

## **Local Solutions to Poverty Multi-Donor Trust Fund Operations Manual**

1. This document sets out the management arrangements for the Local Solutions to Poverty (LSP) Multi-Donor Trust Fund (MDTF). It was adopted by LSP's Steering Committee (SC) on February 7, 2018.
2. The SC consists of:
  - a. The Government of Indonesia (GoI) as Beneficiary, represented by The Deputy Minister for Population and Employment at the Indonesian National Development Planning Agency (BAPPENAS) or his/her designated representative, as the Chair of the SC.
  - b. The Government of Australia (GoA) as donor, represented by the Minister-Counsellor, Governance and Human Development at the Department of Foreign Affairs and Trade (DFAT) or his/her designated representative.
  - c. The Millennium Challenge Account-Indonesia (MCA-I) as donor, represented by the Executive Director or his/her designated representative.
  - d. The International Bank for Reconstruction and Development (IBRD/World Bank) as Administrator of the MDTF, represented by the Country Director, World Bank Office Jakarta or his/her designated representative.

### **PURPOSE AND APPROACHES**

3. The purpose of the LSP is to mobilize donor resources and channel financial assistance through a common platform to support the GoI to improve the quality of life of poor and vulnerable Indonesians through local solutions to reduce poverty and inequality. The LSP enables the GoI to realize the development impact from the Village Law and broader framework for local development. It pursues its objective through the following approaches:
  - a. Producing and disseminating high-quality research and analytics, including from ongoing projects, and in collaboration with other development partner activities.
  - b. Promoting evidence-based policy to reduce poverty and inequality, in particular as it relates to Indonesia's framework for local government, and by strengthening relevant government data and monitoring and evaluation systems.
  - c. Financing pilot projects to test innovations and to scale up.
  - d. Supporting collaboration, problem solving and knowledge exchange between relevant actors such as central and sub-national governments, communities, and civil society.
4. The LSP offers GoI:
  - a. Global experience and expertise on poverty reduction and local service delivery.
  - b. A mechanism to leverage and coordinate knowledge and World Bank lending programs relating to local service delivery.
  - c. A platform to identify, review, share and replicate local solutions to poverty reduction and citizen life.
  - d. Technical and financial resources for evidence-based policy dialogue and program development around poverty themes.

- e. A mechanism to access integrated social, governance and sector expertise and high-quality analytics on local solutions the poverty reduction.
- f. Deep operational knowledge of Indonesia systems and social institutions.

## **MANAGEMENT STRUCTURE**

### ***Steering Committee***

5. The implementation of the LSP will be directed and overseen by the Steering Committee (SC) comprising of one representative each from BAPPENAS, GoA, MCA-I and the World Bank.
6. The SC will meet quarterly and will be responsible for:
  - a. Setting priorities for LSP.
  - b. Reviewing, providing technical inputs, and approving multi-year work plans, updated annually.
  - c. Monitoring progress of LSP activities.
  - d. Ensuring alignment and collaboration with other GoI and development partner initiatives.
  - e. Referring work plan components and activities to Technical Working Groups for further discussion as necessary.
  - f. Approving the LSP Operations Manual and any changes to it.
7. All SC decisions will be endorsed by consensus.
8. SC meetings will be chaired by BAPPENAS and may be attended by observers as considered appropriate. Within five working days after a SC meeting, the World Bank, serving as the Technical Secretariat (TS), will prepare minutes of the meeting and circulate it to the attendees.
9. If a member of the SC proposes endorsement of a decision which cannot be postponed until the next SC meeting or which does not warrant convening a special meeting, the chair of the SC may write to the other signatories requesting endorsement on a “no objection” basis. Provided no written objections are received within five working days, the decision will be considered endorsed. If any written objections are received, the matter will be postponed until objections are addressed.

