts, drawn from PNPM Generasi and PNPM Integrasi districts.

7.2 The second component will be a PSF-executed platform for implementation support and knowledge management around social accountability and community service delivery.

Comments and Questions from TC members	Answers and/or actions to be taken
Pak Katiman: Proposal has similarities with a Kesra program, Strategic Alliance for Poverty Alleviation (SAPA).	Hans Antlov: The task team hopes indeed that SAPA can become a partner. We are already in contact with the SAPA secretariat.
Taufik Rinaldi: Point.22/page7 highlights the need for a close collaboration with Government, but the design is somewhat unclear on practical modalities to ensure Government ownership of this Project. There is no need to change implementation arrangements (i.e., NGO execution), but it would be good to clarify institutional arrangements.	Hans Antlov: The counterpart for Phase 1, which focused on planning, was Bappenas but Phase 2 will be focused more on service delivery. We are open for discussions on the most strategic counterpart for the program. Pak Rudy: A number of potential counterparts could be discussed. Final institutional arrangements can be agreed upon later, prior submission to JMC.
Ibu Tari: Why is the target for improvement in public service user satisfaction is limited to 15% ?	Hans Antlov/Jan Weetjens: The design team looked at similar experiences elsewhere and concluded that 15% was already an ambitious

	<p>target, as user satisfaction is largely conditioned by supply side readiness.</p> <p>Participants agreed that the proposal should be further enriched by references to international experience and that the percentage target should be justified by reference to other similar experiences.</p>
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8. *Pak Rudy, as chair, indicated the TC’s no-objection to the submission of the Social Accountability proposal to the JMC for review and approval, with the following modifications: (i) identification of GOI counterpart and (ii) justification of targets based on national and international experience.*

(III) Supporting Disabled People Organizations (DPOs) to Promote Inclusion within Indonesian Poverty Reduction Programs (PNPM-Peduli Disability Window): \$1.8 million

9. Sonja Litz presented a proposal for a \$1.8 million project to create a new disability window under the PNPM-Peduli program. The first component (which supports the creation of the new window and ongoing supervision) will be PSF-executed; the second component, in the form of grants, will be NGO executed. The proposal will be implemented in two successive phases:
- 9.1 In a first phase, the Project will: (a) clarify institutional and operational arrangements for PNPM Peduli’s new Disabled People Organizations (DPOs) window; (b) establish FM, MIS, procurement, governance, and advocacy M&E system for DPOs window; and (c) build the capacity of relevant partners prior to Phase 2 implementation.
- 9.2 In a second phase, the Project will support the actual transfer of resources to people with disabilities in line with the criteria developed and agreed upon in phase 1. This phase will also promote the more effective inclusion of people with disabilities in Indonesian poverty reduction programs through a series of advisory and analytical activities done jointly with GOI.

Comments and Questions from TC members	Answers and/or actions to be taken
Do we know who asked the questions? What will be the selected locations for this Project?	Sonja Litz: No specific locations have been selected. The focus is on finding 5 suitable DPOs which have their own geographic coverage.
Taufik Rinaldi: The second objective focuses on improving PNPM’s ability to identify PWDs’ needs. The Peduli experience has shown that it was difficult to identify the needs of marginalized people (e.g., indigenous people).	Sonja Litz: Inclusion is a key question for the next phase of PNPM; an Enhanced Empowerment Experiment is indeed being planned to test what operational adjustments are needed to better foster inclusion in the program. We will build a team capable of advising these processes, but the focus of the first phase will be on building the capacity of DPOs.
Ibu Tari: The Project team should discuss the design with the Deputy 2 of Kesra.	Sonja Litz: agreed.

