



Project Administration Memorandum

Project Number: 40247
Loan Number: 2449-INO(SF)
March 2009

Republic of Indonesia: Rural Infrastructure Support to PNPM Mandiri Project

The project administration memorandum is an active document, progressively updated and revised as necessary, particularly following any changes in project or program costs, scope, or implementation arrangements. This document, however, may not reflect the latest project or program changes.

Asian Development Bank

CURRENCY EQUIVALENTS

(as of 15 December 2008)

Currency Unit	–	rupiah (Rp)
\$1.00	=	Rp9,180 (as of 15 August 2008)
\$1.00	=	Rp11,300
SDR1.0	=	\$ 1.517
SDR1.0	=	\$ 1.58 (as of 15 August 2008)

ABBREVIATIONS

ADB	–	Asian Development Bank
CDD	–	community-driven development
CIO	–	community implementation organization
CLGS	–	Community and Local Government Support Sector Development Program
CSP	–	country strategy and program
DGHS	–	Directorate General of Human Settlements
EA	–	executing agency
EARF	–	environmental assessment and review framework
EIA	–	Environmental impact assessment
EIRR	–	economic internal rate of return
GAP	–	gender action plan
IEE	–	initial environment examination
KDP	–	Kecamatan Development Program
LAR	–	land acquisition and resettlement
LARF	–	land acquisition and resettlement framework
LKM	–	Lembaga Keswadayaan Masyarakat (CIO)
MDG	–	Millennium Development Goal
MIS	–	management information system
MOF	–	Ministry of Finance
MPW	–	Ministry of Public Works
MTPR	–	medium-term poverty reduction
M&E	–	monitoring and evaluation
NGO	–	nongovernment organization
O&M	–	operation and maintenance
PCMU	–	project coordination and monitoring unit
PIU	–	project implementation unit
PKPS-BBM	–	Program Kompensasi Pengurangan Subsidi Bahan Bakar Minyak (Fuel Subsidy Reduction Compensation Program)
PNPM Mandiri	–	Program Nasional Pemberdayaan Masyarakat (National Program for Community Empowerment)
RISP	–	Rural Infrastructure Support Project
RPJM	–	Rencana Pembangunan Jangka Menengah (Medium-Term Development Plan)
SNPK	–	Strategi Nasional Penanggulangan Kemiskinan (National Strategy for Poverty Reduction)

WEIGHTS AND MEASURES

km	–	Kilometer
m	–	Meter

GLOSSARY

<i>kecamatan</i>	–	Subdistrict
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NOTES

- (i) The fiscal year (FY) of the Government and its agencies ends on 31 December. FY before a calendar year denotes the year in which the fiscal year ends, e.g., FY2008 ends on 31 December 2008.
- (ii) In this report, "\$" refers to US dollars.

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LOAN PROCESSING HISTORY

a.	Fact-finding	19 February – 14 March 2008
b.	Management Review Meeting (MRM)	2 June 2008
c.	Appraisal mission	9 – 26 June 2008
d.	Staff Review Committee (SRC)	16 July 2008
e.	Loan Negotiations	25 – 27 August 2008
f.	Board Circulation	8 September 2008
g.	Board Consideration and Approval	29 September 2008
h.	Loan Signing	26 November 2008
i.	Loan Effectiveness	28 January 2009

DESIGN AND MONITORING FRAMEWORK OF THE PROJECT

Design Summary	Performance Targets and/or Indicators	Data Sources and/or Reporting Mechanisms	Assumptions and Risks
Impact The socioeconomic conditions of participating communities are improved	By 2015: At least 50% of beneficiaries satisfied with improved services Increased household expenditure rates and improved access to economic and social services in about 1,650 poor rural villages	2007 baseline socioeconomic survey for the National Program for Community Empowerment (PNPM Mandiri) and annual (2009–2012) impact surveys Nationwide surveys will be commissioned by the PNPM Mandiri Oversight Body to an independent survey firm and will be then disaggregated to the project level Regular MDG progress reports prepared by the Government	Assumptions <ul style="list-style-type: none"> National and regional government policies continue to support community-driven development Interventions are sustained and maintained in the post-Project period Risk <ul style="list-style-type: none"> Natural or financial disasters will impact the project area
Outcome The access of the poor and near poor in rural areas in the participating districts to basic infrastructure services is improved	By 2011, improvement over the baseline: 20% reduction in transportation costs for communities opting for the rehabilitation and expansion of rural roads 20% reduction in time spent collecting water by direct beneficiary households in communities opting for improvement of water supply schemes 20% of the direct beneficiary households with access to improved sanitation facilities in communities opting for improvement of sanitation schemes 10% increase in production levels of direct beneficiaries in communities opting for rehabilitation and expansion of village irrigation schemes	2007 baseline socioeconomic survey for the PNPM Mandiri and annual (2009–2012) impact surveys Special studies	Assumptions <ul style="list-style-type: none"> Communities are fully committed to the Project The national budget funds are adequate and provided in a timely manner Risk <ul style="list-style-type: none"> Low capacity of local government staff to supervise and monitor project implementation
Outputs 1. Community Facilitation and Mobilization			Assumption <ul style="list-style-type: none"> Communities have surplus labor and adequate resources to undertake civil works and maintenance of

Design Summary	Performance Targets and/or Indicators	Data Sources and/or Reporting Mechanisms	Assumptions and Risks
<p>Improved capacities of communities to plan, implement, and maintain rural infrastructure</p> <p>Improved local government capacities for facilitating, supporting, and monitoring community-driven development</p> <p>2. Rural Infrastructure Improvement</p> <p>Improved governance in provision of rural infrastructure</p> <p>Priority infrastructure improvements implemented in the communities</p> <p>Construction-related jobs in communities</p>	<p>At least 50% of the project communities acquire the capacity to prepare plans for implementing community-driven development projects by 2010</p> <p>At least 40% participation rate of women and the poorest community members in planning and decision-making meetings by 2010</p> <p>In designing future projects and programs, the district public works services will take into account community feedback</p> <p>At least 50% of the population in project communities have actively participated in rural infrastructure rehabilitation and expansion by 2011</p> <p>The communities maintain records and make the information needed for the project performance management system available on a timely basis</p> <p>Priority infrastructure needs in all participating villages are met by 2011</p> <p>More than 70% of infrastructure works are evaluated as being of high quality</p> <p>160,000 person-months of immediate employment opportunities generated by 2011</p>	<p>2007 baseline socioeconomic survey for PNPM Mandiri and annual (2009–2012) impact surveys</p> <p>District government plans and budgets</p>	<p>rehabilitated and expanded facilities</p> <p>Risks</p> <ul style="list-style-type: none"> • Prioritization and planning are hijacked by a few influential community members • Regional governments fail to participate constructively in project implementation • Limited project management capacity at the central level • Uneven training of village facilitators to provide desired support to communities

Activities with Milestones	Inputs
Community Facilitation and Mobilization	Asian Development Fund loan: \$50 million
1.1 Project management, including hiring of consultants, project reporting and monitoring	<ul style="list-style-type: none"> • Civil works: \$46.0 million
1.2 Recruitment and training of community facilitators (month 3)	<ul style="list-style-type: none"> • Consulting services, 960 person-months: \$2.6 million
1.3 Mobilization of communities in disadvantaged districts <ul style="list-style-type: none"> • Awareness campaigns completed in all project villages (month 6) • Community mobilization activities completed in all project villages (month 12) • Poverty mapping and needs assessment completed in all project villages (month 12) • Bank accounts opened by all community implementation organizations in 1,650 villages (month 12) 	<ul style="list-style-type: none"> • Audit, studies, and surveys: \$0.4 million • Contingencies: \$0.4 million • Interest: \$0.6 million
1.4 Assessment of infrastructure needs and preparation of infrastructure development plans <ul style="list-style-type: none"> • Infrastructure needs and infrastructure development plans completed in all project villages (month 12) • All village medium-term poverty reduction plans formulated, discussed at kecamatan (subdistrict) meetings, and endorsed by head of kecamatan (month 12) • All project investment plans finalized (month 12) • Community operation and maintenance plans finalized (month 18) 	Government: \$6.7 million <ul style="list-style-type: none"> • Community facilitation and mobilization: \$5.1 million • Project management: \$1.6 million
Rural Infrastructure Improvement	Communities (in-kind): \$5.8 million
2.1 Project management, including hiring of consultants, project reporting, and monitoring	<ul style="list-style-type: none"> • Civil works: \$5.8 million
2.2 Execution of civil works <ul style="list-style-type: none"> • About 1,650 communities trained in undertaking civil works required by the village infrastructure development plans (month 18) • Disbursements of first tranche of grants in 1,650 villages completed (month 12) • Disbursements of second tranche of grants 1,650 villages completed (month 18) • Disbursements of third tranche of grants in 1,650 villages completed (month 24) • Operation and maintenance plans completed for communities in 1,650 villages (month 24) 	
2.3 Execution of independent financial audits (months 15 and 27)	
2.4 Project completion and impact evaluation studies completed (months 27)	

PNPM Mandiri = Program Nasional Pemberdayaan Masyarakat (National Program for Community Empowerment)

I. PROJECT DESCRIPTION

A. Project Area and Location

1. The Project will implement a geographic slice of the PNPM Mandiri and cover about 1,650 rural villages in Jambi, Lampung, Riau, and South Sumatra provinces in western Indonesia (Loan Agreement [LA], Schedule 1, para.1). These four provinces are in the southern half of Sumatra Island, where the incidence of rural poverty is higher than the national average. The selection of provinces took into account the remaining areas to be covered under the PNPM Mandiri in 2009–2010, and the number of less-developed districts and presence of infrastructure-poor villages.¹

B. Objectives and Scope

2. The Project's anticipated impact is better socioeconomic conditions of rural communities in the project area, which is in line with the overall objective of the PNPM Mandiri. The Project's expected outcome is better access of the poor and near poor in these communities to basic rural infrastructure. The Project incorporates lessons from the successful implementation of the Rural Infrastructure Support Project (RISP), implemented in 2006-2008. By taking advantage of the investments that the Government has made in designing and implementing the PNPM Mandiri, the Project will use resources more efficiently and avoid duplications.

C. Project Components

3. By following the PNPM Mandiri design, the Project will provide more intensive support for community empowerment than the RISP. The Project will have two components: (i) community facilitation and mobilization, and (ii) rural infrastructure improvement (LA, Schedule 1, para. 2).

1. Community Facilitation and Mobilization

4. This component seeks to empower communities and strengthen their capacity to implement priority programs. The component will provide assistance in the following areas:

- (i) conducting an awareness campaign to familiarize community members with the PNPM Mandiri;
- (ii) conducting community facilitation that includes poverty mapping at the village level, identification of problems and needs, evaluation of community implementation capacity, and development of planning mechanisms and decision-making processes;
- (iii) helping communities establish community-based implementation organizations (CIO or *Lembaga Keswadayaan Masyarakat* [LKM]) and build their capacity;
- (iv) helping communities formulate village medium-term poverty reduction (MTPR) plans (*PJM Pronangkis*) and related annual investment plans for funding by block grants;
- (v) providing technical guidance during the implementation of activities identified in *PJM Pronangkis*; and
- (vi) helping communities formulate and implement operation and maintenance (O&M) plans to ensure sustainability of completed facilities.

¹ The State Minister of the Less Developed Regions, in Decree Number 001/KEP/M-PDT/II/2005 of 7 February 2005, defines the less-developed areas according to criteria that include economic conditions, human resources, infrastructure, financial performance, accessibility, and social conditions. Using these criteria, about 32,000 villages are classified as less developed. All 1,650 project villages are classified by the decree as less- developed villages.

5. Each participating village will establish a LKM (LA, Schedule 5, para. 8). The LKM shall be either an existing village organization (formal or informal) or a new project organization, as decided by the local village community through participatory meetings. A committee of LKM representatives will comprise five members elected or reconfirmed by the community. Overall LKM membership will be at least 40% women, and the members of the LKM representatives committee will include at least two women. The LKM shall be legalized by the village head and registered with the kecamatan head, which is a prerequisite for opening a LKM bank account.

6. Community empowerment will be promoted by social and technical community facilitators for 6 months to 1 year, depending on an individual community's capacity. Community facilitators will be engaged in teams, with each team consisting of five facilitators (three for social development and two technical) and covering about seven villages. The provincial project implementation units (PIUs) will recruit the community facilitators. About one-third of community facilitators are expected to be women. Village communities will also elect village organizers, who will assist the community facilitators. After the end of the Project, village organizers, who will have gained facilitation experience during project implementation, will be able to continue promoting the community empowerment process in project villages.

7. During the preparation and planning of community facilitation, the communities will identify village development priorities, which will be reflected in the *PJM Pronangkis* to be prepared with assistance from community facilitators. The *PJM Pronangkis* developed with project assistance will be used as inputs for the district medium-term development plans. To promote development of intervillage infrastructure, *PJM Pronangkis* will be discussed at the kecamatan community meetings, consisting of representatives of LKM from all project villages within a kecamatan. After *PJM Pronangkis* are finalized and endorsed by a kecamatan project implementation team, LKM will develop the project investment plan through community consultation, prioritizing village infrastructure activities from the *PJM Pronangkis* being financed by the Project. The district PIUs will provide technical support to LKM in finalizing project investment plans for villages (including design and costs of investments). The village project investment plan will serve as the basis for a community contract between a LKM and a district PIU. After the contract is signed, community block grant of Rp250 million can be released as scheduled (LA, Schedule 5, para. 10).

8. To improve poverty targeting, the Project will identify vulnerable and marginalized community groups, including indigenous peoples, among its beneficiaries. Because the Project will be based on community-driven development (CDD) principles, which encourage full participation of vulnerable groups in the planning and decision-making process, compliance with the ADB's *Policy on Indigenous Peoples* (1998) will be ensured in the main design and implementation mechanisms. Community organizers will receive special training on the inclusion of all community groups in community facilitation processes. Moreover, the selection criteria for infrastructure facilities include provisions to ensure that indigenous peoples and other vulnerable groups are part of the capacity building, planning, implementation, and post-implementation processes; and that they benefit proportionally from better access to rural infrastructure, training, and construction-related jobs (LA, Schedule 5, para. 14).

2. Rural Infrastructure Improvement

9. This component will provide block grants to villages to meet their infrastructure needs, as identified in their *PJM Pronangkis* and project investment plans. Infrastructure improvement and expansion may include rehabilitation or construction of new village roads and pathways, bridges and culverts, small piers, village irrigation schemes, water supply and sanitation

systems, drainage works, school and local health services buildings, and multipurpose village buildings.

10. The Project will provide the first cycle of block grant assistance to the project villages. As was the case under the RISP, the block grant allocation will be based on an average of Rp250 million (\$27,000 equivalent) per project village. In addition, district governments are willing to contribute to project implementation through their supporting programs for *PJM Pronangkis*. The participating kecamatan will receive further cycles of block grant assistance from the central Government under the later stages of the PNPM Mandiri, which will be implemented until 2015.

11. The design and implementation of community-selected infrastructure will be based on the detailed guidelines prepared for the PNPM Mandiri. Upon finalization of project investment plans, the first installment of 40% of the allocated grant will be transferred by the district treasury office directly into the LKM bank account as an advance payment. The remaining funds, subject to certification of progress by the district PIUs, will be disbursed to the community in two additional installments of 40% and 20%, at the 36% and 72% completion points of the village works, respectively. Rural infrastructure improvement works will be undertaken by the communities with technical guidance from district PIUs and project management consultants. Villagers will carry out most of the construction work, while only contracting out tasks requiring special expertise.

12. The selection of a village infrastructure facility for financing under the Project will follow PNPM Mandiri guidelines and require (i) the endorsement of a village infrastructure proposal by the LKM representative committee, including those members representing women and minority groups; (ii) proportional benefits and employment opportunities to women and minority groups; (iii) a village infrastructure focus that leads to improvement in the livelihoods of the poor or near poor; (iv) potential for immediate utilization by the poor or near poor; (v) demonstrable economic viability and financial sustainability; (vi) no negative environmental, social, or economic impacts; (vii) evaluation of alternative designs and establishment of the cost effectiveness of the proposed design; (viii) execution by communities with utilization of local labor and materials, and, to the extent possible, technology that is simple or otherwise appropriate to local conditions; and (ix) the LKM to have prepared an O&M plan. O&M will be fully implemented and partly financed by the communities, with district governments supporting certain O&M activities that are beyond the technical capacity of the communities.

13. The project activities will be undertaken by communities, largely through manual labor and using locally available and environmentally safe materials. When the necessary goods or services cannot be provided by a community, procurement should be conducted through the LKM. The activities will be small-scale and will lead to improvements in people's welfare, health, and hygiene. This will translate into environmental improvements. Given the small size of the interventions and the provision of technical and social facilitation to communities, no environmental damage is expected. Nonetheless, village proposals will be screened through appropriate checklists to review environmental implications and ensure that there are no adverse impacts. The environmental assessment and review framework is in **Appendix 1**.

14. Because CDD project activities directly benefit communities and involve community decision making and management, safeguards will be built into the community decision-making process to address issues as they arise. The Project will require limited land acquisition, will not involve any resettlement of people or relocation of houses, and will not have a significant impact

on productive land or other productive assets.² The minimal amount of land acquisition required will result primarily from voluntary contributions by project beneficiaries. A land acquisition and resettlement framework (LARF) has been prepared and will be embedded in the project operational manuals. The framework will guide land acquisition assessments for infrastructure proposals, and preparation and implementation of plans for land acquisition, including any voluntary contributions for small community-level infrastructure rehabilitation and expansion. The procedures for land acquisition and compensation, and voluntary land donations, will follow ADB's *Involuntary Resettlement Policy* (1995). The district governments and project management consultants will assist LKM in implementing land acquisition and resettlement plans to ensure that all land transaction impacts are addressed in accordance with ADB's *Involuntary Resettlement Policy*. Land acquisition assessments will be part of the review of the rural infrastructure improvement proposal and must be approved by the district-level oversight engineer, resettlement committee, and ADB before implementation. Land acquisition activities will be recorded in the village records and reviewed during project review missions. The land acquisition and resettlement framework is in **Appendix 2**.

D. Special Features

1. Poverty Targeting

15. The project villages have been selected by the PNPM Mandiri Oversight Body from a list of villages classified by the Government as less developed and that have not yet received assistance under the PNPM Mandiri. The targeting of less-developed villages and the nature of supported interventions should ensure that project benefits will largely accrue to the poor. During the initial stage of community facilitation and mobilization, the communities will undertake poverty mapping to identify the most vulnerable families in each village. The needs of those identified as poor will be prioritized in the *PJM Pronangkis*. Efforts to ensure poverty targeting in villages will be complemented by a Government initiative under the overall PNPM Mandiri umbrella, which will provide direct support to specialized, grassroots nongovernment organizations (NGOs) that work with marginalized communities. The poverty reduction and social strategy is summarized in **Appendix 3**.

2. Community Ownership

16. The Project's CDD approach will help develop a sense of ownership among the community members. The RISP and other past CDD projects, both within and outside of Indonesia, have shown that strong community ownership is often reflected in higher work quality and voluntary land contributions. Another indicator of community ownership is the better upkeep and maintenance of the infrastructure. Experience suggests that communities cannot maintain larger infrastructure. However, they are capable of maintaining smaller infrastructure, provided they have been fully involved in all stages of planning and implementation, including preparation of the O&M plans. Selection of small infrastructure projects, full community participation, and O&M planning are integral parts of the Project. These are expected to lead to a strong sense of community ownership of infrastructure and improved sustainability.

3. Good Governance and Anticorruption Measures

17. Learning from the lessons of the financial crisis, Indonesia embarked on a wide-ranging governance reform program. Decentralization, public administration and financial reform,

² ADB. 2006. *Operations Manual*. Section F2/BP: Involuntary Resettlement. Manila (25 September), para. 5, footnote 12 defines significant impact as physical displacement and/or loss of 10% or more of productive assets.

reallocation of government power, and judicial reform are just a few of the many sweeping governance reforms. Despite these efforts and some improvement, Indonesia is ranked 143 of 179 countries on Transparency International's Corruption Perception's Index.³

18. Therefore, good governance has been central to the Project. A recent country assistance program evaluation⁴ recommended that governance be mainstreamed in ADB operations of this type by involving local governments and communities in project planning, implementation, and monitoring. This has been achieved through the CDD approach, with the communities participating in all stages of infrastructure rehabilitation and expansion. The CDD approach has provided self-governing checks and balances that mitigate corruption in the delivery of various types of small infrastructure facilities. Administration in villages has demonstrated the transparency that is sometimes lacking at higher government levels. The Project will promote good governance through (i) transparent, consistent, and cost-effective planning and implementation on the basis of well-defined procedures, guidelines, and institutional arrangements; (ii) the establishment of well-defined procedures and mechanism to transfer investment funds to LKM-managed bank accounts; and (iii) comprehensive monitoring and evaluation (M&E) that allows for an independent assessment of the village investment outputs compared to the project targets. The audit of project accounts and financial statements for the recently implemented RISP shows very good governance in project implementation. This confirms that transparent project administration exists in villages because of the presence of several self-governing checks and balances that mitigate corruption.

19. Corruption allegations against the World Bank's Kecamatan Development Programs (KDPs) from all sources—government and independent professional auditors, NGOs, journalists, villagers, and project staff—are recorded in a master database that forms the basis for quantitative measurement of performance. The number of corruption complaints in 2006 totaled 1,425, with a combined estimated value of \$650,000. Given that KDPs disbursed more than \$170 million over the same period, the alleged corruption rate was only 0.4%. Cumulative records over the 8-year life of this \$1.4 billion program showed about \$2.0 million in corruption-related losses, or only 0.14% of total program costs. In addition, 40% of the missing funds were recovered. Although the mechanisms for measuring corruption rates are highly imprecise, the general picture is one of efficient delivery of development funds to villages.

20. Since the introduction of the PNPM Mandiri concept in September 2006, extensive stakeholder consultations have taken place. Development partners, international and national experts, and civil society organizations have contributed to the design and scope of the PNPM Mandiri. The consultations, which were held throughout the country, involved provincial and district parliaments and governments, as well as poor and vulnerable community groups. As a part of the PNPM Mandiri, the Project will benefit from its dissemination activities. At the village level, the communities will make their plans, budgets, and financial records available to the public. Summaries of the plans, progress reports, and financial records will be posted on signboards within the villages. At the project level, the Government and ADB will disclose the project-related information in accordance with ADB's *Public Communications Policy* (2005). The executing agency (EA) will develop a website for the Project with relevant information. The handling of community complaints will follow the PNPM Mandiri's *Implementation Guidelines on Management of Complaints and Grievances*, which meet ADB's requirements on complaint and grievance mechanisms (**Appendix 4**).

³ Transparency International. 2007. Annual Report 2007. Berlin.

⁴ ADB. 2006. *Country Assistance Program Evaluation for Indonesia*. Manila.

II. COST ESTIMATES AND FINANCING PLAN

A. Project Investment Plan

21. The Project is estimated to cost the equivalent of \$62.5 million, including taxes and duties equivalent to \$0.3 million. The total cost includes physical and price contingencies, and interest and other charges during implementation. The detailed cost estimates are presented in Tables 1 and 2 below.

Table 1: Project Investment Plan
(\$ million)

Item	Amounts
A. Base Cost^a	
1. Community Facilitation and Mobilization	6.86
2. Rural Infrastructure Improvement	54.18
Subtotal (A)	61.04
B. Contingencies^b	0.86
C. Financing Charges During Implementation^c	0.60
Total (A+B+C)	62.50

^a In 2008 prices.

^b Physical contingencies are computed at 5% for non-civil works costs. Price contingencies are estimated at price escalation factors of 6.5% in 2009 and 5.5% in 2010.

^c Includes interest charges.

Table 2: Detailed Cost Estimates by Expenditure Category
(\$ million)

Item	Total Cost	% of Total Base Cost
A. Investment Costs^a		
1. Civil Works	51.77	85
2. Consulting Services	2.51	4
3. Community Mobilization	4.85	8
4. Audit, Studies, and Surveys	0.40	1
Total (A)	59.53	98
B. Recurrent Costs		
1. Project Management ^b	1.51	2
Total (B)	1.51	2
Total Base Costs	61.04	100
Physical Contingencies ^c	0.46	1
Price Contingencies ^d	0.40	1
Total Project Costs	61.90	101
Interest During Implementation	0.60	1
Total Costs to be Financed	62.50	102
Taxes and Duties	0.30	

^a In June 2008 prices.

^b Project management will entail operation of a national project coordination and monitoring unit and provincial and district project implementation units.

^c Physical contingencies computed at 5% for non-civil works costs.

^d Estimated at price escalation factors 6.5% in 2009 and 5.5% in 2010.

B. Financing Plan

22. The Government has requested that ADB provide a loan equivalent to \$50.0 million from its Special Funds resources to help finance the Project. The loan will have a 32-year term, including a grace period of 8 years, an annual interest charge of 1.0% during the grace period and 1.5% thereafter. The loan will finance about 80% of the total project cost. The remaining balance, equivalent to \$12.5 million, will be funded by the Government (\$6.7 million for community facilitation, project management, and program coordination) and project beneficiaries (\$5.8 million through in-kind contributions to project implementation). In addition, participating districts' governments are willing to contribute to project implementation through their parallel supporting infrastructure programs. The financing plan is presented in Tables 3 and 4 below.

Table 3: Financing Plan (\$ million)

Source	Total	%
Asian Development Bank	50.0	80.0
Central Government	6.7	10.7
Beneficiaries	5.8	9.3
Total	62.5	100.00

Table 4: Detailed Cost Estimates by Financiers (\$ million)

Item	Cost ^a	ADB		Government		Beneficiaries	
		\$ ^b	%	\$	%	\$	%
Civil Works	51.78	45.95	89.0			5.83	11.0
Consulting Services	2.63	2.63	100.0				
Audit, Studies, and Surveys	0.42	0.42	100.0				
Interest	0.60	0.60	100.0				
Unallocated	0.40	0.40	100.0				
Community Mobilization	5.09			5.09	100.0		
Project Management	1.58			1.58	100.0		
Total	62.50	50.00	80.0	6.67	10.7	5.83	9.3

^a Inclusive of physical contingencies. ^b Amount of ADB loan proceeds allocated to the cost category.

C. Allocation of Loan Proceeds

23. The allocation of loan proceeds is summarized in the Table 5 below. The details include withdrawal percentages of ADB financing as found in Attachment to Schedule 3 of the Loan Agreement is shown in Table 3 below (Attachment to Schedule 3, LA).

Table 5: Allocation and Withdrawal of Loan Proceeds
(SDR)

Category			ADB Financing Percentage and Basis for Withdrawal from the Loan Account
No.	Item	Amount Allocated	
1	Civil Works	29,267,000	100 percent of total expenditure*
2	Consulting Services	1,675,000	100 percent of total expenditure*
3	Audit, Surveys and Studies	268,000	100 percent of total expenditure*
4	Interest charge	382,000	100 percent of the amount due
5	Unallocated	255,000	
	Total	31,847,000	

* Exclusive of taxes and duties imposed within the territory of the Borrower.

III. IMPLEMENTATION ARRANGEMENTS

A. Executing and Implementing Agencies

24. The Ministry of Public Works through its Directorate General of Human Settlements will be the Executing Agency for the Project (LA, Schedule 5, para.1). The Project will be implemented over a period of 2 years as part of the PNPM Mandiri (LA, Schedule 1, para. 3). It will use the existing implementation mechanisms that are in place for that program (LA, Schedule 5, para. 2). The project coordination and monitoring unit at the national level will be responsible for the management, coordination, and monitoring of project activities. The existing provincial- and district-level project implementation units will be responsible for providing social and technical facilitation to the communities in undertaking the infrastructure rehabilitation and improvement activities. The PNPM Mandiri Oversight Body will provide policy directives, guidance, monitoring, and managerial oversight.

B. Project Management Organization

1. Project Management and Coordination

25. Since the Project will be implemented as part of the PNPM Mandiri, it will use the implementation mechanisms that are already in place. The PNPM Mandiri Oversight Body, chaired by the coordinating minister for social welfare, comprises the ministers for the National Development Planning Agency (BAPPENAS), State Ministry of Less Developed Regions, Ministry of Finance, Ministry of Home Affairs, MPW, and Ministry of Social Development (LA, Schedule 5, para. 3). Provincial and district project coordination teams also have multiagency steering committees formed by the respective governors and district heads (LA, Schedule 5, para. 5). These regional committees have coordination and monitoring functions similar to those of the oversight body. Chaired by the head of the regional planning and development agency, they comprise heads of the relevant sector agencies and representatives from local organizations.

26. A project coordination and monitoring unit (PCMU) has been established by the EA at the national level (LA, Schedule 5, para. 4). The PCMU will be responsible for the management, coordination, and monitoring of all project activities. The Project will utilize the PIUs established at the national, provincial, and district levels under the respective PNPM Mandiri coordination teams (LA, Schedule 5, paras. 5, 6 and 7). The national and provincial PIUs will support both the Project and the other components of the PNPM Mandiri. Project management consultants will assist the work of national, provincial, and district PIUs. Kecamatan project implementation teams, comprising the head of the kecamatan and technical staff from the district PIU, will be established to help communities formulate village MTPR and project investment plans.

27. The LKM will be responsible for (i) identifying social and infrastructure constraints in the village, (ii) preparing a village infrastructure proposal based on *PJM Pronangkis*, (iii) opening a bank account and entering into a contract for works with the district PIU, (iv) implementing the approved village proposal, (v) monitoring construction works and reporting progress to the district PIU using the project performance management system, (vi) preparing invoices and cash management, (vii) holding weekly meetings with the community and providing copies of daily records on information boards to report physical and financial progress, and (viii) maintaining a complaints system.

28. Each LKM will establish a management team for construction and O&M, which will comprise community and village organization representatives, excluding the village head, with

village infrastructure expertise (LA, Schedule 5, para. 9). The team will supervise infrastructure construction activities and infrastructure management programs (including O&M). Community facilitators will assist the LKM and village organizers in coordinating with the kecamatan project implementation team, as well as in planning, selection, design, and implementation of the project activities.

29. The Project's organizational structure is in **Appendix 5**.

IV. IMPLEMENTATION SCHEDULE

30. The Project is expected to be implemented over 2 years, beginning in the first quarter of 2009 and finishing by the end of 2010. The project implementation schedule is in **Appendix 6**.

V. CONSULTANT RECRUITMENT

31. The Project will require an estimated 960 person-months of national consulting services, which is higher than the 702 person-months required for the RISP because of the additional support for community empowerment. The consulting services will be provided at the national, provincial, and district level. Nationally, a team of consultants will assist the PCMU. The three regional teams will cover the following provinces: (i) Lampung, (ii) South Sumatra, and (iii) Jambi and Riau. Each regional team will consist of five provincial level experts: (i) the project manager, (ii) financial management specialist, (iii) social development and social safeguard expert (who will also handle complaints), (iv) rural infrastructure specialist, and (v) environmental safeguard specialist. Each regional team will also have 3–4 district teams with similar composition to the provincial team; each district team will cover about four districts. The consultants will assist the central, provincial, and district governments in (i) overseeing community facilitators in empowering communities, (ii) providing technical and managerial support to the PCMU and PIUs, (iii) following sound financial management, (iv) implementing a complaint-handling mechanism, and (v) implementing a project performance management system, which is a part of the M&E framework for the PNPM Mandiri. The consultants will also assist the district and provincial PIUs with preparing quarterly financial monitoring reports, and environmental and social safeguard screening.

32. The project management consultants will be recruited through national firms in accordance with ADB's *Guidelines on the Use of Consultants* (2007, as amended from time to time) and other arrangements satisfactory to ADB for engaging national consultants. The fixed budget selection method, which requires submitting a simplified technical proposal within 35 days, will be used (para. 5, Schedule 4, LA). The fixed budget selection method is justified to ensure recruitment of highly competent consulting firms with the required mix of specialties, the demand for which has increased considerably due to the PNPM Mandiri. The terms of reference of project management consultants will follow the format and contents of those developed under the PNPM Mandiri. The details on composition and terms of references of consulting services are in **Appendix 7**. The Government requested advance action for recruitment of consultants to minimize delays in project implementation. ADB has approved advance recruitment and informed the Government that this would not commit ADB to financing the consultants. The Least-Cost Selection (LCS) method is used for selecting consultants for assignments of less than \$100,000.

33. The provincial PIUs will recruit community facilitators to provide about 14,000 person-months of services. As they will be financed by counterpart funds, Government procedures will be followed. The trainers for community facilitators can be drawn from the existing pool of social and technical experts, civil society organizations, and academia. To expedite project start-up,

these trainers have been engaged through utilization of a part of the loan surplus under the RISP.

VI. PROCUREMENT

34. All procurement to be financed by the ADB loan will be carried out in accordance with ADB's *Procurement Guidelines* (2007, as amended from time to time). Civil works for rural infrastructure rehabilitation and expansion will be contracted out to the communities based on an agreement signed between a LKM and a district PIU, and in accordance with the agreed procedures for community participation set out in the Procurement Plan. (LA, Schedule 4, para. 3). Community contracts will follow the standard format of the community contracts under the overall PNPM Mandiri, and will include evidence of community facilitation, the design of village infrastructure facilities to be improved under the contract, and a community O&M plan for these facilities. The first two community contracts in each participating province will be submitted to ADB for prior approval (LA, Schedule 4, para. 8). The project Procurement Plan is in **Appendix 8**.

VII. DISBURSEMENT PROCEDURES

35. The Project is classified by the Government as a national project, which means the central Government will provide the loan proceeds directly to participating communities. In accordance with the Government Regulation on Financial Management and Responsibility in the Implementation of De-concentration and Co-administration (PP No. 7/2008), the Project will be financed by the central Government budget.

36. The loan proceeds will be disbursed in accordance with ADB's *Loan Disbursement Handbook* (2007, as amended from time to time) (LA, Schedule 3, para. 5). Based on the successful completion and quick disbursement of the RISP, the adoption of the same funds flow mechanism is recommended. Its main feature is a simple funds flow arrangement with direct transfer from the project imprest account to the LKM account. Given that the Project aims to reduce poverty, the main thrust of the anticorruption agenda will be to ensure that the village communities receive the funds directly with minimal delay and no leaks. The Project will use direct payments and imprest account procedures. Direct payment procedures will be used for payments exceeding \$100,000. All other payments will be channeled through the imprest account to increase flexibility in project disbursement.

37. Based on the RISP experience, the majority of loan proceeds will be disbursed through the imprest account to be established at the Bank of Indonesia. Project expenditures during the first 6 months of implementation, consisting of the first tranche of community grants in all 1,650 villages, are estimated at about \$18 million. The initial imprest advance of \$10 million for the RISP was inadequate, given its rapid disbursements.⁵ Considering the good governance demonstrated during RISP implementation and the Project's utilization of implementation arrangements already in place for the PNPM Mandiri, a higher imprest ceiling is justified. The initial amount to be deposited into the imprest account will not exceed \$18 million or the estimated expenditures for the first 6 months, whichever is lower [LA, Schedule 3, para. 6(a)]. Reimbursement of eligible expenditures and liquidation of advances will be carried out under the statement of expenditure procedure, for which the limit will be \$100,000 per individual payment

⁵ Originally, the Project was approved with the ceiling of the initial imprest account at \$5 million, which was much lower than the estimated project expenditures within the first 6 months (\$15 million). Subsequently, the ceiling was increased to \$10 million, which helped the project disbursement but still created challenges in project implementation (e.g., facilitating quick replenishment of the imprest account).

[LA, Schedule 3, para 6(b)]. The imprest account will be established, managed, replenished, and liquidated in accordance with ADB's *Loan Disbursement Handbook*.

38. Sufficient supporting documentation, as defined in ADB's *Loan Disbursement Handbook*, will be kept at each level of project management to substantiate all expenditures incurred from the loan proceeds. Concerned DGHS and regional government staff will be trained in ADB's disbursement procedures. The Project's funds flow mechanism and detailed disbursement procedures are in **Appendix 9**.

VIII. PROJECT MONITORING AND EVALUATION

A. Project Performance Monitoring and Evaluation

39. The Project will be part of the overall M&E framework for the PNPM Mandiri, with established performance indicators and targets. (PNPM Mandiri's *Guidelines on Implementation of Monitoring and Evaluation* are in **Appendix 10**). M&E will encompass the following elements: (i) monitoring physical and financial progress, as well as the efficacy and efficiency in rural infrastructure implementation; (ii) monitoring the level and adequacy of community participation of various stakeholders in planning and implementing project activities; (iii) monitoring the capacity of LKM and local governments; (iv) collecting gender-disaggregated data on stakeholders' participation in training and planning, and the accrual of benefits including employment generation; and (v) monitoring social, environmental, and economic impacts. The M&E framework for the PNPM Mandiri has built upon the last 8 years of M&E work on CDD in Indonesia and other similar programs in the world. The framework has employed quantitative and qualitative methodologies, as well as a mix of internal and outsourced evaluations. The M&E guidelines describe the responsibilities of all stakeholders (including central and local governments, community facilitators, consultants, LKM, and NGOs) in carrying out M&E, and require a mixture of strong supervision and quality checks through internal project channels and external M&E. The DGHS will prepare a project evaluation report based on the results of nationwide surveys for the PNPM Mandiri and other project-specific surveys.

40. The project performance management system will follow the PNPM Mandiri's *Guidelines on Implementation of Management Information System* (**Appendix 11**) and will be part of the program management information system (MIS), which is an integral part of the overall M&E. The MIS for the PNPM Mandiri will be managed by the Data and Information Center of BAPPENAS, and will be connected to the information systems of all programs under the umbrella of the PNPM Mandiri. The PNPM Mandiri's MIS includes validation and verification processes to ensure the quality of data and information. Inputs from sector program systems are submitted to the national level and data is updated monthly. M&E findings are updated on the PNPM Mandiri website on the 15th day of every month, and will be incorporated in quarterly project progress reports that the PCMU will prepare within 1 month of the end of the reporting period and submit to ADB and the PNPM Mandiri Oversight Body. The PCMU will also prepare and submit a consolidated project completion report to ADB within 6 months of project completion.

B. Project Review

41. ADB will carry out regular loan reviews, including midterm and project completion reviews. The reviews will assess project impacts, particularly the institutional, administrative, organizational, technical, environmental, and social aspects. The reviews will also examine compliance with covenants specified in the Loan Agreement. The midterm review will be

conducted after 1 year of project implementation. DGHS and regional governments will make sure that their staff visit the field frequently and join ADB for all project review missions.

IX. REPORTING REQUIREMENTS

42. DGHS, through PCMU, will submit to NSC and ADB, within four (4) weeks of the end of each calendar quarter period, consolidated progress reports in a form agreed upon by the Borrower and ADB. Such report shall include the ongoing findings of the MIS, as described also in para. 40 above. The quarterly progress reports will consider the logical framework (Design and Monitoring Framework) when outlining the report format. Graphical presentation may be used, where appropriate. State achievements during the period, and list problems with time-bound actions by whom and when. The suggested format and content of the EA progress reports is provided in **Appendix 12**.

X. AUDITING REQUIREMENTS

43. DGHS, regional governments, and other agencies involved in project implementation will prepare and maintain separate records and accounts for the Project. They will register all receipts and payments for the Project in accordance with sound accounting principles and procedures. The LKM will maintain accounts in the format specified by the project guidelines, and their books and records will be open to the public. The summary of expenditures will be posted on a signboard in the village to inform the public. Annual project accounts will be prepared by an independent auditor acceptable to ADB, based on sound and acceptable accounting principles. Audited project accounts, audited financial statements, and the audit opinion will be submitted to ADB within 6 months of the end of the financial year and at project completion. A separate audit opinion on the use of the imprest account and statement of expenditure procedures will be included in the annual audit report. A formal warning will be issued for accounts more than 6 months overdue, and disbursements will be suspended for accounts that are 12 months overdue. The financial statements and the auditor's report will be in English. In case of any specific complaints, DGHS will contract an independent auditor, using project funds, to audit the accounts at the community and other relevant implementation levels.

XI. MAJOR LOAN COVENANTS

44. In addition to the standard assurances, the Government and DGHS have given the following assurances, which are incorporated in the legal documents:

- (i) The loan and corresponding counterpart contribution, necessary to finance the project activities, will be made available on time throughout the project implementation period by earmarking the funds.
- (ii) The Government will ensure smooth flow of funds in accordance with the flow of funds mechanism agreed upon by the Government and ADB.
- (iii) The rehabilitation and expansion works will be reviewed and assessed for environmental impacts in accordance with the Project's environmental assessment and review framework. The Government will ensure that implementation of the project activities are in accordance with the applicable local environmental laws and regulations and ADB's *Environment Policy* (2002).
- (iv) The selection of rehabilitation and expansion works for implementation under the Project will follow the PNPM Mandiri guidelines, which ensure that indigenous people equally benefit from the Project. The Government will ensure that all land acquisition and resettlement activities under the Project are implemented in

accordance with applicable local laws and regulations, ADB's *Involuntary Resettlement Policy* (1995), and the Project's LARF.

- (v) No disbursement will be made for infrastructure rehabilitation and expansion unless the works are based on an approved village MTPR plan and a signed contract between the CIO and the district PIU.
- (vi) Each participating village will establish a separate bank account for village-level activities funded by the Project. Funds will be transferred to CIO account in tranches of 40%, 40%, and 20% of the amount approved for the infrastructure improvement proposal based upon verification of actual implementation progress by the relevant district PIU.
- (vii) Within 9 months following the loan effective date, DGHS will create a project website to disclose information about relevant matters on the Project, including detailed account of procurement.
- (viii) The proportion of women participants will be maintained at not less than 40% in training programs at village level, and at not less than 40% in the representative committees and 30% for community facilitators. The Government will ensure that the Project's Gender Action Plan will be implemented and monitored (**Appendix 13**).

45. **Appendix 14** summarizing particular loan covenants shall be updated and submitted as part of the quarterly progress reports.

XII. ANTICORRUPTION

46. The Borrower was advised of ADB's *Anticorruption Policy* (1998, as amended to date) and the *Combating Money Laundering and the Financing of Terrorism Policy* (2003). Consistent with its commitment to good governance, accountability and transparency, ADB will require the Borrower to institute, maintain and comply with internal procedures and controls following international best practice standards for the purpose of preventing corruption or money laundering activities or the financing of terrorism and covenant with ADB to refrain from engaging in such activities. The loan documentation between ADB and the Borrower will further allow ADB to investigate any violation or potential violation of these undertakings.

47. In accordance with PNPM Mandiri's *Implementation Guidelines on Management of Complaints and Grievances* (**Appendix 4**), the EA will establish a project complaint and problem management unit, which will coordinate with the PNPM Mandiri complaint and problem management unit established under the secretariat to the PNPM Mandiri Oversight Body, to (i) review and address grievances of project stakeholders in relation to either the Project, any of the service providers, or any person responsible for carrying out the Project; and (ii) set the threshold criteria and procedures for handling such grievances, responding to them, and notifying stakeholders regarding the chosen mechanism.

48. In accordance with the ADB's anticorruption policy, anyone coming across evidence of corruption associated with the project must contact ADB's Office of the General Auditor (which will investigate such allegations). Copy of ADB's Anticorruption Policy is in **Appendix 15**.

XIII. KEY PERSONS INVOLVED IN THE PROJECT

49. Below are names, positions, and addresses, including e-mail, telephone, and facsimile numbers, of the key personnel of the borrowers, EA, implementing agency, and ADB. This list should be updated promptly when changes occur.

A. Ministry of Finance

Name	Position/Office	Telephone No./ Fax No.	E-Mail
Mr. Rahmat Waluyanto	DG of Debt Management	3500841/3846635	
Mr. Maurin Sitorus	Director of Funds	3458289/3812859	maurin.s@depkeu.go.id

B. Coordinating Ministry for Social Welfare

Name	Position/Office	Telephone No./ Fax No.	E-Mail
Mr. Sujana Royat	Deputy Minister for Poverty Alleviation	3459077	
Mr. Tono Supranoto Samhudin	Deputy Assistant for Community and Regional Empowerment	3459077	nnoshamhudin@ yahoo.co.id

C. National Development Planning Agency (BAPPENAS)

Name	Position/Office	Telephone No./ Fax No.	E-Mail
Mr. Dewo Broto Joko Putranto	Director of Multilateral Financing	3160159/31934203	dewobjp@ bappenas.go.id
Ms. Endah Murniningtyas	Director of Poverty Reduction	3915227/3925595	indah@bappenas.go.id
Mr. Budi Hidayat	Director of Settlements and Housing		
Ms. Teni Widuriyanti	Head of Sub-directorate of Multilateral Financing	3160159/31934203	twiduriyanti@ bappenas.go.id
Ms. Vivi Yulaswati	Head of Sub-directorate of Poverty Program Develop.	3915227/3925595	viviylulaswati@ bappenas.go.id

D. Ministry of Public Works

Name	Position/Office	Telephone No./ Fax No.	E-Mail
Mr. Budi Yuwono	DG of Human Settlements	72796158/ 72796155	
Mr. Danny Sutjiono	Director of Planning and Programming, DGHS	72796581/ 72799231	danny_sutjiono@ pu.go.id
Mr. Panani Kesai	Head of Sub-Directorate for Program and Budget, DGHS	72796585	pananikesai@yahoo. com

E. Asian Development Bank

Name	Position/Office	Telephone No./ Fax No.	E-Mail
Mr. James A. Nugent	Country Director, IRM	2512721/2512749	
Mr. Wolfgang Kubitzki	Senior Portfolio Management Specialist	2512721/2512749	wkubitzki@adb.org
Ms. P.P. Wardani	Senior Project Officer	2512721/2512749	pwardani@adb.org

APPENDIXES

1. Environmental Assessment and Review Framework
2. Land Acquisition and Resettlement Framework
3. Summary Poverty Reduction and Social Strategy
4. PNPM Mandiri's Implementation Guidelines on Management of Complaints and Grievances
5. Chart of Project Organization
6. Project Implementation Schedule
7. Outline Terms of Reference for Consulting Services
8. Procurement Plan
9. Funds Flow Mechanism
10. PNPM Mandiri's Guidelines on Implementation of Monitoring and Evaluation
11. PNPM Mandiri's Guidelines on Implementation of Management Information System
12. Sample EA's Progress Report
13. Summary Gender Action Plan
14. Summary of Loan Covenants
15. Copy of ADB's Anticorruption Policy

ENVIRONMENTAL ASSESSMENT AND REVIEW FRAMEWORK

ENVIRONMENTAL ASSESSMENT AND REVIEW FRAMEWORK

A. Introduction

1. The Rural Infrastructure Support to PNPM Mandiri (the Project) will support the implementation of the ongoing National Program for Community Empowerment (PNPM).¹ The PNPM Mandiri adopts a community-driven development approach, of which funds are directly channeled to community groups and community participants prioritize their development needs, control resources and implement rural infrastructure projects. The Project aims to improve the socioeconomic conditions of the rural communities in the project area through improved access and quality of rural infrastructure. The Project will adopt a sector modality to identify and implement subprojects in about 1,600 rural villages in the four provinces during the implementation period of two years (first quarter of 2009-end of 2010).