### ***Technical Working Groups (TWGs) and Technical Advisory Board***

10. A work plan component approved by SC may set up a TWG to facilitate detailed work planning and collaboration with relevant stakeholders. Members of TWG may consist of members of the SC; and relevant national ministries or agencies, including but not limited to BAPPENAS, TNP2K, Ministry of Home Affairs, Ministry of Finance, Ministry of Village, Ministry of Education and Culture, and Ministry of Health. Representatives of other donors or government programs may be invited to participate in TWG to provide technical input<sup>1</sup>.
11. The TWG will meet at least annually, and shall be responsible for:
  - a. Reviewing and providing technical inputs for the activity design and work plans.

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<sup>1</sup> Existing, activity specific committees may exist where optimal (e.g., KIAT Guru), and ad hoc arrangements could be created and developed as appropriate.

- b. Monitoring progress and findings of programmatic/ technical evaluations of the specific activity.
  - c. Preparing policy recommendations.
12. A Technical Advisory Board member from BAPPENAS should be a member of the TWG to ensure smooth coordination between the SC and the TWG. In case there are any discrepancies between the policy directions given by the SC and discussed in the TWG, resolutions could be made through a SC meeting. The Technical Advisory Board consists of:
- a. The Deputy Minister for Human Development, Community, and Culture at the Indonesian National Development Planning Agency (BAPPENAS) or his/her designated representative, as a Technical Advisor;
  - b. The Deputy Minister for Regional Development and Autonomy at the Indonesian National Development Planning Agency (BAPPENAS) or his/her designated representative, as a Technical Advisor;
  - c. The Deputy Minister for Development Financing at the Indonesian National Development Planning Agency (BAPPENAS) or his/her designated representative, as a Technical Advisor; and
  - d. The Director for Poverty Reduction and Social Welfare at BAPPENAS or his/her designated representative, as the Secretary to the Technical Advisory Board.
13. Attending members of the TWG will vary, depending on the agenda and topic. The participants could include implementing and non-implementing government agencies as well as direct beneficiaries of LSP financed activities.

***Technical Secretariat (TS)***

14. The World Bank, as Administrator of the MDTF, takes on the role of TS for the MDTF. TS responsibilities include:
- a. Administering the Administration Agreements between the donor partners and World Bank as well as the grant agreements issued with implementing agencies.
  - b. Preparing and coordinating annual work program reviews.
  - c. Reporting, as detailed in the section on ‘Reporting’ below.
  - d. Preparing and consolidating program and activity design.
  - e. Preparing and consolidating multi-year work plans for the SC.  
Preparing and circulating minutes of SC meetings.

***Types of Activities***

15. The World Bank may execute activities (“Bank-Executed Activities”). Bank-Executed Activities will be governed by the World Bank’s applicable policies and procedures for trust-funded activities by the World Bank.
16. Ministries and agencies of the GoI as well as non-governmental organizations (NGOs) (each an “Implementing Agency”) may execute activities (“Recipient-Executed Activities”). Recipient-Executed Activities will be the subject of Grant Agreements between each Recipient and the World Bank.

**MONITORING AND EVALUATION**

17. The TS will prepare a monitoring and evaluation (M&E) framework for the LSP program. The framework will be shared and discussed with the SC before being finalized by the TS. Regular supervision missions for LSP activities will be conducted by the TS and may be joined by members of the SC and TWG.

## **REPORTING**

18. The TS will prepare an annual progress report, based on the LSP M&E framework, which will include progress of activities, progress towards desired program outcomes, and implementation progress against the annual work plan, including any relevant challenges and risks. The report should be delivered to the SC by March 31 of each year during the life of the LSP.
19. Every semester, the TS will prepare a concise semi-annual progress and financial report, which will include progress of LSP activities and a financial update.
20. During SC meetings, the TS will prepare and deliver a presentation on the progress since the previous SC meeting.

## **OVERRIDING AUTHORITY OF THE CONTRIBUTION AGREEMENTS/RESOLUTIONS**

21. In the event of any conflict between the LSP Trust Fund Administration Agreements and the Operations Manual, the provisions of the LSP Trust Fund Administration Agreements shall prevail.