10. *Pak Rudy, as chair, indicated the TC’s no-objection to the submission of the DPO proposal to the JMC for review and approval.*

(IV) Increasing Accountability Capacity in PNPM – ‘PNPM Justice Services’: \$3.9 millions

11. Karrie McLaughlin presented a proposal for a 3-year trial (to be executed by a Non-Government Partner and World Bank) to increase the level of oversight, tracking and management of corruption cases involving PNPM funds and to respond to community justice needs during PNPM corruption cases. through:
- 11.1 the hiring of a set of in-house lawyers, working alongside the Ministry of Home Affairs at provincial and national levels, who would focus on tracking PNPM corruption cases (and more broadly dealing with legal issues arising from the delivery of PNPM) and on assisting communities to meet their legal needs during the course of PNPM corruption cases;
 - 11.2 the creation of a ‘fighting fund’ which would cover community costs associated with dealing with PNPM corruption cases (for example travel costs, legal advice and representation); and
 - 11.3 the development of better guidance material on the process of investigating corruption cases and referring them to the formal justice system.
12. Approval is being sought for the first two years of the proposed work program (for \$3,964,400). An additional year for 1,759,000 could be approved down the line if the program is extended to match the duration of PNPM V.

Comments and Questions from TC members	Answers and/or actions to be taken
Taufik Rinaldi: Recommendation to also provide legal support to PNPM-Urban as part of this proposal.	As a pilot program, initial work will start with Rural (linked to RMC at sub-national level). However, lawyers at the provincial level can be involved to follow any PNPM case. We recognize that some of the issues around reporting may be different in the urban environment and would require a separate analysis and perhaps the preparation of separate or additional guidance.
Pak Katiman: Risk to overload PMD with new cases, while PMD’s capacity is already overstretched.	Pak Rudy/ Jan Weetjens: This Project will be implemented in coordination with PMD. It should not create an overload but actually provide additional TA to PMD.
Taufik Rinaldi: Need to clarify whether lawyers will focus more on tracking cases or empowering communities and strengthening their capacity to engage legal actors.	Sonja Litz: The Project will focus on both, with a priority given to supporting/tracking case resolution. If there is a large case in one area, the lawyer will be expected to focus on coordinating resolution. If lawyers are not working on large cases, they will be expected to focus on legal empowerment of communities.

13. The Project team also suggested that PMD consider the setting-up of a Secretariat for Justice issues, including those related to PNPM. This Secretariat would include representatives from PMD, Bappenas, and the Ministry of Law and Human Rights.

14. *Pak Rudy, as chair, indicated the TC’s no-objection to the submission of the PNPM Justice Services proposal to the JMC for review and approval.*

(V) PNPM Payment For Environmental Services (PES): \$26.45 millions

15. Chloe Olliver presented a proposal for a \$ 26,450,000 Project -- with mixed execution, Government (81%), World Bank (5%), CSO (4%) ,and other service providers (9%). The design proposes a significantly revised approach to supporting environmentally sustainable development at the community level, currently delivered through PNPM Green. This new two-year program will provide performance based incentives at the village level to conserve environmental services (forests and reefs for natural habitat and carbon sequestration, and watersheds for clean water) and to support effective management of natural resources. This requires substantial efforts of capacity development for village spatial planning and natural resource mapping, and the development of “green growth” alternative livelihood options for rural communities. The aim is to incentivize rural communities in high value environmental areas to commit to conserve measurable areas of environmental services (i.e., protect existing assets or enhance currently degraded assets), and to use other resources in a more efficient and effective manner to promote improvements in socio-economic conditions. This will contribute to improved livelihoods in rural villages as well as the achievement of Indonesia’s global climate change commitments.