2. The Project is categorized as environmental category B. The initial environmental examination (IEE) for the project as a whole was prepared to show potential impacts associated with the small-scale rural infrastructure. Since locations and types of infrastructure interventions will be identified based on the village participatory planning process during the implementation, the IEE is based on the: (i) review of the selected rural infrastructure completed under Rural Infrastructure Sector Project (RISP);² (ii) review of the selected rural infrastructure completed under the World Bank's Third Kecamatan Development Project; (iii) site visit to selected villages that can be included under the Project; (iv) discussion with provincial and district government officials from respective planning, public works and environmental agencies, and community implementation organizations (CIOs) and villagers; and (v) review of the relevant documents related to PNPM Mandiri program including the World Bank's evaluation report.

3. Based on the review of the rural infrastructure interventions implemented under RISP and discussion with relevant government and CIOs, this EARF has been prepared to guide the environmental assessment process to screen rural infrastructure interventions, set up institutional arrangements in relation to environmental management and monitoring, and define environmental assessment requirements in accordance with the existing procedures are adequate to comply with the applicable laws and regulations of the Government and with ADB's environment policy and *Environmental Assessment Guidelines*.

B. Overview of Type of Subprojects to be Assessed

4. The Project will comprise two components: (i) community facilitation and mobilization; and (ii) rural infrastructure improvement. **Table 1** summarizes the overall infrastructure interventions. Infrastructure facilities improved and expanded under the RISP have been small, with their cost typically ranging between \$1,000 and \$5,000. Most of the work was carried out by the communities themselves. The majority of infrastructure interventions was rehabilitation of existing roads. Types and scale of infrastructure interventions will be similar to those being implemented under RISP and most of the interventions are likely to be rehabilitation or upgrade

¹ The PNPM Mandiri was launched by the Government in 2007. The PNPM builds upon Indonesia's accumulated experience with community-driven development programs and focus on improving local governance and service delivery at the sub-district and village level by encouraging participatory planning and providing block grants generally used for rural roads, improving water and sanitation facilities, and developing education and health services.

² The Rural Infrastructure Support Project has been implementing the similar community-based rural infrastructure in the four provinces since 2006 through providing a block grant.

of existing roads. The IEE was carried out mainly for the second component while environmental consideration was incorporated in the first component.

Table 1: Summary of Rural Infrastructure Interventions

Component 1: community facilitation and mobilization	<ul style="list-style-type: none"> • conduct awareness campaign to familiarize the community members with the PNPM Mandiri; • conduct community facilitation that includes poverty mapping at the village level, identification of problems and needs, evaluation of community implementation capacity, and development of planning mechanisms and decision making process; • assist in establishment and capacity building of CIOs; (iv) assist communities in formulation of village MTPR plans and related annual investment plans for funding by block grants; • assist in further prioritization of village MTPR plans at the <i>kecamatan</i> level; (vi) provide technical guidance during the implementation of the activities identified in village MTPR plans; and • assist communities in formulation and implementation of O&M plans to ensure sustainability of completed facilities. 	
Component 2: rural infrastructure improvement: irrigation schemes	Roads, Bridges and pathways	<ul style="list-style-type: none"> • Rehabilitation or upgrade of rural roads (1.5km and 3m width in average, earth to gravel or gravel to asphalt and bridges); • New construction of footpath or pathways for pedestrians and motorcycles; • Rehabilitation or construction of drains along the existing roads
	Water supply and sanitation	<ul style="list-style-type: none"> • Rehabilitation or upgrade of existing water supply systems • Construction of new wells (mainly shallow wells); • Construction of toilets with septic tanks
	Irrigation	<ul style="list-style-type: none"> • Rehabilitation or upgrade of existing village irrigation canals, embankment and or its retaining walls • Construction of new village canals,
	Other	<ul style="list-style-type: none"> • Rehabilitation of village schools, health facilities, clinics and other village communal centers

C. Country's Environmental Assessment and Review Procedures

5. Indonesia has its own environmental impact management system for development projects, *Analisa Mengenai Dampak Lingkungan* (AMDAL), which describes coverage of facilities and activities under the Government's environmental impact assessment system and the procedural steps and compliance requirements. The relevant environmental assessment regulations include:

- Environmental Management Law (Law No. 23/1997)
- Government Regulation No.27/1999 requires actions to implement EIA
- Minister of Environment Decree No.8/2006 (EIA procedures)
- Minister of Environment Decree No.11/2006 (list of projects requiring EIA)
- Minister of Environment Decree No.40/2000 (EIA approval authority)
- Head of Environment Agency (*Badan Pengendalian Dampak Lingkungan*, BAPEDAL) Order No.8/2000 (public involvements and information disclosures)

6. The Ministry of Environment is responsible for EIA. Under AMDAL system, each individual scheme must be screened for coverage and compliance. An investment project is categorized into one of three types: (i) project requiring an Environmental Impact Assessment Report (*Analisis Dampak Lingkungan*, ANDAL); (ii) project requiring Environmental Management Effort (*Upaya Pengelolaan Lingkungan*, UKL) and Environmental Monitoring Effort (*Upaya Pemantauan Lingkungan*, UPL); and (iii) projects that do not require ANDAL or UKL/UPL. The Decree No. 11/2006 lists types of investment activities (sector specific thresholds)

which require a preparation of EIA. Investment activities below the thresholds will be assessed by responsible district governments in charge of environment to determine an appropriate environmental category. **Attachment 1** shows the environmental screening process.

7. The Decree No.11/2006 lists an extensive list of screening and sector-specific criteria for investment projects requiring EIA. The main gap between the AMDAL system and ADB's environmental assessment requirements is in two areas: (i) the format of ANDAL (EIA) does not include analysis of alternatives; and (ii) public consultation is not included in the formats for ANDAL and UKL/UPL. Implementation capacity of AMDAL system at the local level varies. The World Bank has been providing support to *AMDAL Revitalisation* through policy-oriented research focusing on adapting existing environmental regulatory regimes to the changed circumstances of decentralization.

8. **Attachment 2** shows the environmental screening process. In accordance with the AMDAL system, none of the individual infrastructure interventions implemented so far under the RISP or PNPM Mandiri have required UKL/UPL (equivalent to ADB's IEE) because: (i) village infrastructure interventions are small scale; and (ii) screening criteria exclude any infrastructure interventions located within or next to the environmentally sensitive areas. Since the proposed Project will support the implementation of the on-going PNPM Mandiri, any of the small scale infrastructure interventions are not likely to require a preparation of UKL/UPL.

9. Environmental safeguard measures were taken into considerations in the existing PNPM guidelines as part of the harmonized approaches among donors to support the PNPM Mandiri in order to comply with their respective safeguard policies.³ The restriction list developed under the PNPM Mandiri covers environmentally sensitive locations and restricted activities that are not eligible for funding. Under the national program, several implementation guidelines such as management of complaints and problems, community construction, village operation manuals, and technical guidelines have been developed. The Environmental screening checklists adopted under RISP have been revised to improve the environmental screening and assessment documentation and ensure any activities and locations listed in the restriction list will be excluded.

D. Specific Procedures to be used for Village Infrastructure Proposals under the Project

1. Responsibilities and Authorities

10. Since the Project will be implemented as part of PNPM Mandiri, it will use the existing implementation mechanisms that are in place for that program. The Ministry of Public Works through Directorate General of Human Settlements (DGHS) will be the Executing Agency (EA) for the Project. The EA will establish a project coordination and monitoring unit (PCMU) at the national level. The PCMU will be responsible for the management, coordination, and monitoring of project activities. The Project will utilize the existing Provincial Implementation Units (PIUs) established at the national, provincial, and district levels under the respective PNPM Mandiri coordination teams. Each participating village will establish a Community Implementation Organization (CIO) which will have a legal status. Each CIO will create or utilize its existing

³ The existing PNPM guidelines have been developed with assistance of Decentralization Support Facility, members of which, among others are the World Bank, ADB, DFID, AusAID, USAID, CIDA and other bilateral agencies in order to have a standardized approach that is in lien with its respective policies requirements. The Guidelines adopted the World Bank's KDP as a base but incorporated lessons from other projects including the RISP.

organization structure and assign staff to manage project including environmental aspects. A team of five community facilitators (three social development and two technical) will be assisting about seven villages. District government units for public works, environment and health also have responsibility to ensure that any infrastructure investments proposed by CIOs will comply with relevant national and provincial regulations.

11. Each participating CIO will identify development needs and will present as part of the village MTPR plan to the kecamatan forums, where development needs will be prioritized by the representatives of all villages based on the kecamatan development priorities (e.g., development of inter-village roads and water supply schemes), efficiency considerations and eligibility criteria. A team of 5 community facilitators will play a key role in assisting each CIO in ensuring that environmental considerations are incorporated in the identification and implementation of development needs. **Table 2** shows specific environmental responsibilities:

Table 2: Main Environmental Responsibilities

Institutions		Responsibilities
National	Ministry of Public Works (EA, PCMU)	<ul style="list-style-type: none"> Overall coordination, supervision, monitoring Preparation and submission of consolidated quarterly progress reports and evaluation reports
Provincial	Public Works	<ul style="list-style-type: none"> Steering committee member responsible for coordination and oversight of districts activities including environmental safeguard
	Environment	<ul style="list-style-type: none"> Steering committee member responsible for overall coordination and oversight of districts activities to ensure that overall environmental management are taken into considerations
District	Public Works (PIUs)	<ul style="list-style-type: none"> Provide overall coordination, supervision, monitoring and approval of village proposals including environmental checklists Prepare quarter progress reports including environmental Provide technical support to commune facilitators and CIOs
	Environmental	<ul style="list-style-type: none"> Provide guidance on environmental checklists and Coordinate with community facilitators to conduct site visits if necessary to validate the screening/assessment results Review the engineering design and environmental checklists and provide permit for construction of a deep well Conduct random checking during construction and after completion to inspect environmental procedures and impacts.
	Health	<ul style="list-style-type: none"> Test collected water quality samples to determine if collected water sources meet the drinking water standards
Subdistrict	Subdistrict government	<ul style="list-style-type: none"> Organize a meeting to ensure that village proposals will meet the kecamatan development priorities.
Village	Community Implementation Organization (CIO)	<ul style="list-style-type: none"> Responsible for establishing implementation units within a CIO Responsible for conducting environmental checklists assisted by community facilitators and developing O&M Responsible for monitoring construction activities and conducting inspection for completed interventions. Disclose on the village board village proposals and contracts including environmental checklists Responsible for taking any negative feedback related site, construction and operation from other village members and organizing meetings to solve problems with assistance by facilitators; Responsible for reporting environmental monitoring to PIUs

2. Environmental Criteria for Village Infrastructure Proposal Selection

12. The Project will adopt the existing screening list that has been developed under the PNPM Mandiri. The list consists of the following environmentally sensitive areas, harmful procurement and destructive activities:

- (i) Avoid following sensitive areas:
 - national park, forest park, wildlife reserve, protected flora area, conservation forest, and watershed protection forest,
 - national cultural preserve, traditional/religious buildings,
 - marine reserves, coastline and dune systems, and mangrove and wetland areas,
- (ii) Prohibit the following procurement:
 - procurement of any products containing asbestos;
 - procurement of pesticides or herbicides
- (iii) Prohibit the following activities:
 - mining or excavation of live coral;
 - construction of a road leading to protected forests;
 - production, processing, handling, storage or sale of tobacco or products containing tobacco;
 - water resources developments on rivers which flow into or out of other countries
 - alterations to river courses;
 - land reclamation larger than 50 ha
 - new irrigation larger than 50 ha.; and
 - construction of water retaining or storage structures of capacity greater than 10,000 cubic meters.

13. In addition to the above list, the following additional requirements for water supply and sanitation interventions need to be met:

- (i) Potable water supply from proposed sites must be free from any contamination and certified safe by the district health officer through the conduct of water sample analysis; and
- (ii) Leaching fields from latrines has to be located at least ten meters from any water supply system.

3. Procedures for Environmental Assessment of Village Infrastructure Proposals

14. The proposed Project will follow the existing implementation process. Attachment 2 shows the following three steps for implementation: (i) preparation, consisting of socialization at the district level and village meeting; (ii) planning, consisting of (a) problem (needs) identification, (b) village meeting, (c) community plans preparation, (d) plans verification at the subdistrict and district levels, (e) technical planning and cost estimate, (f) finalization of community plans; and (iii) implementation, consisting of (a) village meeting, (b) implementation and supervision, (c) reporting and recording, and (iv) post implementation, consisting of (a) handover of infrastructure operation, and (b) operation and maintenance. Environmental assessment will be integrated in the implementation process.

15. **Environmental Safeguard Awareness.** During the preparation stage, environmental safeguard awareness raising will be included as part of the overall project preparation. At the

district socialization meeting, overall environmental assessment and monitoring responsibilities will be explained while at the village meeting, training on how to conduct environmental screening and assessment checklists will be provided by commune facilitators for CIOs.

16. Environmental Screening and Preparation of Assessment checklists. During the village planning stage, the community will select and identify the development activity needed in their area through a series of village meeting, discussions and poverty mapping assisted by the Project's community facilitators. Each CIO will carry out the environmental assessment checklist for each types of rural infrastructure. The existing environmental screening checklists (**Attachment 3**) and the Guidelines for Community-based Civil Works⁴ that have been implemented under *PNPM Mandiri* will be used and technical inputs will be sought from the project consultants and district engineers to ensure quality of design and appropriate mitigation measures to be included in the village level Mid-term Poverty Reduction (MTPR) plans and annual investment plans. Environmental assessment checklists will be attached to the village infrastructure proposal as part of the technical drawing and budget.

17. Review of the Assessment Checklists. Each of the environmental assessment checklists attached to the village infrastructure proposals (including drawing and budget) in the village MTPR plans will be presented at the kecamatan forums where villagers and subdistrict governments will review and agree on the environmental assessment results. Once village infrastructure investment plans are endorsed, they will be submitted to the respective district PIUs for their review and endorsement. The district staff in charge of environment will review and confirm the environmental assessment results.

18. Preparation and review of UKL/UPL (IEE). If the district environment units identify a need for UKL/UPL (IEE) for any particular proposed village infrastructure interventions, PIUs will immediately report to PCMU. With a guidance by the provincial environment specialists, environment specialists assigned at the relevant district levels will carry out assessment and prepare for UKL/UPLs. The prepared UKL/UPLs will be submitted to ADB and the environment unit of the district government for their review and endorsement.

19. Environmental Monitoring and Reporting. CIOs are responsible for monitoring construction activities while district governments are responsible for overall supervision. As **Attachment 4** shows each participating CIO is responsible for monitoring the construction activities, inspecting the completed infrastructure and maintaining the improved infrastructure. The monitoring and supervision unit will be established within each CIO. Community facilitators will assist CIOs to develop detail day-to-day monitoring and supervision schedules. All complaints received by the CIOs will be documented in the log books in accordance with the Implementation Guidance: Management of Complaints and Problems that was developed under the national program. Community facilitators will assist CIOs in solving problems through community forums or reporting to the district or provincial governments if formal legal process is required. Environmental monitoring results during construction will be incorporated in the quarterly project level M&E progress reports to be prepared by each PIUs, consolidated by the PCMU and submitted to ADB.

20. Public Consultation and Information Disclosure. Public consultation is an integral part of the identification, selection and implementation of village infrastructure interventions. At the village planning stage, results of the environmental assess checklists will be discussed at

⁴ The environmental screening checklists developed under the RISP are integrated into the existing operation guidelines of the national PNPM Mandiri.

the village meeting. At the kecamatan forums (subdistrict level) environmental assessment results attached to the village infrastructure proposals will be discussed with other villages and subdistrict government. Any environmental concerns raised at the meetings will be documented as a meeting minutes and incorporated in the design and mitigation measures if necessary.

21. Once the village infrastructure proposals will be endorsed by the respective district PIUs and national PCMU, village contracts will be prepared. A signed contract, progress reports, and financial records will be posted on signboards or kept at the respective CIOs offices. Any community complaints will be handled in accordance with the Implementation Guidance: Management of Complaints and Problems and Land Acquisition and Resettlement Framework prepared under the Project and endorsed by the Government.

E. Confirmation that Environmental Assessment and Review Procedures conforms to ADB's Environmental Policy

22. The procedures developed under the Project ensures to screen and assess potential impacts associated with rural infrastructure interventions, set up institutional arrangements in relation to environmental management and monitoring, and define environmental assessment requirements. The developed procedures with the proposed consultants inputs are adequate to comply with the applicable laws and regulations of the Government and with ADB's environment policy and *Environmental Assessment Guidelines*.

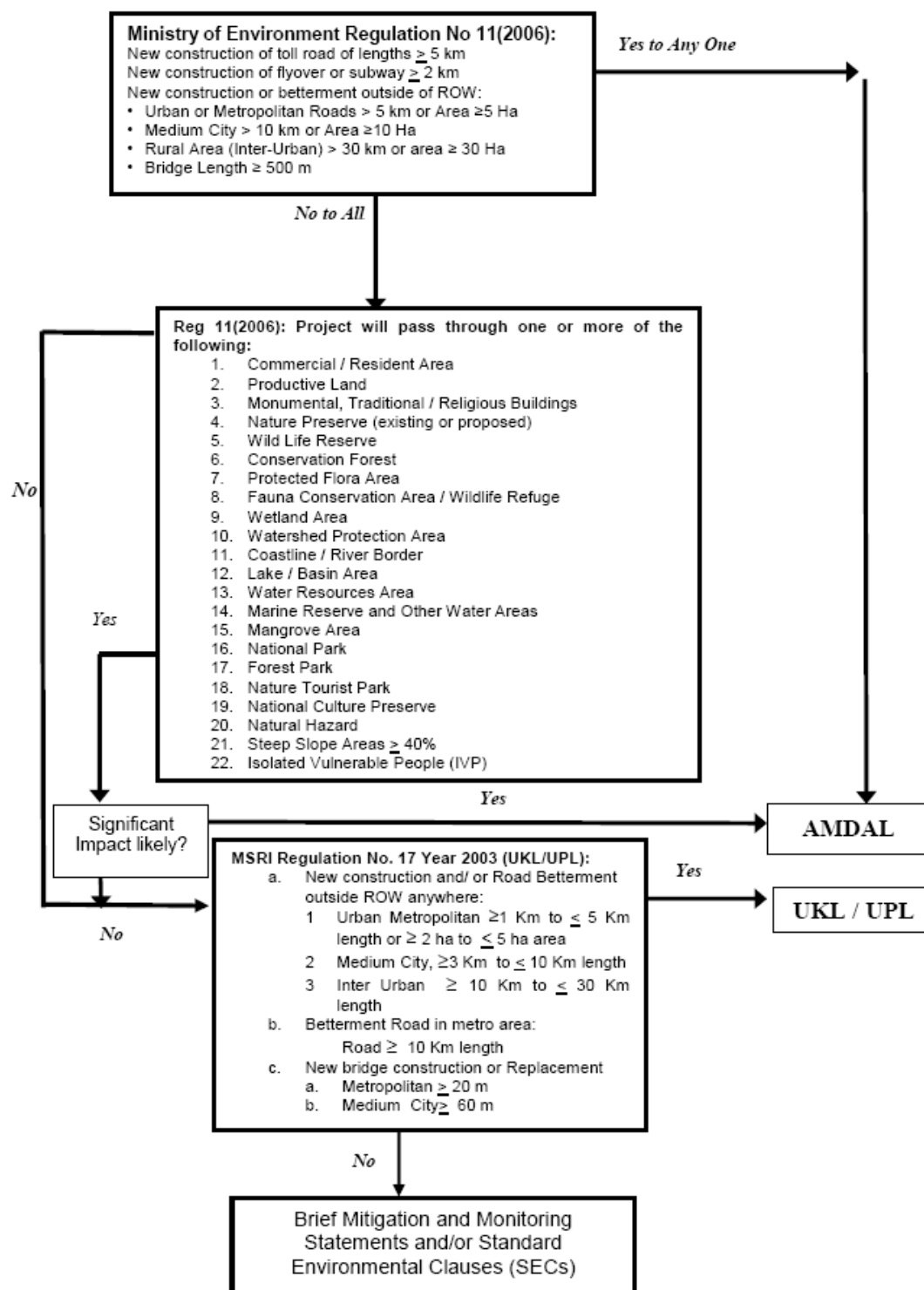
F. Staffing Requirements and Budget

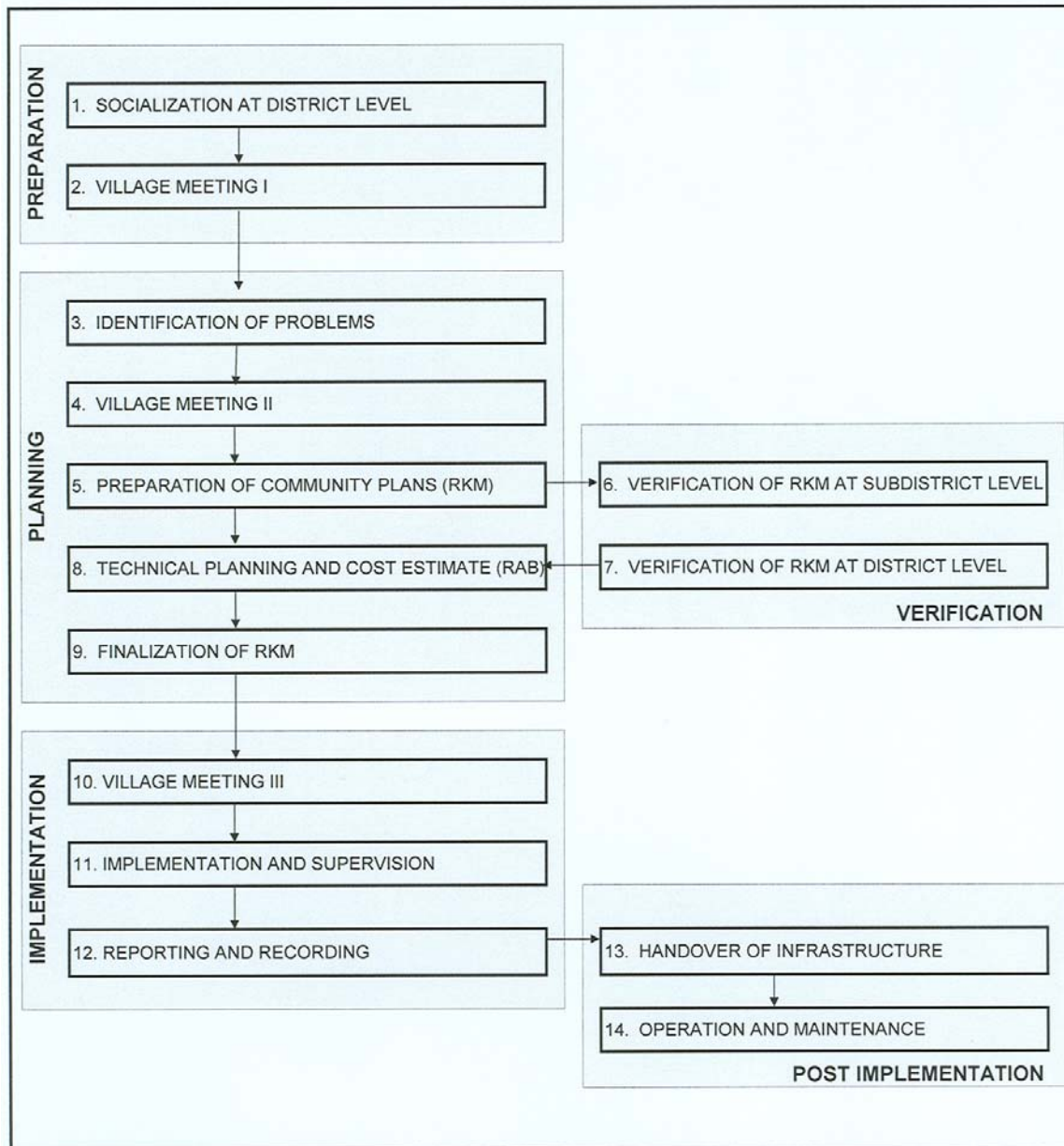
23. Overall environmental mitigation measures including drinking water sources sampling are included in the project design costs. The consulting services will be provided at the national, provincial, and district level. At the national level, a team of consultants will assist the PCMU. An environmental specialist (12 person months) to be recruited at PCMC will be responsible for assisting PCMC in incorporating environmental monitoring in the quarterly progress reports and environmental survey results in the M&E framework.

24. There will be three regional teams with the following provincial coverage: (i) Lampung, (ii) South Sumatra, and (iii) Jambi and Riau. Each regional team will consist of five provincial level experts: (i) the project manager, (ii) financial management specialist, (iii) social development/social safeguards expert, (iv) rural infrastructure specialist and (v) environmental safeguard specialist. An environmental specialist (12 person months) to be recruited at each of the three regional teams is responsible for assisting district environment specialists and coordinating with the provincial government in charge of environment.

25. Each regional team will also have 3-4 district level teams with similar composition as a provincial level team, with each district team covering about 4 districts. An environment specialist to be recruited at each of the three district teams is responsible for assisting community facilitators and district government to ensure environmental safeguard in the village planning and implementation of infrastructure proposals. **Attachment 5** describes the overall terms of references. Community facilitators will be identified and trained during the third quarter of 2008 under the under the RISP to ensure timely and adequate training will be provided to project communities during implementation.

Figure 1: Indonesia's Environmental Screening Process



STAGES OF IMPLEMENTATION ACTIVITIES

Note: District = *Kabupaten*
Subdistrict = *Kecamatan*

Attachment 3

SCREENING CHECKLIST**NAME OF DISTRICT/SUB-DISTRICT/VILLAGE:**

WATER SUPPLY

SCREENING QUESTIONS	Yes	No	REMARKS
A. PROJECT SITING			
IS THE PROJECT AREA...	<input type="checkbox"/>	<input type="checkbox"/>	
▪ DENSELY POPULATED?	<input type="checkbox"/>	<input type="checkbox"/>	
▪ HEAVY WITH DEVELOPMENT ACTIVITIES?	<input type="checkbox"/>	<input type="checkbox"/>	
▪ ADJACENT TO OR WITHIN ANY ENVIRONMENTALLY SENSITIVE AREAS?			
• CULTURAL HERITAGE SITE	<input type="checkbox"/>	<input type="checkbox"/>	
• PROTECTED AREA	<input type="checkbox"/>	<input type="checkbox"/>	
• WETLAND	<input type="checkbox"/>	<input type="checkbox"/>	
• MANGROVE	<input type="checkbox"/>	<input type="checkbox"/>	
• ESTUARINE	<input type="checkbox"/>	<input type="checkbox"/>	
• BUFFER ZONE OF PROTECTED AREA	<input type="checkbox"/>	<input type="checkbox"/>	
• SPECIAL AREA FOR PROTECTING BIODIVERSITY	<input type="checkbox"/>	<input type="checkbox"/>	
• BAY	<input type="checkbox"/>	<input type="checkbox"/>	
B. POTENTIAL ENVIRONMENTAL IMPACTS			
Will the Project cause...			
▪ pollution of raw water supply from upstream wastewater discharge from communities, industries, agriculture, and soil erosion runoff?	<input type="checkbox"/>	<input type="checkbox"/>	
▪ impairment of historical/cultural monuments/areas and loss/damage to these sites?	<input type="checkbox"/>	<input type="checkbox"/>	
▪ hazard of land subsidence caused by excessive ground water pumping?	<input type="checkbox"/>	<input type="checkbox"/>	
▪ social conflicts arising from displacement of communities ?	<input type="checkbox"/>	<input type="checkbox"/>	
▪ conflicts in abstraction of raw water for water supply with other beneficial water uses for surface and ground waters?	<input type="checkbox"/>	<input type="checkbox"/>	
▪ unsatisfactory raw water supply (e.g. excessive pathogens or mineral constituents)?	<input type="checkbox"/>	<input type="checkbox"/>	

SCREENING QUESTIONS	Yes	No	REMARKS
▪ delivery of unsafe water to distribution system?	<input type="checkbox"/>	<input type="checkbox"/>	
▪ inadequate protection of intake works or wells, leading to pollution of water supply?	<input type="checkbox"/>	<input type="checkbox"/>	
▪ over pumping of ground water, leading to salinization and ground subsidence?	<input type="checkbox"/>	<input type="checkbox"/>	
▪ excessive algal growth in storage reservoir?	<input type="checkbox"/>	<input type="checkbox"/>	
▪ increase in production of sewage beyond capabilities of community facilities?	<input type="checkbox"/>	<input type="checkbox"/>	
▪ inadequate disposal of sludge from water treatment plants?	<input type="checkbox"/>	<input type="checkbox"/>	
▪ inadequate buffer zone around pumping and treatment plants to alleviate noise and other possible nuisances and protect facilities?	<input type="checkbox"/>	<input type="checkbox"/>	
▪ impairments associated with transmission lines and access roads?	<input type="checkbox"/>	<input type="checkbox"/>	
▪ health hazards arising from inadequate design of facilities for receiving, storing, and handling of chlorine and other hazardous chemicals.	<input type="checkbox"/>	<input type="checkbox"/>	
▪ health and safety hazards to workers from the management of chlorine used for disinfection and other contaminants?	<input type="checkbox"/>	<input type="checkbox"/>	
▪ dislocation or involuntary resettlement of people	<input type="checkbox"/>	<input type="checkbox"/>	
▪ social conflicts between construction workers from other areas and community workers?	<input type="checkbox"/>	<input type="checkbox"/>	
▪ noise and dust from construction activities?	<input type="checkbox"/>	<input type="checkbox"/>	
▪ increased road traffic due to interference of construction activities?	<input type="checkbox"/>	<input type="checkbox"/>	
▪ continuing soil erosion/silt runoff from construction operations?	<input type="checkbox"/>	<input type="checkbox"/>	
▪ delivery of unsafe water due to poor O&M treatment processes (especially mud accumulations in filters) and inadequate chlorination due to lack of adequate monitoring of chlorine residuals in distribution systems?	<input type="checkbox"/>	<input type="checkbox"/>	
▪ delivery of water to distribution system, which is corrosive due to inadequate attention to feeding of corrective chemicals?	<input type="checkbox"/>	<input type="checkbox"/>	
▪ accidental leakage of chlorine gas?	<input type="checkbox"/>	<input type="checkbox"/>	
▪ excessive abstraction of water affecting downstream water users?	<input type="checkbox"/>	<input type="checkbox"/>	
▪ competing uses of water?	<input type="checkbox"/>	<input type="checkbox"/>	
▪ increased sewage flow due to increased water supply	<input type="checkbox"/>	<input type="checkbox"/>	
▪ increased volume of sullage (wastewater from cooking and washing) and sludge from wastewater treatment plant	<input type="checkbox"/>	<input type="checkbox"/>	

SANITATION FACILITIES

SCREENING QUESTIONS	Yes	No	REMARKS
B. PROJECT SITING			
IS THE PROJECT AREA...			
▪ DENSELY POPULATED?	<input type="checkbox"/>	<input type="checkbox"/>	
▪ HEAVY WITH DEVELOPMENT ACTIVITIES?	<input type="checkbox"/>	<input type="checkbox"/>	
▪ ADJACENT TO OR WITHIN ANY ENVIRONMENTALLY SENSITIVE AREAS?	<input type="checkbox"/>	<input type="checkbox"/>	
• CULTURAL HERITAGE SITE	<input type="checkbox"/>	<input type="checkbox"/>	
• PROTECTED AREA	<input type="checkbox"/>	<input type="checkbox"/>	
• WETLAND	<input type="checkbox"/>	<input type="checkbox"/>	
• MANGROVE	<input type="checkbox"/>	<input type="checkbox"/>	
• ESTUARINE	<input type="checkbox"/>	<input type="checkbox"/>	
• BUFFER ZONE OF PROTECTED AREA	<input type="checkbox"/>	<input type="checkbox"/>	
• SPECIAL AREA FOR PROTECTING BIODIVERSITY	<input type="checkbox"/>	<input type="checkbox"/>	
• BAY	<input type="checkbox"/>	<input type="checkbox"/>	
A. POTENTIAL ENVIRONMENTAL IMPACTS			
WILL THE PROJECT CAUSE...			
▪ impairment of historical/cultural monuments/areas and loss/damage to these sites?	<input type="checkbox"/>	<input type="checkbox"/>	
▪ interference with other utilities and blocking of access to buildings; nuisance to neighboring areas due to noise, smell, and influx of insects, rodents, etc.?	<input type="checkbox"/>	<input type="checkbox"/>	
▪ dislocation or involuntary resettlement of people	<input type="checkbox"/>	<input type="checkbox"/>	
▪ impairment of downstream water quality due to inadequate sewage treatment or release of untreated sewage?	<input type="checkbox"/>	<input type="checkbox"/>	
▪ overflows and flooding of neighboring properties with raw sewage?	<input type="checkbox"/>	<input type="checkbox"/>	
▪ environmental pollution due to inadequate sludge disposal or industrial waste discharges illegally disposed in sewers?	<input type="checkbox"/>	<input type="checkbox"/>	
▪ noise and vibration due to blasting and other civil works?	<input type="checkbox"/>	<input type="checkbox"/>	

SCREENING QUESTIONS	Yes	No	REMARKS
▪ discharge of hazardous materials into sewers, resulting in damage to sewer system and danger to workers?	<input type="checkbox"/>	<input type="checkbox"/>	
▪ inadequate buffer zone around pumping and treatment plants to alleviate noise and other possible nuisances, and protect facilities?	<input type="checkbox"/>	<input type="checkbox"/>	
▪ social conflicts between construction workers from other areas and community workers?	<input type="checkbox"/>	<input type="checkbox"/>	
▪ road blocking and temporary flooding due to land excavation during the rainy season?	<input type="checkbox"/>	<input type="checkbox"/>	
▪ noise and dust from construction activities?	<input type="checkbox"/>	<input type="checkbox"/>	
▪ traffic disturbances due to construction material transport and wastes?	<input type="checkbox"/>	<input type="checkbox"/>	
▪ temporary silt runoff due to construction?	<input type="checkbox"/>	<input type="checkbox"/>	
▪ hazards to public health due to overflow flooding, and groundwater pollution due to failure of sewerage system?	<input type="checkbox"/>	<input type="checkbox"/>	
▪ deterioration of water quality due to inadequate sludge disposal or direct discharge of untreated sewage water?	<input type="checkbox"/>	<input type="checkbox"/>	
▪ contamination of surface and ground waters due to sludge disposal on land?	<input type="checkbox"/>	<input type="checkbox"/>	
▪ health and safety hazards to workers from toxic gases and hazardous materials which maybe contained in sewage flow and exposure to pathogens in sewage and sludge?	<input type="checkbox"/>	<input type="checkbox"/>	

RURAL ROADS

SCREENING QUESTIONS	Yes	No	REMARKS
A. PROJECT SITING			
IS THE PROJECT AREA ADJACENT TO OR WITHIN ANY OF THE FOLLOWING ENVIRONMENTALLY SENSITIVE AREAS?			
▪ CULTURAL HERITAGE SITE	<input type="checkbox"/>	<input type="checkbox"/>	
▪ PROTECTED AREA	<input type="checkbox"/>	<input type="checkbox"/>	
▪ WETLAND	<input type="checkbox"/>	<input type="checkbox"/>	
▪ MANGROVE	<input type="checkbox"/>	<input type="checkbox"/>	
▪ ESTUARINE	<input type="checkbox"/>	<input type="checkbox"/>	
▪ BUFFER ZONE OF PROTECTED AREA	<input type="checkbox"/>	<input type="checkbox"/>	
▪ SPECIAL AREA FOR PROTECTING BIODIVERSITY	<input type="checkbox"/>	<input type="checkbox"/>	
B. POTENTIAL ENVIRONMENTAL IMPACTS			
WILL THE PROJECT CAUSE...			
▪ encroachment on historical/cultural areas; disfiguration of landscape by road embankments, cuts, fills, and quarries?	<input type="checkbox"/>	<input type="checkbox"/>	
▪ encroachment on precious ecology (e.g. sensitive or protected areas)?	<input type="checkbox"/>	<input type="checkbox"/>	
▪ alteration of surface water hydrology of waterways crossed by roads, resulting in increased sediment in streams affected by increased soil erosion at construction site?	<input type="checkbox"/>	<input type="checkbox"/>	
▪ deterioration of surface water quality due to silt runoff and sanitary wastes from worker-based camps and chemicals used in construction?	<input type="checkbox"/>	<input type="checkbox"/>	
▪ increased local air pollution due to rock crushing, cutting and filling works, and chemicals from asphalt processing?	<input type="checkbox"/>	<input type="checkbox"/>	
▪ noise and vibration due to blasting and other civil works?	<input type="checkbox"/>	<input type="checkbox"/>	
▪ dislocation or involuntary resettlement of people			
▪ other social concerns relating to inconveniences in living conditions in the project areas that may trigger cases of upper respiratory problems and stress?	<input type="checkbox"/>	<input type="checkbox"/>	

SCREENING QUESTIONS	Yes	No	REMARKS
▪ hazardous driving conditions where construction interferes with pre-existing roads?	<input type="checkbox"/>	<input type="checkbox"/>	
▪ poor sanitation and solid waste disposal in construction camps and work sites, and possible transmission of communicable diseases from workers to local populations?	<input type="checkbox"/>	<input type="checkbox"/>	
▪ creation of temporary breeding habitats for mosquito vectors of disease?	<input type="checkbox"/>	<input type="checkbox"/>	
▪ dislocation and compulsory resettlement of people living in right-of-way?	<input type="checkbox"/>	<input type="checkbox"/>	
▪ accident risks associated with increased vehicular traffic, leading to accidental spills of toxic materials and loss of life?	<input type="checkbox"/>	<input type="checkbox"/>	
▪ increased noise and air pollution resulting from traffic volume?	<input type="checkbox"/>	<input type="checkbox"/>	
▪ increased risk of water pollution from oil, grease and fuel spills, and other materials from vehicles using the road?	<input type="checkbox"/>	<input type="checkbox"/>	

IRRIGATION & DRAINAGE

SCREENING QUESTIONS	Yes	No	REMARKS
A. PROJECT SITING			
IS THE PROJECT AREA ADJACENT TO OR WITHIN ANY OF THE FOLLOWING ENVIRONMENTALLY SENSITIVE AREAS?			
▪ PROTECTED AREA	<input type="checkbox"/>	<input type="checkbox"/>	
▪ WETLAND	<input type="checkbox"/>	<input type="checkbox"/>	
▪ MANGROVE	<input type="checkbox"/>	<input type="checkbox"/>	
▪ ESTUARINE	<input type="checkbox"/>	<input type="checkbox"/>	
▪ BUFFER ZONE OF PROTECTED AREA	<input type="checkbox"/>	<input type="checkbox"/>	
▪ SPECIAL AREA FOR PROTECTING BIODIVERSITY	<input type="checkbox"/>	<input type="checkbox"/>	
B. POTENTIAL ENVIRONMENTAL IMPACTS			
WILL THE PROJECT CAUSE...			
▪ loss of precious ecological values (e.g. result of encroachment into forests/swamplands or historical/cultural buildings/areas, disruption of hydrology of natural waterways, regional flooding, and drainage hazards)?	<input type="checkbox"/>	<input type="checkbox"/>	
▪ conflicts in water supply rights and related social conflicts?	<input type="checkbox"/>	<input type="checkbox"/>	
▪ impediments to movements of people and animals?	<input type="checkbox"/>	<input type="checkbox"/>	
▪ potential ecological problems due to increased soil erosion and siltation, leading to decreased stream capacity?	<input type="checkbox"/>	<input type="checkbox"/>	
▪ Insufficient drainage leading to salinity intrusion?	<input type="checkbox"/>	<input type="checkbox"/>	
▪ over pumping of groundwater, leading to salinization and ground subsidence?	<input type="checkbox"/>	<input type="checkbox"/>	
▪ impairment of downstream water quality and therefore, impairment of downstream beneficial uses of water?	<input type="checkbox"/>	<input type="checkbox"/>	
▪ dislocation or involuntary resettlement of people?	<input type="checkbox"/>	<input type="checkbox"/>	
▪ potential social conflicts arising from land tenure and land use issues?	<input type="checkbox"/>	<input type="checkbox"/>	
▪ soil erosion before compaction and lining of canals?	<input type="checkbox"/>	<input type="checkbox"/>	
▪ noise from construction equipment?	<input type="checkbox"/>	<input type="checkbox"/>	
▪ dust?	<input type="checkbox"/>	<input type="checkbox"/>	

SCREENING QUESTIONS	Yes	No	REMARKS
▪ labor-related social problems especially if workers from different areas are hired?	<input type="checkbox"/>	<input type="checkbox"/>	
▪ waterlogging and soil salinization due to inadequate drainage and farm management?	<input type="checkbox"/>	<input type="checkbox"/>	
▪ leaching of soil nutrients and changes in soil characteristics due to excessive application of irrigation water?	<input type="checkbox"/>	<input type="checkbox"/>	
▪ reduction of downstream water supply during peak seasons?	<input type="checkbox"/>	<input type="checkbox"/>	
▪ soil pollution, polluted farm runoff and groundwater, and public health risks due to excessive application of fertilizers and pesticides?	<input type="checkbox"/>	<input type="checkbox"/>	
▪ soil erosion (furrow, surface)?	<input type="checkbox"/>	<input type="checkbox"/>	
▪ scouring of canals?	<input type="checkbox"/>	<input type="checkbox"/>	
▪ logging of canals by sediments?	<input type="checkbox"/>	<input type="checkbox"/>	
▪ clogging of canals by weeds?	<input type="checkbox"/>	<input type="checkbox"/>	
▪ seawater intrusion into downstream freshwater systems?	<input type="checkbox"/>	<input type="checkbox"/>	
▪ introduction of increase in incidence of waterborne or water related diseases?	<input type="checkbox"/>	<input type="checkbox"/>	

Potential Impacts, Mitigation Measures and Monitoring

Potential Impacts	Proposed Mitigation Measure	Responsible Entity	Monitorable Output	Funding Source
Location and Design				
All Interventions				
<u>Resettlement</u> <ul style="list-style-type: none"> No land acquisition or relocation of houses since rehabilitation will be within the ROW. 	<ul style="list-style-type: none"> The provision of small amounts of land for any new infrastructure will be based mainly on voluntary rather than involuntary basis. At the design stage, scope of damage and compensation mechanisms will be decided through community discussion 	district consultants community facilitators	Resettlement Plans	Project costs or counterpart funds
<u>Environmental sensitive areas</u> <ul style="list-style-type: none"> No subprojects are located within or adjacent to the sensitive areas as described in the environmental criteria for sub-project selection described in this document. 	<ul style="list-style-type: none"> Environmental screening criteria included in the EARF will eliminate any village infrastructure located in environmentally sensitive areas. 	community facilitators CIOs	Environmental assessment checklists	Project costs
Road and Bridges				
<u>Soil erosion</u> <ul style="list-style-type: none"> Rehabilitation could cause soil erosion 	<ul style="list-style-type: none"> All road cuttings and embankment fills will incorporate soil and slope stabilization measures, vegetation on the shoulders and adequate drainage provisions; construction and major earthworks during the rainy season will be avoided. 	CIO, community facilitators	Approved design of road works in vulnerable areas	Measures will be included as project-financed civil works
<u>Construction Materials</u> <ul style="list-style-type: none"> Excavation cause erosion and siltation in streams mined for gravel; damage aquatic ecosystems 	<ul style="list-style-type: none"> Construction materials will be procured from local shops (as in the case of RISP). Permission from the district government (environment) is required to excavate sand from streams 	CIO, community facilitators, District government (environment)	Approved drawings and budget	Project costs

Potential Impacts	Proposed Mitigation Measure	Responsible Entity	Monitorable Output	Funding Source
Irrigation				
<u>Water availability and quality</u> <ul style="list-style-type: none"> Conflict in water supply rights is not likely since rehabilitation of irrigation interventions will be a small % of the total investment (most of the village block grant will be used for rehabilitation of roads) Significant increase in the use of agriculture chemicals is not expected. 	<ul style="list-style-type: none"> District engineers will assess the overall irrigation water distribution. Community awareness building will include appropriate use of chemicals. 	District public works community facilitators	Village proposals	Project costs
Water Supply and Sanitation				
<u>Water source quality</u> <ul style="list-style-type: none"> Contamination of drinking water sources due to inadequate or inappropriate siting 	<ul style="list-style-type: none"> Screen area for flood free Conduct aquifer quality sampling prior to commencement of drilling For a deep well, obtain permit from district government (environment) prior to commencement of drilling Locate sanitation facilities with adequate distance (at least 10 m) to wells 	CIO, Community Facilitators, District government (health), District government (environment)	Approved drawings, environmental screening checklist, Permit from district government	Project costs
During Construction (all interventions)				
<u>Dust and noise</u> <ul style="list-style-type: none"> Temporary dust and noise hazards 	<ul style="list-style-type: none"> Existing guidelines for construction have specification to: (i) regularly water down road surfaces and provide covers to trucks and on loose materials; (ii) reinstate vegetative cover on all bare surfaces upon completion, (v) maintain construction equipment in good condition, (vi) limit night time work. 	CIO, community facilitators, district consultants	Quarterly project progress reports by PCMU , Reports of ADB review missions	Project costs

Potential Impacts	Proposed Mitigation Measure	Responsible Entity	Monitorable Output	Funding Source
<u>Soil and Land</u> <ul style="list-style-type: none"> Damage to agricultural land, river banks, public spaces, and other nearby areas by disposal of excavated spoil, liquid and solid wastes. 	<ul style="list-style-type: none"> Existing guidelines for construction have mitigation measures such as (i) compacting and protecting exposed soil; (ii) replanting areas where the vegetation has been damaged; and (iii) dispose of excess earth fill material in designated areas; (iv) appropriately collecting and disposing of solid and liquid wastes. 	CIO, community district facilitators, consultants	Quarterly project progress reports by PCMU , Reports of ADB review missions	Project costs
<u>Surface and groundwater</u> <ul style="list-style-type: none"> Water contamination due to excavation, disposal of wastes 	<ul style="list-style-type: none"> Existing guidelines for construction have mitigation measures such as (i) obtain approval from responsible authority for removal of any sand, gravel, and rock materials from river beds; (iii) dispose of solid and liquid wastes; and (iv) provide proper sanitation in work camps, ensuring that no untreated effluents reach surface or groundwater. 	CIO, community district facilitators, consultants	Quarterly project progress reports by PCMU , Reports of ADB review missions	Project costs
<u>Health and safety</u> <ul style="list-style-type: none"> Safety hazard to workers, locals and traffic 	<ul style="list-style-type: none"> Existing guidelines for construction have specification to (i) install barrier fencing around construction site; (ii) control access of unauthorized persons to site; and (iii) provide first aid and safety training to workers and drivers. 	CIOs, community district facilitators, consultants	Quarterly project progress reports by PCMU , Reports of ADB review missions	Project costs
During Operation				
Road				
<u>Air quality and noise</u> <ul style="list-style-type: none"> Increase dust, emission, and noise due to increased volume of traffic as a result of improved road condition 	<u>Air quality and noise</u> <ul style="list-style-type: none"> No specific measures are proposed because the increase in emission, dust, and noise is not expected to be significant. 	N/A	N/A	N/A

Potential Impacts	Proposed Mitigation Measure	Responsible Entity	Monitorable Output	Funding Source
Water Supply				
<u>Drinking Water contamination</u> <ul style="list-style-type: none"> Contamination of drinking water due to inadequate maintenance and 	<ul style="list-style-type: none"> Conduct inspection and water quality monitoring Inspect periodically to assure drainage conditions around water point do not cause sanitary problem 	CIOs, Department of Health	monitoring reports	On-going monitoring programs

TERMS OF REFERENCE FOR CONSULTANTS

F. Introduction

26. These outline terms of reference for consultants describe the main tasks of the national environmental safeguard consultants required to assist the Executing Agency (EA), implementing agencies (IAs) and other local government units in preparing for and implementing the environmental assessment processes. The consultants will work closely with the government and other consultants to ensure that environmental requirements will be met during village infrastructure proposal selection, identification and implementation. Specialist will be based in the Project Coordination and Monitoring Unit (PCMU) and each of the district Project Implementation Unit (PIU), and will be required to report to the consultant team leader.