Comments and Questions from TC members	Answers and/or actions to be taken
Pak Rudy: All four outputs ¹ should be mainstreamed into the PNPM-Rural.	Chloe Olliver: The PSF will need to pilot this new model, and then work to mainstream into PNPM-Rural, as we have done with some of the PNPM-Green components. Jan Weetjens: PNPM-Green has achieved good results by earmarking grants for environmental sub-projects, but this is not the right approach to go to national scale. We are proposing a paradigm shift toward financing results rather than specific inputs or projects.
Ibu Tari: This Project should consider PNPM-Urban.	Chloe Olliver: We will let our colleagues in PNPM Urban know although Urban settings don’t usually offer much in the way of environmental services as much as Green Spaces.
Ibu Tari: The main problem is communities’ mindset – there is a need to move away from a focus on physical infrastructure.	Chloe Olliver: Yes, this is why these payments will be performance based. The menu alternatives from PNPM Green will be available under PNPM Rural as part of the mainstreaming process
Ibu Tari: The Project team should reach out the Ministry of Fisheries to support their ‘blue development’ agenda.	Chloe Olliver: Absolutely. They would be represented on the Advisory Group for PNPM PES

¹ **Output 1:** Communities agree and plan to utilize their NR in a sustainable manner based on a shared understanding of their natural resource base, access rights, and the sustainability of these resources; **Output 2:** Appropriate village institutions and land access and use rights exist to empower communities to conserve environmental services and manage NR sustainably; **Output 3:** knowledge and skills are available at the village level to support conservation of environmental services and sustainable NRM; **Output 4:** incentives are available to encourage conservation of environmental services and sustainable NRM for improved socio-economic conditions.

<p>Taufik Rinaldi: The Project design should put more emphasis on risk management. Each time you deal with natural resources, you deal with conflict (e.g. between indigenous people and plantations).</p>	<p>Chloe Olliver: We've looked at land conflict. For communities to be able to protect an area, it needs to have a clear legal status. The Project team has worked with the REDD + agency to identify target areas – each of these will have to have an agreed spatial plan. The design of the PES Project piggybacks and supports these reforms.</p>
<p>Taufik Rinaldi: The new approach is anchored in a payment system which may not be sustainable.</p>	<p>Chloe Olliver: Indonesia is moving toward a national trust fund approach to managing international climate change commitments, starting with the Norway letter of intent. Ultimately, this program should be funded through this trust fund, not PNPM. We support the piloting because there is a need for a mechanism to distribute money to most affected communities.</p>
<p>Pak Katiman: How will this Project be coordinated between various directorates.</p>	<p>Chloe Olliver: We will work across the Joint Secretariat within PMD, and establish a multi-agency Advisory Group for PNPM PES including representatives from Forestry, Fisheries and Marine Affairs, Agriculture, Environment, and the REDD+ Working Group to manage coordination across other agencies</p>

16. ***Pak Rudy, as chair, indicated the TC's no-objection to the submission of the PNPM Payment for Environmental Services proposal to the JMC for review and approval, provided the proposal discusses and potentially addresses some of environmental challenges in urban areas.***

(VI) Village Training Project: \$ 1.645 million

17. Hans Antlov presented a proposal for a, \$1.6 million, 24 month project to design a comprehensive yet simple training program for village government institutions, which will contribute to building PNPM's institutional legacy in the form of robust and democratic community institutions, and prepare villages to manage the decentralization of funds and programs.
- 17.1 First, the Project will review existing GoI and civil society training material, identify the key institutions needed to strengthen, their learning needs, and based on this, develop a set of at least 10 training modules for members of various village institutions, based on PNPM principles and modules. Topics could include: financial management, development planning, principles of good governance, core functions of the village council, village-level economic development etc.
- 17.2 Second, the Project train approximately regional 500 master trainers, building on a cascade training program developed by the Community Facilitators Development Project. These master trainers will be given training in both the training material and interactive training design and will be expected to initiate the cascade training. The Project will design but not actually deliver the training program (except small-scale try-out of new modules, and training of trainers). The best qualified people to deliver the training are PNPM facilitators.

18. Part of this grant would be implemented by the GOI (Directorate of Community Institutions and Training , DG Community and Village Empowerment, Ministry of Home Affairs). PSF will also issue grants/sub-contracts to qualified service providers.