G. Scope of Services

1. Environment Specialist at the National Level (12 person month, intermittent)

27. The specialist will have appropriate tertiary qualifications in the areas of environmental management/science and will have more than 10 years experience working in the fields for internationally funded development projects. The sectoral knowledge as well as monitoring and project evaluation experiences will be an advantage to the specialist. Specific tasks include:

- (i) Review all project related documents including the Initial Environmental Examination (IEE), Environmental Assessment and Review Framework (EARF), relevant existing guidelines (including environmental assessment checklists) being implemented under PNPM Mandiri and selected village infrastructure contracts for roads, water supply, irrigation, sanitation and others;
- (ii) Review the monitoring and evaluation guidelines developed under the national program and work with evaluation specialists to ensure appropriate and adequate environmental indicators will be included in the M&E Framework;
- (iii) Work with the provincial and district environmental specialists to ensure that adequate environmental indicators will be developed in the detailed monitoring plans and overall project evaluation indicators to ensure that adequate data will be collected;
- (iv) Review the existing relevant implementation guidelines to identify any areas that need improvement for better environmental management and develop specific recommendations; and
- (v) Work with the provincial and district environmental specialists to develop appropriate training programs and materials.

2. Environment Specialist at the Province Level (36 person months, intermittent)

28. The specialist will have appropriate tertiary qualifications in the areas of environmental management, engineering and/or science and will have more than 10 years experience working in the fields for internationally funded development projects. The sectoral knowledge and experiences will be an advantage to the specialist. Specific tasks include:

- (i) Review all project related documents including the Initial Environmental Examination (IEE), Environmental Assessment and Review Framework (EARF), relevant existing guidelines (including environmental screening checklists) being implemented under PNPM Mandiri and selected village infrastructure contracts for roads, water supply, irrigation, sanitation and others;
- (ii) Work with district level environmental specialists to visit selected villages received block grants under the Rural Infrastructure Sector Project (RISP) and discuss with CIOs to assess environmental screening processes and environmental impacts associated with the completed village infrastructure;
- (iii) Discuss with provincial and district departments of environment and identify any additional environmental regulatory requirements, specific environmental issues and need for training for district government staff;
- (iv) Work with the district environmental specialists to adjust any environmental assessment questions to reflect location specific environmental conditions and develop a standardized detailed monitoring schedules and inspection formats.
- (v) Work with the district environment specialists to develop environmental safeguards and awareness building activities;
- (vi) Provide guidance for environment specialists at the district levels on the preparation of environmental assessment in case any infrastructure interventions requires UKL/UPL;
- (vii) Assist PIUs in obtaining approval on the UKL/UPLs by the district government in charge of environment; and
- (viii) Assist PCMU in consolidating environmental aspects in the quarterly monitoring reports.

3. Environmental Specialist at the District Level (96 person months, intermittent)

29. The specialist will have considerable experiences in engineering, environmental management and science, and will have at least 10 years of experiences in the relevant fields for internationally funded development projects. The specialist will have solid knowledge in the national and district environmental regulations. The specialist will serve respective district governments and project communities. Specific tasks include:

- (i) Review all project related documents including the Initial Environmental Examination (IEE), Environmental Assessment and Review Framework (EARF), and selected village infrastructure contracts for roads, water supply, irrigation, sanitation and others;
- (ii) Visit selected villages received block grants under the Rural Infrastructure Sector Project (RISP) and assess completed village infrastructure;
- (iii) Discuss with district departments of environment and identify any additional environmental regulatory requirements, specific environmental issues and need for training for district government staff;

- (iv) Provide technical inputs to district engineers and community facilitators in the environmental assessment and technical proposal formulation processes to ensure that adequate environmental considerations and site specific mitigation measures in the design of interventions and O&M;
- (v) Work with other relevant consultants to include environmental safeguards and awareness aspects in the capacity building and awareness building activities;
- (vi) Collaborate with district departments of environment and provide timely inputs to communities to mitigate any unintended negative environmental impacts occurred during construction and/or operation; and
- (vii) Work with the provincial environment specialists to assist PIU in consolidating environmental aspects in quarterly monitoring reports.

LAND ACQUISITION AND RESETTLEMENT FRAMEWORK

Land Acquisition and Resettlement Framework

A. Project Background and Description

1. Under the ADB's country strategy and program (CSP) for Indonesia 2006-2009, ADB committed to continue its support to development of the country's rural infrastructure through the follow up to the Rural Infrastructure Support Project, namely the Rural Infrastructure Support to PNPM Mandiri.

2. The Project will form part of the Government's ongoing flagship poverty reduction program - the National Program for Community Empowerment (PNPM Mandiri). The objective of this large program is poverty reduction by promoting community participation in development planning and management and delivery of basic services, including infrastructure. The PNPM Mandiri design has been formulated with assistance of the Decentralization Support Facility established by the major donors, and incorporates lessons from all recent community-driven development (CDD) projects and programs in the country. The design provides comprehensive community facilitation in planning and implementation, utilizes simple and transparent funds flow mechanisms, and puts emphasis on operation and maintenance (O&M) of completed works.

3. PNPM Mandiri will deliver the infrastructure critically needed in the country, through directly engaging communities, thus avoiding risk of insufficient capacity at local government level to deliver public services. It will, however, give special attention to building capacities of communities and local governments to ensure the sustainability of investments. PNPM Mandiri is expected to be implemented at least until 2015, the timing target for the achievement of millennium development goals (MDGs). The program has two tiers: core program (*PNPM-Inti*) and support program (*PNPM Penguatan*). The core program provides support for the community empowerment, establishes and strengthens community-based implementation organizations (CIOs) or *Lembaga Keswadayaan Masyarakat* (LKM) and builds communities' capacity to identify their needs and prepare village medium-term poverty reduction plans or *PJM Pronangkis*, and implement project activities through provision of initial grants. The support program delivers specific services through sectoral programs (e.g., agriculture, health, education, microfinance, etc.) utilizing the established CIO structures. The Project will support the implementation of the core PNPM Mandiri.

4. PNPM Mandiri adopts a highly successful CDD approach, distinguishing feature of which is community control of resources, backed by direct channeling of funds to community groups or members. In CDD programs, communities are active participants who prioritize their development needs and compete for resources by preparing proposals. CDD, when properly implemented, is more developmentally effective than other approaches. Transparency in decision making and procurement, and the threat of audits have demonstrably reduced corruption and leakage. The bottom-up planning process of CDD presents more opportunities for women and the poor to participate effectively in community and local governance processes. Evidence also indicates that CDD is likely to offer better performance in cost recovery and the O&M of the selected infrastructure and services due to a strong sense of ownership of the community members.

5. By adopting the design, funding modality, and implementation structure of the PNPM Mandiri, the Project will be fully consistent with the Government's own

development program and strategies. This will ensure strong ownership and greatly improve the prospects of achieving the common goals of improved service delivery, MDGs targets, and poverty reduction. The design of rural infrastructure improvement under the Project will be based on detailed guidelines prepared for the PNPM Mandiri. Also, rather than creating parallel structures, the implementation arrangements established for the PNPM Mandiri will be used under the Project. The PNPM Mandiri Oversight Body will ensure harmonization of all donor-financed parts of the program.

6. The anticipated impact of the Project is improved socioeconomic conditions of the rural communities in the project area, which is in line with the overall objective of the PNPM Mandiri. The Project's expected outcome is improved access of the poor and near poor in rural areas in the participating provinces to basic rural infrastructure. The Project incorporates lessons from very successful implementation of the Rural Infrastructure Support Project (RISP).

7 The Project will implement a geographic slice of PNPM Mandiri and cover about 1,650 rural less developed villages in selected four provinces in Western Indonesia. The Project will follow the existing PNPM Mandiri design and improve the RISP design, providing more support for community empowerment. The Project will comprise two components: (i) community facilitation and mobilization and (ii) rural infrastructure improvement.

8. The first component seeks to empower communities and strengthen their capacity to implement their priority programs. The component will provide assistance to (i) conduct awareness campaigns to familiarize the community members with the program; (ii) conduct community facilitation that includes poverty mapping at the village level, identification of problems and needs, evaluation of community implementation capacity, and development of planning mechanisms and decision making process; (iii) assist in establishment and capacity building of CIOs; (iv) assist communities in formulation of *PJM Pronangkis* and related annual investment plans for funding by block grants; (v) assist in further prioritization of *PJM Pronangkis* at the *kecamatan* level; (vi) provide technical guidance during the implementation of the activities identified in *PJM Pronangkis*; and (vii) assist communities in formulation and implementation of O&M plans to ensure sustainability of completed facilities.

9. The second component will provide block grants to villages to implement community rural infrastructure needs, identified in the *PJM Pronangkis* and prioritized at *kecamatan* community forums. The infrastructure improvements and expansions may include rehabilitation of construction of new village roads and pathways, bridges and culverts, small piers, village irrigation schemes, water supply and sanitation, drainage works, rehabilitation of school and local health services buildings, and multipurpose village buildings.

10. Due to CDD nature of the process, whereby the project activities will directly benefit communities and involve community decision-making and management, safeguards will be built into the community decision-making process to deal with issues as they arise. The Project will require limited land acquisition for these very small community facilities and will not involve any resettlement of people, relocation of houses,

or significant impact upon productive land or other productive assets.¹ Based on the existing PNPM subproject activities the land required for the subproject activities has usually been less than 500m² for each subproject, affecting less than 5 households each. The minimal land acquisition will be mainly through voluntary contribution by project beneficiaries. This land acquisition and resettlement framework (LARF) will be embedded in the Project's operational manuals.

B. Policy Framework and Entitlements

11. **Purpose of the Land Acquisition and Resettlement Framework.** This LARF is to be used as a guideline for any land acquisition activity under the Project, including land acquisition assessment and preparation and implementation of resettlement plans (RPs) for land acquisition and possible voluntary donation for the small community-level infrastructure subprojects. In line with the Project's CDD approach the provision of small amounts of land for any new infrastructure would be based mainly on voluntary rather than involuntary basis. Since the small-scale infrastructure will directly benefit the communities and involve community decision making and management, safeguards will be built into the community decision-making process to deal with any losses that arise. Land for new infrastructure will be provided either in the form of donation from community members or with land exchange or compensation at replacement cost depending on the results of discussion and dialogue within the communities themselves.

12. **Policy Framework.** This LARF reflects ADB's policies on Involuntary Resettlement (1995) and Operations Manual (OM) F2 (2006), Indigenous Peoples (1998), Gender and Development (1998), Accountability (2004) and Government regulations and guidelines for the implementation of the Project. The provisions and principles adopted in this framework and subsequent plans prepared will supersede the provisions of the relevant Government decrees and regulations currently in force in Indonesia wherever a gap exists.

13. **Basic Principles.**

- a. Acquisition of land and other assets shall be avoided and minimized as much as possible by identifying possible alternative project designs, and appropriate social, economic, operational, and engineering solutions that have the least impact on populations in the project area.
- b. All affected persons (APs) shall be equally eligible for compensation and rehabilitation assistance, irrespective of tenure status, social or economic standing, and any such factors that may discriminate against achieving the objectives outlined above. Neither lack of legal rights to the assets lost or adversely affected, or tenure status or social or economic status will bar the AP from entitlements to such compensation and rehabilitation measures. Non-titled APs or those who have no recognizable rights or claims to the land that they are occupying, (e.g. informal dwellers/squatters), are entitled to compensation for non-land assets and various options of assistance, provided they cultivated/occupied the land before the eligibility cut-off date.

¹ OM F2BP para. 5 footnote 12 defines significant impact as physical displacement and/or loss of 10% or more of productive assets.

- c. APs shall be fully consulted and the preparation of RPs and their implementation shall be carried out with the full participation of APs. The comments and suggestions of APs and communities will be taken into account during the design and implementation phases of land acquisition and resettlement activities.
- d. APs that are physically displaced from housing and/or lose 10% or more of productive land, assets or income are considered to be severely affected, although, no such impact is expected from this project. However, in the event that there might be a significant impact upon any APs, in addition to compensation for lost assets at replacement cost, the Project will provide appropriate rehabilitation measures to assist these APs to restore their pre-project living standards, incomes, and productive capacity.
- e. All APs will be entitled to compensation for all losses at replacement cost. If the project communities or individuals decide to make voluntary contribution of the affected land for the project activities, this shall be acceptable only if the following safeguards are in place:²
 - (i) Full consultations with the land owners and any non-titled affected people on site selection;
 - (ii) Ensuring that voluntary donations do not severely affect the living standards of affected people, and are linked directly to benefits for the affected people, with community sanctioned measures to replace any losses that are agreed to through verbal and written record by the affected people;
 - (iii) Any voluntary "donation" will be confirmed through verbal and written record and verified by an independent third party such as a designated non government organization or legal authority; and
 - (iv) Having adequate grievance redress mechanism in place.
 - (v) These safeguards must be built into the community decision making process and included in the project implementation guideline to be followed by project consultants and facilitators and shared with the project community members.
- f. Special measures shall be incorporated into subproject RPs and complementary mitigation and enhancement activities to protect socially and economically vulnerable groups that may be at high risk of impoverishment, such as those without legal title to land or other assets, ethnic minority peoples, households headed by women, children, the disabled or elderly, and the poorest people.³ Appropriate assistance through asset building strategies will be provided to help them improve their socio-economic status.⁴
- g. There shall be effective mechanisms for hearing and resolving grievances during the preparation and implementation of RPs.
- h. Details of the RPs shall be disclosed to APs and any interested groups through public meetings and in the form of summary RPs or information booklets and leaflets in a language that can be understood by the APs and in an accessible place (such as project and commune offices).

² OM F2/OP, para. 5, footnote 6.

³ Poor households are those whose income levels are below the respective provincial poverty line of the current year as recorded by the Statistical Office (BPS) or as identified by the community themselves.

⁴ OM F2/BP para. 4; OM F2/OP, para. 16.

- i. Appropriate reporting and monitoring and evaluation (M&E) mechanisms shall be identified and set in place as part of the resettlement management system.
14. **Entitlement Matrix.** The entitlement matrix in **Annex 1** summarizes the main types of losses and the corresponding nature and scope of entitlement.
15. **Ethnic Minorities, Vulnerable Groups, and Gender.** A social and gender analysis will be carried out in each project village to identify special needs of indigenous peoples (IPs) and other disadvantaged groups such as landless, poor, women-headed households, elderly and disabled that should be addressed during implementation.

C. Eligibility Criteria and Requirement

16. The affected person as defined by ADB's Policy on Involuntary Resettlement is "any people, households, firms or private institutions who, on account of changes that result from the project will have their (i) standard of living adversely affected, (ii) right, title, or interest in any house, land, water resources or any other moveable or fixed assets affected; and/or (iii) business, place of work or residence, or habitat adversely affected, with or without replacement".⁵ These APs are protected by ADB's social safeguards policies and entitled to particular conditions and benefits from the project, and the absence of formal legal title to land is not a bar to ADB policy entitlements. With the CDD approach, the project communities will decide on the type of activity to be implemented in their area. The project APs are most likely the members of the project's community and could also be part of the project beneficiaries. However, assurance for project compliance to ADB Policy has to be in place. Only project beneficiaries will be eligible to voluntarily contribute their land in exchange for direct project benefits.
17. The Project's resettlement framework requires that
- (i) No AP categorized as poor households⁶ or vulnerable households as identified through social assessment are allowed to donate their land or other economic assets for the project activity.
 - (ii) No AP categorized as poor or vulnerable households will be negatively affected directly or indirectly by any project activity.
 - (iii) When the required land is voluntarily donated or acquired through other agreement as decided by the community, detailed social and economic background and project impact to the affected people must be carefully recorded and reported.
 - (iv) All requirements for complying with ADB's Involuntary Resettlement policy as stated in para. 13 (e) above must be followed and recorded.
 - (v) All the required information must be provided in the short RP required as part of the subproject document prepared by the community.
 - (vi) The prepared RPs must be endorsed to ADB by the CIOs, village apparatus and the PIU/EA, approved by ADB, disclosed to the APs and uploaded on ADB's website before it can be implemented.

⁵ OM F2/BP, para. 2, footnote 3.

⁶ Poor households are those whose income levels are below the respective provincial poverty line of the current year as recorded by the Statistical Office (BPS) and identified by community members as poor households in their own community.

- (vii) Prior to endorsement to ADB, the village proposal RP will be reviewed by special committee accountable to ADB and the Government.

18. Procedure for Formulation of Short Resettlement Plan (RP). The communities will select and identify the development activity needed in their area through a series of community meetings, discussions and poverty mapping assisted by community facilitators. All village infrastructure proposals will be developed through this process. The community will screen and prioritize the proposals by taking into account numerous factors including project impacts on land acquisition and resettlement as provided in the project's guidelines. The outline for subproject RPs is provided in the **Attachment 1**.

19. If, after making all effort to avoid and minimize land acquisition and resettlement, land acquisition is still required for the selected project activity, the project facilitators, supervised by the project social safeguard consultant, will work closely with the community to formulate a RP for the subproject using the following procedure:

- (i) Identify the land acquisition requirements for the project activity and its socio-economic impacts.
- (ii) Conduct stakeholder consultations to look for ways of avoiding or minimizing adverse impact and to identify AP's needs and preferences.
- (iii) Undertake census of APs, inventory and detailed measurement survey (DMS) of affected assets of all APs.
- (iv) Obtain data on the socioeconomic conditions of the APs, to ensure that the AP's living standard will not be severely affected by the acquired assets due to the project activity.
- (v) Undertake the replacement cost survey of the affected assets to inform the APs on the value of the concerned assets.
- (vi) Provide information on village proposal activities and its resettlement impacts to all APs in a form and language that is understandable by them.
- (vii) After the LAR impacts are identified and replacement costs are calculated, the APs will have choices of (i) full compensation (monetary or non-monetary; if the latter the compensation needs to be again determined through facilitation process); (ii) voluntary donation of the affected assets (the poor and otherwise vulnerable APs will not eligible for this option); or (iii) refuse participation in a transaction. If the APs refuse to participate in a transaction the village proposal will be dropped and replaced with other proposal.
- (viii) If the APs choose monetary compensation the cost will come from the allocated village grant and the decisions regarding compensation has to be determined through community facilitation process, assisted by the village facilitator. If either party does not agree with the compensation mechanism, the village proposal is rejected and replaced with others.
- (ix) Any "voluntary" donation of affected assets must be confirmed with written record by APs and verified by an assigned independent third party such as a local nongovernment organization (NGO) or legal authority.⁷
- (x) The established CIO, with assistance from the community facilitators, will prepare RP with all information as above and include an implementation schedule, procedures for grievance redress and M&E. Simple and

⁷ Example of written documentation/ consent form provided in the **Attachment 2**.

specific formats of RP will be provided by the PIUs to the CIOs to be completed.

- (xi) Disclose the RP to the project's APs.
- (xii) Submit the RP to independent resettlement committee and ADB for approval prior to implementation. The RP will be uploaded on ADB's website.
- (xiii) Complete implementation of the approved RP for a village proposal by the CIOs before commencement of any civil works. The community facilitators will ensure satisfactory implementation of the RP prior to commencement of any physical work. Special trainings will be provided to the community facilitators during the recruitment period to enhance their skills and knowledge of ADB safeguards requirements and procedures.

20. **Surveys for Resettlement Plan Preparation.** The DMS of lost assets will collect data on the affected assets from 100% of AP following detailed design of the subproject. The data will include:

- (i) total and affected areas of land by type of land assets;
- (ii) total and affected structures by type of structure (main or secondary);
- (iii) legal status of affected land and structure assets, duration of tenure and ownerships;
- (iv) quantity and type of affected crops and trees;
- (v) quantity of other losses (e.g. sharecropping/dwelling access, other productive assets);
- (vi) quantity/area of affected common property and community/public assets by type;
- (vii) summary data on AP households by ethnicity, gender of head of household, household size, primary and secondary sources of household income vis a vis the poverty line; and
- (viii) AP knowledge of the subproject and preferences for compensation, donation or assets exchange based on the community discussion.

21. The procedure of RP formulation and survey activities will be embedded in project activities and guided with project manuals prepared by the project consultants. The CIOs established in each project village will conduct the survey and prepare the RP with assistance from the community facilitators.

D. Institutional Responsibility and Resettlement Related Cost

22. For compliance to ADB's social safeguard policies in the project activities, the Project's Executing Agency (EA), the Directorate General of Human Settlements of the Ministry of Public Works, will have the overall coordination and responsibility for the resettlement activities under the Project. The existing PNPM Mandiri Oversight Body will provide policy directives, guidance, monitoring, and managerial oversight. The Oversight Body is chaired by the Coordinating Minister for Social Welfare and comprises the Ministers for the National Development Planning Agency (BAPPENAS), Ministry of Finance, Ministry of Home Affairs, MPW, and Ministry of Social Development. Provincial and district project coordination teams also have multi-agency steering committees formed by the respective governors and district heads (*bupati*). These regional committees have coordination and monitoring functions similar to those of the Oversight Body. Chaired by the head of the regional planning and development agency, they comprise heads of the relevant sector agencies and representatives from local

organizations. These PNPM Mandiri steering committees at the district level will review the RPs prepared under the Project and monitor their implementation.

23. The implementation of ADB's Involuntary Resettlement Policy (1995) and resettlement activities in the subprojects will be supported by social safeguard management consultants at national and provincial levels and facilitators at village levels. Community facilitators will be recruited by provincial PIUs. There will be five facilitators to support the facilitation process in about seven villages. Social safeguards and social development/gender specialists will be included in all regional consulting teams. The social development/gender specialists will be employed, among other things, to ensure appropriate implementation of the LARF and the subproject RPs. They will supervise community facilitators and the communities in implementing the project's activities, as well as the implementation of the LARF when required.

24. CIOs will be established with assistance and supports by community facilitators in every village of the project sites. The CIOs will receive support from community facilitators to increase their social awareness and technical capacity for implementing the project activities. With assistance from community facilitators the CIO will be involved and responsible for both the preparation and implementation of the RPs.

25. ADB resettlement specialist (staff consultant) will be mobilized to provide support to ADB's project team to review and approve subproject RPs. This is due to the large amount of subproject RPs that may need to be reviewed and approved by ADB.

E. Disclosure, Consultation and Grievances

26. Following the Project's CDD approach, any activity requiring new land in the project sites will be prepared and implemented in close consultation with all stakeholders. This would be in line with the consultation procedures as required by ADB policy. It will involve focus group discussions and community meetings especially with the APs. The CIOs will be responsible to disseminate the information on the resettlement activities of the subproject to the APs through verbal communication or written materials that are accessible and in language that is easy to be understood by the APs. The LARF will be included in the project implementation guidelines to be used by community facilitators and community members.

27. Copies of the RPs will be available in the local government and CIO's offices and will be posted on the ADB's and the Project's websites.

28. Any AP will have the right to file complaints and/or queries on any aspects of land acquisition and resettlement activities of the subprojects. The complaint and grievance procedure would follow the existing PNPM project which is a step by step procedure. At the village level, complaint from any APs can be filed to the CIO's members and local government for an immediate solution when possible. If the problem cannot be solved, the CIO's members and local government staff will facilitate the APs to submit their complaints to the Project's grievance and redress committee (GRC) at district level and to provincial/national level if not satisfied. Community facilitators will record the complaint and report to the PIUs. The Project will dedicate a staff at district, provincial and national levels in charge of handling and following up on APs' complaints.

29. The members of the GRC will involve the representatives of vulnerable APs (i.e. women APs, poor APs and minority groups) and other APs and relevant government officials with functional and legal authority. The committee will review grievances involving all resettlement benefits or issues, except for disputes related to ownership. Grievances will be redressed within two to four weeks from the date of lodging the complaints at the district level and within eight weeks at the provincial/national levels. If no consensus can be reached the dispute resolution will follow Presidential Decree No. 36/2005, chapter 17.⁸

30. The APs could also file their complaints on the PNPM Mandiri website that is already available through the internet connection or by written complaint submission to the PNPM Mandiri administrator.

31. Complaint and grievance procedures and guideline will be included in the project implementation guideline to be disseminated by the community facilitators to the affected communities during the facilitation process and project implementation.

F. Monitoring and Evaluation

32. The project M&E mechanism for land and social safeguard issues will be included in the internal M&E report prepared by the EA. One section of the regular internal monitoring report will be dedicated to report and discuss issues related to social safeguards in project activities.

33. The district level PNPM Mandiri multi-stakeholders steering committees will serve as the external monitoring agencies of the Project. The external monitoring activities specifically focusing on this issue will be conducted twice a year during the project implementation period. Monitoring reports will be uploaded on ADB's website.

⁸ The AP could raise objection/complaint to the district head/mayor or governor in accordance to their respective scopes and authority to change or validate decision made related to the land acquisition/resettlement in project activities.

Annex 1: Project's Entitlement Matrix

Entitled Person	Type & Level of Impact	Compensation Policy	Note
Permanently affected land			
Owners of the land.	Loss of ownership of the land.	Compensation at replacement cost rate, OR. <ul style="list-style-type: none">Land replacement/exchange with similar condition.No compensation if owner is eligible and opts to voluntarily donate land in exchange for direct subproject benefits .Severely APs that lose 10% or more of productive land, assets or income, in addition to compensation for lost assets at replacement cost will be provided with appropriate rehabilitation measures to assist these APs to restore their pre-project living standards, incomes, and productive capacity.	In line with CDD approach employed in the project, the selected compensation mechanism will depend on the result of community discussions.
User of the land.	Loss of use of the land.	<ul style="list-style-type: none">Land replacement/exchange with similar condition.No compensation if land user is eligible and opts to voluntarily give up his/her use, but will benefit directly from the subproject activity.Severely APs that lose 10% or more of productive land, assets or income, will be provided with appropriate rehabilitation measures to assist these APs to restore their pre-project living standards, incomes, and productive capacity.	
Annual/perennial crops			
Owners of the crops.	Loss of the crops.	<ul style="list-style-type: none">Compensation at replacement cost rate OR .No compensation if owner is eligible and opts to voluntarily donate the affected crops in exchange for direct subproject benefits OR.Other special arrangement as agreed by the affected people.Severely APs that lose 10% or more of productive assets or income will be provided with appropriate rehabilitation measures to assist these APs to restore their pre-project living standards, incomes, and productive capacity.	In line with CDD approach employed in the project, the compensation mechanism will depend on the result of community discussions.
Communal Land			
Community members.	Loss of communal use of land.	<ul style="list-style-type: none">Communal land replacement with similar condition/purpose OR.No communal land replacement if the community agrees and opts to provide the land for the sub project activity.	In line with CDD approach employed in the project, the compensation mechanism will depend on the result of communication discussions.

Attachment 1: Outline of a Short Resettlement Plan

Topic	Contents
Scope of land acquisition requirements and impacts	<ul style="list-style-type: none"> • Background of subproject activity • Summary of key effects in terms of land acquired, assets lost, numbers of people affected, and affected people's socio-economic background as collected through DMS survey • Describe subproject benefits to the community – and whether all APs are subproject beneficiaries
Objectives, policy framework, and entitlements	<ul style="list-style-type: none"> • The policy and legal framework for project's land acquisition • Eligibility policy and entitlement matrix for all categories of loss
Information Dissemination, Consultation, Participatory Approaches and Disclosure Measures and Results	<ul style="list-style-type: none"> • Identification of subproject stakeholders • Consultations for determining principles • Include measures to ensure that process of voluntary contribution does not disadvantage women, poor/vulnerable households and ethnic minority • Mechanisms for stakeholder participation in planning, management and M&E • Ensure that women are involved in resettlement planning • Role of NGOs and women's groups to support the APs (if required)
Compensation, voluntary contribution and income restoration	<ul style="list-style-type: none"> • Describe arrangements for valuing and disbursing compensation • Describe income restoration measures if any required • Describe voluntary contribution process, and validate eligibility conditions and process has been met
Grievance Redress Mechanisms	<ul style="list-style-type: none"> • Mechanisms for resolution of conflicts and appeals procedures
Institutional framework	<ul style="list-style-type: none"> • Main tasks and responsibilities in planning, managing and monitoring land acquisition
Implementation schedule	<ul style="list-style-type: none"> • Time bound actions for projected activities showing how APs will be fully compensated or voluntary contributions agreed and signed before they are displaced from their assets.
Monitoring and evaluation	<ul style="list-style-type: none"> • Arrangements for M&E
Resettlement budget and financing	<ul style="list-style-type: none"> • Identify land acquisition and resettlement costs and funding sources
Supporting Documents	<ul style="list-style-type: none"> • Minutes of community meetings on land acquisition mechanism for the subproject • Copies of completed and signed voluntary contribution consent forms

Attachment 2: Voluntary Contribution Consent Form

Republic of Indonesia

[INSERT NAME] Province
 [INSERT NAME] District
 [INSERT NAME] Kecamatan
 [INSERT NAME] Village

Certificate of Land /Tree/Access [CHOOSE ONE] Transfer

I [INSERT NAME. AGE, NATIONALITY, OCCUPATION], with residence located in [INSERT NAME] village, [INSERT NAME] district, [INSERT NAME] sub district, [INSERT NAME] province,

Certify that I have been previously informed by village local authority of my right to entitle compensation for any loss of assets (land, trees, access and structures) that might caused by the construction of [INSERT SUPRPROJECT ACTIVITY] in [INSERT NAME OF LOCATION], [INSERT NAME] kecamatan, of [INSERT NAME OF DISTRICT AND PROVINCE].

I also confirm that I do not request any compensation of loss of [INSERT THE LOSSESS] and would request the local authority to consider this as my contribution to the Project.

Type of Loss	Area (m2)/ trunks	Unit rates	Total	Comment
Land				
Tree/crops				
Structure				
Access				

If there is land exchange/land to land replacement (as agreed from community discussion) add the below statement in the certificate

I confirm that I voluntarily accept the land/trees/access to use the land /structures [CHOOSE ONE] of [INSERT AMOUNT OF ASSETS] square meters/trunks [CHOOSE ONE] located in [INSERT NAME] village [INSERT NAME] district of [INSERT NAME] province to be provided by the local village authority for compensation.

Therefore, I prepare and sign this certificate as the proof of my decision.

[INSERT NAME] Village
 [INSERT DATE]

The owner/user [CHOOSE ONE] of the land/trees/structure [CHOOSE ONE]

[INSERT NAME AND SIGN]

Witnesses:

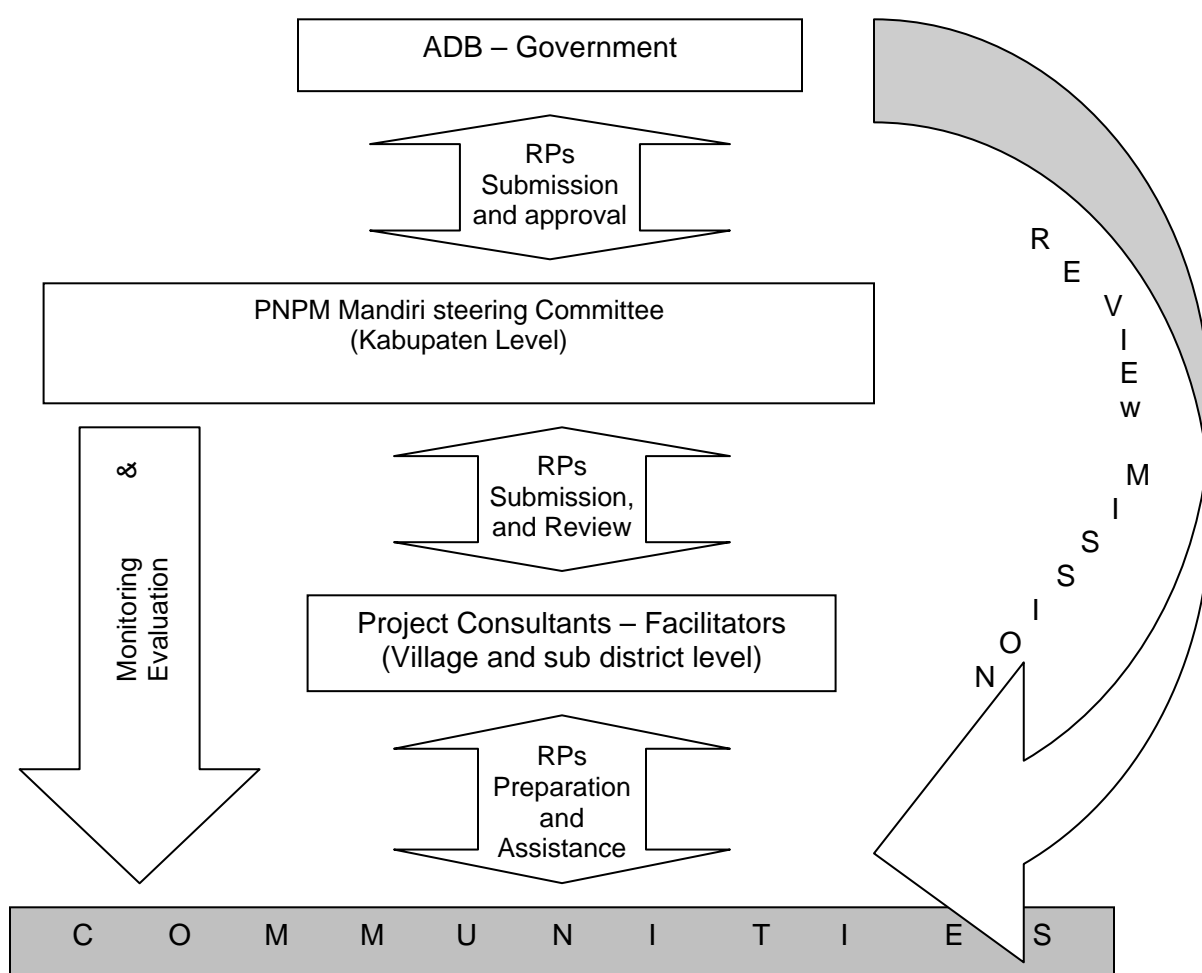
1. [INSERT NAME]
2. [INSERT NAME]
3. [INSERT NAME]

Certified by the Chief of the Village [INSERT NAME AND SIGN]

Certified by the Project representative [INSERT NAME AND SIGN]

Certified by the local CBO representative [INSERT NAME AND SIGN]

Attachment 3: Project Mechanism for Safeguarding ADB IR Policy



SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

Country/Project Title: **Indonesia / Rural Infrastructure Support for PNPM-Mandiri Project**

Lending/Financing
Modality:

Project

Department/
Division:

SERD/SEAE

I. POVERTY ANALYSIS AND STRATEGY

A. Linkages to the National Poverty Reduction Strategy and Country Partnership Strategy

Prior to the Asian financial crisis, Indonesia had been successful in fighting poverty. The poverty rate, in terms of the population living below \$1/day, decreased from more than 50% in 1970 to less than 20% in 1997. Although the poverty headcount has been steadily falling since 1997, poverty remains persistent in Indonesia. Recent surveys suggest that about half of the population still lived below the \$2/day international poverty line in 2007. Continued economic growth rates contributed to lift living standards; however, the benefits of economic growth are not equally distributed among the population. Rural poverty is significantly higher than urban poverty, with about 60% of the country's poor living in rural areas. The causes of rural poverty include lack of access to key social services, absence of economic opportunities particularly in rural areas, poor infrastructure in villages, and inadequate market linkages.

To address the issue of underdeveloped infrastructure hampering economic growth opportunities in poor rural areas, the Government of Indonesia's (Government) National Strategy for Poverty Reduction (SNPK) identified increasing rural infrastructure investments as a key strategy to reduce poverty and regional disparities. According to the SNPK, infrastructure investments will contribute to achieving the Millennium Development Goals (MDGs), as the impact of improved infrastructure will enhance poor people's access to social services and markets, and generate income and employment opportunities. In line with the SNPK, the Government's Medium-Term Development Plan (RPJM) 2004–2009 further underlines the need for increased investments in infrastructure in general, and in rural infrastructure in particular, as an important vehicle for reducing poverty.

In April 2007, the Government launched the National Program for Community Empowerment (PNPM Mandiri). The PNPM Mandiri builds upon Indonesia's accumulated experience with community-driven development (CDD) programs and focuses on improving local governance and service delivery at the subdistrict and village level by encouraging participatory planning and providing block grants for rural roads, improving water and sanitation facilities, and developing education and health services. The program will cover all villages in the country during the period 2008–2015. The PNPM Mandiri budget for 2008 and 2009 is about \$1.4 billion and \$2.0 billion, respectively. The PNPM Mandiri promotes inclusive community facilitation in planning and implementation of infrastructure improvements, utilizes simple and transparent funds flow mechanisms, and puts emphasis on operation and maintenance of completed works. The Project is built into the Government's PNPM Mandiri and the project implementation arrangements are aligned with the PNPM Mandiri mechanisms.

The Project is in line with ADB's country strategy and program for Indonesia for the period 2006–2009, which includes investments in rural infrastructure as strategic key area of engagement to address poverty and regional disparities, and achieve the MDGs.

B. Poverty Analysis

Targeting Classification: Geographical targeted Intervention

1. Key Issues

According to recent estimates, about half of Indonesia's 235 million people are considered to be poor, struggling to survive on less than \$2/day. About 18% of the population lives on \$1/day or less. In addition, the incomes of a significant share of the population are just above the poverty line, thus a large proportion of vulnerable people is at risk of falling into poverty due to rising inflation driven by increasing food and oil prices, and the impacts of natural disasters. Other poverty-related challenges in Indonesia include the large number of poor but also the striking disparities between regions, provinces, districts, and cities. The four project provinces are home to about 2 million rural poor, or more than 12% of the country's rural poor.

2. Design Features.

To address the major reasons of rural poverty caused by lack of adequate infrastructure, which hampers access to social services and impedes economic opportunities, the Project will complement the Government's PNPM Mandiri and apply the program's modalities and implementation structure, thus ensuring its alignment with the Government's development strategies. The Project will cover about 1,650 less developed villages in four provinces (Jambi, Lampung, Riau and South Sumatra) in western Indonesia. The selected four provinces are located in the southern half of Sumatra Island, where the incidence of rural poverty is higher than the national average. It is estimated that about 2 million rural poor in about 1,650 poor and/or isolated villages will benefit from infrastructure improvements, including improved village roads and pathways, bridges and culverts, small piers, village irrigation schemes, water supply and sanitation, drainage works; and rehabilitation of schools, local health services and multipurpose village buildings. The main benefits are expected to include (i) reduced

transportation costs, (ii) improved access to safe drinking water, (iii) improved access to sanitation facilities, (iv) improved crop production, and (v) short- and long-term employment generation.

In order to promote good governance, the Project builds on the CDD approach, which involves communities in project planning, implementation, and monitoring. In line with the Government's development objectives, the Project will incorporate good governance through (i) advance socialization of the overall program objectives so that the communities understand the intentions, outcomes, and processes by which funds will be disbursed; (ii) ensuring transparent, consistent, and cost-effective investment planning and implementation at the village level through well-defined procedures, guidelines, and institutional arrangements; (iii) establishment of well-defined procedures for the transfer of funds to community-managed bank accounts; and (iv) comprehensive monitoring and evaluation (M&E).

II. SOCIAL ANALYSIS AND STRATEGY

A. Findings of Social Analysis

Indonesia's infrastructure, particularly in rural areas, is deteriorating. Electrification rates are the lowest in the region, road network congestion is increasing, and conditions of rural roads are poor. A lack of access to infrastructure results in location poverty, in which people living in isolated areas with difficult geography and poor market linkages lack both economic opportunities and adequate levels of service delivery. More than 15% of all Indonesian villages are inaccessible, even by 4-wheel-drive vehicles, at certain times of the year. Investments in transportation infrastructure, agricultural infrastructure (irrigation), and education and health facilities can significantly improve living conditions in remote areas, create the basis for economic growth, and make a major difference in the welfare of the local population. Poor quality roads or even no roads mean that government services seldom enter the region. Once isolated regions can be reached, services will follow. The positive effect of infrastructure on rural welfare has been empirically demonstrated. Surveys have revealed that the presence of good roads is strongly and significantly correlated with a community's level of mean income.

Approximately 60% of the population lives in rural areas where agriculture is the main source of livelihood. One reason for low incomes in the agriculture sector is that 'farm gate prices' are very low as compared to the urban price for the same good of the same quality. Farm gate prices are low as a result of high real transport costs for rural marketable surpluses over poor quality roads. Transport costs are even higher for non-motor-vehicle transport methods in areas where roads are absent. In a rapid assessment of causes of poverty in five of Indonesia's districts, villagers in isolated areas identified high transport costs to be a major cause of poverty. New roads in previously un-served agricultural areas can significantly lower transaction costs and hence raise farm gate prices, which will mean higher incomes for people in the agriculture sector, the poorest group of the population. Improvement of rural roads will help agriculture extension workers reach rural farmers to provide technical advice and know-how to increase productivity.

To further enhance the quality of life in poor rural communities, access to social services is crucial and infrastructure investments can accelerate social development. Lack of access to quality education significantly decreases productivity, employment opportunities, and personal income. With improved roads and better education facilities, teachers might be more willing to staff rural schools and the teaching and learning environment would improve, thereby increasing human capital. Health and hygiene problems are still major causes of poverty in Indonesia. Through a serious illness or an accident, a family can easily lose any accumulated assets. Road improvements and investments to improve drinking water quality and rehabilitate basic health facilities will contribute to increased access to and quality of health services in rural communities. The list of potential social benefits through infrastructure investments can be further enlarged.

B. Consultation and Participation

The Project was designed in a participatory process involving major government and nongovernmental stakeholders at the national, provincial, and district level; community leaders; and development partners. Participation took place through regular consultations. The Project is part of the Government's PNPM Mandarin and during implementation the Project will maintain broad stakeholder participation. The Project strongly supports community empowerment and will strengthen local capacity to implement their priority programs. The Project includes assistance to (i) conduct an awareness campaign to familiarize the community members with the program; (ii) conduct community facilitation that includes poverty mapping at the village level, identification of problems and needs, evaluation of community implementation capacity, and development of planning mechanisms and decision-making processes; (iii) assist in establishment and capacity building of community implementation organizations; (iv) assist communities in formulation of village medium-term poverty reduction (MTPR) plans and related annual investment plans for funding by block grants; and (v) assist communities in formulation and implementation of operation and maintenance (O&M) plans to ensure sustainability of completed facilities.

What level of consultation and participation (C&P) is envisaged during the project implementation and monitoring?

☐ Information sharing ☐ Consultation ☐ Collaborative decision making ☒ Empowerment

Was a C&P plan prepared? ☐ Yes ☒ No

The Project applies CDD planning and implementations mechanisms that have been successfully implemented under the Government's PNPM Mandiri program in other provinces. An additional C&P plan is not required.

C. Gender and Development

Key Issues. The country gender assessment identified four key themes through a consultative process: (i) the impact of decentralization on gender, (ii) women's inadequate representation in political decision-making, (iii) violence against women, and (iv) women and international migration. It noted that while Indonesia has made progress over the years, gender inequalities persist. Gender-disaggregated data is lacking. Indonesia was ranked 107th globally in both gender and human development indexes in 2008. Women's longer life expectancy is more than offset by a much lower literacy rate and a small share of earned income. In 2007, women's labor force participation was only 40%, compared with 80% for men. The shift to regional autonomy has already shown potential for increased participation of women in local governance, but decentralization has sometimes been accompanied by a revival of conservative religious interpretations of gender roles.

Key Actions. Drawing a comprehensive conclusion on issues related to gender and income poverty in Indonesia is difficult as consistent disaggregated data by sex is not available throughout the country. However, the community participation approach applied by the Project will ensure that perspectives of both men and women are represented in planning, designing, and implementing the village infrastructure investments. The village representative committees will include at least one woman, and committee membership will be at least 20% women. Experience from the PNPM Mandiri reveal that the number of women on the committees varies from few women to entirely women, depending on the circumstances of individual villages. Although it is difficult to measure participation of men and women in construction, some tasks tend to be done more by women, such as finishing work on masonry and concrete, ground clearing preparations, spreading gravel, leveling and filling work, and other tasks requiring attention to detail and manual dexterity. The types of expected infrastructure works present opportunities to provide temporary casual labor to both men and women. Measures included in project design to promote gender equality and women's empowerment include access to and use of relevant services, resources, assets, and opportunities; and participation in decision-making processes. A summary gender action plan is in Appendix 15.

☒ Gender plan ☐ Other actions/measures ☐ No action/measure

III. SOCIAL SAFEGUARD ISSUES AND OTHER SOCIAL RISKS

Issue	Significant/Limited/ No Impact	Strategy to Address Issue	Plan or Other Measures Included in Design
Involuntary Resettlement	Limited impact	The Project will upgrade some existing infrastructure and build new small-scale community infrastructure, designed according to a CDD approach. A land acquisition and resettlement framework has been prepared to guide communities in the design and implementation of short resettlement plans (RP). Land acquisition will be either by voluntary contribution (but not permitted for vulnerable affected persons) or through compensation	<input type="checkbox"/> Full Plan <input type="checkbox"/> Short Plan <input checked="" type="checkbox"/> Resettlement Framework <input type="checkbox"/> No Action
Indigenous Peoples	Limited impact	The Project promotes community empowerment and inclusive community facilitation in planning and implementation of infrastructure improvements. Indigenous community members will be invited to	<input type="checkbox"/> Plan <input checked="" type="checkbox"/> Other Action <input type="checkbox"/> Indigenous Peoples Framework <input type="checkbox"/> No Action

		participate in all decision-making processes. The use of experienced local facilitators will further accommodate indigenous people's aspirations and priorities into these plans. Where land acquisition would involve indigenous peoples, a specific action would be included in the RP in accordance with ADB's <i>Policy on Indigenous Peoples</i> (1998).	
Labor <input checked="" type="checkbox"/> Employment opportunities <input type="checkbox"/> Labor retrenchment <input type="checkbox"/> Core labor standards	Limited impact	No displacement of labor will occur as a result of the Project. Some income-generating opportunities will accrue to the community during the construction period for both skilled and unskilled labor. Communities will plan and agree on how these opportunities will be allocated.	<input type="checkbox"/> Plan <input type="checkbox"/> Other Action <input checked="" type="checkbox"/> No Action
Affordability	Limited impact	The Project will contribute to lowering transportation costs, and costs of access to social services. In particular, village road improvements will contribute to reduced time and/or cost needed to market village products and/or purchase consumer commodities. No negative impacts are expected.	<input type="checkbox"/> Action <input checked="" type="checkbox"/> No Action
Other Risks and/or Vulnerabilities <input type="checkbox"/> HIV/AIDS <input type="checkbox"/> Human trafficking <input type="checkbox"/> Others(conflict, political instability, etc), please specify	No impact	None	<input type="checkbox"/> Plan <input type="checkbox"/> Other Action <input checked="" type="checkbox"/> No Action

IV. MONITORING AND EVALUATION

Are social indicators included in the design and monitoring framework to facilitate monitoring of social development activities and/or social impacts during project implementation? ☒ Yes ☐ No

The M&E framework for PNPM Mandiri has built upon the last 8 years of M&E work on CDD in Indonesia and other similar programs in the world. The framework has employed both quantitative and qualitative methodologies, as well as a mix of internal and outsourced evaluations. Experience to date indicates that effective M&E systems for CDD programs are difficult to establish, but they can be set up with sufficient support and technical guidance. The systems require a mixture of strong supervision and quality checks through internal project channels, as well as external M&E from a variety of actors. The baseline surveys will be conducted for the PNPM Mandiri and will not be financed under the Project.

**PNPM MANDIRI'S
IMPLEMENTATION GUIDELINES ON
MANAGEMENT OF COMPLAINTS AND
GRIEVANCES**

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CHAPTER I INTRODUCTION

1.1. BACKGROUND

In the implementation of the National Program for Self Supporting Community Empowerment (Program Nasional Pemberdayaan Masyarakat/PNPM Mandiri) which involves various programs and related parties, problems are possible to occur from the community level, village level, district level up to the national level. Meanwhile, the implementation of a program could not be expected always to run perfectly. In order that any problems and complaints in relation to the implementation of PNPM Mandiri could be handled and settled promptly, as well as in the framework of making the best effort in the implementation of Good Governance, PNPM Mandiri must be facilitated with Complaint and Problem Management (Pengelolaan Pengaduan dan Masalah/PPM). In this context, the management shall cover receiving and documentation of problems, facilitations for problem settlement, and monitoring the problems until being declared to have been settled.

PPM PNPM Mandiri shall function to accommodate all types of complaints related to implementation of PNPM Mandiri and the handling of its completion, as well as the distribution of information to any interested parties. Proper management of complaint and problems shall guarantee satisfaction of the beneficiary and the entire community, as well as enabling the receipt of information timely and accurately so that any improvement can be conducted soon.

The existence of PPM PNPM Mandiri shall be understood as one of the good intentions for the smoothness of the implementation of PNPM Mandiri. Keeping information undisclosed by making no report will never settle the existing problems. The existence of many complaints relating to the implementation of PNPM in a certain region does not mean that it shows the bad performance of the program in the related area. The existence of PPM PNPM Mandiri is also intended to develop inspirational and accurate community institution, as well as encouraging the growth of participation and community independence. PPM PNPM Mandiri is also necessary to improve the community capacity in order to be independently capable in handling various complaints. Therefore, PPM PNPM is an important facility being the media for educating the community in the implementation of participative development.

1.2. OBJECTIVES AND PURPOSES

The guidance for the implementation of PPM PNPM Mandiri is intended as the guidance for the procedure of the management of complaints and problems for the program conductors in purpose of maintaining the program quality and becoming the source of references for all levels of community intending to report complaints and problems related to the implementation of PPM PNPM Mandiri.

The guidance of PPM PNPM Mandiri are aimed at the following:

- a. To maintain the implementation of the activities according to the objective, target, policy and principles which have been determined.
- b. To guarantee that the handling of complaints and problems is conducted in compliance with the designated procedures;
- c. To help community and other related parties in solving various problems in the program timely and completely;
- d. To harmonize the community perception and of other related parties in handling various complaints and problems in order to maintain the program quality.

1.3. THE EXISTENCE OF PPM-PNPM MANDIRI

PPM-PNPM Mandiri exists or is established and managed at each program of PNPM-Cell (PNPM_Inti).¹ In the case the program of PNPM-Cell has already established PPM, the criteria, mechanism and procedure shall be adjusted to this guidance on the implementation of PPM PNPM Mandiri. Any complaints arising due to the implementation of programs of PNPM-Penguatan² (PNPM-Strengthening) shall be handled by PPM of Program PNPM-Cell existing in the respective area. Such complaints and problems including the existing follow-up shall be periodically forwarded to the Controlling Team of PNPM Mandiri for further coordination with related program or ministry/institution.

The Coordination of PPM PNPM Mandiri is under the Controlling Team of PNPM Mandiri. For this reason, a PPM unit must be established at the Secretariat of the Controlling Team of PNPM Mandiri, specially assigned to receive, conduct documentation, distribute, and to monitoring the management of complaints and problem solving by each program until such problems are declared to have been settled. The complaints which are directly addressed to the Secretariat of the Controlling Team of PNPM Mandiri shall be distributed to the program of PNPM-Cell or the related ministry/institution for further settlement. The handling of complaints and problems by each program of PNPM Mandiri shall be included in the management system of data and information of PNPM Mandiri so that such data and information can be used for larger purposes.

Principally, all information related to the Management of complaints and problems related to PNPM Mandiri shall be open for public. For such reason, the existence and function of PPM-PNPM Mandiri must be widely distributed to all levels of community.

CHAPTER 2: PHILOSOPHY AND PRINCIPLES

The philosophy and principles of complaint management and problems (Pengelolaan Pengaduan dan Masalah/PPM) of PNPM Mandiri shall be as below:

2.1. Philosophy

PPM PNPM Mandiri applies the philosophy of DOUM, which stands for “*dari, oleh dan untuk masyarakat*” (from, by and for community), provided that it is still in compliance with the prevailing laws. Such principle is defined that all problem handling shall be initiated with the intention and critical awareness of the community, by the community and for the benefit of the entire community. Therefore, the community must be encouraged and given sufficient chances to pro-actively conduct and participate in all steps of problem handling until the problems are declared to have been solved by the community itself. The attempt to grow such motivation must be developed in the entire implementation of PNPM Mandiri through various methods.

2.2. Principles

PPM PNPM Mandiri refers to the principles as mentioned below:

¹ Considering that there would be no overlap of program locations covered in PNPM Cell (PNPM Mandiri in rural areas, PNPM Mandiri in urban areas, PNPM Mandiri for under developed areas/P2DTK, PPIP, and PISEW), therefore, the management of complaints and problems reported in relation to the implementation of program shall be consistently handled by each program based on the criteria, mechanism and procedures as contained in this Guidance on the Implementation of PPM-PNPM Mandiri.

² The community empowerment program being managed by the ministry/institution or the local government as they are members of the PNPM Mandiri.

- a. **Confidentiality:** Identity of a person reporting a complaint or a problem must be kept confidential unless such concerned person decides otherwise. This is aimed at providing protections for the reporter to enable him feel secure and comfortable despite of the problem he has reported.
- b. **Transparent:** Problem handling shall refer to the philosophy of DOUM (From, By, and For Community), meaning that the community shall be informed and involved as much as possible in complaint or problem handling. The improvement of problem handling must be transferred to the whole community members both through forums and announcement board or other alternative medias according to the local conditions. The community shall be motivated to actively participate in controlling the process of the handling of the existing complaint/problem. The tasks of facilitators and consultants shall be to encourage and advise as well as to ensure that the community become pro-active in the total process of problem handling.
- c. **Proportional:** Handling must be in accordance with the scope of the occurring cases/problems. In the event the case is related to deviation of principles and procedures, the handling must be focused accordingly. If the case is due to deviation of principles and procedures as well as fund mismanagement, it must be handled according not only to the principles and procedures but also to fund mismanagement.
- d. **Objective:** The handling of complaints and problems must be objective and shall be fair for both parties and shall be consistently based on the proper principles and procedures. The complaint which occurs must always be verified through mechanism of cross examination so that the responding actions suit with the factual data.
- e. **Accountability:** The process of complaint and problem handling activities as well as the follow-up must be accountable to the community according to the prevailing stipulations and procedures.
- f. **Facility:** Each member of the community, especially the poor, the male and female groups, must be provided facility to report complaints and problems. The complainant/reporter may submit a complaint to the most accessible level by using the media/channel which has been developed by the program and/or any media already existing in the environment.
- g. **Fast and accurate:** Each complaint and problems must be responded/handled fast based on accurate information. For this, the settlement of problems and complaints must be conducted as much as possible at the nearest level.
- h. **Participative:** In purpose of supporting the independency level of the community, the participation and involvement of the community must continuously be increased in reporting, monitoring, and various steps of complaint or problem settlement for the implementation of PNPM Mandiri.

The handling and problems needs to consider respective local social and cultural conditions and the local wisdoms provided that those are not in contrary to the philosophy, principles, and procedures of PNPM Mandiri, as well as the prevailing laws and regulations.

CHAPTER 3: PROBLEM CATEGORY

Categorization of problem based on “category” is intended to make proper steps to be taken easier in order to response complaints and to solve problems. Problems are divided into two categories these are: ‘**Implementation Problem**’ and ‘**Managerial Problem**’. The categorization of problems is further analyzed as follows:

3.1 IMPLEMENTATION PROBLEMS

Implementation problems is complaint or problem arising out from violation of principles and procedures, deviation/misuse of funds, intervention (negative), and events beyond human capacities (*force majeure*) during the implementation of programs in the field. In relation to that, the implementation of problems are divided into 4 categories, these are:

a. Category 1

Complaint of problem related to the violation of mechanism or deviation of principles and procedures of the program, for instance:

- The fund management is not transparent, whereas the community is not allowed to get informed of the financial condition.
- The process of material procurement does not comply with the prescribed procurement guidance.
- There exists modification of activities volume without prior special deliberation.

b. Category 2

Complaint or problem related to **deviation/misuse of fund**, for instance:

- Deduction of fund during distribution;
- The facilitator or program manager misuses the program fund for personal interests.
- The supplier has received payment but did not procure goods being purchased.
- Fund for program rolling is lent to un-entitled parties.

c. Category 3

Complaint of problem related to negative intervention activities leading to the loss to be suffered by the community or the PNPM Mandiri Program, among others:

- Village apparatus insists that the community must accept certain activities as the village proposal.
- Facilitator intentionally directs and persuades the community to propose only certain activities.

d. Category 4

Complaint or problem related to event being beyond the human capacities (*force majeure*), for instance among others:

- The bridge is swept off by the flood.
- The group could not afford to pay the installments because suffering from robbery or natural disaster.

3.2 MANAGERIAL PROBLEM

Managerial problems are problems related to the in-optimal program implementation due to the lack of capability of the facilitator / consultant of the process facilitation, in-optimal of program management, or special situation/condition in a certain area.

Included in questions or managerial problems are among others:

- a. Unclear principle, mechanism and program procedures.
- b. Program administration is incomplete/disorder or insufficient.
- c. Team of maintenance/protection does not function.
- d. There exist arrears or bad repayment of program fund (*not* due to principle and procedures, negative intervention or fund deviation).
- e. Bad performance of program conductors.
- f. Delayed payment of consultant's fee.
- g. Delayed completion of physical works (*not* due to deviation of principles and procedures negative intervention or deviation of fund, but due to rainy days or materials are difficult to obtain, etc).
- h. Participation of the community, including that of the women is low in the program activities.
- i. Bad performance of facilitator/consultant.

Since the managerial problems are caused by special conditions of one area, the low support of administration or the low capacity of the consultant/facilitator of the process, the handling thereof is by increasing the support of the program administration and/or to increase the supervision, assistance and / or monitoring upon the facilitator/consultant having low capacities by the Coordination Team of PNPM Mandiri in cooperation with the supervisor and/or consultant having special skills related to the problems. Further, this guidance will only clarify the complaint and problem management related to the implementation.

CHAPTER 4: SYSTEM AND PROCEDURE

The system and procedure for complaint and problem management is in broad terms conducted in several levels. The clarification regarding media/channel for complaint and sequential levels thereof is as follows:

4.1 COMPLAINT MEDIA / CHANNEL

In principle, complaints may be submitted by all elements of the community, such as community members, community leaders and community groups, NGO, social organization, government apparatus, consultants, journalists, and so on. For that, complaints and problems in relation to materialization of PNPM Mandiri may be conducted both directly and indirectly through two complaint channels as follows:

- A channel provided by PNPM Cell through facilitator, consultant, SMS, PO Box, and others.
- A channel provided by the Controlling Team of PNPM Mandiri

A direct complaint may be submitted to the assistant, consultant and other executive units in the field, or through various meeting forums with the Controlling Team of PNPM Mandiri in National level and Coordinating Team in the Province/Regency/City level and or Consultant (National, Province, Regency/City, District and / or Village level).

Whereas an indirect complaint may be submitted through:

- a. Complaint books/forms
- b. Telephone
- c. Website
- d. Complaint box, SMS, Internet (email), post (including PO Box)
- e. Report on results of monitoring upon development, performance, field findings or through Controlling Team or Coordination Team of PNPM Mandiri, consultant, program conductors, LSM, regional legislative body (DPRD), universities, research institutes and other social organizations.
- f. Mass Media
- g. Report on results of investigation/finding of supervisory bodies such as Development Performance Supervisory Body (Badan Pengawas Kinerja Pembangunan - BPKP), Regional Supervisory Body (Bawasda), UPK Supervisory Body or District Level Supervisory Body (Banwas Kecamatan) and others.

4.2. MANAGEMENT OF COMPLAINT AND PROBLEM

Immediately after a complaint or problem is received, the first step should be done is to conduct verification/investigation whether or not the complaint/problem is true, including (but not limited) to collect evidences and documentation related to the complaint (report, data and so on). Further steps of management of complaint and problem shall include:

a. **Documentation**

Any complaint or problem received shall be documented in the log book as an initial documentation. Matters to be recorded and documented shall at least include:

- i. Archive number
- ii. Media / complaint channel (for letter, identify the letter number, if any)
- iii. Date of transmission and receipt of complaint.

- iv. Identity of complainant/reporter (name, sex, address, age, occupation and his institution)
- v. Location and time of event.
- vi. Content of complaint in the form of issues submitted.
- vii. Level and identity of the subject complained, either the subject is categorized the executive unit (such as apparatus, consultant, general community and others) or other subjects.

b. *Grouping and Distribution*

Complaints which have been documented are further grouped based on:

- i. The level of the subject complained in order to determine who should handle.
- ii. Issue complained in order to determine the problem category.
- iii. Complaint status, such as pending case, continuing case, impact of existing problem, or additional information of existing problem.

Based on the said categorization, the problem is then distributed to a subject having one level higher than the complained subject for clarification, cross examination and problem analysis. In cases considered to have impact broader than the case itself, the complaint shall be submitted directly to the consultant being responsible for handling problems in the said province (see Schedule 1).

In order to improve the handling, the complaint/problem which has been categorized should be documented from this stage in the data and information management system of the PNPM Mandiri. The documentation in the data and information management system shall be used for valuation and analysis for improvement of further program design. The guidance for complaint/problem documentation into the data and information management system will be further stipulated in the guidance for implementation related to data and information management system of PNPM Mandiri.

c. *Cross examination and Analysis*

Based on complaint/report received, the program conductor of one level higher than the level of the complained subject shall conduct cross examination in order to examine the truth of the report/complaint. The cross examination may be conducted through related parties at the level where the problem occurred in order to find out the following:

- i. Determination of the main problem aroused (subject / suspect, location, main problem, quantitative data, for instance amount of loss and so on).
- ii. Determination of the status of the case, whether it has been handled, has ever been handled/solved/ in complaint process / in cross examination process / in analysis process, and so on.
- iii. To obtain information/data/facts/supporting evidences.

Results of the cross examination upon the complaint / report on problem shall constitute an input for conducting analysis of the aroused problem in order to increase the accuracy of the making of handling alternatives. Results of analysis should be in the form of recommendation for problem solving, which shall describe:

- i. Summary of problem complained
- ii. Information on cross examination (supporting information)
- iii. Summary of problem as result of cross examination
- iv. Recommendation for solution, including detailed steps to be taken (and by whom)

- **Clarification is a process to find out the truth of information**

- **Cross examination is to find out information from the other party (opposing party) in order to determine the truth of the information**
- **Investigation is an effort to see a situation/event deeper**

d. *Handling actions/Handling facilitation*

Handling actions should be taken based on the recommendations of the cross examination and analysis conducted sequentially in line with the authority of each region. The handling actions could be in the form of among others:

- To establish community forums to analyze the problem and to find out alternative solution together with the community.
- In the frame work of role transfer, it is required to be established, a special team for handling of problems (ad hoc) in the community level, which shall have special duties and given schedule to be proactive in order to handle and solve problems (it is also possible to use the team established in the program).
- Cross examination and further investigation with related parties/elements may be conducted in order to make complete supporting facts/evidences regarding the main problem.
- Conducting further clarification to the complainant and the community regarding the main problem after having been conducted the cross examination and further investigation.
- To give warning and or sanction to suspects who are found guilty.
- To conduct further clarification regarding the procedures which should be followed, and to re-facilitate processes which are not conducted in line with requirements.
- If there are elements which comply with criminal offense exist, the problem solving may be facilitated with legal procedures based on the deliberation of the community in the coordination forum/meeting.
- Conducting cooperation with the offices of Police, District Attorney, District Court, Regional Legislatives (DPRD), LSM, as well as institutions dealing with advice matters, women organization, and or mass media in the frame work of efforts to improve the problem handling and solution.
- In relation to the *force majeure* condition, the community forum should be facilitated in order to conduct discussion regarding handling steps in compliance with prevailing regulations, for which a special team should be established to conduct prior investigation whether the situation/condition complained has really happened beyond the control of the complainant or has occurred against the community members. The results of investigation should be reported back to the community through forums or other media and should also be reported to the related party based on level.

The flow chart of complaint management could be seen in **Schedule 2**.

Steps/effort of handling actions shall be used as needed in the field.

If the complaint relates to the code of ethics violation by the facilitator and or by the consultant, the handling should be referred to stipulations as stated in the operational standard and consultant procedure in compliance with the prevailing regulations.

e. *Monitoring of Problem Solving Development*

Monitoring is intended to have knowledge about the development of problem solving and to make sure that the handling actions taken work properly.

Monitoring could be conducted through field visit, meeting forum, discussion with program conductors / problem solving team, coordination meeting, information board, letter, fax, email, telephone, SMS, weekly or monthly report/special report, incidental report and so on. If it is found that steps taken are not effective or did not result meaningful improvement, other alternative solution should be taken in order to achieve acceleration of problem solving.

f. *Problem Solving Special Deliberation*

Deliberation is convened if the process of handling actions has been conducted in compliance with the principles and procedures of problem solving. Decisions of the deliberation are as follows:

- i. The problem is declared solved; or
- ii. The problem is declared have not yet been solved with recommendation :
 - Handling process is to be repeated;
 - Alternative solution is proposed;
 - Handling process is through formal legal process.

Results of deliberation should be recorded in the Minutes of Problem Solving Special Deliberation. In the minutes it should be described the problem deliberated, commitment achieved and follow up actions to be taken, time frame and the persons in charge, completed with the presence list signed by the entire attendants. Results of deliberation should be socialized to the community through the information board, or other channel/media, including meetings/ community groups, both formal and informal.

The standard to measure the problem solving up to the level where the problem is declared solved shall refer to the guidance as described in the Schedule 3.

The handling of problems is some times very difficult, and seems impossible to be solved although the community and other related parties have given their maximum efforts to solve the problem. Such problem will be solved through special policy.

Indicator of complaint or problem management being effectively conducted is as follows:

- Involvement and representation degree of the community in the problem solving.
- Period from the time the problem is known, conducting of initial analysis up to submission of report is not exceeding one month;
- There is a clear development in the problem solving process.
- Number of complaints or problem successfully solved.
- Cooperation with various parties, (not only consultant) in the process of problem solving;
- If related to fund, the amount successfully recollected and returned to the community from the amount of fund misused;
- From the number of cases processed through formal legal channels, how many have been resolved by the court;
- The satisfaction of the community to the results of problem solving;

g. *Report and Distribution of Information*

The report is intended to give a picture regarding improvement of problem solving conducted in the field. In relation to his duties and responsibilities, the facilitator and consultant is obligated to submit report on the problem and the handling thereof based

on level. The obligation to submit report constitutes the consultant code of ethics. Facilitators and consultants who did not submit reports or who kept undisclosed problems existing in his region shall be considered having violated the code of ethics. The existence of problems in one area does not mean that the performance of PNPM in the said area is totally bad. If the problem is reported or disclosed and solved in serious manner by various program conductors including the community, such problem solving shall constitute reflections of disclosure process, involvement and self supporting of the community in the development process.

In submission of report, it is required that clarification is given, at least regarding information on the sender and the receiver of report, including parties to which copies of the report should be sent, type of report as well as report period, and information (see the table below). Information regarding the process of problem solving shall cover: (1) actions taken; (2) informing party; and (3) further steps required for the following up as required and decided during solution process.

If the facilitator / consultant has finished conducting examination of the truth of the complaint or problem as reported, then the leaders/apparatus of the village/district and the Coordination Team of the Regency/City/Province/Region shall be informed on the problem and further solution thereof.

The flow chart of reporting of the complaint and problem could be seen in the Sch. 1.

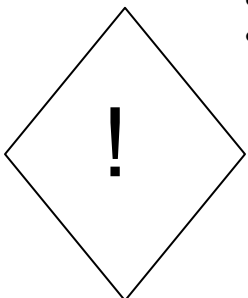
h. Special Step / Sanction

The society and the related conductors, whether he is a facilitator, consultant or government apparatus, is obligated to submit report on problems faced in the community during performance of PNPM Mandiri. In addition to submitting report on problems, the facilitator and consultant together with the government apparatus is obligated to facilitate the community in the process of problem solving. If the problem could not be completed solved through deliberation by the community and the related conductors, then it should be brought to formal legal process (police, district attorney, court). In order to make sure that the problem is solved in an effective manner, the community together with the related conductors are obligated to conduct monitoring on the problem being processed through the legal formal channels. The activities of the community together with the related conductors in taking follow up steps of the complaints and problem solving constitutes one of the performance's measuring of the working activities in the performance of PNPM Mandiri.

The controlling Team should be authorized to give sanctions if it is found out that there exists a problem which intentionally covered/hidden or follow up steps are not taken properly. Forms of sanctions shall be adjusted to the conductor and the problem, among others:

- Warning or termination of employment
- Suspension of program fund allocation (Community Direct Support) until real steps could be seen regarding solution of related problem by the community and the program conductors.

Problems being under solution process in a certain location in which program assistance has been expired (phase out), shall remain the responsibilities of the local government and the community to solve it.



CHAPTER 5: THE ROLE OF FACILITATORS/CONSULTANTS IN PROBLEM SOLVING

The role of facilitators/consultants of PNPM Mandiri in handling problems is to facilitate, assist and support the attempts accelerating problem solving based on levels. The facilitators are also authorized to motivate the community to understand, involve and improve the capacity in problem solving at each level. This will become one of the indicators for the performance of the facilitators/consultants in each program of PNPM – Mandiri.

Specifically, facilitators and consultants shall have the roles mentioned hereunder:

5.1. COMMUNITY FACILITATORS/ASSISTANTS AT VILLAGE AND DISTRICT LEVELS

- i. Conducting analysis of problem solving and determining the necessary action strategy.
- ii. Conducting coordination with upper level consultants/supervisors, and cooperation with community institutions such as the legal aid center, NGO for anti-corruption or community empowerment in the framework of solving any problems left unsettled at the village levels.
- iii. Making recommendations and strategic plans for problem solving executable for potential leaders/volunteers/local supervisors.
- iv. Facilitating community meetings at village level as well as among villages in solving problems, which also involve any existing community elements, both male and female community members, within the concerned working area.
- v. Together with other consultants, being responsible for the process of problem solving until those problems to be declared to have been completely settled.
- vi. Reporting every arising problem and the follow-up for its settlement to upper level with a copy sent to PJOK and the District Head (Camat) in compliance with the Format of Exhibit 5.
- vii. Providing information for any progress concerning the problem solving to the community, especially to the reporter.

5.2. CONSULTANTS AT REGENCY/CITY LEVELS

- i. Assisting the community facilitators/supervisors and those of the lower level – in conducting analysis up to determining the strategy for solving the problems timely, properly, and scheduled.
- ii. Conducting coordination with the regency/city level coordination teams and building relationship with prosecution office, legal aid institution, NGOs including female organization, all which have the concern and attention of anti-corruption movement or community empowerment as the preventive steps in the case a problem may occur and may require the involvement of those institutions/organizations.
- iii. Monitoring the steps of problem solving conducted by those of the lower levels.
- iv. Facilitating the legal efforts/process of the deviation of PNPM Mandiri fund in cooperation with other related parties.
- v. Conducting meetings with the law enforcement apparatus and the Coordination Team of PNPM Mandiri at regency/city levels in order to evaluate the progress of problem solving which have been submitted for formal legal process at regency level, minimum 2 times a year.
- vi. Making clarifications, cross examination and site investigation in the case a problem is left unsolved at district level or the settlement process has run ineffective.

- vii. Making periodic reports to the upper level with a copy sent to the Coordination Team of PNPM Mandiri at regency/city level in compliance to the format as contained in Exhibit 4.
- viii. Together with the facilitator/consultant to be responsible in solving problems until such problems are declared to have been completely solved.

5.3. PROVINCIAL COORDINATOR (KOORDINATOR PROVINSI/KORPROV)

- i. To be fully responsible to the follow-up for solving the arising problems until such problems are declared to have been completely solved.
- ii. To make warning to the lower level team members in the case the concerned have showed insufficient support in solving problems.
- iii. Together with any related parties, to monitor the follow-up of the problem solving process and facilitate the efforts/legal process for the case of PNPM Mandiri fund deviation/mismanagement.
- iv. To develop cooperation with competent institutions accessible by the lower levels in solving problems.
- v. To coordinate with specialists in charge of handling complaints and problems at provincial and national levels relating to any urgent problems or those problems potentially causing large impact.

5.4. SPECIALISTS FOR MANAGEMENT OF COMPLAINTS AND PROBLEMS AT PROVINCIAL LEVEL

At each management unit at provincial level, there shall be a specialist specially assigned to handle complaints and problems at provincial level. The tasks and responsibilities of such specialist are as described below:

- i. To assist the management consultant at regency level/City Coordinator and the lower level team in conducting analysis until the strategic action for the settlement, as well as assisting in planning the actions for solving the problems timely, promptly and according to the schedule.
- ii. Being proactive in providing information concerning the problems and support for acceleration of problem solving in the concerned working areas.
- iii. To coordinate and provide information or periodically reporting to the Province Coordinator/Team Leader of KMW and the specialist being responsible handling complaints and problems at the central level with a copy sent to the Coordination Team of PNPM Mandiri at the provincial level according to the format contained in Exhibit 4.
- iv. To build cooperation with the district attorney, police department, legal aid center, NGOs being competent with corruption and other institutions both at provincial or regional levels.
- v. To organize meetings with the offices of legal enforcement apparatus and the Coordination Team of PNPM Mandiri at the provincial level for the purpose of evaluating the cases which have been submitted to be settled through formal legal process, at the minimum of once a year.
- vi. To schedule a routine monthly meetings with the Management Consultants of Regency/City Coordinator and the facilitators/supervisors in the concerned working area, as well as conducting active coordination with the Provincial Coordination/Team Leader of KMW and other provincial consultants for the acceleration of problem solving.
- vii. Conducting direct investigation to any urgent matters to be handled within the concerned working area.

- viii. To support and facilitate the Management Consultant of Regency/City Coordinator and the facilitators/supervisors in conducting coordination with legal institutions/other institutions having the competence, especially for crucial matters or deviation of program fund.
- ix. To make recommendation for problem solving in the concerned working area.
- x. To be fully responsible in the monitoring and ascertaining that the follow-up of problem solving is taken by the facilitators/consultants until such problems in the concerned working area declared to have been settled completely.
- xi. To facilitate the action/legal process for cases relating to deviation of program fund of PNPM Mandiri in cooperation with other related institutions.
- xii. To give inputs to the Province Coordinator/Teal Leader of KMW concerning the evaluation towards the consultant performance.

5.5. PPM SPECIALIST/MONITORING AND EVALUATION AT CENTRAL LEVEL

At each program management unit at the central level, there shall be a specialist or expert to specially handle complaints and problems related to the implementation of the program. At certain parts of program or certain levels, the responsibility for the handling complaint and problems is given to unit/specialist handling monitoring and evaluation.

The tasks and responsibilities of specialist are specified below:

- i. To develop practical guidance for problem solving.
- ii. To monitor and conduct supervision for handling both problems and complaints of TA Monev in each province /area.
- iii. To develop cooperation and communication networks with NGOs to facilitate the handling of complaints and problems together with Specialists dealing complaints and problems of TA Monev in each respective province/area.
- iv. To top coordinate and facilitate the organizing of regular meetings at the central level and at province/regency/city levels.
- v. To conduct cross examination and specific investigation directly to the serious complaint or serious problems.
- vi. To collect information, analyze data/information, as well as formulating the recommendation for problem settlement.
- vii. To prepare incidental report and monthly report concerning problem solving based on the monthly report given by the province or by PNPM Mandiri locations.
- viii. In cooperation with relevant agencies, monitor the follow-up of problem solving and facilitate the efforts/legal process of cases relating deviation of PNPM Mandiri program fund.

CHAPTER 6: CLOSING

The success of the implementation of PNPM Mandiri in achieving its objectives and purposes requires support from various conductors being involved, either in the central or in regional area, including the community. Such support includes various complaints from the community in relation to the implementation of PNPM Mandiri.

An effective management of complaint and problem much depends on the understanding of various terms and conditions regarding complaint and problem management as described in this guidance. Such effective complaint management does not finish with the solution of a problem but shall also bring benefit towards design improvement and various program implementation aspects, so that the same problem will not occur in the future. In order to clarify the process of management of complaint and problem, Schedule 5 provides several sample cases or problems occurred in the community and its dealing until the problem is solved. As additional information, in Schedule 7 it is described a test case implemented in PNPM Mandiri Daerah Tertinggal (PNPM Mandiri in Under-developed Area), especially, regarding mediation process and the community legal empowerment (MPHM) in the effort to develop the motivation of the community to allow them to be proactive and is prepared to be involved in every stage of problem management.

If it is found in the future that there exist matters which are required to be improved in this guidance for complaint and problem management, further improvement will be made accordingly.

Exhibit 1. Flowchart of Reporting and Information Distribution Concerning Complaints and Problem Identification

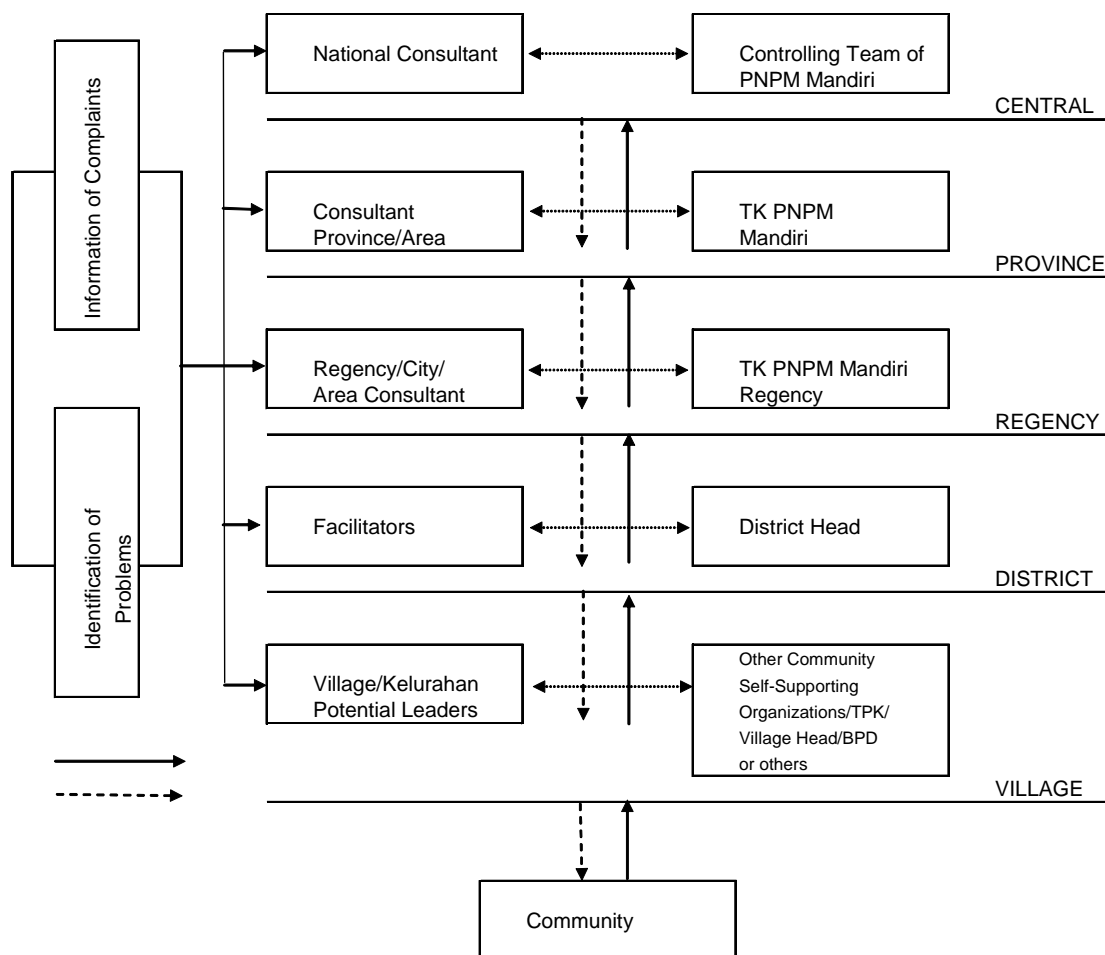
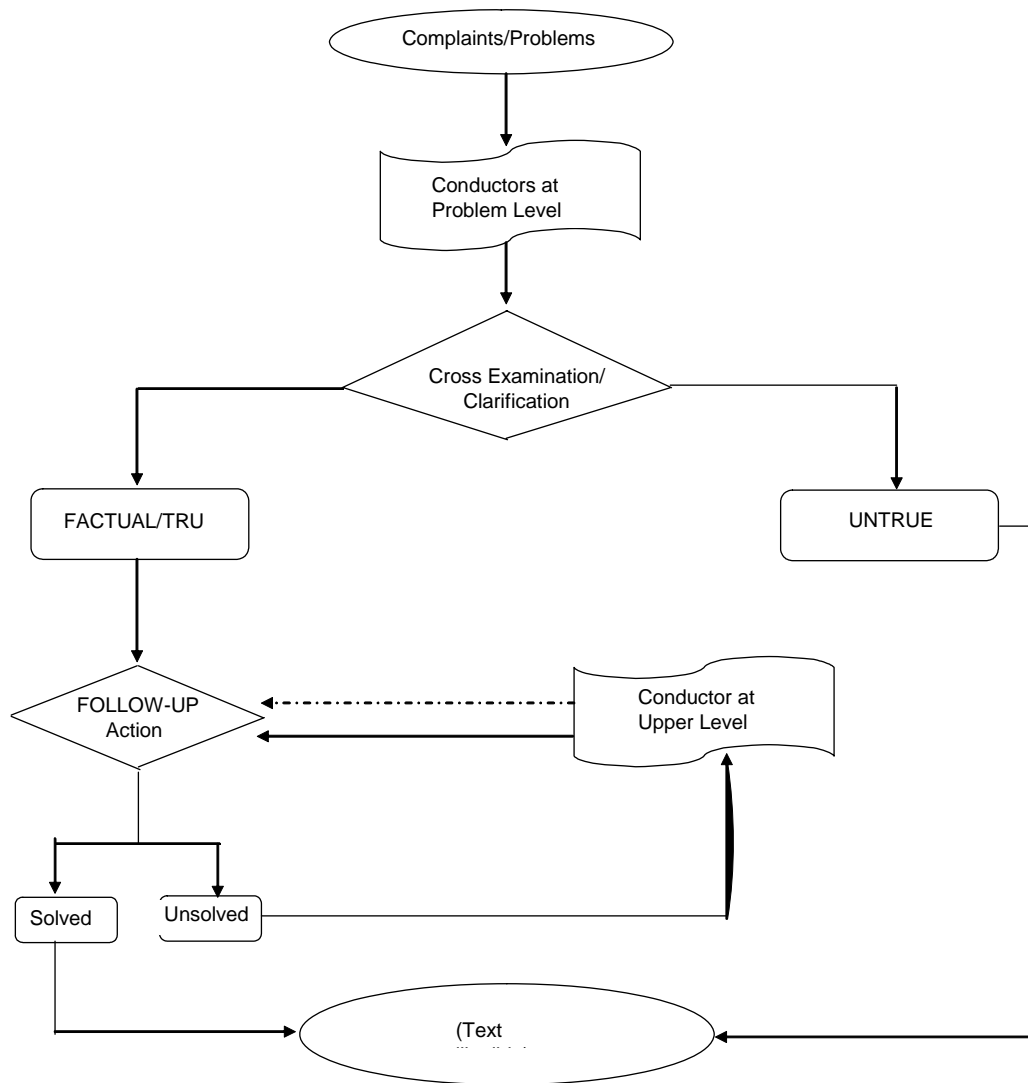


Exhibit 1. Flowchart of Handling of Complaints and Problems



Description:

—————> Handling Line

-----> Monitoring Line

Explanation of Exhibit 2

FOLLOW-UP ACTIONS IN HANDLING COMPLAINTS AND PROBLEMS

1. Conduct cross examination/clarification of complaints and problems identified.
2. Conduct meetings with the community of the concerned village/kelurahan and/or district.
3. Distribute information to all levels sequentially concerning the occurring complaints and/or problems identified.
4. Present the result of clarification or of the cross examination having been conducted.
5. Assure the meeting attendants concerning the clarification result.
6. If the result of clarification confirms that such complaint has really occurred, then facilitate the attendants to discuss the necessary follow-up actions.
7. Prepare minutes of the meeting and which shall be attached to the attendants list.
8. Take the steps having been determined in the village/kelurahan community meeting.
9. Monitor the implementation until the problem is declared solved.
10. Prepare a report on the result of such problem handling to the upper levels until such problem is declared solved.
11. In the case the problem has been handled too long yet it remains unsolved, this must be informed to the upper level in order to get support in such problem solving.

IMPORTANT REMINDERS

- a. The handling of complaints and or problems shall be conducted transparently and by involving the community.
- b. Meeting with the community should not only invite/involve certain groups only.
- c. At the time of clarification, the people's identity shall be kept confidential unless the concerned intends it otherwise; do not get trapped by focusing on the identification of the complainant/reporter; instead, prioritize in exploring the complaint/reported material.

Exhibit 3. CRITERIA TO DECLARE A SOLVED PROBLEM

The handling of complaint or problem shall be declared completed if approval/agreement by the community itself and the real steps in handling a problem have been fulfilled which cover:

- To recover or to minimize the loss suffered by the community caused by the problem.
- Sanction has been given to the suspect/problem maker (whoever) as a learning process to the suspect and the community in general.
- There should be effort for facilitation / special deliberation for discussion of investigation or clarification results in order to achieve an agreement on the next steps and settlement target.
- In certain condition, protection to the complainant and witness in the form of maintaining confidentiality of the complainant is required to be conducted.

Target for problem solution based on the categories of problems is as follows:

- (i). If the mistake relates to the deviation of principle and procedure, including intervention which causes the community and the program to suffer loss, then the process and procedure deviated or activities conducted based on negative intervention has been recovered in line with the determined regulation or principle.
- (ii). Activities which are left unfinished could be completed in line with the planning which has been agreed upon.
- (iii). If there exists fund misallocation, then the fund has been returned to the related party being entitled to and has been re-used in line with its allocation.

- (iv). The party found guilty has been given warning and proper sanction proportionally and in compliance with the guilt level.
- (v). Problems which has reached formal legal domain shall be declared completed if the process has reached the court process. However, the consultant and facilitator have to conduct monitoring by involving the community of its development. While waiting the final status of decision from the competent institution, the consultant and facilitator, by conducting coordination with the local government, shall find out solution for completion of the activities and/or still facilitate the community to complete their activities or works.
- (vi). If the problem is declared as having occurred really due to force majeure conditions, actions shall be as much as possible taken in order to recover activities which have been disorganized, either through self supporting of the community or through assistance of other parties. If the activities are related to the rolling loan, the decision making process shall be based on prior investigation in order to make sure its existence. Clarification to the community has to be made that the event is really beyond the capacity of human being, causing that other members of the community really understood and will not demand the same treatment as those who experienced force majeure conditions.
- (vii). The community has declared that the problem had been settled during the special deliberation for problem solving and the said declaration is made in form of minutes.
- (viii). There exist supporting evidences and witnesses regarding efforts of the handling of complaint, which is accountable, for instance receipt of fund withdrawal from the bank account, photograph, Minutes of Problem Solving. If in the future it is found that the evidences and witnesses are not factual, then the handling of the problem shall be declared as unfinished and must be re-opened.

Exhibit 4.

PNPM MANDIRI PROGRESS REPORT AND RECOMMENDATION FOR PROBLEM SOLVING AT THE REGENCY LEVEL

Province :
Regency*) :

No	Case Code	Information/ Finding sources	Suspect	Category	Problem location K-K-D/K
1	001/2/7324/PNPM Perkotaan/2007				

Notes :

1. Case Code : Order Number/problem category/Regency Code/Name of Program/Year found
2. Information source is the origin of information on the problem
3. Value of deviation (in Rupiah) which is written only for category 2 only
4. Kat. = Problem Category, K-K-D/ = Regency – District – Village
5. *) = Filled in only for report KM Kab/KMW

Month :
Week- *) :

Date/Month/ Year	Problem	Recommend ation	Target	Handling progress	
Event	Identified			Date	Description
		Deviation of fund (Rp.) Deviation value Returned value Handling status Police /D.Attorney/ Court/ Final decision/ Non Litigation Proces s/ Finishe d			

Prepared by :

FACILITATOR : 1. Full name (Signature)

2. Full name (signature)

For district report

Exhibit 6. SAMPLE OF SUCCESS HANDLING OF CASE

A. PROGRAM FUND EMBEZZLEMENT CASE BY THE HEAD OF BUKIT KEMUNING DISTRICT, LAMPUNG

“Our law is like the spider net; mosquitoes could be trapped, but if a bird comes, it could be torn out...”

Occupants of Tanjung Baru Timur Village

In the year of 2001, the Head of Bukit Kemuning District deducted the fund withdrawn for the District Development Program (Program Pengembangan Kecamatan - PPK) consisting of 6 participating villages. The total fund misused by the head of district was in the amount of Rp125 million. The leaders of the six villages then submitted an open report regarding the event, designated to the Regional Government, Police, District Attorney and local mass media. The report is responded by various parties consisting of local government, legal enforcement apparatus, and the unit of Complaint and Problem Handling of the PPK program.

Urged by the monitoring by the community and pressure by the community coalition led by the consultant of PPM PPK, this case was then processed by the District Attorney and then the District Court. On June 10, 2002, the court of justice granted an award that the ex-head of district was found guilty and given sentence one year in prison (deducted by custody period), and condemned to pay fine to the state in the amount of Rp50 million and shall return the money owned by the society in the amount of Rp125 million.

Case Settlement Stage

Report of the Community. Being worried of the protest from the community members, the head of six villages signed a statement letter regarding the deduction of fund. The letter which was dated the same day the event occurred was then distributed to various government institutions (Regent Office, Bappeda, DPRD) and legal institutions (District Attorney and Police Offices). The statement letter then came to the knowledge of a journalist who was in charge every day in the office of the Regent. The earliest response came from the office of Region Supervisory Board (Badan Pengawas Daerah/Bawasda) which directly launched investigation to the villages, whereas the report was also processed by the program consultant from the regency level up to the unit of PPM PPK at the national level.

Follow up of Community Participation. PPM PPK at the national level then followed up the report by conducting site-visit (location of the event) several weeks after the report was received. Having conducted a meeting with the community members and the site consultant, it was decided to come to the local Legal Aid Center. The Center then sent two community lawyers to give assistance in handling the case, and if required up to the district court.

Case supervision and monitoring. The legal proses against ex-head of the district was quite heavy. The attitude of the district attorney was not cooperative and tent to protect the prisoner causing that during the execution process, the prisoner was difficult to be executed. Under these circumstances, the PPM PPK consultant conducted cooperation with the Legal Aid Center as the community lawyer as well as other community organizations. The most important step was to conduct monitoring in the District Attorney and District Court, because it was not only important for the effort for settling the case but also as an education for the community itself.

Besides, PPM PPK also conducted coordination by forming a temporary coalition among LSM and the local Legal Aid Center in order to give pressure and to publish the case in the mass media in order to push the handling of the case to be more transparent and timely.

B. PROGRAM FUND EMBEZZLEMENT BY THE PROGRAM CONDUCTOR IN WANAREJA

How good it is to hid a dead body, it will found anyway. This old proverb applied to the treasurer of the Financial Management Unit (Unit Pengelola Keuangan -UPK) at Program Pengembangan Kecamatan (PPK) in Wanareja, Cilacap, Central Java. Although he could deceive many parties for almost one year, finally his corruption action in the amount of Rp257 million was identified. The action began from only a request for a saving and loan rolling fund for the group of Palugon Village which was proposed in the mid of December 2001 which then became non-performing, whereas it was calculated that considerable amount of fund was credited to the account of UPK. Suspicion of several parties was developed to intensive investigation of the books of UPK. It was not too difficult to find out that all installments of the group which were paid since one year before – was never credited to UPK bank account.

This finding was then confirmed by an audit conducted by a team formed by the community (Team 8) and BPKP of Cilacap Regency. Finally the treasurer admitted his mistake and promised to the head of the district that he would return the lost money with his personal asset. Whereas the negotiation process being underway between Team 8 and the UPK treasurer, a pressure against the treasurer was increased by the filing of formal report to the Wanareja police office by two elements of the community. The first report was filed by the Cross Party Forum (Forum Lintas Partai - FLP) which was a forum between party leaders in Wanareja, followed by a report filed by the village apparatus in Palugon. Only several days before the transfer of personal asset of the treasurer to the Team 8 before a notary, suddenly the treasurer changed his mind and rejected all negotiation efforts. He chose to follow legal channel by hiring a lawyer to handle his case.

Process of Problem Solving

Before formal legal process. Being aware of the existence of a serious problem, other UPK staff together with FK submitted this problem to the head of district who passed the report to the Cilacap Regent. A response from the Regent was to instruct the Regional Supervisory Board (Badan Pengawas Daerah -Bawasda) to immediately conduct an audit of PPK fund in Wanareja. From the results of the audit it was found out that the total fund which had been deposited by the lending groups was Rp318 million. From the said amount it was only Rp60 million which had been rolled out. As such the amount of fund that could not be transparently reported was Rp258 million.