Comments and Questions from TC members	Answers and/or actions to be taken
Ibu Tari: Why focus on updating 10 modules only?	Hans Antlov: Currently, there are only 11/12 perdes government modules. Possibly, the Project will support the development of new ones.
Taufik Rinaldi: There is a risk to further overload PMD staff – would it be possible to work with the new Joint Secretariat?	Hans Antlov: Agreed. Discussions have already been held with Pak Prabowo.
Pak Rudy: Need to take into account the PES Project and environmental issues.	Hans Antlov: Agreed. We will ensure that environmental and social safeguards are properly incorporated into training materials.

19. *Pak Rudy, as chair, indicated the TC’s no-objection to the submission of the Village Training proposal to the JMC for review and approval.*

(VII) PNPM Pusaka: \$1.95 millions

20. Bu Catrini Kubontubuh, on behalf of the Pokja design team, presented a proposal for a \$ 5.25 million Project to be implemented in 2 phases - approval is being sought for the first twelve months of the proposed work program for \$1.95 millions. The overall objective of PNPM Pusaka is to strengthen PNPM’s empowerment process through developing the social and cultural capital of communities and supporting creative income-generating activities related to heritage conservation (e.g., through increasing the revenue of generated by the production of local handicrafts, use of rehabilitated traditional houses as homestay, etc). The first phase will involve stakeholder consultations, a baseline study and mapping of target areas, facilitator training, socialization and strengthening of community institutions, pilot activities, documentation and evaluation. These will be executed by University Centers for Heritage (to be selected), with technical assistance from the PSF/World Bank.

Comments and Questions from TC members	Answers and/or actions to be taken
Jan Weetjens: This Project should follow the same process as PNPM Peduli. First, we implement the pilot phase, then conduct a results assessment and subsequently decide on the financing for a second phase. This gives us time to learn from the pilot phase.	The Project team should only solicit approval for the first phase of the Project (\$1.95 million), and clearly state in the proposal that the approval of a second phase will be contingent on a results evaluation.
Pak Rudy: The focus on PNPM is on poverty while the focus of this Project seems to be on cultural conservation. If the focus is indeed culture, this Project should fall under the PNPM-Tourism, not under PNPM-Rural.	Taufik Rinaldi: This Project proposes to use cultural conservation activities as an instrument of the empowerment process, not as an end in themselves.

21. *Pak Rudy, as chair, indicated the TC member’s no-objection to the submission of the PNPM Pusaka proposal to the JMC for review and approval, provided approval is only sought for the first phase of the Project (12 months, \$1.95 million). The proposal should clearly state that the approval of a second phase will be contingent on the results of an evaluation of the Pilot Phase.*

Conclusions:

22. Jan Weetjens informed the TC that various PSF teams have prepared requests for additional installments to finance the extension of their activities until PSF's new closing date of June 2015 (approved by the JMC during its July 25, 2011 meeting). These will be submitted in due time to the TC for review.
23. Jan Weetjens also relayed a request from the TTL of the 'Barefoot Engineers Wave 3', Susanne Holste, to change the grant recipient for this Project. Supervision and the grant appraisal process showed that while UNCEN (initially identified in the Project proposal) has the technical capacity to deliver the training program its governance and fiduciary systems are not robust enough to receive a grant directly from the World Bank. Following discussions with UNCEN, AusAID and a number of potential grant recipients, the Project team pre-selected BaKTI to receive and financially manage the grant; UNCEN will continue to be responsible for technical implementation. Jan Weetjens solicited the TC's approval to finalize negotiations with BaKTI and proceed with the signature of the grant agreement. Pak Rudy expressed concern that such a change in grant recipient may create issues with UNCEN and AusAID. Jan Weetjens reassured him that this solution has been discussed at length and agreed upon with UNCEN and AusAID. Based on this clarification, ***Pak Rudy, as chair, indicated the TC's no-objection to replace UNCEN by BaKTI as grant recipient.***
24. To close the meeting, ***Pak Rudy informed the various design teams that they should submit their revised proposal incorporating the TC's feedback – when needed – by August 20, 2012 at the latest.***