The coordination team of PPK of Regency level convened a meeting from which one of recommendations was to convene a Deliberation Meeting among Villages (Musyawarah Antar Desa) at Wanareja. The same as that happened in meeting of Coordination Team of PPK Cilacap, in the deliberation meeting, the treasurer admitted his mistakes, and agreed to return back the fund of PPK. He only requested that an auditing was to be conducted once again. As such, the community established a team consisting of 8 persons (hereinafter referred to as "Team 8") as the representative of the community to repeat the audit and to collect personal assets of the UPK treasurer.

Settlement efforts at the PPK consultant channel also continued. One day before the meeting of the Coordinating Team of PPK Regency level, one of the lawyer of the community,³ named Jojo, was informed about this case by the national consultant of PPM PPK in Jakarta, and was requested to give legal assistance to the community of Wanareja. The information was responded by Mr. Jojo by directly coming to Wanareja and conducted discussion with the community – particularly the representative of Palugon village.

Various pressures, either from the consultant, the officers of the District as well as the Coordinating Team had sufficiently succeeded in demanding the treasurer of UPK to settle the problem. On February 7, he and his family signed an authorization letter to the Team 8 to sell his personal assets for compensation of the UPK fund. Although the treasurer had given an indication of good faith, the lawyer of the community who from the beginning had directed the settlement through legal channels, recommended the head of the Palagon Village to file police report against the treasurer to the Police office on February 20. Before that report, the Polsek Wanareja had also received a report for the same case filed by the Forum Lintas Partai (FLP).

Settlement through Formal Legal Process. The intention to immediately use legal efforts was confirmed by the approval of the second Deliberation Meeting among Villages which was specially convened to discuss about this problem. Whereas the Cilacap Regency Police Office initiated to conduct investigation, the pressure against the Regional Government (Pemda) and the Coordinating Team from the consultants still continued.

The legal process was started by the investigation by the Cilacap Regency Police Office lasting for 4 months. Having completed the Investigation Report, the police submitted the case to the Cilacap District Attorney Office on July 2002. One month thereafter, the District Attorney Office submitted the case to the District Court. The hearing started on the beginning of August 2002 and conducted relatively effective. This was supported by the initiation of the court of justice presided by Suroso SH to conduct hearings twice a week (usually the hearing was conducted only once a week for one case). Finally, the case which involved 35 witnesses was decided 3,5 months later.

³ The lawyer of the community is a lawyer requested to give legal advice or for the community who received PPK as a part of the implementation of pilot project for legal assistance in PPK. Central Java is one of the pilot project area for such activities .

The award of the court of justice was disclosed on December 24, 2002, where the treasurer was declared guilty for the second charge of the district attorney, with a sentence of 2 years imprisonment, plus penalty in the amount of Rp75 million with 4 months imprisonment as subsidiary, and to pay compensation money in the amount of Rp154 million with subsidiary of 8 months imprisonment.

Exhibit 7. MEDIATION AND COMMUNITY LAW ENFORCEMENT (MPHM)

Problem handling was started from the intention and critical awareness of the community. The efforts to develop the motivation of the community critical awareness may be conducted, among others, through the establishment of mediation component and community law self supporting unit as has been launched by the Acceleration Program for Development of Special and Under-developed Region (Program Percepatan Pembangunan Daerah Tertinggal dan Khusus - P2DTK).

Mediation and Community Law Enforcement (Mediasi dan Penguatan Hukum Masyarakat - MPHM) is one of the components of activities of P2DTK, which has been conducted in 9 provinces in Indonesia since the year of 2006. MPHM constitutes an activity focused on creation of conducive condition for economic and social development through law education and the increasing of the capacity of local institution in the justice, transparent and accountable handling of its problem.

The strategies launched in the component of MPHM are: *First*, this component will specially develop an activity structure which support cooperation and negotiation in order to prevent polarization among the groups in the community being involved in disputes. *Second*, is to encourage the dispute settlement in an amicable manner. *Third*, is to establish a mechanism which could identify and respond problem caused by a dispute which could not be settled in the local level. *Last*, is to handle corruption in the program through complaint management system in the community level or through litigation process, if required.

PURPOSE

This component is expected to give a broader alternative to the community in determining options for settlement of the problems and furthermore to support an acceleration for the solution of complaint. The purpose of the MPHM component is :

- To increase the local capacity, either institution or individual in the community level in the management of disputes in justice, transparent and accountable manner.
- To increase the reliability of the legal institutions before the community.
- To broaden the access for the community to the legal institutions and apparatus.
- To facilitate the dispute settlement related to the interests of the community through the alternative dispute resolution.

ACTIVITIES

Mapping of needs. The mapping will be conducted by the Executive Unit in order to obtain an understanding of: i) Legal problems which mostly occurred in the program location; ii) identification of location which mostly requires the support from the component of MPHM; and iii) identification of various mechanism and community institutions in the settlement of disputes and other legal problem.

Socialization. Socialization is conducted continuously to the community groups being the target of the program, with the purposes that they could be involved and to take benefit from this activity.

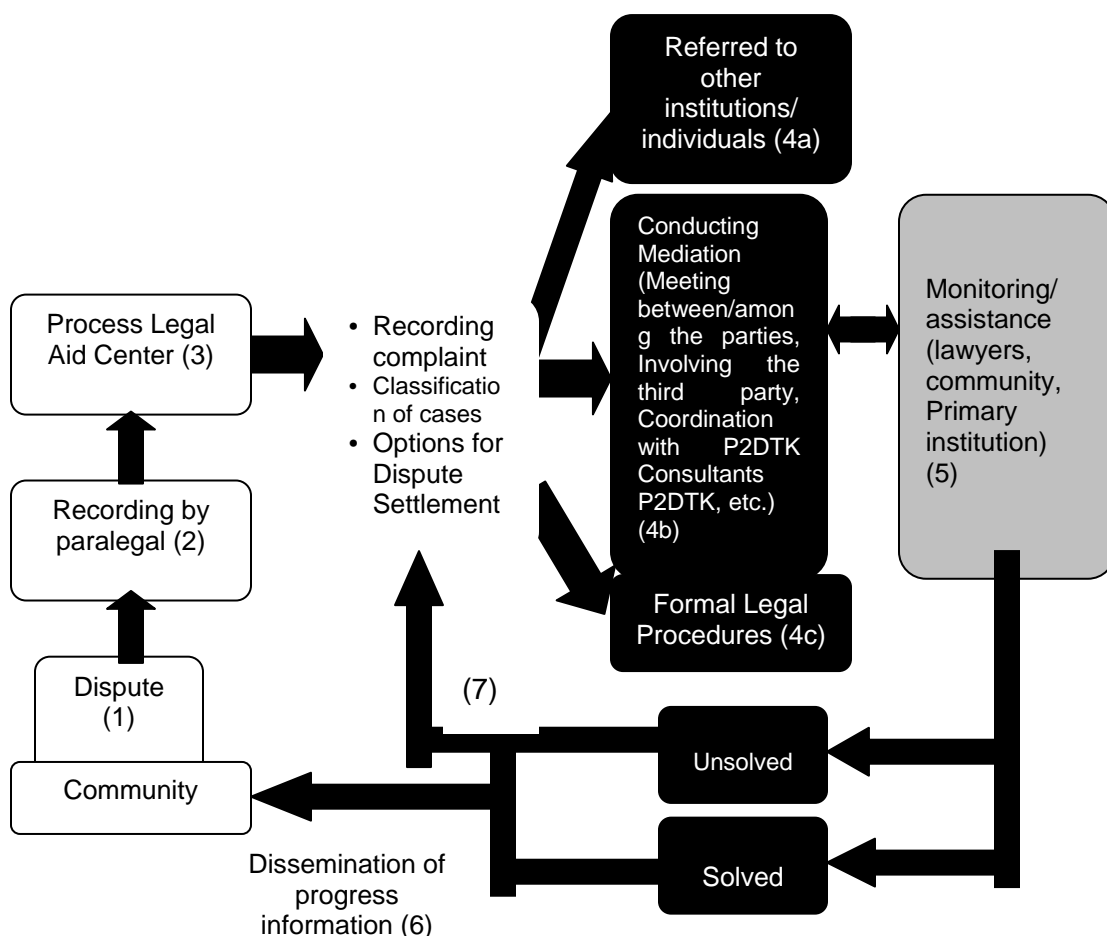
Establishment of Commando Post (Posko) of Community Legal Aid. Posko as the as a center of MPHM activities was established with the following functions : (1) legal information center; (2) receiver of complaint and mediation; (3) alternative place for interaction among

community groups; (4) place for filing complaint and obtaining basic legal advice; and (5) as communicator between the community members who file complaints with various individuals and competent institutions.

Mediation training and legal aid for posko BHM. Training and assistance is given to the community leaders and institutions, which shall be in the form: : a) training on basic laws and mediation skills; b) involvement in socialisation and legal extension; c) formulation of regulation and written norms for customary (adat)/community institution for settlement of dispute.

Law Education and awareness. Law education is conducted by referring to the needs obtained in the mapping. This activities are conducted through various manners such as legal extension, radio talk show or printing media such as posters and pamphlets.

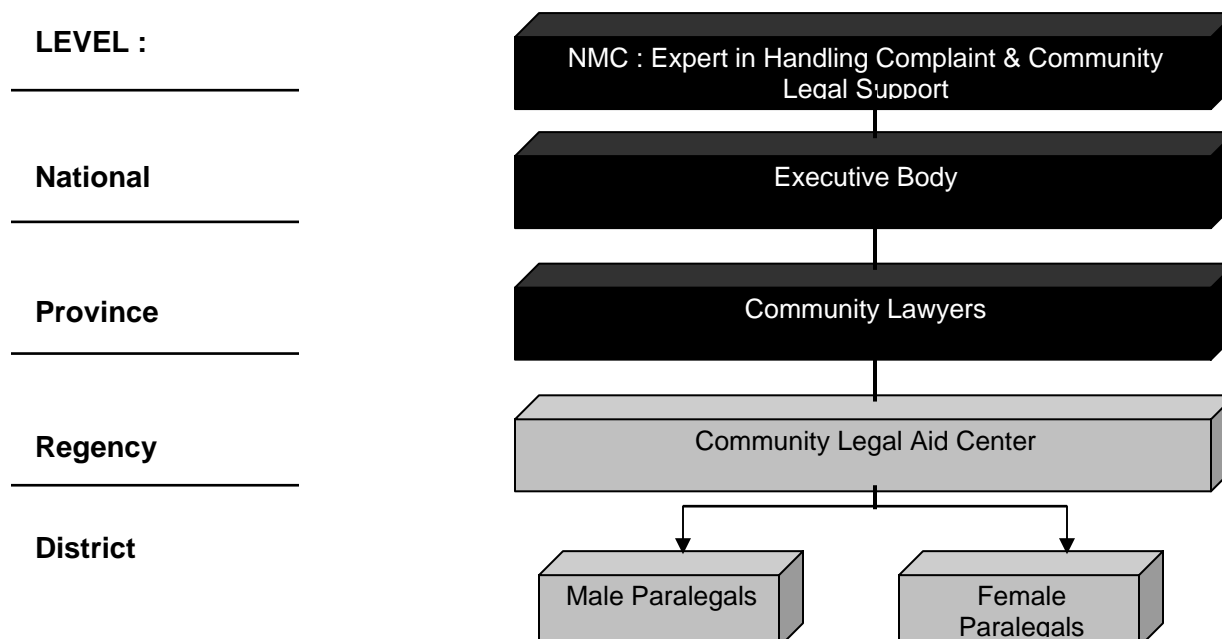
Dispute Settlement. Assistance for dispute settlement in MPHM is particularly through mechanism of Alternative Dispute Resolution (ADR) in a timely and correct manner and shall not create a new problem. Problems which are particularly recommended for facilitation covers embezzlement, corruption, light criminal, economic right, land dispute, heritage, domestic violence. Legal problem regarding heavy criminal and violation of human rights could not be facilitated by this activities, but could be recommended to other competent parties. The mechanism for dispute settlement could be seen in the following flow chart:



Strengthening of Cooperation Network. Development of cooperation network is conducted in order to monitoring law enforcement institutions (police, district attorney, judges/courts) to assure that the case is seriously handled until completely solved. Networking is also developed with LSM for legal and advice, other project donors in the field of legal empowerment and to request legal enforcement apparatus to be involved in MPHM activities.

Dispute Settlement Documentation. Documentation of legal problems is conducted as a learning process for the community, in the case where there exists similar problem.

ORGANIZATION STRUCTURE



COORDINATION FOR PROBLEM SOLVING

The handling of problems related to the program which is coordinated at all levels sequentially between the conductors of MPMH and the conductors of program, as described below:

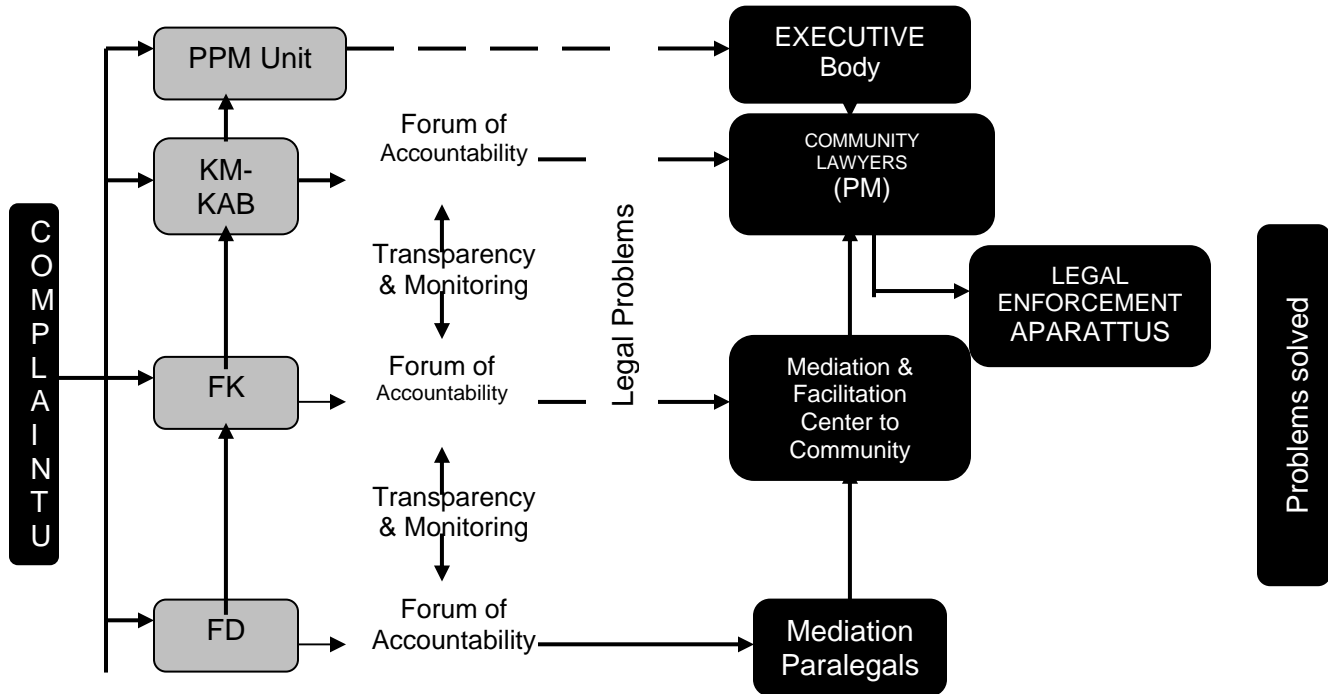
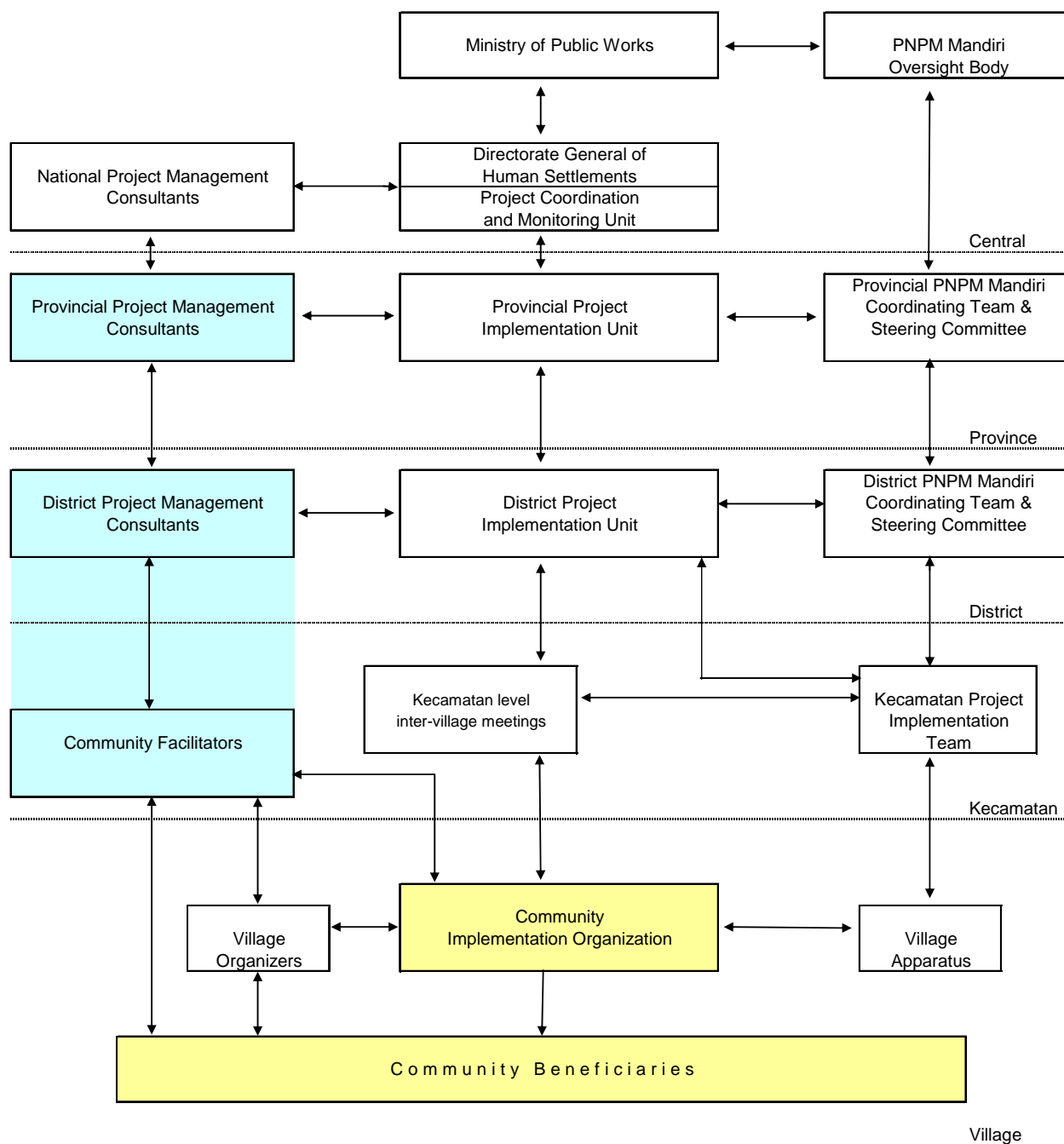


CHART OF PROJECT ORGANIZATION

CHART OF PROJECT ORGANIZATION



Note: PNPM = National Program for Community Empowerment/*Program Nasional Pemberdayaan Masyarakat*

PROJECT IMPLEMENTATION SCHEDULE

PROJECT IMPLEMENTATION SCHEDULE											
Activity	2008		2009				2010				2011
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Advance Actions											
- Prepare budget for 2009											
- Establish the national project coordination and management unit											
A. Preparation											
- Prepare budget for 2010											
- Establish the provincial and district steering committees											
- Establish the provincial and district project implementation units											
- Recruit community facilitators											
- Train community facilitators											
- Recruit management consultants											
- Mobilize national, provincial, and district management consultants											
B. Socialization and mobilization											
- Conduct community facilitation and capacity building											
C. Planning and Design											
- Mobilize community implementation organizations (CIOs)											
- Elect CIO representative committees and village organizers											
- Prepare village medium-term poverty reduction plans											
- Discuss inter-village infrastructure at <i>kecamatan</i> level meetings											
- Prepare infrastructure rehabilitation and expansion design											
- Prepare contracts with CIOs											
D. Implementation											
- Undertake civil works											
- Supervise construction and monitor its quality											
E. Operation and maintenance (O&M)											
- Provide O&M training											
- Prepare O&M plan											
- Implement O&M plan											
F. Monitoring and Evaluation											
- Monitoring project preparation and implementation											
- Report on physical and financial progress											
- Audit accounts and financial statements											
- Conduct spot audits and complaint investigation											
- Assess project impacts											

Source: Asian Development Bank estimates.

OUTLINE TOR FOR CONSULTING SERVICES

OUTLINE TERMS OF REFERENCE FOR CONSULTING SERVICES

A. Rationale

1. Consulting services are needed to assist the national, provincial, and district governments, as well as village organizations to (i) empower communities and ensure their participation in project implementation, (ii) provide technical and managerial support to project management and implementation units, (iii) establish a sound financial management and monitoring system, and (iv) implement project monitoring and evaluation.

2. The Project will require an estimated 960 person-months of national consulting services. The consulting requirements, shown in Table A12, have been divided into one package of project management consultants at the national level, and three packages of project management consultants at the regional level: (i) Lampung; (ii) South Sumatra, and (iii) Riau and Jambi. The procurement of services for all four packages will be through national firms using a fixed budget selection method that requires submitting a simplified technical proposal within 35 days. The quality-based selection method is justified to ensure recruitment of highly competent consulting firms with the required mix of specialties, the demand for which has increased considerably due to the PNPM Mandiri. The use of fixed budget selection method is appropriate since (i) the terms of references are precisely defined, (ii) the time and personnel inputs can be accurately assessed, and (iii) the budget is fixed and cannot be exceeded.

B. Description of Consulting Packages

1. Package 1: Project Management Consultants – National Level

3. The consultants will work closely with the national and provincial project implementing units in overall project planning, management, and implementation. Their services will include (i) assisting with project planning and programming, including incorporation of the Project's gender action plan (GAP) into the project planning and programming; (ii) assisting in project management and quality assurance; (iii) developing media and communication materials for an information campaign; (iv) developing guidelines and implementing training programs for staff on technical and community (including gender) aspects; (v) preparing quality assurance procedures and assisting to implement the procedures; (vi) assisting in coordinating and supporting district consulting teams; and (vii) establishing guidelines and procedures for social and environmental safeguard screening, and overseeing preparation and implementation of the safeguard documentation. The consultants will assist the central project coordination and monitoring unit (PCMU) in the management of all project activities, including planning, budgeting, supervision, monitoring, reporting, and coordination to ensure implementation of the Project in accordance with the original design and other provisions in the loan agreement. The consultants will also oversee the operation and performance of the four regional consulting packages for the provincial and district project implementation units (PIUs).

4. The consultants will assist in financial management of the Project. They will ensure that procedures are in place to assist the PIUs in regular collection of transaction documents (invoices and contracts) from all implementing locations, arranging data entry into a computerized accounting system, preparing project financial statements on a quarterly basis for each PIU, consolidating financial statements for the entire Project, comparing the financial statements against physical progress and contractual obligations, analyzing key variances and recommending appropriate actions and measures, and preparing quarterly financial monitoring

reports. The consultants will also train government staff in developing their capacities in accounting and financial management.

5. Specifically, the consultants will assist the PCMU to

- (i) ensure timely and well-targeted planning of project activities;
- (ii) ensure that the implementation of the Project reaches the targeted indicators of achievement;
- (iii) ensure sufficient understanding of the project design and optimal performance of the regional project management consultants;
- (iv) finalize technical documents related to implementation of the Project, including technical guidelines and code of conduct;
- (v) make revision and modification, if necessary, to the existing PNPM Mandiri technical documents based on the needs of the Project;
- (vi) disseminate all project technical documents to all relevant parties;
- (vii) develop the concepts, strategies, and modules for training activities; ensure that gender equality concerns are incorporated in the training plans (e.g., gender sessions) and modules;
- (viii) conduct monitoring and evaluation of the results of training activities through field visits, field audience, information gathering, and field samplings;
- (ix) collect gender-disaggregated data in baseline, benchmark, and completion surveys; ensure that the collected gender-disaggregated data are properly analyzed and reported in quarterly and annual progress reports;
- (x) finalize the Project's GAP and ensure that the implementation of the GAP reaches the targeted gender equality indicators;
- (xi) monitor the social (e.g., gender equality), environmental, and economic impacts, including the establishment of benchmark information and data;
- (xii) update the project activities on the project website on a weekly basis;
- (xiii) develop all financial reports related to project financing in line with the prevailing procedures;
- (xiv) make compilation and summary of all requests for payment, payment orders, and fund disbursement orders related to the use of loan proceeds;
- (xv) monitor the process of disbursement of loan proceeds;
- (xvi) develop draft documents for the disbursement of grants at the community level;
- (xvii) monitor availability of community grants remaining balance;
- (xviii) monitor and update the project implementation schedule;
- (xix) prepare unaudited project accounts;
- (xix) conduct evaluation surveys; and
- (xx) draft the project impact assessment report.

2. Packages 2–4: Project Management Consultants – Regional Level

6. The consultants will work closely with the provincial and district PIUs in ensuring efficient and efficacious project implementation in the villages. Consulting services will include assistance in (i) implementing village community development and facilitating technical aspects; (ii) implementing project information campaigns; (iii) infrastructure selection and planning processes, design, and construction; (iv) implementing quality assurance, financial management systems, and project performance management systems; and (v) preparing and implementing the social and environmental safeguard compliance.

7. In each of the three regional consulting services packages, there will be a team of provincial project management consultants consisting of the project manager, financial management specialist, social development and social safeguard expert, rural infrastructure expert and environmental safeguard specialist. In each regional consulting package, there will be 3-4 district consulting teams, with each team covering about 4 districts. Each district consulting team will have similar expert composition as a provincial team.

8. The regional consultants will assist the provincial and district PIUs to

- (i) provide technical assistance and guidance to community facilitators;
- (ii) monitor performance of the community facilitators;
- (iii) ensure good governance in channeling of infrastructure grants to communities;
- (iv) assist community facilitators in conducting an awareness campaign to familiarize the community members with the program;
- (v) assist community facilitators in conducting community facilitation that includes poverty mapping at the village level, identification of problems and needs, evaluation of community implementation capacity, and development of planning mechanisms and decision-making processes;
- (vi) ensure that the community facilitation activities incorporate measures to enhance gender equality as outlined in the Project's GAP;
- (vii) assist community facilitators in the establishment and capacity building of community implementation organizations; ensure that the establishment and capacity building activities incorporate measures to enhance of gender equality as outlined in the GAP;
- (viii) assist communities in formulation of village medium-term poverty reduction plans and related annual investment plans for funding by block grants;
- (ix) facilitate kecamatan (subdistrict) discussions to promote development of inter-village infrastructure;
- (x) provide technical guidance during the implementation of the activities identified in village infrastructure proposals;
- (xi) assist communities in formulation and implementation of operation and maintenance plans to ensure sustainability of completed facilities;
- (xii) ensure compliance of project activities with ADB's social and environmental safeguards and related guidelines of the PNPM Mandiri;
- (xiii) monitor implementation of project activities (including the activities outlined in the GAP) and prepare quarterly and annual progress reports;
- (xiv) assist community facilitators in developing community financial management procedures and training community members in implementing them;
- (xv) provide technical assistance for the planning and design of village infrastructure proposals;
- (xvi) provide technical assistance for implementation of the infrastructure proposals;
- (xvii) formulate and operate the complaint handling procedures; and
- (xviii) implement the monitoring and evaluation activities.

Table A12: Consulting Services Requirements*

Expertise	Category	Number of Experts	Total Person-Months
Package 1: Project Management Consultants – National Level			
National Level			
Team leader/project management specialist	National	1	24
Rural infrastructure specialist	National	3	42
Rural infrastructure operation & maintenance specialist	National	1	18
Financial management specialist	National	1	24
Social development and social safeguard specialist	National	1	12
Monitoring and evaluation specialist	National	1	24
Management information system specialist	National	1	18
Environmental safeguard specialist	National	1	12
Project management specialist	National	3	54
Package 2: Project Management Consultants – Regional Team 1			
Provincial Level: Lampung			
Team leader/project management specialist	National	1	12
Rural infrastructure specialist	National	1	12
Financial management specialist	National	1	12
Social development and social safeguard specialist	National	1	12
Environmental safeguard specialist	National	1	12
District Level			
Project management specialist	National	3	36
Financial management specialist	National	3	36
Rural infrastructure specialist	National	3	36
Social development and social safeguard specialist	National	3	36
Environmental safeguard specialist	National	3	36
Package 3: Project Management Consultants – Regional Team 2			
Provincial Level: South Sumatra			
Team leader/project management specialist	National	1	12
Rural infrastructure specialist	National	1	12
Financial management specialist	National	1	12
Social development and social safeguard specialist	National	1	12
Environmental safeguard specialist	National	1	12
District Level			
Project management specialist	National	3	36
Financial management specialist	National	3	36
Rural infrastructure specialist	National	3	36
Social development and social safeguard specialist	National	3	36
Environmental safeguard specialist	National	3	36
Package 4: Project Management Consultants – Regional Team 3: Riau and Jambi			
Provincial Level: Riau and Jambi			
Team leader/project management specialist	National	1	12
Rural infrastructure specialist	National	1	12
Financial management specialist	National	1	12
Social development and social safeguard specialist	National	1	12
Environmental safeguard specialist	National	1	12
District Level			
Project management specialist	National	4	48
Financial management specialist	National	4	48
Rural infrastructure specialist	National	4	48
Social development and social safeguard specialist	National	2	24
Environmental safeguard specialist	National	2	24
Total of all packages		74	960

Note: * Using the selection method FBS(Fixed-Budget Selection) and STP (Simplified Technical Proposal) proposal type for the recruitment of consulting packages.

Source: Asian Development Bank estimates.

PROCUREMENT PLAN

PROCUREMENT PLAN

Project Name: Rural Infrastructure Support to PNP Mandiri	Loan Number: To be determined (tbd)
Loan Amount: \$50 million	Executing Agency: Directorate General of Human Settlements (DGHS), Ministry of Public Works
Date of first Procurement Plan: 22 September 2008	Date of this Procurement Plan: tbd

A. Process Thresholds, Review, and 18 Month Procurement Plan

1. Project Procurement Thresholds

1. Except as the Asian Development Bank (ADB) may otherwise agree, the following process thresholds shall apply to procurement of goods and works.

Procurement of Goods and Works	
Method	Threshold
Community Participation in Procurement	Less than \$28,000 per village contract

2. ADB Prior or Post Review

2. Except as ADB may otherwise agree, the following prior or post review requirements apply to the various procurement and consultant recruitment methods used for the project.

Procurement of Goods and Works		
Procurement Method	Prior or Post	Comments
Community Participation in Procurement	Prior	Only first two community contracts in each participating province will be submitted to ADB for prior approval.
Recruitment of Consulting Firms		
Fixed Budget Selection (FBS)	Prior	Four consulting services packages
Least-Cost Selection (LCS)	Prior	Preparation of project financial statements (for audit), optional

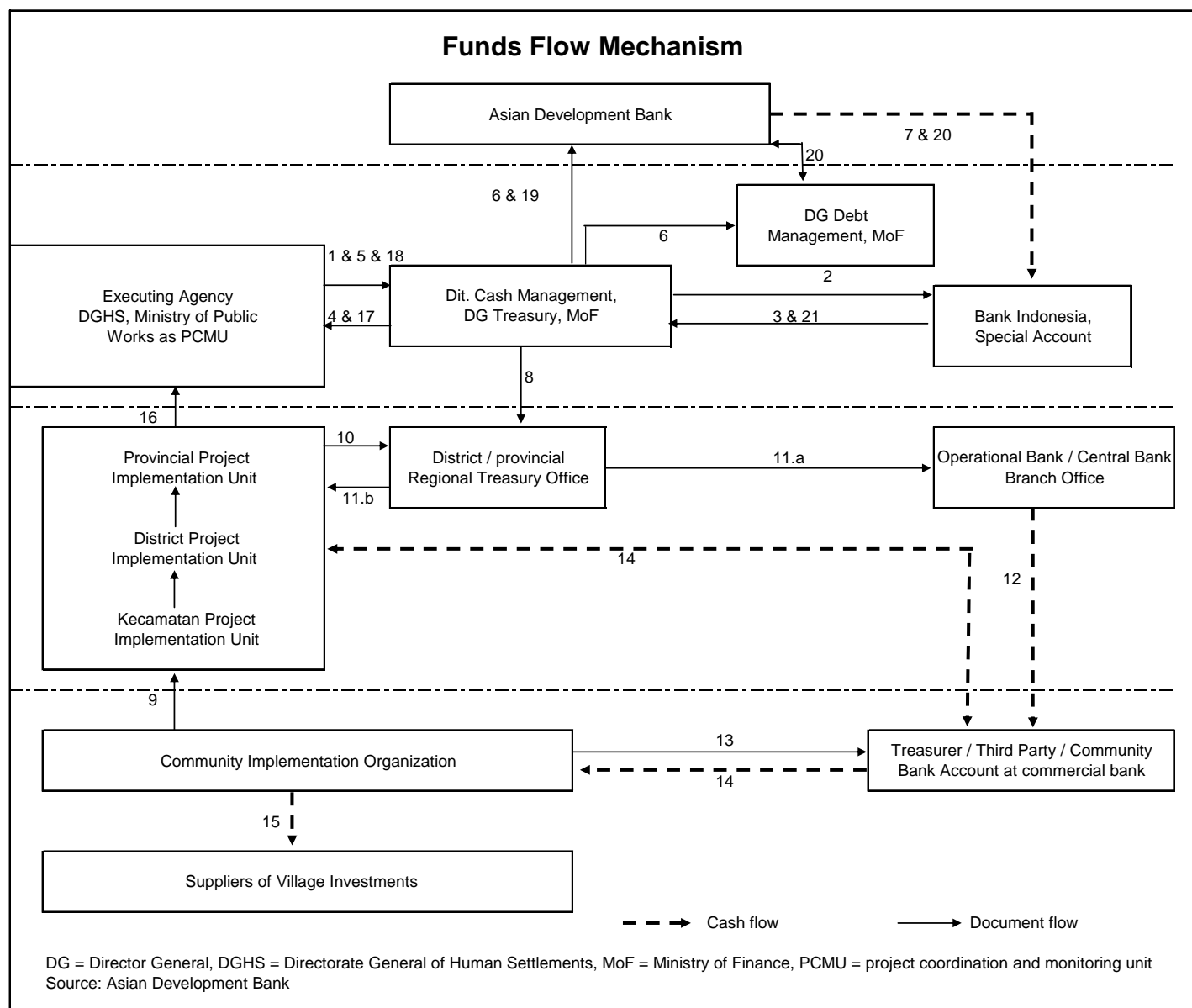
B. Project Procurement Plan

1. Indicative List of Packages Required Under the Project

3. The following table provides an indicative list of all procurement (goods, works, and consulting services) over the life of the project. Contracts financed by the Borrower and others should also be indicated, with an appropriate notation in the Comments section.

General Description	Estimated Value (cumulative)	Estimated Number of Contracts	Procurement Method	Domestic Preference Applicable	Comments
Civil Works	45,950,000	1,650	Community participation in procurement		
	Estimated Value (cumulative)	Estimated Number of Contracts	Recruitment Method	Type of Proposal	Comments
Consulting Services – firms	2,630,000	4	FBS, national	Simplified	
Annual audits of project accounts	60,000	2	LCS, national		

FUNDS FLOW MECHANISM



**PNPM MANDIRI'S
GUIDELINES ON IMPLEMENTATION OF
MONITORING AND EVALUATION**

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EXHIBITS

- A. Logical Framework of PNPM Mandiri
- B. Summary of Essential Indicators
- C. Samples of Questions for Monitoring

Chapter I INTRODUCTION

One of the main problems of Indonesian development is that there are still a big number of poor residents. As the effort to accelerate in overcoming of the poverty problem and to broaden the employment generation, the government has launched a National Program for Community Empowerment “PNPM Mandiri”. This program was commenced in 2007 and to take place at least until the year of 2015.

PNPM Mandiri constitutes the efforts of the government to harmonize the poverty deliverance programs which were based on the community empowerment. These times, the programs have been conducted at sector and partial basis with various approaches and procedures. Harmonization of principles, criteria and procedures through PNPM Mandiri is expected to minimize the inefficiency and ineffectiveness of the management of community empowerment programs.

In 2007, PNPM Mandiri was developed based on two community empowerment programs which were large scale programs, these were the District Development Program (Program Pengembangan Kecamatan - PPK) and Poverty Deliverance Program in Cities (Program Penanggulangan Kemiskinan di Perkotaan - (P2KP). From 2008, PNPM Mandiri was has been extended to cover Special and Under-developed Region Development Acceleration Program (Program Percepatan Pembangunan Daerah Tertinggal dan Khusus - P2DTK) in order to deal with under-developed regions, post disaster and conflict areas; Development Program for Regional Economic and Social Infrastructure (Program Pengembangan Infrastruktur Sosial Ekonomi Wilayah (PISEW); and Rural Infrastructure Program (Program Infrastruktur Pedesaan - PPIP) in order to accelerate the development of infrastructure in the regions and villages. In the future, PNPM Mandiri will also be supported by various community empowerment programs conducted by departments/sectors and regional governments.

Integration of the said various community empowerment programs requires target and indicators which should be reached during the implementation of the programs. As such, monitoring and evaluation are required in order to follow up the development of the target achievement and the indicators of PNPM Mandiri in consistent and transparent manner. Monitoring of the performance of the program is required for conducting evaluation with the purposes to motivate the management of program to be more effective and in line with the purposes of PNPM Mandiri.

PNPM Mandiri with its coordination and consolidation formula is not free from various weaknesses. As such, the role of monitoring and the follow up steps of evaluation reports for the improvement of program formulation is required in order to establish empowered poor society.

This Implementation Guidance for the monitoring and evaluation is intended to make all programs consolidated in the PNPM Mandiri could launch monitoring and evaluation applying relatively the same criteria and methodology. This program should be used as guidance for conducting monitoring, evaluation, and also for the making of report by PNPM Mandiri to those which have interests in various programs, including the government, consultant, facilitator, and the community groups.

Chapter II THE PURPOSES OF MONITORING AND EVALUATION OF PNPM MANDIRI

The purpose of monitoring and evaluation of PNPM Mandiri, are:

- To assure the **consistency** between the policy of poverty deliverance and the implementation of PNPM Mandiri.
- To establish the **performance indicators** of PNPM Mandiri which is expected to become the reference for each program sector.

What is **Monitoring and Evaluation**?

Monitoring is the collection of data periodically and timely in order to determine whether the activities have been conducted in compliance with the planning. Monitoring is a continuously process during the cycles of the project, from training and socialization, up to planning, implementation and maintenance. The results of monitoring shall be used to increase of the quality of implementation and to adjust the planning.

Evaluation is to evaluate periodically the results which have been achieved in order to verify whether the project has achieved its main purposes.

- To ensure that the macro target for poverty overcoming through community empowerment could be clarified and accommodated into **micro/technical targets** of every sector program.
- To materialize the public **collective ownership** of the program, which should be reflected by the public awareness in conducting monitoring of the program largely and consistently.
- To ensure that **the response and feed back** by the program management of the complaints and suggestions of the community is conducted timely and properly.
- To motivate the **achievement the criteria of program performance** which collectively achieved the national targets for poverty overcoming.

2.1. WHY THE PNPM MANDIRI MONITORING AND EVALUATION ARE IMPORTANT?

- Monitoring is important since it enables the stakeholders of the sector program **to get informed the progress which has been achieved**. The existence of the activities/projects²⁰ monitoring program enables them to conduct monitoring of the project implementation status continuously, and to identify problems arising out of such program implementation. The results of overall monitoring activities could show whether or not the project has been implemented in compliance with the planning thereof.
- Monitoring and evaluation is the monitoring means which is useful for decision making and for ensuring that the **improvement activities** could be taken timely and properly.
- Monitoring and evaluation are important since it **records the project experiences as well as studies thereon**. Monitoring and evaluation enables the project management and other parties to be knowledgeable what is happening in site.

From the experiences of PNPM Mandiri, the stakeholders of the project be knowledgeable not only concerning what has been achieved and what can not

²⁰ Terminology "activities" which is generally used by the government, in several parts of this document is referred to as the "project" in order to make easier the understanding thereof by all parties who use this guidance (government, non government/public).

implemented, but also the situation and condition which enable the project to be implemented, various initiatives in smoothing and effectuating the project, suggestions and local wisdoms which are recommended to be adopted in relation to the concept of development using community and anti-poverty basis.

2.2. MONITORING AND EVALUATION PRINCIPLES

- **Oriented at Quality Improvement.** Monitoring and evaluation must be viewed as a management means useful for improving the quality of PNPM Mandiri. If monitoring and evaluation both work right, various parties shall benefit from it by obtaining information for increasing the quality of further program management. Monitoring and evaluation shall be understood as a part of a continuing learning process.
- **Participation and Transparency/Accountability.** Both constitute two main principles in the whole management of PNPM Mandiri, which are also principles in conducting monitoring and evaluation.

All parties who have interest in PNPM Mandiri shall feel free to involve themselves and to submit report if they find out that there is a problem in the implementation of a program or project, and shall give suggestions to increase the project quality.

Monitoring and evaluation shall be better to be conducted in the circumstance which motivates transparency and is ready to accept bad or good news, compliments or critics.

Community members should not feel afraid of submitting a report if a problem is identified. In this case, the most important matter is that the project conductors should value a problem objectively and shall immediately take improvement steps if required.

Monitoring should be conducted by various parties (government and consultant as the program manager, community and interested groups) actively at all levels (national, province, regency/city, district/village, as well as the community).

Monitoring by all parties and levels to the program/project shall become the criteria to determine the level of sense of belonging (high or low) of the community to a program/project.

Efforts of the program management is required to motivate the activeness of the community in conducting monitoring the program management and project implementation, which is supported by transparency of information required by various parties, including the community.

The program management shall also provide information on results of follow up steps of problems submitted by various parties.

- **Accuracy of Information.** All parties which have interests in PNPM Mandiri are expected to give information as accurate as possible. No bad information is left unrevealed and good news for other people should also be reported.

If possible, crosscheck of information to other sources should be conducted in order to ensure whether or not the information is reliable. Only accurate

information, based on facts and reliable sources which could help increase the quality of PNPM Mandiri.

- **Certainty of Follow-up Steps.** One of the problems which causes related parties who conduct monitoring submit reports or complaint on various problems of the program is the fact that there is no guarantee for the follow up steps which are expected to be conducted on such problems. Frustration of various parties will cause apathetic attitude towards all events occurring in relation to the project management.

Further, in order to develop the sense of belonging by various parties, related to either directly or indirectly to the project, there is needed the confirmation of follow-up steps to be taken by as contained in the program design.

The results of follow-up steps shall also be informed to the complainant, and to the community, at least as their learning inputs in anticipating the occurrence of similar cases.

Chapter III THE RESPONSIBILITIES OF MONITORING & EVALUATION OFFICERS

Generally, all interested parties to PNPM Mandiri are responsible for monitoring the activities according to their respective job description and ascertaining that the progress of the activities is inline with the planning and timetable in the framework of fully achieving the targets.

The details of the roles and responsibilities of the stakeholders in monitoring and evaluation of PNPM Mandiri are as described in Table 1 as below:

Table 1
Distribution of Roles of All Parties in Monitoring and Evaluation of
PNPM Mandiri

3.1. The Roles of Government Bodies

Organization Unit	Role and Responsibilities
Central Level/National	
Controlling team (Tim pengendali/TP) PNPM Mandiri <ul style="list-style-type: none"> • The institutions being responsible for coordination for monitoring and evaluation of PNPM Mandiri is Bappenas 	<ul style="list-style-type: none"> • Formulation of guidance for the implementation of monitoring and evaluation of PNPM Mandiri. • Monitoring the implementation of PNPM Mandiri. The Implementation team submitting progress report to the Advising Team at least once in three months. • Formulation of various inputs in the implementation of projects for improvement program and its continuation. Next, such recommendation for improvement from various sources shall be discussed in the meeting of TP-PNPM Mandiri. • To follow up various adjustments for the on-going programs. • To develop the information management system to support the implementation of monitoring and evaluation of PNPM Mandiri. • Submitting a progress report to the Government and the House of Representatives (DPR).
Program Management at respective Ministry/institution	<ul style="list-style-type: none"> • Formulation of criteria for sector program as the clarifications and details of the criteria of performance of PNPM Mandiri. • Developing project monitoring and evaluation

	<p>system by referring to the guidance on Monitoring and evaluation of PNPM Mandiri</p> <ul style="list-style-type: none"> • Monitoring the entire activities in the framework of project monitoring and evaluation. • Crosscheck the monitoring conducted by consultants on site if necessary. • Ascertaining the implementation of the problem handling mechanism as having been determined by PNPM Mandiri from district level up to the central level. • Conducting the Information Management System of PNPM Mandiri. • Preparing regular and periodic project reports, both physical and financial.
Province Level	
The Province Level Coordination Team of PNPM Mandiri Province is part of the Coordination Team for Poverty Deliverance at local government level/TKPKD-Province)	<ul style="list-style-type: none"> • Monitoring and evaluation of the implementation of PNPM Mandiri at the province level. • Submitting progress report covering both physical and financial reports, result of program evaluation as well as the result of audit to the Governor and TP PNPM Mandiri. • Establishing a unit for dealing complaints and problems of the community (Pengelolaan Pengaduan Masyarakat/PPM) which is a collective units of program representative of all sector projects (area management consultant) and the Muspida (government offices, institutions, related offices of the functional controlling apparatus, and the law enforcement officers at province level). • Together with PPM unit: monitoring, processing, and finding solution for any problems arising in the implementation of the projects and imposing penalty / sanction in compliance with the guidance and the prevailing regulations. • Ascertaining that PPM Mandiri in local areas is run in accordance with the guidance on PNPM Mandiri and if required convening a meeting with various related parties being responsible for the sector program at province level to find the solution or consulting the problem with TP PNPM Mandiri.
Regency/City Level	
Controlling Team PNPM Mandiri at Regency/City Level (part of the Coordination Team for Local Poverty Deliverance/TKPKD Province)	<ul style="list-style-type: none"> • Monitoring and evaluating the implementation of PNPM Mandiri at regency/cities level. • Submitting progress report on activities and financial report, result of program evaluation, result of audit (BPK) to the regent/mayor and TP PNPM Mandiri. • Establishing a unit for dealing Complaint and Problems from Community (PPM) being a collective unit of: program representative of all sectors (local management consultant) and Muspida (government offices, institutions, related offices, apparatus, controlling apparatus at national level, and the law enforcement apparatus in the regency/municipality). • Together with PPM Unit: monitoring, processing, and solving problems arising in the implementation of project and imposing penalty /sanction pursuant to the guidance and prevailing regulations. • Ascertaining that PNPM Mandiri at the concerned area is implemented in line with the guidance on PNPM Mandiri and if necessary convening

	meetings with various parties responsible for sector programs at regency/ city level to find solutions or consulting the problems with the Coordinating team of PNPM Mandiri at Province Level or TP PNPM Mandiri.
District Level	
<ul style="list-style-type: none"> • District Head/Camat • Operational Activities Officers (Pejabat Operasional Kegiatan/ PjOK) 	<ul style="list-style-type: none"> • Monitoring and evaluating the implementation of PNPM Mandiri at district level. • Submitting a progress report on activities and financial report as well as the evaluation result by the Coordination Team of PNPM Mandiri at regency/city level. • Establishing a special unit to deal with problems (Satuan Khusus Penanganan Masalah/SKPM) being a collective unit comprising of: district head, PjOK, sector program facilitators (empowerment and technical), community representation (community leaders, religious leaders, etc.) and other Muspika members. • Together with SKPM : monitoring, processing and finding solution for any problems arising in the implementation of projects and imposing sanction in refer to the guidance and the prevailing regulations. • Ascertaining that PNPM Mandiri in such respective area is implemented in reference to Guidance on PNPM Mandiri and if necessary convening meetings with various parties being responsible for the sector programs at regency/city level in order to find solutions for the arising problems or conducting consultations with the Coordination Team of PNPM Mandiri at regency/city level.
Village level	
Village Head/ Lurah	<ul style="list-style-type: none"> • Monitoring the implementation of program at village level. • Submitting report to SKPM at district level if any problems occur in the program implementation. • Assisting community in understanding and implementing program and projects in line with the Guidance on PNPM Mandiri.
Organization Units	
National Management Consultant (NMC)/ Konsultan Pengelola Nasional(KMN)	Roles and Responsibilities <ul style="list-style-type: none"> • Developing indicators for sector program performance derived from the indicators of PNPM Mandiri and being the agreement between ministries/institutions in charge of the programs and the funding institution. • Formulating the quality standards for the activities/project, especially for physical activities/infrastructure. • Conducting socialization the total indicators of program performance to the consultants network in the concerned working area. • Monitoring the implementation of sector program and activities in the entire program sectors and to give technical/non technical support as necessary. • To prepare program progress report and financial sector activities at monthly, quarterly and yearly basis and to submit report to the parties being responsible for the sector program. • To develop MIS of sector program referring to the MIS of PNPM Mandiri. • To ensure the establishment and the proper implementation of monitoring and evaluation system of PNPM Mandiri at national level, and to functions effectively for each sector program.

<p>Management Consultant at Province Level (Konsultan Pengelola Wilayah Provinsi/KMW Prop.)</p>	<ul style="list-style-type: none"> • Conducting socialization the entire program performance indicators to the consultant network in the concerned working area. • Monitoring the sector program implementation in the whole area of sector program and activities in the concerned sector program area as well as delivering necessary supports both technical and/or non-technical. • Preparing the progress report on the activities of sector program as well as financial report at monthly, quarterly, and yearly periodical basis and submitting such reports to the National Management Consultants. • Supporting the implementation of MIS of sector program. • Assuring the establishment and implementation of effective monitoring and evaluation of PNPM Mandiri at province and regency/city levels being a part of the UPPM in the respective sector program.
<p>Management Consultants at Regency/City Level (KMW Kab / kota)</p>	<ul style="list-style-type: none"> • Conducting socialization the entire indicators for program performance to the network of consultants in the respective working areas. • To monitor the works of empowerment facilitator in the entire area of sector program and to give technical and non technical support if required. <i>Technical facilitator at the regency/city level shall play special role to ensue that the quality of the works is in compliance with the quality standard as determined by the National Management Consultant.</i> • To prepare program progress report and the activities of the sector and its financial conditions at monthly, quarterly and yearly basis and to submit such report to the Management Consultant at Province and National Level. • To support the implementation of the MIS for sector program. • To ensure the establishment and effective operations of the monitoring and evaluation system of PNPM Mandiri in regency/municipality levels, and to ensure that it becomes the part of UPPM in compliance with each program sector.
<p>District Facilitators</p>	<ul style="list-style-type: none"> • To monitor the planning process and the progress of the project in their respective district and to prepare report at monthly basis. • To monitor and to ensure active participation of poor community and others and to participate in the decision making process. • To submit reports to the KMW at regency/ municipality level. • To assist the head of the district in the establishment of SKPM and to become part of the unit. • To monitor the village facilitators and to give support as necessary. This is particularly if a conflict/problem occurs due to confusing information.

3.2 THE ROLE OF CIVIL COMMUNITY/CARING GROUPS AND COMMUNITY GROUPS

Organization Unit	Role and responsibility
LSM (independent non government institution)	<ul style="list-style-type: none"> To monitor program sector independently and to give suggestion/inputs in line with the scale of regional sector program to the program coordinating team.
Village Facilitator	<ul style="list-style-type: none"> To monitor and to ensure that the project is implemented in line with the plan - which has been prepared together with an active involvement of the community (poor community and other groups) as well as to participate directly in the project implementation. To prepare village program progress report at monthly basis and to submit report to the district facilitator.
<ul style="list-style-type: none"> Implementing community group 	<ul style="list-style-type: none"> Executive unit of Pokmas: to monitor the project/sub-project implementation they manage and to submit report.
<ul style="list-style-type: none"> Supporting Community Group/Monitoring Group 	<ul style="list-style-type: none"> Supporting Pokmas : to monitor the project implementation and to give accountable material and non material support, presented in writing and to be reported.
<ul style="list-style-type: none"> Community Members in general 	<ul style="list-style-type: none"> Community members: Besides being active in the project implementation also conducting monitoring from the participative planning process up to the implementation stage in compliance with the plan which has been prepared together. If a problem or deviation occurs, it could be reported to SKPM in each district.

Monitoring and evaluation of PNPM Mandiri which involves various stakeholders at every level of government up to the community group is required to be regulated in a related mechanism. The relationship between the activities of monitoring and evaluation both regularly and periodically, shall provide complete and accurate information concerning the implementation of PNPM Mandiri and its impact towards the poverty deliverance.

In principle, the monitoring and evaluation working line of PNPM Mandiri which involves various stakeholders and their relationship are described in Diagram 1. Whereas the working line for monitoring and evaluation which is conducted regularly by the consultants in each PNPM Mandiri is described in Diagram 2.

Chapter IV SCOPE OF MONITORING AND EVALUATION

PNPM Mandiri has general objectives, targets and *outputs* which are designated to be achieved every year. Based on the objectives and outputs of the program which are targeted to be achieved, program performance indicators are planned, to be used as the means of measure for the achievement of the program during the period of one year.

The filling of all criteria of the performance of the program shall become the material of monthly, quarterly and annual reports under the responsibilities of the parties at all levels sequentially (as described in table 1).

Besides the reporting mechanism which is in stages, the measure of the performance of the program could also be conducted through monitoring activities and other evaluation activities, such as case study, survey, sector evaluation, supervision mission, etc.

The establishment of the Management Information System (MIS) also plays important role in "recording" important information regarding the achievement of PNPM Mandiri at real time and from time to time.

The evaluation process will be periodically conducted after the monitoring results are received. Evaluation of the achievement of the targets will constitute an important input in order to increase the performance of the program in the future, such as to review the reasons of non-achievement of the program targets.

Generally, the coverage of monitoring and evaluation are as follows:

1. **Scope of Program Material (Stages).** Covering: Drafting and finalization of guidance, drafting and determination of program, drafting and determination of program criteria, guidance for socialization, formulation and determination of activities, formulation of budget and funding, distribution and management of funds, project implementation and funding, achievement of target of the activities, and follow up of complaints.
2. **Scope of program.** Every year, program which was joined into the PNPM Mandiri is expected to increase. The scope of program which in the year of 2007 only covered PPK (PNPM Village) and P2KP (PNPM City), in 2008 has covered other empowerment programs. In 2009, various community empowerment programs to be conducted by ministry/sector institution shall be gradually joined into the mechanism of PNPM Mandiri.
3. **Scope of regional access.** The orientation of the implementation of PNPM Mandiri is as much as possible to be close to the community as the beneficiaries of benefits. For the budget year of 2007 the region to be reached (locus) of the program is at the district level, whereas for the budget year of 2008 the regions to be reached are to be focused on under-developed villages. In 2009, all districts are expected to have become the location of PNPM Mandiri.

In relation to the scope, monitoring and evaluation be conducted by the parties, shall cover the substance/levels of program, type of program, region to be reached in compliance with the role of each party.

4.1. ROGRAM CRITERIA OF PNPM MANDIRI

These criteria constitute a means to measure how far the community empowerment has formed a part of the entire process of program management, starting from the planning up to the implementation of the project. Various series of community empowerment activities finally flow to the general objective of the program to accelerate poverty overcoming and to increase the employment generation.

In view of the general objectives, the criteria of the program are as follows:

1. Involvement of poor communities, women groups, sensitive groups and marginalized groups in the planning and decision making for activities/projects tends to increase.
2. The existence of reliable and accountable community groups which are reliable and accountable tends to increase, which is shown by the increasing of participation of the community poor members in the groups.
3. The increasing of regional budget composition for poverty overcoming program/activities.
4. The increasing of number and quality of regional policy which are to be sympathized to poor community members.
5. The increasing of regional government services in public sectors.
6. The increasing of the capability of regional government to motivate the speed of local economy.
7. The increasing of the capability of the community in having access to basic services (education, health, sanitation and clean water).
8. The increasing of the capability of the community in having access to information (particularly regarding capital and market).
9. The increasing of the drive and capability of the conductors (particularly regional governments), in opening access for information (particularly capital and market).
10. The increasing of poor community awareness in maintaining basic infrastructures.
11. The increasing of the awareness and capability of the government and the community in environment conservation.

12. The increasing of regional government budget for environment conservation.

4.2. CRITERIA OF SECTOR PROGRAM

Constitutes device for measuring how far is the **support of the sector** in increasing the life and living of the community, particularly poor community, women group, marginal group and sensitive group.

The support of the sector could be in the form of various physical and non-physical activities/projects having direct and indirect implication to the community.

The general criteria are as follows:

1. Involvement of poor residents, women, marginal group in the labor intensive project is larger.
2. Decreasing of unemployment during the period of one year implementation of program.
3. Increasing of the income of poor community members in one year period of program.
4. The existence of micro financial regulation which is *supportive to the poor groups and is applicable*.
5. Increasing of micro credit institution which could be used by the poor community and the increasing of poor community enthusiasm to have an access thereto.
6. Decreasing of the intension of the community to access loan from money lenders.
7. Increasing of number of new business of poor community which could be developed through the program.
8. Increasing productivity of new business of poor community which could be developed through the program.
9. Increasing of manpower which is involved in new business of poor community which could be developed through the program.
10. Increasing of the capability of poor community in the management of productive economy.
11. Increasing of connectivity between the production factor and the market.
12. Increasing of the capability of the poor community to consume goods, particularly consumer goods.
13. Increasing of quality of pregnant mothers, breasting mothers and children.
14. Decreasing of death of pregnant mother, babies and under five year kids.
15. Increasing of clean water supply and the use of clean water by the community.
16. Increasing of children participation in basic and middle education.
17. Increasing of environment sanitation for the housing of poor community group.
18. Decreasing of time for accessing structures and infrastructures for basic services (efficiency).
19. Increasing of availability of basic structures and infrastructures for the community, particularly for poor community.

4.3. CRITERIA FOR SATISFACTION OF BENEFICIERIES

The criteria constitutes a device for measurement of how far the **degree of satisfaction** of poor community being the target, in valuing the entire aspect of the management of PNPM Mandiri.

The valuing of the community members may be conducted by sampling method which methodology is accountable.

The criteria of degree of satisfaction of the beneficiaries in general are as follows:

1. Degree of satisfaction of poor community to the services of regional government due to the existence of PNPM Mandiri, particularly for basic services.

2. Degree of satisfaction of the community in its involvement on the determination of project in PNPM Mandiri.
3. Degree of satisfaction of the community to the performance of the community group in distributing funds for them.
4. Degree of satisfaction of community group and the members thereof, to the fund distribution procedures applied in PNPM Mandiri.
5. Degree of satisfaction of the community to the results of development projects which are conducted together (by the government and the community) in PNPM Mandiri.
6. Valuation of the community members to the increasing of their welfare (health, economy, family consumption, etc.) due to the existence of PNPM Mandiri.
7. Degree of satisfaction of the community members to the credit system applied by the credit executive unit under the assistance of PNPM Mandiri.

The value of each criteria will be further described in the tabulation of program performance indicator. This indicator is collected and recorded by the conductors and executive units in the field for the period of one year (yearly), achievement until 2009 (three years performance), achievement until 2015 (nine year performance).

These criteria could be added from time to time for further improvement of PNPM Mandiri. Performance indicator will be determined as realistic as possible by accommodating realization of each sector.

Contribution of sector in the achievement of the targets of PNPM Mandiri will be determined and be used simultaneously as measurement of contribution of each sector in poverty deliverance through community empowerment at national basis.

Since the choice of activities/project is to be determined absolutely by the local community, the determination of criteria for sector is based on trends of activities during preceding years. For new sector program to be started in the budget year of 2008, valuation for determining sector criteria being in compliance with its contribution to PNPM Mandiri, will be done by the related parties.

Various above mentioned indicators along with the purposes, inputs, data sources, and other clarifications are described in the schedule A: Logic Frame work of PNPM Mandiri. From various indicators which are required to illustrate the development and impact of PNPM Mandiri, there is a main indicator which must be observed by all programs of PNPM Mandiri. The summary of this main indicator could be seen on the Schedule B. Considering that a part of this indicator has the characteristic of qualitative, then the Schedule C provided guidance for questions which may be used at the time of monitoring. Various references as described in this guidance are expected to facilitate the implementation of guidance and evaluation of PNPM Mandiri programs.

Chapter V TYPES OF MONITORING

Monitoring activities are generally orientated to become an input for the program. The purpose of the monitoring is to know whether the program works properly and whether there exist matters to be adjusted for improvement of the program. Monitoring conducted regularly is also important to know whether the program is implemented in line with its principles and regulations. This matter covers monitoring whether or not the principles of administration, community empowerment, community participation, technical qualification of works, fund allocation and use and obedience to environment and social order have been followed.

PNPM Mandiri will use various kind of monitoring:

5.1. Monitoring with Participation of the Community

Monitoring by the community involves groups or members of the community in conducting supervision and monitoring of the activities/programs. In PNPM Mandiri, the is group of community members which are chosen or appointed to conduct supervision of various programs, these are: planning, decision making, implementation, book keeping, operation as well as maintenance. In order to work effectively, several certain activities are required to be done in conducting monitoring.

- **Easy access to information (Transparency).** Transparency to project information to allow the community to obtain information easily and could conduct investigation and examination of whether or not it is true. Transparency of information is very important and should be done by the program or project management using active manners, for instance, announcement of activity and its budget allocation on an announcement board which location is known by the community as well as on the project location.
- **Socialization and Persuasion to be Inclusive.** This is required to allow the community members who are may be still passive and unconcerned of their environment development to be re-motivated to contribute, at least in monitoring the activities. There should be no impression that the activities of the government (PNPM Mandiri) is not different to the implementation of other governmental activities which always valued as minor.
- **Open General Meeting.** As part of PNPM Mandiri principles, these are community participation, transparency and accountability, all meetings of the project shall be open to public and the community members should be allowed to present and to monitor the implementation of the meeting. During the project implementation, the management thereof should also convene an accountability meeting in order to report the progress and the financial condition of the project transparently.
- **To Receive Complaints and to Solve Problems.** All program sector being under coordination of PNPM Mandiri should have a complaint unit (UPPM) which enables the community members and the community in general to submit complaints or to request clarification. Information on the channel which could accommodate complaints may be given through various ways, such as: mail or PO Box, SMS or a person in charge who could be contacted, as well as a facilitator who is available at any time to follow up complaints submitted by the community. Such channels should be widely informed to the community (see: Distribution Table 1.: Distribution of the role of the parties in monitoring and evaluation of *PNPM Mandiri*).
- **INTER VILLAGES AND DISTRICTS VISIT.** PNPM Mandiri motivates the community and its members to take benefit from the success of other parties by learning the acceleration of self supporting efforts achieved by other areas. This matter is also used as the background of the learning process for inter villages and districts in order to take benefit from the success of regions located not too far from their domiciles. In the evaluation context of inter villages and districts, the best achievement of program could be motivated by the background of fair competition.

Besides, various experiences of managers and beneficiaries of the program will originate good matters and issues or to help the community members in correcting deviations which may have been committed, or even to motivate initiative and innovation which play important role in accelerating the self supporting of the community members and achievement of the targets of the program.

5.2. Monitoring by the Government

PNPM Mandiri is a government program. The fund of PNPM Mandiri is the fund owned by the public and the project management in the government must have responsibilities to ensure that the program could work in line with the principles and procedures, and the fund allocation could be used properly for the benefit of the community welfare.

The government at the national, regional, regency/city, district and village levels are responsible for conducting monitoring of the program and project and to ensure that the targets are achievable by following predetermined principles. For that, the government must observe in order to be knowledgeable whether or not the project activities works as planned and procedures thereof are followed. Periodically, supervision mission and field visit must be conducted by the government officers and other related elements (donor institutions, consultant, LSM and others) to the project site. Mechanism for supervision and field visit of the PNPM Mandiri programs should be coordinated in order not to make the community get confused, whereas irresponsible actions should be prohibited during the site implementation.

5.3. Monitoring by Consultants and Facilitators

Project monitoring activities are also the responsibility of the project consultant and facilitators of the national, province, regency, district and village levels. Consultants should conduct site visit periodically during the project cycle in order to monitor the financial development and to ensure that the project is conducted in compliance with the planning of the community and program target, and simultaneously to submit report on the project performance monthly, quarterly, and yearly (*see again distribution in table 1. distribution of the role of the parties in conducting monitoring and evaluation on PNPM Mandiri*).

In order to guarantee clear measurement of the achievement of PNPM Mandiri, baseline survey is properly conducted and the result of which should be used as the starting point of monitoring and evaluation of programs to be further conducted during the project implementation.

This baseline survey may be conducted by each sector based on present information on predetermined criteria of program sector with PNPM Mandiri in their working area at national level or based on sample.

5.4. Information Management System

Program information regarding progress, input, and reports inserted and compiled in the *Management Information System* (MIS) of PNPM Mandiri should be based on computer and internet. MIS PNPM Mandiri shall be open for the benefit of the parties at the levels of regency, province, regional and national. MIS shall make available information regarding the project as complete as possible, and among others shall contain: project location, status of project activities, amount of investment, project implementation staff, project implementation schedule, financial status of the project, as well as complaints and reports. MIS PNPM Mandiri shall be managed by the Data and Information Center of Bappenas. MIS shall be connected to the information system of all programs combined in PNPM Mandiri and all other development programs.

MIS is developed based on the principle of information completeness, information accuracy, *real time information*, easy accessibility and efficiency of funding. In order to accommodate the said principles, it is required to be developed, a system which enables the establishment of the networking of *hardware and software* computer between the regions and national levels. Applications used shall be as easy as possible for use by the MIS

management and shall be developed by each sector at an integrated networking with PNPM Mandiri.

All program sectors being under coordination with PNPM Mandiri shall develop, manage and maintain the MIS effectively and continuously to enable the progress of the program be periodically monitored. The Guidance for Management of Information PNPM Mandiri is published in a separated document.

5.5. Monitoring by NGO

PNPM Mandiri motivates groups of civil community (NGO and others) to conduct monitoring independently to the implementation of the program in order that it works as expected. Civil community groups play important role as the independent monitoring parties which are not affiliated to various interests. Civil community groups could also play important role in ensuring that the community groups, particularly the marginal groups, poor community groups, women groups to have the opportunities to participate in the management of PNPM Mandiri.

For project component at the village level, the NGO which domiciles in the province shall conduct monitoring, including motivating and developing the capacity of the community groups to conduct monitoring independently.

5.6. Financial Audit

The government elements which play role in financial audit such BPK, BPKP, and Bawasda shall be responsible in conducting financial audit of PNPM Mandiri each year. Bawasda as the regional element shall conduct financial audit within their respective working areas, whereas BPK and BPKP shall conduct an overall supervision of the national scale programs, province and regency/city programs. In order that the auditing be conducted effectively, it shall be agreed upon, the working indicator and development of program implementation with the said auditing institutions.

If required, the public auditor could be requested to examine the program financial conditions, particularly financing sourced from funding of donor institutions. The result of auditing process shall be reported to the community and also published in various media publication program, such as newspaper, website, etc. The auditing report to be published shall be the final report which has been cross examined and responded by the programs/project management.

Chapter VI TYPES OF EVALUATION

Evaluation is focused on inputs and the impact of project, whether it is in compliance with the purposes and planning as determined. The evaluation should be conducted in the midst of the implementation of PNPM Mandiri and after the whole program have been completed (yearly).

Several types of evaluation which may be conducted are as follows:

6.1. Evaluation of Output

This evaluation is conducted in order to find out how far the improvement of welfare has occurred, by comparing the present conditions of the poor community and other target groups, with their conditions after the program is implemented (yearly).

The basis for this measurement and evaluation shall be the results of basic survey conducted by the consultant of sector program.

This evaluation may be conducted by various parties, either the program leader or other parties independently.

Input for program evaluation may be submitted to the program leader in their respective area and or the PNM Mandiri at national level.

6.2. Evaluation of Impact

PNPM Mandiri plans several impact evaluations with the main focus of the impact in relation to poverty deliverance, development of social capital, good governance, and capacity development (empowerment).

For such purposes, mixed method is used, either quantitative or qualitative technique. A number of survey will be made to measure the impact of the program, by using family survey, national, economic and social survey, as well as qualitative study.

These overall surveys apply double difference technique by comparing: the condition before and after, targeted region and controlled region (with or/and without intervention program).

6.3. Special Study/Thematic

In order to sharpening the monitoring results and the said above various regular evaluation, a number thematic studies or special studies using thematic theme will be also applied during the period of initial program implementation (2007) through several coming years. The said studies cover among others the following:

- **Physical infrastructure speed study**, in order to evaluate the quality of infrastructures which are founded using the standard of PNPM Mandiri.
- **Maintenance and operational study**, in order to evaluate the standard for maintenance and operational of infrastructures and to evaluate the costs structure which should be paid by the user, as well as the capability of the village community as well as the government in financing the said operational and maintenance activities.
- **Study of economic impact and the rate of repayment**, in order to measure the rate of repayment and the economic impact of the program of PNPM Mandiri.
- **Second study based of gender**, in order to re-study the program strategy and the implementation of the program from the aspect of gender equality.
- **Study of development of micro credit and the business of the community**, in order to evaluate the strategy of the credit and the development of business under the PNPM Mandiri, in order to know how these components could be increased in order to produce larger and sustainable economic benefits.
- **Study of development planning**, in order to evaluate the planning from the village level up to the national level and how to increase coordination among various levels.
- **Study on development of the capacity of institutions.** Development of the capacity of the institutions is one of the important components of PNPM Mandiri. This program component gives various training for the community members of he villages, community groups which implement the program, as well as local government apparatus. Development of this component of capacity increasing should be monitored and the impact for strengthening the community self supporting capacity

should be valued as one of the success of the implementation of PNPM Mandiri program.

- **Study on the achievement of MDGs.** The implementation of PNPM Mandiri is also expected to bring impact on the acceleration of the MDGs achievement. Through various sector evaluation related to basic services activities such as education and health, it is expected that inputs for basic policies for the poor communities could be obtained. Evaluation which is related to this aspect shall be focused on the quality of the investment, continuance, community member satisfaction, costs effectiveness, and relation between local government and private sectors.

Chapter VII REPORTING

Periodical report on the improvement and results of PNPM Mandiri is very important for the information of the progress of the activities implementation and to ensure the achievement of the program in compliance with the program (program achievement).

Reporting will be useful if it is accurate, reliable and timely. All sector programs under the coordination of PNPM Mandiri should submit program based on the series of indicators, which are described in the Schedule B of this Guidance. Indicators which are required to be developed and completed should provide indicators of respective sector programs.

All these progress and achievement are made in one report.

Periodical and accurate report will enable the government to distribute such information as much as possible to the departments, parliament, and the whole community and to take necessary actions/policies. The said information will also be published through the website of PNPM Mandiri.

Program report at various levels will be made monthly, quarterly and yearly basis. The format of the periodical report shall be developed by the respective sector program (see again table 1).

Chapter VIII CLOSING

The success of the implementation of PNPM Mandiri to achieve its objectives and purposes should be supported by monitoring and evaluation activities. For that, all programs which are joined in the PNPM Mandiri are required to conduct monitoring and evaluation by referring to this Guidance for the Implementation of Monitoring and Evaluation of PNPM Mandiri. If in the future any revision is required, adjustment will be made accordingly.

Exhibit A Logical Framework of PNPM Mandiri

Can be provided upon request

Exhibit B Summary of Main Indicators

This list covers the program performance indicators as described in Schedule A. However, since each program has its own focus, it is not impossible that every program applies other indicators which could be used in the implementation of its sector program policy.

Indicators as described below should be used to prepare the periodical report and as such the national and local government could submit report to the policy makers, parliament and the entire community on the progress of PNPM Mandiri.

Monitoring and evaluation through various case studies may be used to complete information on routine reports by the parties.

No	Indicator	Source
A. General Information		
1	Name of Province, Regency/City, District, and Village being monitoring target	Local government
2	Number of residents, residents based on age, number of poor residents based on age, number of women based on age, amount of marginal society in the related area.	Local government
3	Number of beneficiaries of the project benefit (M/F) in the related area.	Facilitator
4	Allocation of BLM (Rp) for the related area, based on province, regency/city and village.	PNPM Mandiri Coordination Team
5	Name of district/village supported by PNPM Mandiri funding.	PNPM Mandiri and PjOK Coordination Team
B. Community Participation		
6	Number of adult poor community and other groups (women, marginal, sensitive) (M/F) and its presentation which attended meeting for development deliberation (project determination)	Facilitator
7	Quality of participation of poor community, adult, and other groups, (women, marginal and sensitive) (M/F) which attended meeting for development deliberation (project determination).	Facilitator
C. Representation		
8	Number of community groups (POKMAS) entrusted by the community to manage the activities	Facilitator
9	Number of each POKMAS members	Facilitator
D. Project/Activities		
10	Types of activities/projects funded by PNPM Mandiri and source of proposal (describe the name of group or village)	PjOK and Facilitator
11	Types of activities/projects which are not funded by PNPM Mandiri	Facilitator

and source of proposal (clarify the name of group or village)

12	Amount of community/private participation (Rp)	Facilitator, Head of village/district, POKMAS
D.1. Physical Infrastructure		
13	Number of working days (HOK) for project implementation	Facilitator
14	Number of poor community and other targets who worked for the project and number of non target community member who worked for the project	Facilitator
15	Number of good/bad quality projects	Technical Facilitator
16	Number of community groups which are trusted as operational and maintenance management staff	Facilitator
17	Operational and maintenance groups established and beginning to work	Technical Facilitator
D.2 Economy		
18	Number of community group being the management of micro economy	Head of Pokmas Economy
19	Number of members of group being target of micro economy	Head of Pokmas Economy
20	Number of group member percentage which borrowed the economy fund of PNPM Mandiri	Head of Pokmas Economy
21	Degree of loan repayment	Head of Pokmas Economy
22	Number of loan repaid at the time of report (Rp)	Head of Pokmas Economy
23	Amount of outstanding which has not been repaid at the time of report (Rp)	Head of Pokmas Economy
24	Number of debtors who borrow fund for business and type of business	Head of Pokmas Economy and facilitator
25	Number of business experiencing productivity increase	Head of Pokmas Economy and facilitator
No	Indicator	Source
26	Number of business experiencing productivity improvement	Head of Pokmas Economy and Facilitator
27	Number of business experiencing demand increase	Head of Pokmas Economy and facilitator
E. Income of target group		
28	Average income increase by poor community and other targets	Management Consultant for Regency/city area and Facilitator
29	Average of expenditures for consumer goods and other needs of the target groups	Management consultant for regency/city area and facilitator
F. Finance		
30	Composition of APBN and APBD funding for PNPM Mandiri	Management consultant for Regional area (Province and Regency/City)
31	Amount of funding from other sources for PNPM Mandiri (donor, LSM, private, etc.)	Management consultant for regional area (Province and Regency/City/Kota)

32	Amount of funding of PNPM Mandiri absorbed in target areas at the time of report (progress)	Management consultant for regional area (Regency/City/ Kota)
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G. Training/Capacity Development

25	Number of training	Management consultant for regional area Regency/city
26	Type of training	Management consultant for regional area Regency/City
27	Target of training (target group)	Management consultant for regional area Regency/City

H. Improvement of PEMDA capacity

28	Percentage of regional budget for supporting poor community	Management consultant for regional area Regency/City
29	Number of policy products (Perda, Decree of Regent/Major, etc) supporting the poor community	Management consultant for regional area Regency/City
30	Exist/not exist and working/not working institution/unit which is specially handling poverty problems	Management consultant for regional area Regency/City

No	Indicator	Source
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31	Existing/non existing of micro financial regulation which is supporting poor community	Management consultant for regional area Regency/City
32	Existence of loan institution supporting poor community	Management consultant for regional area Regency/City
33	Percentage of allocation of fund of the region for natural conservation	Management consultant for regional area Regency/City
34	Percentage of declining of environment problem in the area of PNPM Mandiri during implementation of program	Management consultant for regional area Regency/City

I. Administration of program management and monitoring thereof

35	Progress status of each stage of project for each district/village	Management consultant for regional area Regency/City
36	Number of consultant/facilitator (M/F) in the national, province, regency/city and district levels having (not) been posted.	Management consultant at national level
37	Number of un-planned visit to village by the government officers or regional consultant at the time of report	Facilitator
38	Number and types of complaints received and followed-up	Facilitator
39	Number of visit of non-government institution and name thereof for monitoring and evaluation (example: LSM)	Facilitator
40	Number of deviation according to financial auditing (BPK, BPKP, Public Auditor, BAWASDA)	Management consultant at national/regional level

Exhibit C Examples of Questions for Monitoring

The development of performance indicators is made by sector program and is socialized to each party being responsible for the program. The determination of respondents from this qualitative monitoring is under the responsibility of the sector program (Central Management Consultant) to develop accountable and accurate methods.

The criteria of the satisfaction of the benefit receivers towards PNPM Mandiri and other related programs, shall become the main focus of the qualitative monitoring.. Some examples of qualitative questions which can be forwarded, among others:

1. Community Participation

- Who participate in each activities for program socialization, planning, decision making, implementation, monitoring, etc? How is the process of involvement? Are there any women participating at all levels of activities? Do poor people and marginal community members participate in project activities? In what way do these groups get involved in decision making? What kind of participation do they take?
- Is any meeting/discussion/forum/deliberation conducted open to the public? Who attend the meeting?
- Is there any self-supporting activities or being the community contribution?

2. Transparency information

- Is there any information on PNPM Mandiri distributed to the community? Is the information easy to access?
- Is there an announcement board of PNPM Mandiri and its projects in every village? What information is announced on the board? Is there announcement board in every project location?
- Is there any periodical meeting during the implementation of the project in order to clarify the development of the project to the community?
- Is there available any document regarding the project (proposal, planning, official finishing of the project, financial data)? Is there any information on who is to be contacted of complaint? Do the community members know who should be contacted for clarification or for submitting complaint?

3. Information on project

- What project is funded by the PNPM Mandiri in the said village?
- Why this project is chosen? Who proposed and who decided the project? Is the project a priority for the region?
- If the project is infrastructure, is the project valued to have high quality from technical aspects? What is the real result of the project? (technical facilitators should have its own questions to examine the technical quality of the infrastructure).
- Is the project equal to the costs and expenditures? When examining the budget, is the cost for unit and total cost is realistic?
- Is the infrastructure maintained? Is there any planning for operation and maintenance?
- Is there any coordination with the related government office for the planning and implementation of the project?
- Have the community members been satisfied to the project activities? Has the project fulfilled the expectation of the community?
- Have the government officers been satisfied with the activity/project? According to them has the project fulfilled the priority needs of the related region?

- What is the long term and short term benefit of the activity? What is the benefit of the project for employment generation and what is its economic benefit?
- Is there any problem arising out during the implementation of the project? If yes, how to solve the problem?
- How to increase the process or project cycle in the future?
- Is attention to social and environmental conservation be paid? Is the right procedure followed for environmental conservation, land clearing, social group empowerment, and others?

4. Capacity development

- What kind of capacity development is implemented by PNPM Mandiri? Is it in compliance with the expectation of the beneficiaries?
- Who is trained and about what?
- Is there any government officer who attended the training?

PNPM MANDIRI'S

**GUIDELINES ON IMPLEMENTATION OF
MANAGEMENT INFORMATION SYSTEM**

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XIV. GLOSARY OF TERMS AND ABBREVIATION

Executive Information System (EIS)	: Information System for Decision Makers
GIS	: Geographical Information System
Log Book	: MIS list of records
PISEW	: Regional Infrastructures for Socio and Economic Development Program
PNPM	: National Program for Self-Help Community Empowerment
P2DTK	: Acceleration of Disadvantaged and Special Region Development
P2KP	: Urban Poverty Alleviation Program
PPK	: District Development Program
PPIP	: Rural Infrastructure Development Program
MIS	: Management Information System
SOP for Data Collection	: Standard Operation Procedures for Data Collection
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Graphic 1: General Frame of PNPM Mandiri Management Information System	
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Chapter I INTRODUCTION

1.1 BACKGROUND

The National Program for Self-Help Community Empowerment or PNPM Mandiri is a national program in the form of policy frame as a foundation and reference for the implementation of community empowerment based poverty alleviation programs. In order to make poverty alleviation efforts conducted by various parties become effective, it is necessary to better determine the poor community groups and disadvantaged regions as the target. However, limited data and information about poverty so far has become an obstruction in the efforts to alleviate poverty, which needs multidimensional and synergized policy intervention.

Implementation of PNPM Mandiri starts with the District Development Program (PPK) as the foundation for the development of rural community empowerment; Urban Poverty Alleviation Program (P2KP) as the foundation for the development of urban community empowerment; and Acceleration of the Development of Disadvantaged and Special Regions (P2DTK) for the development of disadvantaged regions, and post disaster and post conflict areas. Beginning in 2008 PNPM Mandiri is expanded with the Rural Infrastructure Development Program (PIIP), Regional Infrastructure for Socio and Economic Development Program (PISEW), and other empowerment programs conducted by other various sectors. In 2009 PNPM Mandiri will cover all districts across Indonesia.

Considering the district coverage and the huge number of community empowerment programs in PNPM Mandiri, it is necessary to consolidate the integrated information system so that the implementation, the performance and the success of PNPM Mandiri can be easily monitored and evaluated. Later, it is necessary to develop the consolidation of the information system with various community empowerment programs into a unity of system, mechanism and procedures of data and information. Management information system on the sectoral programs also becomes an inseparable part of the PNPM Mandiri monitoring and evaluation mechanism.

¹ PNPM Mandiri Management Information System serves as a catalyzer in the integration of data and information management process within the sectoral programs.

1.2 PURPOSE

This document serves as Standard Operation Procedures of PNPM Management Information System for program implementers and ministries/institutions both in the national and regional levels covered in PNPM Mandiri in making adjustment in their programs and developing them within the PNPM Mandiri information system unity. Development of integrated and open management information system will facilitate various parties to use data and information in order to accelerate the poverty alleviation efforts.

This document is an inseparable part of various PNPM guidelines and serves as a guideline for the data and information management to support PNPM Mandiri monitoring, evaluation and reporting activities.

¹ To make it easy to understand and to differentiate between PNPM Mandiri and community empowerment programs under its coordination, the programs are called sectoral programs.

Chapter II PHASES OF PNPM MANDIRI MANAGEMENT INFORMATION SYSTEM

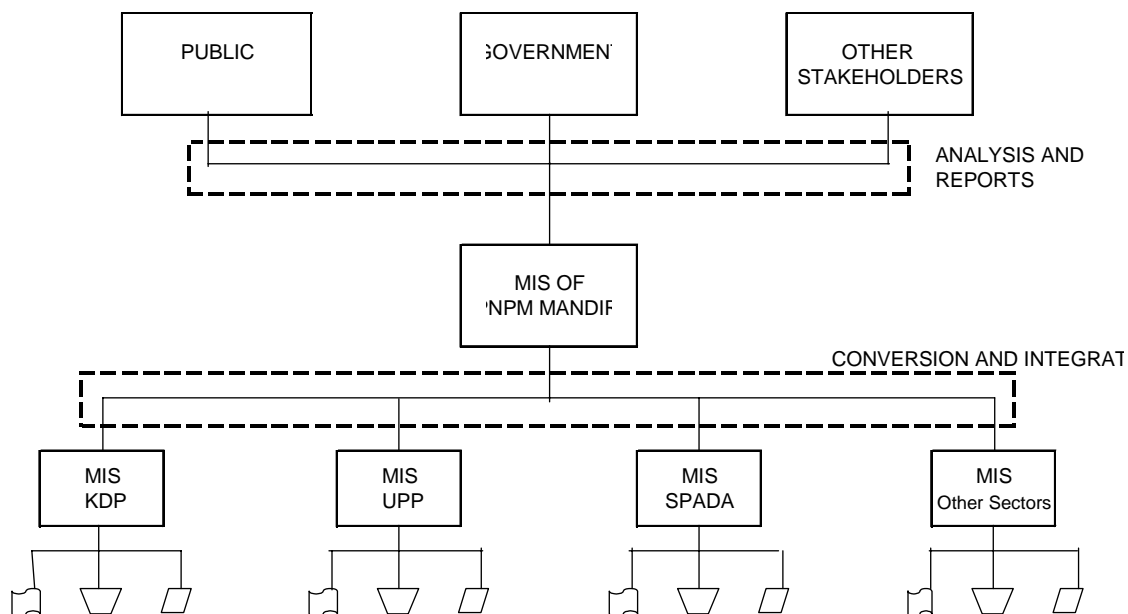
2.1 PNPM MANDIRI MANAGEMENT INFORMATION SYSTEM

Information system is a set of components that are related one and another, which aims at producing information outputs related to a certain area. Management Information System is a system that can produce information outputs using certain data inputs along with several involved process to meet the goal in a management activity. An information system needs classification of information flow to clarify users' various information needs. A good management information system must be flexible, effective and efficient.

PNPM Mandiri MIS is a system designed to monitor and evaluate the achievement of PNPM Mandiri in the field through data processing mechanism and integrated and open information. Data output and information that is produced will be used in the monitoring, evaluating and reporting of sectoral program activities in the frame of PNPM Mandiri management.

The component that forms PNPM Mandiri MIS is the information system in each sectoral program that is put under one integrated and synergized mechanism management umbrella to bridge the PNPM Mandiri monitoring and evaluation activities as a whole (See Graphic 1). The programs include community empowerment based poverty alleviation programs that are implemented by ministries and sectoral institutions.

Management Information System PNPM Mandiri



- MIS = Management Information System
 KDP = Kecamatan Development Project
 UPP = Urban Poverty Development
 SPADA = Support for Poor and Disadvantage Area Project

The development of PNPM MIS sees basic problems that are also experienced in the implementation of development programs so far. Coordination is absolutely necessary considering the vast area coverage and the locations that scatter across the country as well as the wide variety of approaches and management models in the field. Coordination of location and management aspects is needed in each level of implementation. This will be explored further in PNPM Mandiri MIS development.

Phases of PNPM Mandiri MIS development are as follow:

A. Consolidation Phase

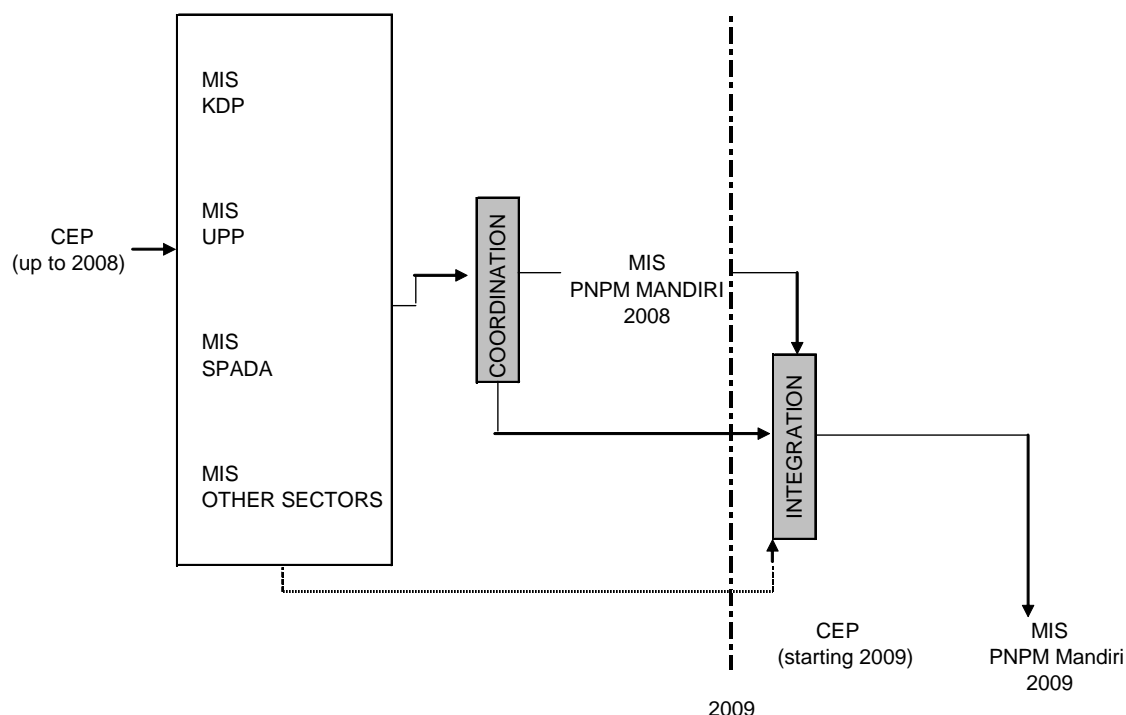
The first phase of PNPM Mandiri MIS development is data consolidation of information system in each program, using consolidation mechanism and merging data standard that has been approved and become a reference in this guideline. There is no change in the operational mechanism in the program level. This phase will also see the assessment of preliminary need that will be used in PNPM Mandiri MIS development integratedly in the next phase.

B. Integration Phase

After the consolidation phase is done, the next step is integrating the mechanism and data processing of PNPM Mandiri activities. This phase also sees the improvement of data management quality and program information in one frame of PNPM Mandiri MIS through the following activities:

- Providing necessary information for the evaluation of the whole activities and achievement of PNPM Mandiri goals, both the short term and long term ones.
- Providing necessary information in the planning, control, evaluation and refining of PNPM Mandiri management continually.
- Providing information to make decisions on issues related to the implementation of PNPM Mandiri and the impacts.

2.2 FRAME OF PNPM MANDIRI MIS DEVELOPMENT ACTIVITIES PLAN



CEP = Community Empowerment Program

As mentioned previously, there are two main phases in the PNPM Mandiri development activities, i.e. the consolidation phase of information systems and the integration phase as a whole (see Graphic 2). Activities of each phase are as follow:

2.3. PHASES OF PNPM MANDIRI MANAGEMENT INFORMATION SYSTEM DEVELOPMENT

2.3.1. Consolidation Phase

1) Standardization of Location and Field Activity Codes (see *Appendix 3*)

This phase aims at acquiring standard location code, so that data of program linked to the location will only be related to 1 (one) identity (ID) that is unique and the same. So is the code uniforming for each field activity. With the establishment of location and activity standard codes that are agreed upon, data consolidation process for the next phase can realize data interconnection of the programs and institutions, and facilitate data collection and analysis.

2) Standardization of combined data

PNPM Mandiri will comprise of components of programs, some of which have been conducted before PNPM Mandiri umbrella policy frame is launched. These programs are implemented partially in accordance with the time and location where they take place and the condition of each program's target area. This means that there are still various management mechanisms so that it will need some time and sound preparation to obtain thorough integration in the national level.

3) Commitment of Standard Operation Procedures.

The efforts to synergize the performance of PNPM Mandiri data collection really needs commitment to form and follow the rules that will direct and standardize the process and data collection method. A guideline is needed to clarify the duty, responsibility and timeline to complete the data collection so that the planning realization will be more measurable.

The data collection guideline needs to be followed by the formulating of technical rules about those who are responsible in the field, the format of data to be sent, the delivery process and the deadline of delivery.

4) Conversion and collection of reports

It is necessary to convert data of each program in accordance with the data format that has been agreed upon in this guideline. If in current period there is data that cannot be accommodated, the program should start to make a change of process in the manual system in the field. It is expected that in early 2009 all data will have been converted into the format agreed upon in this guideline.

The data or report collection as well as the conversion in the format that has been agreed upon during the consolidation period will be facilitated by the assistance of an independent consultant provided by PNPM Control Team. The independent consultant also has the duty to audit data and to make data conversion system and data reporting of each program. The collected data will be consolidated further in a PNPM Mandiri database unit.

5) Application for Reporting & Analysis

After the data is collected, it is necessary to have an application that can bridge various needs or more specific use, such as reports for the president, for the public, for the executives/the government and other stakeholders. The application is also used to analyze data and monitor the development of the program implementation so that the accountability of PNPM Mandiri program can be improved.

2.3.2. Phase of Data Collection Integration

1) Standardization of mechanism and data collection processing

In 2008 the manual system process in the field should start to accommodate the same standard format. Therefore it is expected that 2009 will see the same/standardized application and mechanism of data collection in all of PNPM Mandiri areas. The standard application and format is expected to ease coordination and reporting so that it will be faster and more efficient.

The future development of the PNPM Mandiri information system needs to consider the cost and energy that will likely be very huge. Therefore in each phase of the integration of data collection, a testing of the system in a pilot area will be held to identify the change or improvement that is needed for the thorough development of the PNPM Mandiri information system.

2) Improvement of project administration that is more integrated to MIS.

Besides the application of data collection as mentioned above, what needs to be developed parallel is the inter-program project administration system that is more integrated to avoid possible conflicts that might happen. The administration includes: human resources system (facilitators and consultants), fund disbursement system, complaint system, and other systems that support program implementation. The change or improvement of this administration system will be conducted separately.

Chapter III GENERAL STIPULATION OF PNPM MANDIRI MIS

3.1. General Stipulation

PNPM Mandiri Management Information System aims at supporting the monitoring and evaluation of results of the implementation of PNPM Mandiri programs in the field through integrated data and information management mechanism.

Strategy for the implementation of monitoring and evaluation through PNPM Mandiri MIS will be applied thoroughly and gradually. The strategy is applied gradually with the supervision over the data collection and assessment of data quality starting from the lowest coordinating level, i.e. Village/Subdistrict, to the higher level. The strategy will be applied for each PNPM Mandiri program.

Gradual approach that is used in the implementation of monitoring and evaluation of PNPM Mandiri implementation through MIS is as follow:

- In Village/Subdistrict and District levels: each sectoral program collects data and information directly from the field, related to the process and process result of each program's activities.
- In Regency, Provincial and National levels: each sectoral program conducts consolidation of data and information collection directly from the field (if any), regarding the process and process result of activities in the lower level.
- In the PNPM Mandiri coordination level: coordination and consolidation of data and information about process and process result in national level will be conducted based on PNPM Mandiri log frame, for further monitoring and evaluation, including the supporting data attribute to be applied in the GIS (Geographical Information System) based spatial data analysis
- PNPM Mandiri MIS will use MIS log book for data collection, focusing on three things, i.e. a) implementation of activity phase cycle; b) investment result output; and c) aid fund management. The MIS log book will be adjusted with each program activity or need, while the main purpose is to meet the PNPM Mandiri MIS information need.
- The implementation of MIS activity covers data validation and verification to guarantee the quality of data and information that is presented for PNPM Mandiri MIS. The activity to update MIS data is conducted periodically every month.

3.2. Monitoring and Evaluation of PNPM Mandiri Implementation

Monitoring is the collection of data periodically and timely to decide if the activities have been implemented as planned. Monitoring is a continual process during a project cycle, from training and familiarization, to planning, implementation and maintenance. The monitoring result is used to improve the quality of implementation and to adjust the plan. Evaluation is appraisal conducted periodically about what has been produced, to find out if a project has reached the goal successfully.

Monitoring and evaluation through MIS is conducted for the data collection from the process and process result of each program under PNPM umbrella, so that it becomes information that is useful for the monitoring and evaluation of PNPM Mandiri. Several principles that are applied are as follow:

- A. Due time. MIS data update must be conducted in due time, so that the result can be applied optimally as material to give inputs for the improvement or refinement of the next activities.

B Realistic and Systematic. MIS data is updated systematically from the village/subdistrict level to the higher level.

C. Trustworthy and Reliable. The result of MIS data update will be used as reference in the measurement of indicators of program performance and the formulating of further strategy. Validation and verification process by the one who updates the data will be included in this process, in order to gain accuracy and better information.

XV. 3.3. MONITORING AND EVALUATION THROUGH MIS

The material for monitoring and evaluation through PNPM Mandiri MIS is presented in a log book. The material, searched in the field, covers data and information as follows:

1. Information about the implementation of the phase cycle of activities in the levels of Village/ Subdistrict, District, Regency and Province, depending on the requirement of each program.
2. Output data as the result of investment.
3. Data of aid fund management.
4. Data attribute to measure performance indicators.
5. Data attribute to update data of Geographical Information System.

XVI. 3.4. MONITORING AND EVALUATION METHOD THROUGH MIS

The monitoring and evaluation method is held through the following activities:

A. Data and information collection in the field. This method is conducted in the levels of Village/Subdistrict, District, Regency and Province directly towards the ongoing process in the field, using MIS log book. The data collection process must be accompanied with supporting data that is in accordance with the activity phase (for example: activity notification, meeting's list of attendance etc.).

B. Data and information collection of the high level. This method is implemented periodically and step by step, every month. In order to guarantee the quality of the acquired data, data validation and verification will be conducted in each level. Mechanism for this method can be adjusted based on the policy in each program under PNPM umbrella.

C. Validation and verification of data and information. This method is implemented step by step to guarantee the quality of data and information that is collected, and the feedback to maintain the accuracy of data based on the facts of activities in the field, consistency of the content and the structure of data against the update which has earlier been conducted, and to find out the possibility of any data anomaly.

D. Presentation of data and information in PNPM Mandiri MIS. This method is implemented by combining data and information from each program's MIS using main data and information needed by PNPM Mandiri MIS, to measure indicators of performance in the PNPM Mandiri log frame, to make best of the attribute data for monitoring and evaluation, and GIS presentation. The combination can be done using special application that can aggregate data from several MIS application that runs in each program, and combine them in an exposure.

Reporting Of Monitoring and Evaluation Result through MIS

Reporting of monitoring and evaluation result through MIS is presented periodically every month in PNPM Mandiri website. Monitoring result of each program is compiled in the

national level for each program with the latest status every month is the last date of the month and is reported to PNPM Mandiri MIS on the 10th day of the following month.

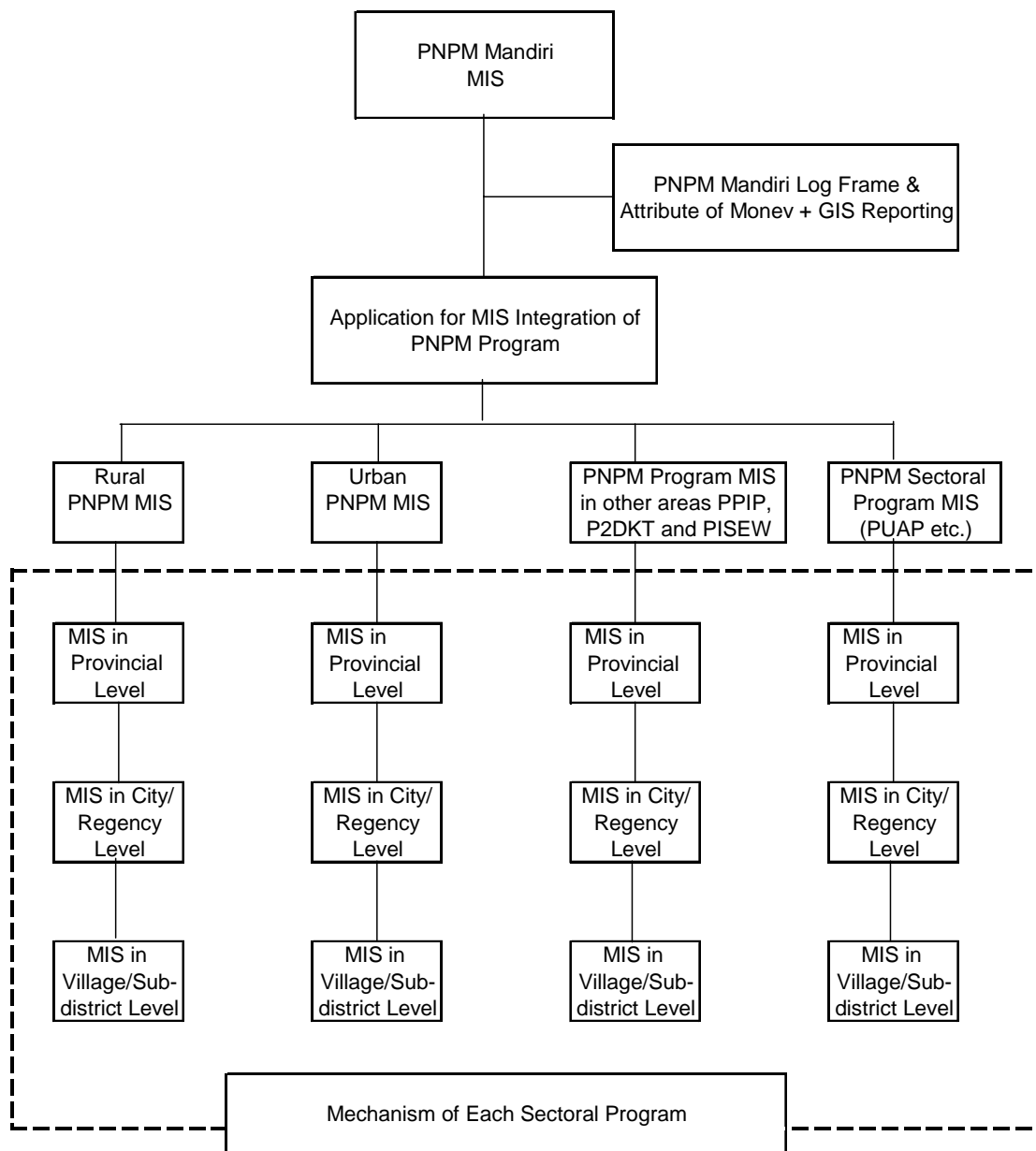
- Result of the compilation that has been put in PNPM Mandiri MIS is later processed in accordance with the reporting that has been approved and will be presented in the website on the 15th day of the respected month.
- Reports of the result of the monitoring and evaluation through MIS that will be presented in PNPM Mandiri website are:
 - a. Table of performance indicator achievement based on PNPM Mandiri log frame (which, from now on, can be divided by program and/or area).
 - b. Phase of implementation of activity cycle in the field based on master schedule that has been agreed upon.
 - c. Other monitoring and evaluation attributes based on the implementation of activity cycle, output of investment result and management of aid fund can be presented in the form of profile (which, from now on, can be divided by program and/or by area).
 - d. Internet based MIS that can present other information that is needed based on real time data query.
 - e. Map of distribution of the program implementation is presented through Geographic Information System that will be developed separately. MIS will play a role as the provider of attribute data and information in the process.
 - f. Analysis of the implementation achievement that is used as reference to make a strategic decision in the executive level is presented by the Executive Information System. EIS will be developed separately, with MIS as the provider of attribute data and information in the process.

A. Chapter IV CLOSING

The implementing guideline of PNPM Mandiri Management Information System is made as reference for the implementation and development of PNPM Mandiri Management Information System. Further stipulation, mechanism and procedures of this guideline will be regulated in the operational technical guideline of each PNPM Mandiri program and Operational Technical Guideline of PNPM Mandiri Management Information System Training for Facilitators.

If in the future this implementing guideline needs to be revised, approval from the Central PNPM Mandiri Control Team will be required to make the revision.

APPENDIX 1 MIS DATA MANAGEMENT STRUCTURE



XVII. APPENDIX 2 MI OPERATIONAL IMPLEMENTATION PROCEDURES

1. MIS Operational Implementation Procedures

No.	ACTIVITY	AGENT	RESULT	EXPLANATION
Preparation Phase				
1.	Dissemination and familiarization of MIS concept and PNPM MIS management mechanism to Provincial Coordinator, Regency/City Coordinator and Provincial Coordinator TA	Implementer: Information Center Team KMP (Central Management Consultant). Participant: Provincial Coordinator, Regency/City Coordinator, and Provincial Coordinator TAs. Facilitator: KMP	PNPM agents in the levels of Provincial Coordinator and Regency/City Coordinator understand the concepts and mechanism of MIS management in the levels of Provincial Coordinator and Regency/City Coordinator	PNPM agents in the levels of Provincial Coordinator and Regency/City Coordinator learn to understand about the concept and mechanism of PNPM MIS during the preliminary mobilization (Training for Provincial Coordinator Officers)
2.	Mobilization of Computer Operators in the levels of Provincial and Regency/City Coordinator	Implementer: Provincial Coordinator Facilitator: KMP	-Computer Operator in the level of Provincial Coordinator has the capability in database management and control. -Computer Operator in the level of Regency/City Coordinator has the capability to run PNPM MIS application and coordinates with Village/Subdistrict Facilitators.	Conducted as early as possible after the mobilization of Provincial Coordinator TAs to prevent any loss of data about the early activities of Provincial Coordinator and Regency/City Coordinator.
Phase of Training Preparation for PNPM MIS Agents				
3	Training preparation	Implementer: KMP	-TOR of MIS Training -Training materials -Training Invitation	
4.	Preparation of MIS operational infrastructure and facilities for the levels of Provincial Coordinator and Regency/City Coordinator.	Implementer: Provincial Coordinator, Facilitator: KMP	- The level of Provincial Coordinator has at least 1 unit of PC with minimal specification of Pentium IV, 3.8 GHz hard disk 100 GB. - The level of Regency/City Coordinator has at least two units of PC with minimal specifications of Pentium IV, 3.8 GHz hard disk 100 GB.	Procurement is conducted since the mobilization of Computer Operators.
Phase of Implementation of PNPM MIS Training				
5.	Understanding of Concept and Mechanism of PNPM MIS Management in the level of Regency/City Coordinator.	Implementer: KMP Participant: Computer Operators Facilitator: Provincial Coordinator	-Training participants understand MIS Concepts -Mechanism of PNPM MIS in Regency/City Coordinator is understood	MIS WORKSHOP
6.	Understanding of Regular PNPM Glossary MIS and PNPM Indicator Ratio.	Implementer: KMP Participants: Computer Operators Facilitator: KMP	- Regular PNPM MIS Glossary is understood - PNPM indicator ratio and the method to calculate the indicators are understood.	MIS WORKSHOP
7.	Understanding about MIS formats.	Implementer: KMP Participants: Computer	-Training participants understand PNPM MIS formats and the process of filling in	MIS WORKSHOP

		Operators Facilitator: KMP	them. -MIS formats for Facilitator Team are available. -Data verification mechanism is understood.	
8.	Mechanism of data management in the level of Regency/City and Provincial Coordinators.	Implementer: KMP MIS Team Participants: Computer Operators	-Mechanism of data management in the level of Regency/City Coordinators is understood --Mechanism of data management in the level of Provincial Coordinators is understood	MIS WORKSHOP
9.	Operational Technical Training on Community Empowerment MIS Application.	Implementer: KMP MIS Team Participants: Computer Operators	-All community Empowerment Application features are understood. - MIS Application operational techniques for community empowerment are understood.	MIS WORKSHOP
10.	Operational Technical Training on Direct Community Grant (BLM) Management MIS Application.	Implementer: KMP MIS Team Participants: Computer Operators	-All features of BLM Management Application are understood. -MIS Application operational techniques for community empowerment are understood.	MIS WORKSHOP
11.	MIS Data Quality Control	Implementer: KMP MIS Team Participants: Computer Operators		MIS WORKSHOP
Phase of PNPM MIS Implementation				
12.	Process of filling in MIS forms	Implementer: District Facilitator Team Verification: Regency/City Coordinator	-Data is filed in accordance with MIS format that applies in PNPM MIS -Signature of FD Senior/District Facilitator as the one in charge of data entry.	continue
13.	Data verification process in MIS forms	Implementer: Regency/City Coordinator	- Signature of District/City Coordinator in MIS form as a proof that the coordinator has verified the data. - Validation of data in MIS forms and field data based on data cross check regularly conducted by the Regency/City Coordinator.	continue
14.	MIS data entry process in MIS Application in the level of Regency/City Coordinator and data export delivery to the Provincial Coordinator.	Implementer: Computer Operator of Regency/City Coordinator	-PNPM MIS Database in the level of Regency/City Coordinator is updated -Profile of village/subdistrict in the level of Regency/City -Signature of Computer Operator in the Regency/City Coordinator level as a proof that the data entry in the MIS Application has been done. -Database export in the level of Regency/City Coordinator. -Archives of MIS formats. -Completion of data filing is always monitored.	15, mid of the month, and 30/31, end of the month

15.	MIS data entry process in MIS Application of the level of Provincial level and data export delivery to KMP.	Implementer: Computer Operator of Provincial Coordinator	-PNPM MIS database in Provincial Coordinator is updated. -Profile of Village/Subdistrict in Regency/City Coordinator level. -Profile of Village/Subdistrict in Provincial Coordinator level -Profile of Village/Subdistrict in Regency/City level -Database Export in the level of Provincial Coordinator level	16 continue and 1 continue
16.	MIS data quality control in the level of Provincial Coordinator.	Implementer: Computer Operator of Provincial Coordinator	- Database in Provincial Coordinator is free from anomaly - Database of Provincial Coordinator is free from inconsistency.	16 continue and 1 continue
17.	Data Reconciliation Process in National Level	Implementer: KMP Computer Operator	-PNPM MIS database in National level is updated. -Profile of Village/Subdistrict in Regency/City Coordinator level. - Profile of Village/Subdistrict in Provincial Coordinator level - Profile of Village/Subdistrict in Regency/City level - Profile of Village/Subdistrict in Provincial Coordinator level - Profile of Village/Subdistrict in National level	16-20 continue and 1-6 continue
18.	MIS Data Quality Control in National Level	Implementer: KMP Computer Operator	- National Database in is free from anomaly - National Database is free from inconsistency	20 continue and 8-9 continue
19.	Uploading of PNPM MIS information to PNPM Website.	Implementer: KMP Computer Operator	- Profile of Village/Subdistrict is presented in PNPM website. - Profile of PNPM in Provincial level is presented in PNPM website - Profile of Village/Subdistrict in National level is presented in PNPM website	10 continue
20.	Interpretation and Analysis of MIS Data	Implementer: Monev of Provincial Coordinator, KMP Monev.	-The result of PNPM MIS interpretation in all levels is obtained. - Description about areas is obtained as input of try-out activities.	11-15
Archive and Backup of PNPM MIS Data				
21.	MIS Archives	Implementer: KMP Computer Operator	- Archive of PNPM Profile in the level of Village/ Subdistrict, Regency/City, Province and national of the past period is presented in PNPM website.	Each month (continue)
22.	MIS Back Up Data	Implementer: Computer Operators of KMP, Provincial Coordinator and Regency/City Coordinator.	- Archive in forms and in soft copy regarding MIS database from each period is produced at the level of each MIS agent.	In each certain period (regulated in KMP letter)

APPENDIX 3 : LOCATION AND ACTIVITY CODE STANDARD**Location and Activity Standard Code****I. DATABASE****A. BPS location data master and its structure**

M_Lokasi

Code: Double

Location: Text (30)

Level: Byte

Status: Text (50)

LocationP2KP_IS: Double

Save the location data in standard location so that data related to locations is in the same location. It is expected that saving the data in the same location will bring advantages as follow:

- Inter-connected inter-institution data
- ease data collection and analysis
- avoid mistakes in typing the location name.

Data for all levels, from the national level to the village/subdistrict level, is saved in the same table. This filing system is expected to ease or simplify data filing for location with different coverage, for example, district based project or subdistrict based project can be accommodated.

List of fields:

1. Code
 - Explanation: Location coding using the same form as the coding used by BPS (Statistics Central Bureau).
 - Format: aabbccdd (saved as text type).
 - o aa : 2 digit code for province
 - o bb : 2 digit code for regency
 - o ccc : 3 digit code for district
 - o ddd : 3 digit code for village/subdistrict

For example: 3573040004 = Bunulrejo Subdistrict.

 - 35 : East Java province
 - 30 : Malang City
 - 040 : Blimbing District
 - 004 : Bunulrejo Subdistrict
2. Location
 - Explanation : Detail regarding the location name from code number above
 - Format : 30 characters at the most
 - Example : BUNULREJO
3. Level
 - Explanation: Detail of the name of location from the above code name
 - Format:
 - 0 → National
 - 1 → Province
 - 2 → Regency/ City
 - 3 → District
 - 4 → Village /subdistrict

4. Status
 - Explanation : Origin of the code number
 - Format
 - 0 → Especially for location which has just been built (not yet registered with BPS)
 - >0 → Represents BPS code year, e.g. 5 is taken from 2005
5. P2KP Location ID
 - Explanation: The number links to the code of P2KP (optional conversion with data owned by P2KP)
6. It is necessary to add 1 column/field in level 2 to differentiate the data of regent or city and in level 4 to differentiate whether it is data of village or subdistrict.

Data Example :

M Location				
Code	Location	Level	Status	Location of P2KP_ID
0000000000	INDONESIA	0	5	
1100000000	NANGROE ACEH DARUSSALAM	1	5	
1101000000	SIMEULUE REGENCY	2	5	
1101010000	TEUPAH SELATAN	3	5	
1101010001	LATIUNG	4	5	
1101010002	LABUHAN BAJAU	4	5	
1101010003	SUAKLAMATAN	4	5	
1101010004	ANAAO	4	5	
1101010005	LATALUNG	4	5	
1101010006	PULAU BENGKALAK	4	5	

B. Master Data of PNPM 2008 Activities

M_Location

Activity ID : Long Integer

Description: Text(50)

Type: Byte

Code_unit: Byte

Detail: Text (50)

Level: Bute

ParentID: Long Integer

Data of types of activities that might be found in PNPM is saved and grouped in 3 levels to ease the finding and searching of existing activity items.

List of Fields:

1. Activity_ID
 - Explanation: Coding activity number using 3 levels of grouping
 - Format: aabbbccc
- aa: 2 digit code of Ministry
 bbb: 3 digit code of Program
 ccc" 3 digit code of Activity

- Example: 03001001 → Class Room

03 : Ministry of Education

001: School Building Program

001: Class Room Activity

2. Description

- Explanation: brief explanation about activity
- Format : Maximal 50 characters
- Example: "Construction of students' class room."

3. Type

- Explanation: categorize whether the construction is physical or non-physical.
- Format : Numeric (byte)
 - 0 : for label only (especially for the level of Ministry and Program)
 - 1 : Physical
 - 2. Non-Physical

4. Unit_code

- Explanation: state the size that will be recorded so that project can have a reference of the same size/unit.
- Format: Numeric, saved in another table as "lookup", i.e. "M_Unit" table so that it is easier to add the unit if it has not been available.

M_Unit		
Code	Unit	Detail
10	Person	Total person
20	Unit	Total unit
30	M	Length in meter
40	m2	Square meter
50	m3	Cubic meter
60	Rp	Rupiah
70	HOK(WOD)	Working Day

5. Detail

- Explanation: explanation in detail about certain activities so that it will be easier to document them.
- Format : Maximal 50 characters (bigger format is allowed if necessary)
- Example : "Construction of classroom in standard size of at least 5m x 8m and is said in room unit."

6. Level

- Explanation : Level of activity phases
- Format :
 - 1 → Ministry
 - 2 → Program
 - 3 → Activity

7. ParentID

- Explanation: To see the center of each activity (optionally can be used for application filter).

Example of a table:

M_Activities						
Activity_Code	Description	Type	Unit_Code	Detail	Level	Parent_ID
01000000	Economy				1	
01001000	Direct Aid				2	01000000
01001001	Aid for the Poor	F	Person		3	01001000
01001002	Subsidy for Cheap Market	F	Person		3	01001000
01002000	Rolling Fund				2	01000000
01002001	Home Industry	N	Unit		3	01002000

C. Master data for realization of report (Example)

T_Realization

Location_Code : Double

Activity_Code: Long Integer

Implementer_Code : Integer

Type_Code : Byte

Total : Double

BLMFund : Currency

RegionalFund : Currency

CommunityGrant: Currency

OtherFund: Currency

DateofRealization: Date/Time

Explanation:Text(200)

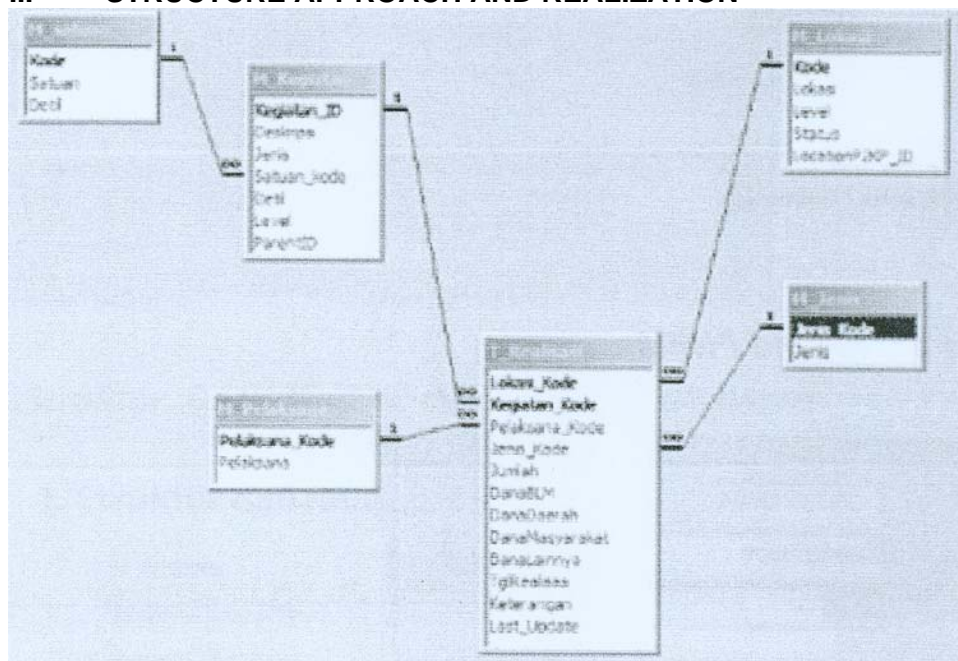
Last_Update: Date/Time

Applied to document activities/ projects which have been done in the field; the table and field names are only available as an example, it is necessary for project implementers to coordinate further so that they can have a reference about the minimal data that should be sent to the national level in reporting the activities.

Similar tables can be made to register project need/plan/RPJM (Medium Term Development Project). It is suggested to add codes or numbers of the projects (a unique code is given to each location that has a project so that if there is a change of location due to the division of a region or other things, this can be handled well.

The table can be produced by filling it directly or by converting a table the PNPM implementer might have.

II. STRUCTURE APPROACH AND REALIZATION

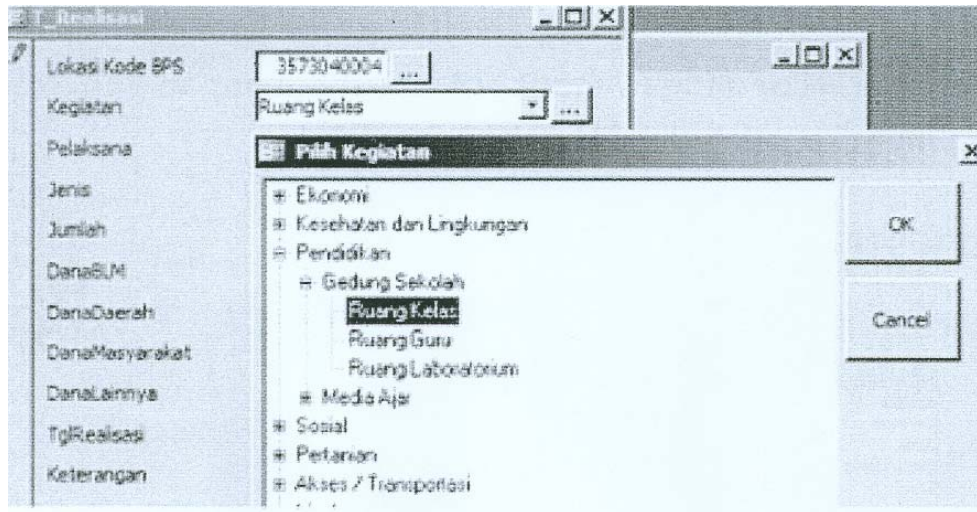


III. PROTOTYPE OF THE INPUT DISPLAY TO REGISTER REALIZATION OF THE ACTIVITIES.

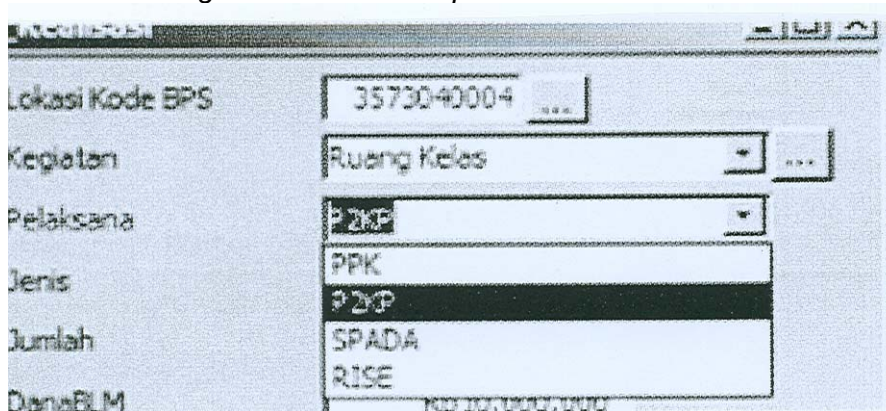
Example of the early description of application data entry using simple MS Access application: (all of A, B, C, D, E, and F charts are available in the original document in *bahasa Indonesia*)

B. Entering Location Code:

C. *Entering List of Activities:*



D. *Entering data on PNPM implementation:*



D. Entering Types of Project:

The screenshot shows a window titled 'T_Realisasi'. It contains several input fields and dropdown menus. The 'Jenis' dropdown menu is open, showing three options: 'Baru', 'Rehab', and 'Peningkatan'. The other fields are filled with the following values:

Field	Value
Lokasi Kode BPS	35730-4000-4
Kegiatan	Ruang Kelas
Pelaksana	P2KP
Jenis	Baru
Jumlah	Baru
DanaBLM	Rehab
	Peningkatan

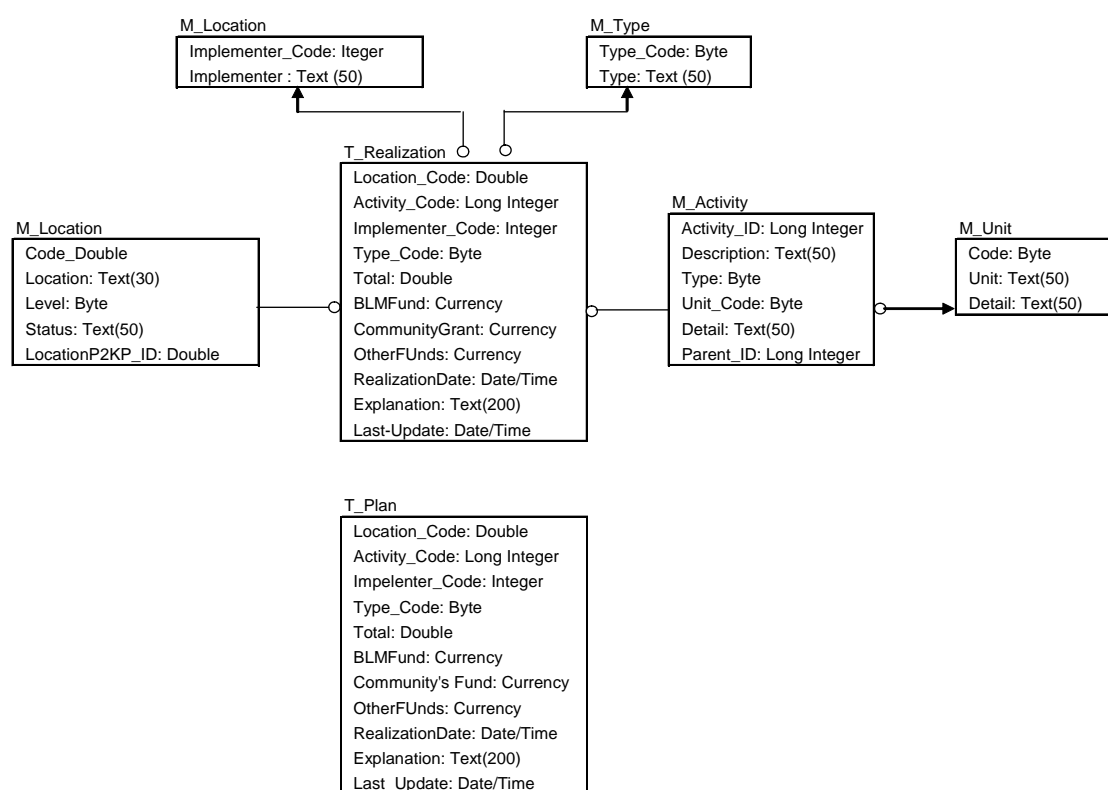
E. The whole display:

The screenshot shows the 'T_Realisasi' form with all fields filled. The data is as follows:

Field	Value
Lokasi Kode BPS	35730-4000-4
Kegiatan	Ruang Kelas
Pelaksana	P2KP
Jenis	Baru
Jumlah	1
DanaBLM	Rp10.000.000
DanaDaerah	Rp0
DanaMasyarakat	Rp5.000.000
DanaLainnya	Rp0
TglRealisasi	01/02/2007
Keterangan	Pembangunan ruang kelas bekerja sama dengan dinas pendidikan
Last_Update	02/02/2007

F. Structure, Master Data, and Diagram of Activities:

1. Structure and data relations



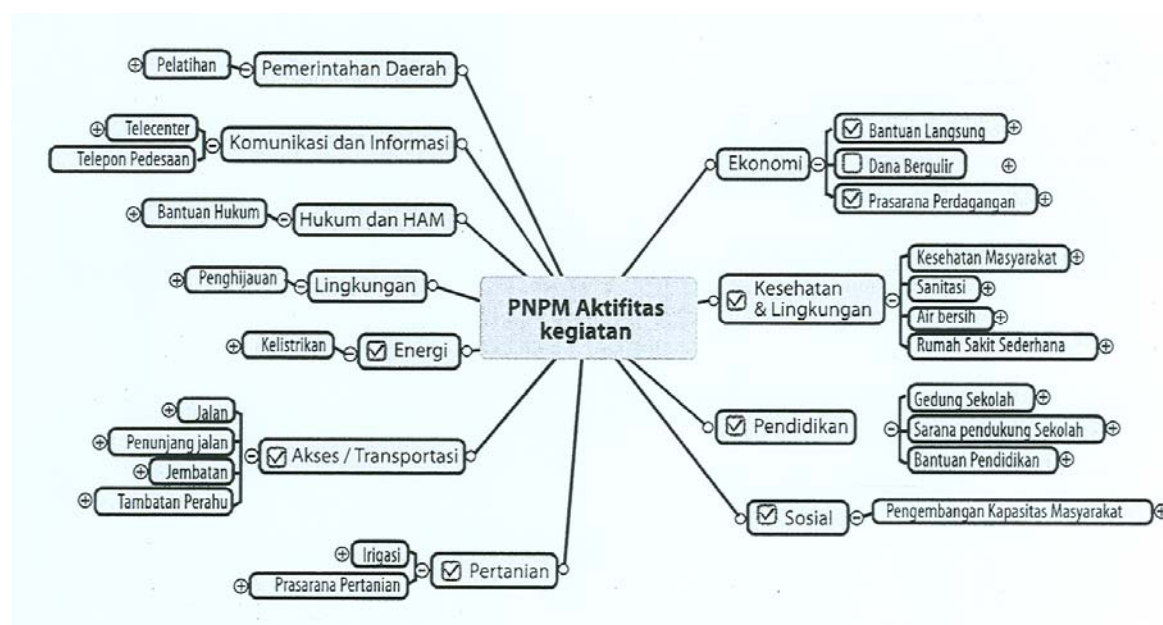
2. Master data of PNPM activities 2008

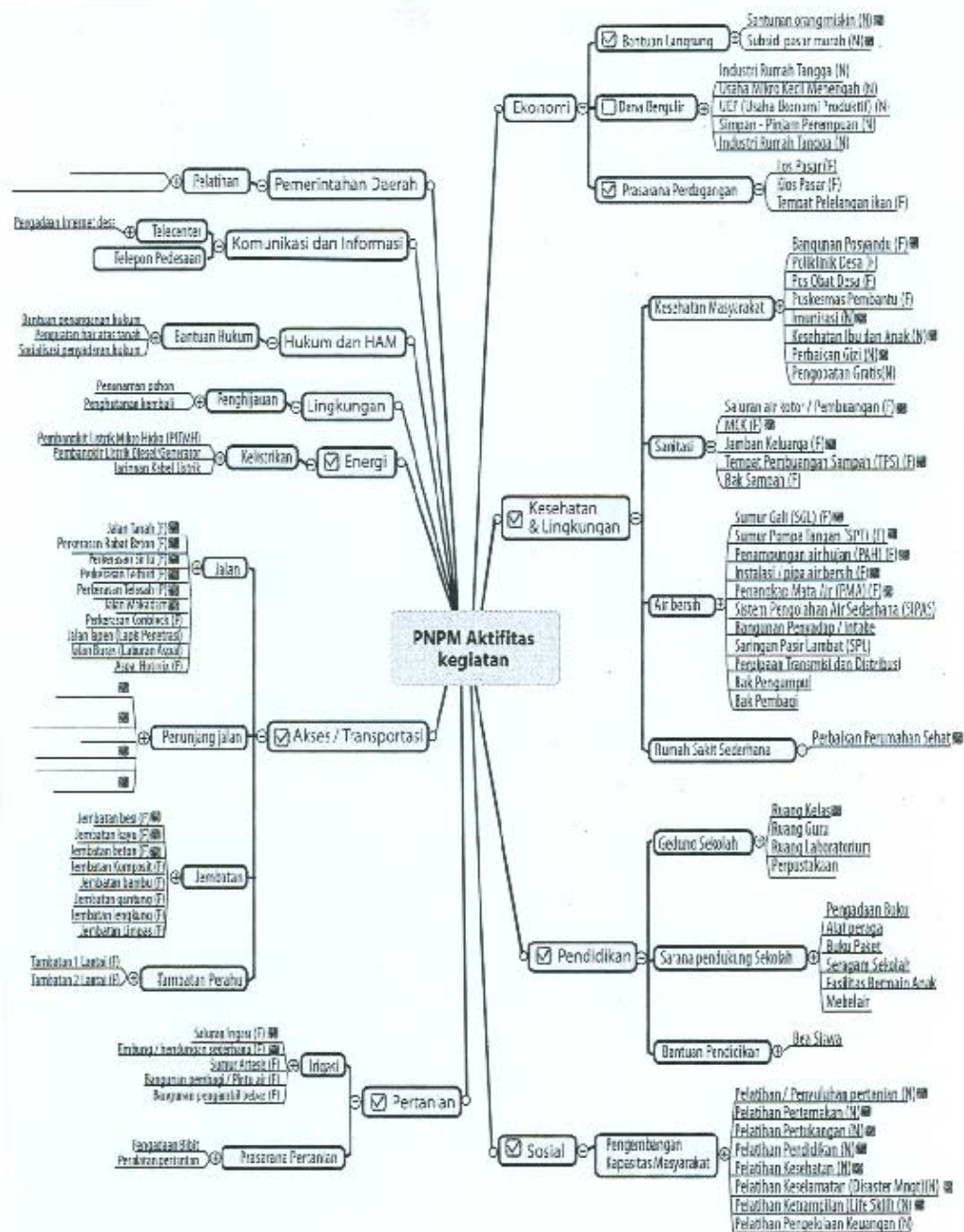
M_Activities						
Activity_ID	Description	Type	Unit_code	Detail	level	ParentID
01000000	Economy				1	
01001000	Direct Aid				2	01000000
01001001	Allowance for poor people	F	Person		3	01001000
01001002	Subsidy for cheap market	F	Person		3	01001000
01002000	Rolling fund				2	01000000
01002001	Home industry	N	Unit		3	01002000
01002002	Small and Medium Micro Enterprise	N	Unit		3	01002000
01002003	Productive Economic Enterprise (UEP)	N	Unit		3	01002000
01002004	Saving and Loan	N	Person		3	01002000
01003000	Trade Facilities				2	01000000
01003001	Market Development	F	Unit		3	01003000
01103002	Fish Auction Place	F	Unit		3	01003000
02000000	Health and Environment				1	
02001000	Public Health				2	02000000
02001001	Posyandu (Integrated Health Post) Building	F	Unit		3	02001000
02001002	Free Medical Treatment	N	Person		3	02001000
02001003	Immunization	N	Person		3	02001000
02001004	Mother and Children's Health	N	Person		3	02001000

02001005	Nutrition Improvement	N	Person		3	02001000
02002000	Sanitation				2	02002000
02002001	Sewerage	F	m		3	02002000
02002002	Public Bathing, washing and toilet facilities (MCK)	F	Unit		3	02002000
02002003	Family Toilet	F	Unit		3	02002000
02002004	Garbage Dump	F	Unit		3	02002000
02003000	Clean Water				2	02000000
02003001	Deep Wells	F	Unit		3	02003000
02003002	Wells with manual pumps	F	Unit		3	02003000
02003003	Rain Drop Harvesting Facilities	F	Unit		3	02003000
02003004	Public Hydrants	F	Unit		3	02003000
02003005	Clean Water Facilities/Piping	F	Unit		3	02003000
02003006	Covered Spring Structure	F	Unit		3	02003000
02003007	Water Catchment	F	Unit		3	02003000
02004000	Healthy Houses				2	02000000
02004001	Healthy Housing Repair	F	Unit		3	02004000
03000000	Education				1	
03001000	School Buildings				2	03000000
03001001	Class rooms	F	Unit		3	03000000
03001002	Teacher Room	F	Unit		3	03001000
03001003	Laboratories	F	Unit		3	03000000
03002000	Teaching Media				2	03002000
03002001	Book Procurement	F	Unit		3	
04000000	Social Activities				1	04000000
04001000	Community Capacity Building				2	04001000
04001001	Agriculture Farming	N	Person		3	04001000
04001002	Husbandry Training	N	Person		3	04001000
04001003	Carpentry Training	N	Person		3	04001000
04001004	Education Training	N	Person		3	04001000
04001005	Medical Training	N	Person		3	04001000
04001006	Safety Training	N	Person		3	04001000
04001007	Life Skill Training	N	Person		3	04001000
05000000	Agriculture				1	
05001000	Irrigation				2	05000000
05001001	Irrigation Channel	F	m		3	05001000
05001002	Simple dams	F	Unit		3	05001000
05001003	Artesian Wells	F	Unit		3	05001000
05001004	Partition Building/Watergate	F	Unit		3	05001000
05001005	Building ?	F	Unit		3	05001000
06000000	Access/Transportation				1	
06001000	Roads				2	06000000
06001001	Non-asphalt roads	F	m		3	06001000
06001002	Concrete hardening	F	m		3	06001000
06001003	Sand and stone hardening	F	m		3	06001000
06001004	Telford road hardening	F	m		3	06001000
06001005	Telasah road hardening	F	m		3	06001000
06001006	Macadam Roads	F	m		3	06001000
06001007	Asphalt hardening	F	m		3	06001000
06001008	Conblock hardening	F	m		3	06001000
06001009	Penetration layer road	F	m		3	06001000
06001010	Asphalted road	F	m		3	06001000
06002000	Road supports				2	06000000
06002001	Sewers	F	m		3	06002000
06002002	Supporting talud walls	F	m		3	06002000
06002003	Wire mesh baskets	F	m		3	06002000
06002004	Drainage	F	m		3	06002000
06002005	Median	F	m		3	06002000
06002006	Street Illumination	F	Unit		3	06002000

06003000	Bridges				2	06000000
06003001	Iron base	F	Unit		3	06003000
06003002	Wooden base	F	Unit		3	06003000
06003003	Concrete/ Stone base	F	Unit		3	06003000
06003004	Bamboo Bridge	F	Unit		3	06003000
06003005	Hanging Bridge	F	Unit		3	06003000
06003006	Stone/brick bridge	F	Unit		3	06003000
06003007	Composite base	F	Unit		3	06003000
06004000	Pier	F	Unit		2	06000000
06004001	One-level mooring	F	Unit		3	06004000
06004002	Two-level mooring	F	Unit		3	06004000
07000000	Environment				1	
07001000	Greenery				2	07000000
07001001	Tree Planting	F	Unit		3	07000000
07002000	Gardening	F	Unit		2	07000000
08000000	Communication				1	
09000000	Law and Human Rights				1	
10000000	Energy				1	

3. Diagram of PNPM Activities 2008





APPENDIX 4: STANDARD OPERATIONAL PROCEDURES OF MIS VERIFICATION MECHANISM

Standard Operational Procedures of MIS Verification Mechanism

A. DATA FLOW & VERIFICATION

No.	Activity	Supporting Data	Supporting Form	Agent	Person in charge	Deadline
	A	B	C	D	E	F
1	Field activity	N/A	Attendance Form, notification form etc.	People	SF, Subdistrict Facilitator	H
2	Input data in log book	C1	MIS Form according to cycle	Subdistrict Facilitator, SF	Subdistrict Facilitator, SF	H+3
3	Log book hand over to Provincial Coordinator	C2 (signed by Subdistrict /Village Facilitator and SF)	Handover form from Subdistrict Facilitator to Provincial Coordinator (signed by Provincial Coordinator, kept by Subdistrict Facilitator, along with C1).	Subdistrict Facilitator, Provincial Coordinator	Provincial Coordinator	Bi-Weekly
4	Log book verification by Provincial Coordinator	C2, field, money data spot check.	Verification form (signed by Provincial Coordinator)	Provincial Coordinator	Provincial Coordinator	F3+2
5	Input data by Computer Operator of Provincial Coordinator	C2, C4	Input Form (signed by Computer Operator).	Computer Operator	Computer Operator	F4+2
6	Verification by Computer Operator of Provincial Coordinator	MIS Data of Provincial Coordinator	Verification form of Provincial Coordinator level (signed by Computer Operator, Provincial Coordinator)	Computer Operator	Computer Operator, Provincial Coordinator	F5+1
7	MIS data handover from Provincial Coordinator to Provincial Coordinator	B6, C6	Verification form of Provincial Coordinator level (returned by Provincial Coordinator to Provincial Coordinator after F8)	Computer Operator	Provincial Coordinator	F6
8	Verification by Computer Operator of Provincial Coordinator	MIS data of Provincial Coordinator	Verification form of Provincial Coordinator level (signed by Computer Operator, Provincial Coordinator)	Computer Operator	Computer Operator, Provincial Coordinator	F7+1
9	MIS data handover from Provincial Coordinator to KMP.	B8, C8.	Verification form of KMP level (returned by KMP to Provincial Coordinator after F10).	Computer Operator	Provincial Coordinator	F8
10	Verification by TA KMP	KMP MIS data	Verification form of KMP level (signed by MIS TA, KMP)	Computer Operator	Computer Operator, KMP	F9+2
11	MIS data handover to PMT	B10, C10	Verification form of PMT level (returned by PMT to KMP after F12)	Computer Operator	Provincial Coordinator	F10
12	Data verification by PMT Consolidation	KMP MIS data	Verification form of PMT level (signed by data consolidation, TA MIS)	Data Consolidation	Data Consolidation, MIS TA, KMP	F11+2
13	Upload MIS of	B12, C12		MIS TA,	MIS TA, KMP	F12

	PMT to website			KMP		
14	Verification of Website MIS data by Computer Operator of Provincial Coordinator, Computer Operator of Provincial Coordinator, TA, MIS of KMP, Data Consolidation,	Website MIS data (www.p2kp.org/arsip)	Website verification form (Signed by each Computer Operator, returned to PMT)	Computer Operator of Provincial Coordinator, Computer Operator of Provincial Coordinator, MIS TA, KMP, Data Consolidation	MIS TA, KMP	F13+2
15	Feedback/ Data revision when necessary	B14, C14	Berita Acara / Deposition	Data Consolidation TA MIS KMP	MIS TA, KMP	F14+2
16	Final verification of data consolidation	B15	Final verification form	Data Consolidation TA MIS KMP	MIS TA, KMP	F15+1
17	Upload final data	B15, C15	MIS TA, KMP	TA MIS KMP	F12	F16

B. VERIFICATION PROCEDURES

1. Cut off MIS date: Day 15 and at the end of each month
2. Back up MIS data submitted to the higher level
3. Verification of internal data:
 - Compare with the previous status
 - Comparison conducted using Excel Sheet
 - Sheet #1 : This month's status
 - Sheet #2 : Last month's status
 - Sheet #3 : Hasi (Sheet#1 – Sheet #2)
 - Goals of verification process:
 - Data derivation
 - Data anomaly
 - Consistency of data searched and the application
 - Consistency of data physically obtained and the rupiah spent for Direct Community Grant, - Etc.
 - Result of the verification is put in a table per Subdistrict/ Provincial Coordinator/ Provincial Coordinator with result of the finding in %.
 - Result of the verification is attached as supporting data/ accepted data recommendation. MIS data is accepted if result of the verification = 0.

E. Verification of website data: same with process #3, with data source from www.p2kp.org/arsipsim or websites of other activities.

F. If data inconsistency is found after it is presented in the website, there is a chance to revise the data (ref. Table #15). The consultant in charge is sanctioned, the invoice is held.

C. IMPORTANT DATES

1. Cut off date: on the 15th day or the end of each month.
2. Data on display at website: on the 10th day of the month.
3. Revision following a finding: on the 15th day of the month.

APPENDIX 5 : PNPM MANDIRI LOG FRAME

No.	Specific Goal	Output	Indicators of success
1.	Improvement in the participation of all people, including the poor, women groups, remote traditional communities, and other fragile and marginalized groups, in the decision making process and development management.	The general public is involved in each phase of development management.	On average, people who are involved in the management of PNPM Mandiri are: - adult people who are poor, fragile and traditional / remote communities. - women
	Improvement of poor people's access to various basic services like: health, education, sanitation and clean water, etc.	<p>Improvement in the utilization of education, health and sanitation facilities by poor households.</p> <p>Improvement in the utilization and maintenance of basic infrastructure.</p> <p>Improvement of the life quality of poor families, especially the health of mothers and children.</p>	<p>Poor families' visit to health facilities. Students' participation in basic education. Utilization of basic infrastructure</p> <p>Outcome Indicators. Indicators of health and education in 2015: - Maternal mortality rate drops from 307 (per 100,000 live births) in 2002 to 97 in 2015. - Infant mortality rate drops from 34.7% (2004) to 19% in 2015. - Wasting and malnutrition rate of children under five years old drops from 27.5% (in 2004) to 17.8% in 2015. - Improvement in result of study as reflected in national exam grades. Improvement in health and education indicators in at least 230 districts in 20 regencies.</p> <p>Health: - Immunization coverage for infants of 12-23 months old increases from 38% in 2005 to 48% in 2009 - Percentage of women who check their pregnancy increases from 56% in 2005 to 66 % in 2009. - Percentage of women who give birth to their baby with the help of trained health midwives increases from 40% in 2005 to 50% in 2009. - Nutrition: % of malnourished infants of 0-11 months based on their weight drops from 29% in 2004 to 19% in 2009. - Vitamin A: % of children under five years old who receive 2 Vit.A capsules during the last 12 months increases, from 62% in 2004 to 72 % in 2009.</p> <p>Education: - Percentage of registered elementary school children increases from 96.5% in 2005 to 97% in 2009. - Percentage of registered junior high school children increases from 57 % in 2006 to 72% in 2009 - Result of math and Indonesian</p>

		tests increases by 5% from the survey baseline data.
--	--	--

2009	2012	Data Source	Note
40% 40%	60% 50%	MIS	The referred PNPM Mandiri management is from the planning and implementation to the monitoring activities. Percentage of the involvement is measured based on the average involvement of the target group in each PNPM Mandiri management phase. Adult population are people aged ≥ 18 years old or are married, or who are known as people eligible to vote.
#% #% #%	#% #% #%	MIS MIS MIS evaluation and evaluation	Data development is obtained from baseline survey and further survey. Indicator related to education and health sectors are particularly obtained from PNPM Generation component. Indicator is measured based on PNPM Generation locations. Participation of basic education students is measured based on their attendance (grade 1-9 of elementary school). Basic infrastructures are clean water, water waste and garbage dump, sanitation of the environment, roads/bridges etc. Level of utilization and maintenance of basic infrastructure is decided by, among others, their condition in general in villages/subdistricts that become the program target.

No.	Specific Goal	Output	Indicators of success
2.	Improvement of the communities' institutional capacity which is strong, representative, and accountable.	Emergence of community institutions which meet the criteria and requirement as follows: - representative (community based) - trusted by people and can encourage their participation. - can manage development activities.	- Community institutions are established. - Community institutions are representatives, inspiring and accountable.
3.	Improvement of the government's capacity in providing services to the people, especially the poor, through pro-poor policies, programs and budgeting.	Regional budget is available as to support the PNPM Mandiri fund that will be managed by the people.	Supporting fund from Regency/City: - low fiscal capacity of 20% - high fiscal capacity of 50%
4.	Improvement of the synergy of the people, the regional government, private sectors, associations, universities, non-governmental organizations, community organizations, and other care groups to make the poverty alleviation efforts effective.	Non-governmental organizations contribute to support PNPM Mandiri activities.	PNPM Mandiri village/subdistrict which receives support from non-governmental institutions and the people.
5.	Improvement of the community empowerment	There are community empowerment and	There are community empowerment and or poverty alleviation programs proposed by

	and independence as well as the regional government's and local care groups' capacity in addressing poverty in their area.	poverty alleviation programs proposed by regional government and care groups other than PNPM Mandiri.	the regions.
--	--	---	--------------

2009	2012	Data Source	Note
60%	100% 60%	MIS Evaluation	<p>Percentage of the establishment of community based institutions is calculated based on the number of villages/subdistricts that become the program target with disadvantaged villages as the priority.</p> <p>The presence of community based institutions that have represented the people, can encourage people's participation, can channel the people's aspiration, and the management is accountable and will be measured through an evaluation study that is developed by programs.</p>
50%	80%	MIS	<p>Supporting fund (from regency/city) can be bigger that required.</p> <p>The bigger the supporting fund, the higher of the regional government's awareness in the efforts to empower the people in managing the development.</p>
15%	40%	Evaluation	<p>Percentage can be measured by comparing villages/subdistricts that receive supports from non-governmental organization with all villages/subdistricts that become the target of PNPM Mandiri.</p> <p>Support of the non-governmental institutions can be in the form of fund or items (natura/inkind). The handover of non-governmental fund management, partially or fully, to the people is in accordance with PNPM Mandiri's pattern. One of the potential supports is Corporate Social Responsibility.</p>
10%	30% 20%	MIS Evaluation	<p>Percentage is calculated based on the regency/city that has community empowerment and/or poverty alleviation programs by all of the regencies/cities which are PNPM Mandiri targets.</p> <p>Effectiveness is measured by the drop of unemployment rate and the increase of poor people's income and other sectoral indicators formulated by each program.</p>

APPENDIX 6: DATA GLOSSARY

1. Basic Data

No.	Indicator	Unit	Level	Method	Period	Note	Explanation
1.1	Total Population (M/F) per village/subdistrict	person	Family	MIS	12 months		
1.2	Total number of families (KK)/households (RT) per village/subdistrict	House-hold	Family	MIS	12 months		
1.3	Total number of poor KK/RT per village/subdistrict	House-hold	Family	MIS	12 months		.

1.4	Total number of poor women as family heads per village/subdistrict	person	Family	MIS	12 months		Poor women who are family heads are poor single parents or those who have parents as their dependants
1.5	Average income of poor people and other target groups	thousand rupiah	Family	MIS	12 months		Other target groups: unemployed people, poor women who become family head, poor disabled people.
1.6	Total number of open unemployed people (M/F) per village/subdistrict	person	Family	MIS	12 months		Open unemployed people are those who do not have any job.
1.7	Total number of half open unemployed people (M/F) per village/subdistrict	person	Family	MIS	12 months		Half open unemployed people are those who have unfixed job like seasonal workers.
1.8	Participation level of labor force per village/subdistrict	%	Family	MIS	12 months	Not suitable for glossary, it is better to count from the total population-total unemployed people/total unemployed people?	This is the comparison of the number of people who work and those who are jobless in the same area.
1.9	Total number of jobseekers trained in Training Center per village/subdistrict	person	Family	MIS	12 months		This is the number of trained workers who are jobless.
1.10	Total number of poor people who work in formal sector per village/subdistrict	person	Family	MIS	12 months		Formal sector in accordance with BPS' criteria.
1.11	Total number of poor people who work in Informal Sector per village/subdistrict	person	Family	MIS	12 months		Informal sector in accordance with BPS' criteria.
1.12	Total number of migrant workers who are sent abroad legally per village/subdistrict	person	Family	MIS	12 months		The data is obtained from local Immigration Office
1.13	Total number of	person	Family	MIS	12		The data is

	migrant workers who are sent abroad per village/subdistrict				months		obtained from local Manpower Agency.
1.14	Total number of poor orphaned children per village/subdistrict	person	Family	MIS	12 months		They are children who do not have parents (father and mother)
1.15	Total number of physically disabled people per village/subdistrict	person	Family	MIS	12 months		Physical disability is the disability of a body organ or several physical body organs which affect the person's daily activities.
1.16	Total number of school aged poor children who drop out per village/subdistrict	person	Family	MIS	12 months		The poor children are children of poor families who cannot afford their education.
1.17	Total poor families who have no access to health services per village/subdistrict	family	Family	MIS	12 months		The number of poor families who do not have any Insurance for Poor Families (Askeskin) or who cannot reach health facilities due to distance problem or other problems.
1.18	Total number of Cooperatives, Small and Micro Enterprises per village/subdistrict	unit	Family	MIS	12 months		The three kinds of enterprises are small-scale businesses run by people with small capital.
1.19	Total assets of Cooperatives, Small and Micro Enterprises per village/subdistrict	thousand rupiah	Family	MIS	12 months		
1.20	Total number of households who have access to clean and safe water per village/subdistrict	family	Family	MIS	12 months		
1.21	Total number of poor households who have access to clean and	family	Family	MIS	12 months		

	safe water per village/subdistrict						
1.22	Total number of poor families per village/subdistrict who have access to adequate and safe basic sanitation facilities.	family	Family	MIS	12 months		Access to basic sanitation available for public/sharing (e.g. <i>garbage dump, toilets/bathing, washing, toilet facilities</i>) or the ones owned by each household.
1.23	Total number of villages/subdistricts which have access to TV broadcast and newspapers distribution.	village/subdistrict	Family	MIS	12 months		
1.24	Total number of poor families who have access to TV broadcast and newspapers	family	Family	MIS	12 months		
1.25	Total number of information media in per village/subdistrict	unit	Family	MIS	12 months		Including print and electronic media, modern and traditional ones (notice board, etc).
1.26	Total number of field campaigners per village/subdistrict	person	Family	MIS	12 months		Campaigners in this case are information campaigners.

2. Processed Data

No.	Indicator	Unit	Level	Method	Period	Note	Explanation
2.1	Regency/City has allocated regional fund to support PNPM Mandiri program	Yes/No	Regency	MIS	12 months		Percentage is calculated from the number of areas that have allocated fund from regional budget for PNPM compared to the total of areas receiving PNPM Mandiri support.
2.2	Regency/City which has met the minimum requirement for allocation of regional fund to support PNPM Mandiri program as stipulated (Low Fiscal Capacity is 20% and High Fiscal Capacity is 50%).	Yes/No	Regency	MIS	12 months		Percentage from the number of areas which have allocated Regional Budget for PNPM as required by PNPM compared to total areas receiving PNPM Mandiri support.

2.3	Regency/City which has disbursed regional fund to support PNPM Mandiri program	Yes/No	Regency	MIS	12 months		The number of Regencies/Cities which have not disbursed regional fund from Regional Budget to support PNPM Mandiri program could be counted using this data.
2.4	Regency/City which has disbursed direct community grant from the State Budget	Yes/No	Regency	MIS	12 months		The number of Regencies/Cities which have not disbursed direct community grant from Regional Budget to support PNPM Mandiri program could be counted using this data
2.5	Number of Central Management Consultants (KMP) personnel required	person	National	MIS	12 months		By KMP personnel are meant those of all professions/specialities/ expertise.
2.6	Number of Central Management Consultants (KMP) personnel recruited	person	National	MIS	12 months		The lack of KMP personnel need can be counted using the data.
2.7	Number of Central Management Consultants (KMP) personnel who have been trained	person	National	MIS	12 months		
2.8	Number of Provincial Management Consultants (PMC) personnel required	person	Province	MIS	12 months		By PMC personnel are meant those of all professions/specialities/ expertise.
2.9	Number of PMC personnel recruited	person	Province	MIS	12 months		The lack of PMC personnel need can be counted using the data.
2.10	Number of PMC personnel who have been trained	person	Province	MIS	12 months		
2.11	Number of PMC personnel mobilized (placed)	person	Province	MIS	12 months		
2.12	Number of Regency/City Management Consultants (DMC) personnel required	person	Regency	MIS	12 months		By DMC are meant here those of all professions/specialities/ expertise.
2.13	Number of DMC personnel recruited	person	Regency	MIS	12 months		The lack of DMC personnel need can be counted using the data.
2.14	Number of DMC personnel who have been trained	person	Regency	MIS	12 months		
2.15	Number of DMC personnel mobilized (placed)	person	Regency	MIS	12 months		

2.16	Number of district empowerment facilitator (FK) personnel required	person	District	MIS	12 months		
2.17	Number of FK personnel recruited	person	District	MIS	12 months		The lack of FK personnel need can be counted using the data.
2.18	Number of FK personnel who have been trained	person	District	MIS	12 months		
2.19	Number of FK personnel mobilized (placed)	person	District	MIS	12 months		
2.20	Number of district technical facilitator personnel required	person	District	MIS	12 months		
2.21	Number of district technical facilitator personnel recruited	person	District	MIS	12 months		The lack of subdistrict technical facilitator personnel need can be counted using the data.
2.22	Number of district technical facilitator personnel who have been trained	person	District	MIS	12 months		
2.23	Number of district technical facilitator personnel mobilized (placed)	person	District	MIS	12 months		
2.24	Number of village/subdistrict empowerment facilitator personnel required	person	Subdistrict	MIS	12 months		
2.25	Number of village/subdistrict empowerment facilitator personnel recruited	person	Subdistrict	MIS	12 months		The lack of village/subdistrict empowerment facilitator personnel need can be counted using the data.
2.26	Number of village/subdistrict empowerment facilitator personnel who have been trained	person	Subdistrict	MIS	12 months		
2.27	Number of village/subdistrict empowerment facilitator personnel mobilized (placed)	person	Subdistrict	MIS	12 months		
2.28	Number of village/subdistrict technical facilitator personnel required	person	Subdistrict	MIS	12 months		
2.29	Number of village/subdistrict	person	Subdistrict	MIS	12 months		The lack of village/subdistrict technical

	technical facilitator personnel recruited						facilitator personnel need can be counted using the data.
2.30	Number of village/subdistrict technical facilitator personnel who have been trained	person	Subdistrict	MIS	12 months		
2.31	Number of village/subdistrict technical facilitator personnel mobilized (placed)	person	Subdistrict	MIS	12 months		
2.32	Village/sub-district which has established Community Based Institution (LKM)	Yes/No	Subdistrict	MIS	12 months		
2.33	Village/sub-district which has representative, inspiring and accountable Community Based Institution	Yes/No	Subdistrict	MIS	12 months		
2.34	Village/sub-district which is establishing LKM	Yes/No	Subdistrict	MIS	12 months		
2.35	Village/sub-district which has not established LKM	Yes/No	Subdistrict	MIS	12 months		
2.36	District which has established Activity Implementing Unit (UPK)/ Community Based Institution (LKM)	Yes/No	District	MIS	12 months		
2.37	District which is establishing Activity Implementing Unit (UPK)/ Community Based Institution (LKM)	Yes/No	District	MIS	12 months		
2.38	District which has not established Activity Implementing Unit (UPK)/ Community Based Institution (LKM)	Yes/No	District	MIS	12 months		
2.39	Village/sub-district which has made Action Plan (Village/Sub-district Plan)	Yes/No	Subdistrict	MIS	12 months		
2.40	Village/sub-district which is making Village/Sub-district Plan	Yes/No	Subdistrict	MIS	12 months		

2.41	Village/sub-district which has not made Village/Sub-district Plan	Yes/No	Subdistrict	MIS	12 months		
2.42	District Plan (inter village/subdistricts) has been made	Yes/No	District	MIS	12 months		Result of Meetings among Villages/Sub-districts to discuss the priority of inter-village/subdistrict activities is made into District Plan which will later be financed by PNPM Mandiri.
2.43	District Plan (inter village/subdistricts) is being made	Yes/No	District	MIS	12 months		
2.44	District Plan (inter village/subdistricts) has not been made	Yes/No	District	MIS	12 months		
2.45	LKM has opened a bank account	Yes/No	District	MIS	12 months		

3. Output Data

No.	Indicator	Unit	Level	Method	Period	Note	Explanation
3.1	Poor people's involvement in the discussion on development plan		Subdistrict			?	
3.2	Poor people's involvement in the decision making of development plan		Subdistrict			?	
3.3	Poor people's involvement in the implementation of development activities		Subdistrict			?	Measured by: -Percentage of poor people who receive wage from their involvement in the development activities of physical facilities. - Percentage of poor people who receive aid for business capital.
3.4	Women's involvement in the discussion on development plan		Subdistrict			?	
3.5	Women's involvement in the decision making of development plan		Subdistrict			?	
3.6	Women's involvement in the implementation of development activities		Subdistrict			?	
3.7	Village/subdistrict which receives assistance/support from non-governmental institutions.	Yes/No	District	MIS	12 months		By non-governmental institutions are meant those which give support for ongoing community empowerment and poverty alleviation activities/programs.

3.8	Regency/City which has poverty alleviation programs financed by Regional Budget other than PNPM Mandiri	Yes/No	Regency	MIS	12 months		Region with budget that allows the development of poverty alleviation programs. Programs under the coordination of Coordinating Team for Regional Poverty Alleviation (TKPKD)
				MIS			Regencies/Cities which are measured are those which receive PNPM Mandiri support.
3.9	Village/Subdistrict which has community based poverty alleviation programs (non- charity programs) financed by Regional Budget other than PNPM Mandiri	Yes/No	Subdistrict	MIS	12 months		Community based poverty alleviation programs are programs developed by the government to address poverty. In addition, there are charity programs and micro credit programs.
4.10	Effectiveness of poor community empowerment programs proposed by regions	Yes/No	Subdistrict	MIS	12 months		Effectiveness is seen from achievement of the program target
4.11	Village/subdistrict whose residents voluntarily support PNPM Mandiri programs.	Yes/No	Subdistrict	MIS	12 months		Seen from the community work and voluntary service among the people.
4.12	Village/subdistrict which has used information media to spread PNPM Mandiri programs which can be accessed by poor people.	Yes/No	Subdistrict	MIS	12 months		Various kinds of media can become the parameter of the achievement of this indicator. The indicator covers: -The number of villages/subdistricts which have used information media to spread PNPM Mandiri. -How far the media can reach poor people (effectiveness).
4.13	Availability of information center/unit in district that can be accessed by poor people as a place to ask, consult and send program proposal.		District	MIS	12 months		This information unit/ center has persons in charge who are available at any time to receive people who ask/ consult/ complaint about programs.
4.14	Regency/City which has the breakthrough to make the program management effective and efficient.		Regency	MIS	12 months		By breakthrough is meant the various innovation conducted by the region in the implementation of PNPM Mandiri in their area for the sake of program efficiency and

							effectiveness. For example, the issuance of a bylaw/ decree of the region head on the handling of public complaint, integration of regional plan with PNPM plan, etc. This innovation of regions is included in the report appendix.
4.15	Percentage of quality infrastructure/ physical construction as result of development activities.						Quality of the physical infrastructure built from PNPM Mandiri fund will be evaluated by technical facilitators.

4. Data of Result

No.	Indicator	Unit	Level	Method	Period	Note	Explanation
1	Decrease in the number of poor families/ households per village/subdistrict	household					
2	Decrease in the number of poor women as household head per village/subdistrict	person					This indicator is different from the indicator for poor households (No.1) because household heads are identified as men
3	Increase in the income of poor people and other target group on average	thousand rupiah					Against the average income of poor people and target groups before the program intervention (baseline).
4	Decrease in the number of open unemployed people (M/F) per village/subdistrict	person					
5	Decrease in the number of semi unemployed people (M/F) per village/subdistrict	person					
6	Increase of Labor Force Participation (M/F) per village/subdistrict	%					
7	Increase in the number of jobseekers trained in training center (BLK/LLK) per village/subdistrict	person					
8	Increase in the number of poor people who work in formal sector per village/subdistrict	person					
9	Increase in the number of poor people who work in informal sector per village/subdistrict	person					
10.	Increase in the number of migrant workers sent abroad legally per	person					

	village/subdistrict						
11	Increase in the number of poor physically disabled people per village/subdistrict	person					By physical disability is meant the lack of one physical body organ or more, which affect the daily activities.
12	Decrease in the number of poor families who do not have access to health services per village/subdistrict	%					The number of poor families who do not have Insurance for Poor Families (Askeskin) or who cannot reach health facilities due to distance problem or other problems.
13	Decrease in the number of poor children who drop out of school per village/subdistrict	%					Poor children are children of poor families who cannot afford their education
14	Increase in the number of poor households who have access to Adequate and Safe Basic Sanitation Facilities.	%					Access to basic sanitation available for public/sharing (e.g. <i>garbage dump, toilets/bathing, washing, toilet facilities</i>) or the ones owned by each household.
15	Increase in the number of Cooperatives and Small and Micro Enterprises per village/subdistrict	unit					
16	Increase in the assets of Cooperatives and Small and Micro Enterprises per village/subdistrict	thousand rupiah					
17	Increase in the percentage of poor households per village/subdistrict who have access to clean and safe water.	household					
18	Increase in the percentage of poor households per village/subdistrict who have access to clean and safe water.	household					
19.	Increase in the number of village/subdistrict which have access to TV broadcast and newspapers distribution per village/ subdistrict.	sub-district/ village					
20	Increase in the number of poor families who have access to TV broadcast and newspapers	family					
21	Increase in the number of information media in village/subdistrict	unit					
22	Increase in the number of field campaigners in	person					

	village/subdistrict						
23	Rate of returned loan/ for capital.	%					Detail: -Total fund circulated within the people (for capital) ... thousand rupiah. -Total fund returned when the reporting is made thousand rupiah - Total arrears when the reporting is made thousand rupiah.
24	Percentage of people receiving capital support with increase in the business productivity	%					
25	Percentage of people receiving capital support with increase in the quality of their products	%					
26	Percentage of people receiving capital support with increase in the market	%					
27	Percentage of the average spending of poor people for their need of food and other basic need	%					Percentage is calculated from poor people's average spending for basic need against total income.
28	Percentage of pro-poor budget	%					Percentage is calculated based on the number of regencies/cities that have allocated regional budget for pro poor programs/activities compared to the total regencies/cities which receive PNPM Mandiri support.
29	Percentage of regency / city which has issued pro-poor policies (Bylaw, Regent/Mayor Decree)	%					Percentage is calculated based on the number of regencies/cities which have issued pro-poor regulations against the number of all regencies/cities that receive PNPM Mandiri support.
30	Percentage of regency / city which has pro-poor micro financial policies	%					Percentage is calculated based on the number of regencies/cities which have pro poor micro financial laws and regulations against the number of all regencies/cities that receive PNPM Mandiri support.
31	Percentage of regency / city which has pro-poor	%					Percentage is calculated based on the

	credit institution						number of regencies/cities which have pro poor micro financial institutions against the number of all regencies/cities that receive PNPM Mandiri support.
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G. Data on Community's Independence

No.	Indicator	Unit	Level	Method	Period	Note	Explanation
1	Improvement in post program social voluntary spirit	Yes/ No	Family	Monev	12 months		Emergence of volunteers among the people to help each other. They don't commercialize their help.
2	Development of community culture and values that support self-help development	Yes/ No	Family	Monev	12 months		They support each other in developing their environment by maintaining local culture such as community work and <i>rereongan</i> (activity with communal spirit) which basically allow them to shoulder to shoulder in developing their neighborhood based on their capacity and resources.
3	Improvement in people's willingness and awareness to maintain public infrastructures and facilities in their neighborhood	Yes/ No	Family	Monev	12 months		Seen from the maintenance of existing development assets.
4	Improvement in transparency and communication in development program the management at local level	Yes/ No	Family	Monev	12 months		Seen from the development information from the government and other developers openly to poor and marginal people.
5	Improvement of people's self confidence to address their own problem and need	Yes/ No	Family	Monev	12 months		The self-confidence is seen from many local problems that can be solved by the residents themselves.
6	Improvement of the people's involvement in decision making at local level	Yes/ No	Family	Monev	12 months		The process to decided development activities and plans is conducted upon open consultation with the people in the neighborhood.
7	Lessening in people's dependency in decision making at local level	Yes/ No	Family	Monev	12 months		Seen in the change from seeking development donation to invitation for mutual cooperation.
8	Increase in the number of local leaders who can empower the community and become the engine of development in their neighborhood and	Yes/ No	Family	Monev	12 months		Seen in the increasing number of public figures who can channel the aspiration of poor and marginalized groups.

	improvement of their quality.						
9	Improvement of the neighborhood's capacity to build mutual networking with various parties	Yes/ No	Family	Monev	12 months		The dependency of people and their neighborhood changes into development of mutual networking and cooperation with other parties (<i>related to No.7</i>)
10	Strengthening of representative and accountable community based institutions	Yes/ No	Family	Monev	12 months		Strengthening institutions initiated by the people develop further and gain trust from people, government and private sector.
11	Improvement of people's political rights shown by their high bargaining power on the development in their neighborhood	Yes/ No	Family	Monev	12 months		In development consultation, people have the right to decide development policy in their neighborhood.
12	Improvement of individual capacity of each resident to become productive	Yes/ No	Family	Monev	12 months		Decrease in the number of unskilled residents and unemployment rate.
13	Improvement of the trust among people which leads to the feeling of safety and peaceful in the neighborhood	Yes/ No	Family	Monev	12 months		Safety in the neighborhood is well maintained with minimized social conflicts.
14	There is shared vision among residents to build the neighborhood	Yes/ No	Family	Monev	12 months		Visioning document on neighborhood development is available as a result of discussion and people have the spirit to realize it through various resources.
15	Equal distribution of wealth in the neighborhood so that social gap can be minimized	Yes/ No	Family	Monev	12 months		Narrowing social gap, seen in people's better economic standard and low poverty rate in the neighborhood.
16	Change in development paradigm among all parties, from top down to bottom up.	Yes/ No	Family	Monev	12 months		Bottom up pattern by exploring people's aspiration (participation) to manage the development becomes a general model in all development sectors.

SAMPLE EA'S PROGRESS REPORT

EXECUTING AGENCY'S PROJECT PROGRESS REPORT

1. Loan regulations and loan and project agreements require the borrower and executing agency (EA) to provide ADB with reports and information it reasonably requests. These include the EA's periodic progress reports that enable the borrower, EA, and ADB to monitor project progress, become aware of current problems. The progress report sent to ADB includes sufficient information permitting ADB staff to readily capture key information for inputting into ADB's project performance report (PPR), and assess whether the immediate project objectives will be met.

Sample of Project Progress Report

A. Introduction and Basic Data

Provide the following:

- ADB loan number, project title, borrower, executing agency(ies), implementing agency(ies);
- total estimated project cost and financing plan;
- status of project financing including availability of counterpart funds and cofinancing;
- dates of approval, signing, and effectiveness of ADB loan;
- original and revised (if applicable) ADB loan closing date and elapsed loan period based on original and revised (if applicable) loan closing dates; and
- date of last ADB review mission.

B. Utilization of Funds

Provide the following:

- cumulative contract awards financed by the ADB loan, cofinancing, and counterpart funds (commitment of funds to date), and comparison with time-bound projections (targets);
- cumulative disbursements from the ADB loan, cofinancing, and counterpart funds (expenditure to date), and comparison with time-bound projections (targets); and
- reestimated costs to completion, need for reallocation within ADB loan categories, and whether an overall project cost overrun is likely.

C. Project Purpose

Provide the following:

- status of project scope/implementation arrangements compared with those in the report and recommendation of the President (RRP), and whether major changes have occurred or will need to be made;
- an assessment of the likelihood that the immediate development objectives (project purpose) will be met in part or in full, and whether remedial measures are required based on the current project scope and implementation arrangements;
- an assessment of changes to the key assumptions and risks that affect attainment of the development objectives; and
- other project developments, including monitoring and reporting on environmental and social requirements that might adversely affect the project's viability or accomplishment of immediate objectives.

D. Implementation Progress

Provide the following:

- assessment of project implementation arrangements such as establishment, staffing, and funding of the PMO or PIU;
- information relating to other aspects of the EA's internal operations that may impact on the implementation arrangements or project progress;
- progress or achievements in implementation since the last progress report;
- assessment of the progress of each project component, such as,
 - recruitment of consultants and their performance;
 - procurement of goods and works (from preparation of detailed designs and bidding documents to contract awards); and
 - the performance of suppliers, manufacturers, and contractors for goods and works contracts;
- assessment of progress in implementing the overall project to date in comparison with the original implementation schedule—quantifiable and monitorable target, (include simple charts such as bar or milestone to illustrate progress, a chart showing actual versus planned expenditure, S-curve graph showing the relationship between physical and financial performance, and actual progress in comparison with the original schedules and budgets, the reference framework or guidelines in calculating the project progress); and
- an assessment of the validity of key assumptions and risks in achieving the quantifiable implementation targets.

E. Compliance with Covenants

Provide the following:

- the borrower's compliance with policy loan covenants such as sector reform initiatives and EA reforms, and the reasons for any noncompliance or delay in compliance;
- the borrower's and EA's compliance with financial loan covenants including the EA's financial management, and the provision of audited project accounts or audited agency financial statements; and
- the borrower's and EA's compliance with project-specific loan covenants associated with implementation, environment, and social dimensions.

F. Major Project Issues and Problems

2. Summarize the major problems and issues affecting or likely to affect implementation progress, compliance with covenants, and achievement of immediate development objectives. Recommend actions to overcome these problems and issues (e.g., changes in scope, changes in implementation arrangements, and reallocation of loan proceeds).

Framework and Guidelines in Calculating Project Progress

A. Introduction

3. To ensure that all implementation activities are reflected in measuring implementation progress against the project implementation schedule, the term "physical completion" in the PPR has been changed to "project progress."

4. Physical and precommencement activities are considered in calculating project implementation progress. These activities, which may include recruitment of consultants, capacity building, detailed design, preparation of bid and prequalification documents, etc., could constitute a significant proportion of overall implementation and therefore should be counted.

5. Each activity in the implementation schedule will be weighted according to its overall contribution (using time as a reference) to progress of project implementation. These weights will then be used to calculate the percentage of project progress along the entire time span of the project. This is to provide a holistic view of the pace of implementation.

B. Framework for Compiling Activity List and Assigning Weights

6. As implementation activities and their corresponding weights will vary according to the type of project, sector, and country, sector divisions or RMs will be responsible for determining and including them in the project administration memorandum. The actual project implementation progress of these activities should be reported regularly through the EA's quarterly project progress report. To ensure ADB-wide consistency, the following framework has been established; its application will be monitored through the PPR.

1. Compilation of Activity List

H. Sector divisions or RMs concerned should identify major implementation activities and include them in the implementation schedule, which is attached as an appendix in the report and recommendation of the President (RRP). The implementation schedule should follow the critical path of the project's major activities in project implementation taking account of various country, sector, and project constraints.

2. Assignment of Weights

8. Corresponding weights for each activity should be assigned to ensure that "project progress" measures the percentage of achievement (nonfinancial except when the project has credit components) for all events during the entire duration of the implementation schedule. To avoid disproportionate assignment of weights, to the extent possible these should be evenly distributed along the implementation schedule. When activities are concurrent, avoid "double counting."

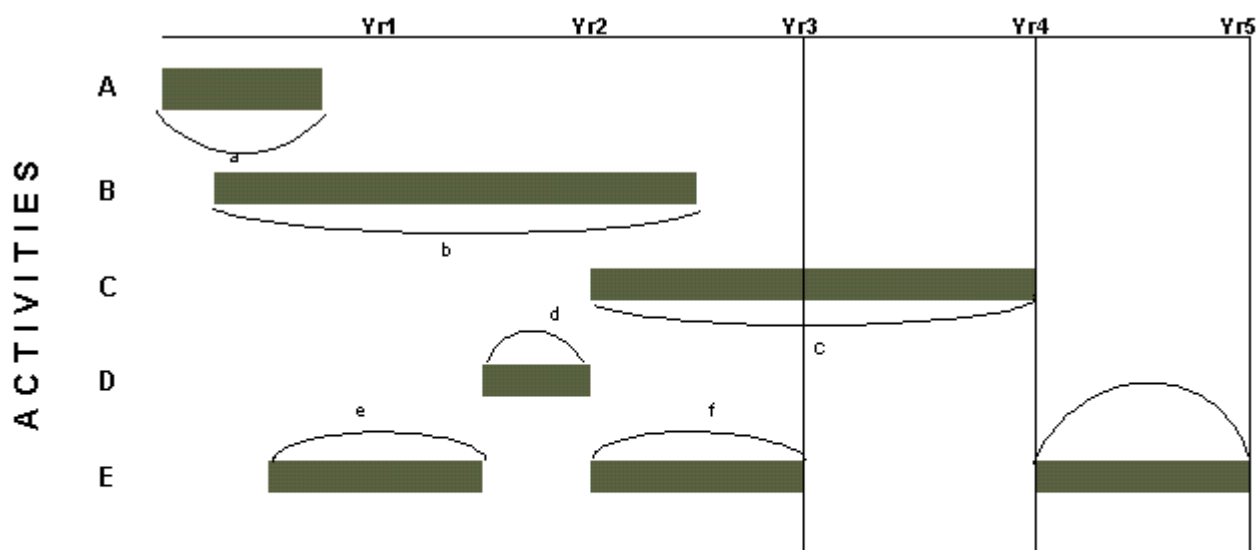
3. Computation of Project Progress

9. Once all activities are identified and corresponding weights assigned, project progress should be calculated using the following steps:

- (i) Determine the actual percentage progress (nonfinancial) of each activity.
- (ii) Multiply these percentages by the assigned weight of each activity to arrive at the weighted progress.
- (iii) Add up the resulting weighted progress of all activities to determine the project progress.

10 Below provides an illustration of this calculation using a generic sample implementation schedule and a specific example in the education sector.

Implementation Schedule with Activities and Weights



1. Sum of all weights should equal 100 percent ($a+b+c+d+e+f+g = 100\%$)
2. When calculating the percentage of "project progress," all completed activities should be counted as accomplished, regardless of when they were scheduled to be completed. For example, when calculating the percentage of "project progress" after year 3, if activity D is completed in year 3 rather than in year 2, it should still be included in the computation.
3. Total weight of each activity is as follows: Activity A— a ; Activity B— b ; Activity C— c ; Activity D— d ; and Activity E— $e + f + g$
4. Project progress of a project is the summation of the actual percentage of progress for each activity multiplied by the total weight of each activity.

Sample Implementation Schedule

Activities	Year 1	Year 2	Year 3	Year 4	(a) Assigned Weight	(b) Actual Progress	(a) x (b) Weighted Progress
Establish PIU					5%	100%	6%
Establish Accreditation Board, etc.					5%	0%	0%
Appoint Staff and Budget					4%	75%	3%
Adopt Architecture Plans					2%	100%	2%
Shortlist Consulting Firms					6%	100%	6%
Prepare Fellowship Program					6%	76%	4%
Prepare Civil Works Tendering					30%	0%	0%
Civil Works: Classrooms, Dorms, etc.					6%	0%	0%
Procurement of Furniture and Equipment					16%	10%	2%
Field Work of Consultants					7%	0%	0%
Provide Fellowships					6%	0%	0%
Conduct Study Tours					6%	0%	0%
Provide Curriculum Standards					6%	0%	0%
				Total Weight Imp. Progress	100%		24%

(a) As signed weight for each activity

(b) Actual progress of each activity

(a) x (b) weighted progress for each activity

Project progress = sum of all weighted progress for each activity

SUMMARY GENDER ACTION PLAN

SUMMARY GENDER ACTION PLAN

Activity	Measures	Targets
Component 1: Community Facilitation and Mobilization		
Selection of project consultants and community facilitators	<ul style="list-style-type: none"> Develop terms of reference (TOR) for project consultants and community facilitators that outline specific tasks to enhance gender equality. Ensure sufficient representation of women among the community facilitators. 	<ul style="list-style-type: none"> The TOR of relevant consultants and community facilitators stated specific tasks to enhance gender equality. At least 30% (about one third) members of community facilitator teams are women.
Capacity building of consultants and community facilitators	<ul style="list-style-type: none"> Provide gender equality briefing and/or trainings for consultants and community facilitators to improve their understanding about gender perspective and their capacity to implement the Project's gender action plan (GAP) sufficiently. All gender related training programs are assessed on gender perspective content prior to delivery. 	<ul style="list-style-type: none"> Specific gender trainings are developed and provided for relevant consultants in all levels (e.g., national, districts) and all community facilitators.
Consultation and socialization of the program in the community	<ul style="list-style-type: none"> Ensure balanced representation of both genders in all consultation and socialization forums. Ensure effective participation of women in all consultation and socialization activities conducted in the communities. Organize separate consultations with women to ensure that they receive sufficient information about the project and create opportunities for them to voice their opinions, needs and preferences. 	<ul style="list-style-type: none"> At least 40% of participants in consultation and socialization activities are women. Separate consultation and socialization meetings with women in the community about the project design and scope are conducted.
Social mapping at the village level (e.g., poverty mapping, identification of problems and needs, evaluation of community implementation capacity)	<ul style="list-style-type: none"> The social mapping at the village level collects gender disaggregated data. Guidance to collect gender disaggregated data in social mapping is developed (by project gender and social development specialist) and applied in each project village. The gender disaggregated data collected in village social mapping is used to identify common as well as different problems, and needs and capacity between men and women as users of infrastructure facilities and services. 	<ul style="list-style-type: none"> Gender disaggregated data are collected in social mapping at the village level. Guidance on collection of gender disaggregated data is developed. Identification of common and different problems, needs, and capacity between men and women in the community is based on the gender disaggregated data.
Establishment of community implementation organizations (CIOs)	<ul style="list-style-type: none"> Encourage women to participate in the election of CIO members as candidates. Ensure sufficient representation of women in each CIO and ensure that the specific problems, needs and interests of women can be articulated and heard in community meetings. 	<ul style="list-style-type: none"> At least 40% of candidates in the election of CIO members are women. At least 40% of the elected members of each CIO are women.
Community capacity building	<ul style="list-style-type: none"> Ensure balanced representation and equal access of both genders in capacity building activities (e.g., trainings) Ensure effective participation of women in capacity building activities (e.g., trainings) Provide relevant skill development opportunities for women that are important to improve their capacity to effectively participate in various stages of project implementation. Special attention should be provided for female members of the CIOs. 	<ul style="list-style-type: none"> Both genders are proportionally represented and involved in capacity building activities. At least 30% of participants of capacity-building activities (e.g., trainings) are women. Relevant skill development opportunities are provided for female members of the CIOs in order to improve their capacity in project implementation.

Component 2: Rural Infrastructure Improvement		
Formulation of village medium-term poverty reduction (MTPR) plans	<ul style="list-style-type: none"> • Ensure sufficient representation of women in consultation forums to formulate village MTPR plans and related annual investment plans. • Ensure effective participation of women in the formulation of village MTPR plans. • Organize separate consultations with women to ensure that they can openly voice their needs, interests, and aspirations in village MTPR plans. • Ensure that the village MTPR plans adequately accommodate the results of consultations with women. 	<ul style="list-style-type: none"> • At least 40% of participants of consultation forums to formulate village MTPR plans are women • At least one separate consultation with women to formulate village MTPR plans is conducted. • The village MTPR plans adequately accommodated the results of consultations with women.
Implementation of village infrastructure proposals	<ul style="list-style-type: none"> • Integrate appropriate contribution of women to construction of infrastructure facilities (e.g., in the quality control of the construction materials) • Whenever women are involved in the construction of the infrastructure facilities, ensure equal pay for work of equal value. 	<ul style="list-style-type: none"> • Equal amount of payment received by male and female workers who undertake work of equal value.
Operation and maintenance (O&M) phase	<ul style="list-style-type: none"> • Ensure active involvement of women in operation and maintenance of the completed infrastructure facilities (e.g., development of O&M plan, establishment of unit and/or group that is responsible for O&M, management of financial resources for O&M). • Provide relevant operation and maintenance information and/or trainings for women. 	<ul style="list-style-type: none"> • At least 30% of those who are responsible for the O&M are women. • Relevant O&M trainings are provided for women.
Monitoring and evaluation	<ul style="list-style-type: none"> • Collect gender disaggregated data on stakeholders' participation in trainings and community activities (planning, implementation, and O&M) in baseline and completion surveys. • Provide training for the community facilitators to collect gender disaggregated data in those surveys. • Ensure that gender disaggregated data collected is properly analyzed and the analysis is included in the project progress reports. • Project gender specialists regularly conduct field visits, review progress in gender mainstreaming, and supervise community facilitators. 	<ul style="list-style-type: none"> • Gender disaggregated data is collected in baseline and completion surveys. • Community facilitators are properly trained to collect gender disaggregated data. • Analysis of the gender disaggregated data is included in project progress reports. • Field visits and regular supervision for community facilitators are conducted and reported.

Implementation Arrangements

The Project's GAP will be implemented by communities with assistance of the consulting teams at the national, provincial and district levels. The gender equality related tasks have been reflected in the TOR of all consulting packages. Nevertheless, social development and gender experts will be specifically mobilized at the district and provincial levels. Gender equality related tasks at the national level will be performed by the social development specialist.

At the national level, the consultants will be engaged to incorporate the Project's GAP into project planning and programming, including the training plans. In addition, the consultants will collect gender disaggregated data in baseline and completion surveys, analyze the data, and report the findings in project progress reports. At the regional level, the consultants will ensure that measures to enhance gender equality, as outlined in the Project's GAP, will be incorporated into community facilitation, establishment, and capacity building of CIOs.

CIO = community implementation organization, GAP = gender action plan, MTPR = medium-term poverty reduction, O&M = operation and maintenance, TOR = terms of reference

Source: Asian Development Bank

SUMMARY LOAN COVENANTS

**STATUS OF COMPLIANCE WITH LOAN COVENANTS
(As of March 2009)**

Loan Agreement	Loan Covenant	Responsibility	Status of Compliance
Use of Proceeds of the Loan			
Article III, Section 3.01	The Borrower shall cause the proceeds of the Loan to be applied to the financing of expenditures on the Project in accordance with the provision of this Loan Agreement.	MOF DGHS	Being complied.
Section 3.02	The Goods, Works, and consulting services and other items of expenditure to be financed out of the proceeds of the Loan and the allocation of amounts of the Loan among different categories of such Goods, Works, and consulting services and other items of expenditure shall be in accordance with provision of Schedule 3 to this Loan Agreement.	MOF DGHS	Being complied.
Section 3.03	All Goods, Works, and consulting services to be financed out of the proceeds of the Loan shall be procured in accordance with provision of Schedule 4 to this Loan Agreement.	MOF DGHS	Being complied.
Section 3.04	Withdrawals from the Loan Account in respect of Goods, Works, and consulting services shall be made only on account of expenditures relating to: (a) Goods which are produced in and supplied from and consulting services which are supplied from such member countries of ADB, and (b) Goods, Works, and consulting services which meet such other eligibility requirements.	MOF DGHS	Being complied.
Particular Covenants			
Article IV, Section 4.02	Borrower shall (i) maintain, or cause to be maintained, separate accounts for the Project; (ii) have such accounts and related financial statements audited annually, in accordance with appropriate auditing standards consistently applied, by independent auditors whose qualifications, experience and terms of reference are acceptable to ADB; (iii) furnish to ADB not later than six (6) months after the end of each related fiscal year, certified copies of such audited accounts and financial statements and the report of the auditors relating thereto (including auditors' opinion on the use of the Loan proceeds and compliance with the financial covenants as well as on the use of the procedures for imprest account/statement of expenditures), all in the English language.	DGHS	Not yet due.
Project Implementation and Coordination; Financial Matters (Schedule 5)			
Project Executing Agency			
Para. 1	DGHS shall be the Executing Agency for the Project		Complied.
Project Implementation and Coordination			
Central Level	The Project shall be implemented as part of the PNPM Mandiri and shall use established	DGHS	Complied.

Para. 2	implementation mechanisms under PNPM Mandiri. No separate implementation units shall be established for the Project implementation.		
Para. 4	The PCMU, established within DGHS, shall work closely with the provincial and district Coordinating Teams. It shall be chaired by the Director of Planning and Programming of DGHS.	DGHS	Complied. PCMU of RISP continued.
Provincial Level Para. 5	The multi-agency provincial and district Coordinating Teams are established by the letters of decision issued by the provincial and district managers of TKPKD. These Coordinating Teams consist of officials from involved agencies in every region under the coordination of provincial TKPKD at the provincial level and district TKPKD at the district level.	Provincial Governments	Being complied.
Para. 6	The provincial level PIU under the PNPM Mandiri provincial Coordinating Team shall support the Project. The provincial PIUs shall, with the assistance of the Project consultants, carry out their responsibilities in accordance with the Guidelines.	Provincial Governments	Being complied.
District Level Para. 7	The existing district PIU shall support the Project in each Participating District and shall carry out its responsibilities in accordance with the Guidelines.	District Bupati	Being complied.
Village Level Para. 8	Each Participating Village shall establish a CIO. The CIO shall be either an existing village organization (formal or informal) or a new Project organization, as decided by the local village community through participatory meetings. A CIO shall have a representative committee to be elected or reconfirmed by the community and comprise five members. The CIO shall be endorsed by the village head and registered with the subdistrict (kecamatan) head, which is a prerequisite for opening a CIO bank account.	District PIUs Village	Being complied.
Para. 9	Each CIO shall establish a management team for construction and O&M, which shall consist of community and village organization representatives (excluding the village head) with village infrastructure expertise. The team shall supervise infrastructure construction activities and infrastructure management programs (including O&M). In addition, each CIO shall carry out its responsibilities in accordance with the Guidelines.	District PIUs CIO	Being complied.
Medium Term Poverty Reduction (MTPR) and Investment Plan			
Para. 10	The Borrower shall ensure that (i) each Participating Village prepares a village MTPR plan identifying village development priorities and have the MTPR plan endorsed by a subdistrict Project implementation team, and (ii) the CIO in each Participating Village prepares a Project investment plan, prioritizing the development activities listed in the village MTPR plan.	DPIUs, Facilitators CIOs	Being complied.

	The community contracts for Works between the district PIU and the CIO shall be based on the Project investment plan for each village. Community block grants shall be released after signing of the said community contracts for Works. Each Participating Village shall be entitled to receive under the Project a grant of Rp250 million.		
Counterpart Funds and Obligations			
Para. 11	The Borrower shall provide counterpart funds for Project implementation in a timely manner. DGHS shall make timely submission of an annual budgetary appropriation request to MOF and MOF shall ensure prompt disbursement of appropriated funds during each year of Project implementation to the Participating Villages.	MOF DGHS	Being complied.
Funds Flow Para. 12	The Borrower shall ensure the smooth transfer of loan proceeds and counterpart funds from the central level to the village level.	MOF DGHS	Being complied
Para. 13	The Borrower shall ensure that in each Participating Village (i) the CIO shall have established a separate account at a local branch of commercially viable bank that is regulated by Borrower's central bank, for village-level activities funded by the Project, (ii) the first installment of 40 percent of the allocated grant shall have been transferred by the local treasury office into the CIO's bank account, as an advance payment upon finalization of the Project investment plan, (iii) the remaining funds, subject to the verification of actual implementation progress by the relevant district PIU, shall have been transferred from the Project imprest account to the CIO's bank account in two installments of 40 percent and 20 percent at the 36 percent and 72 percent completion points, respectively, and (iv) the Project funds are used exclusively for the activities approved under the Project.	MOF DPIUs District Treasury	Being complied.
Selection of Village Infrastructure			
Para. 14	The Borrower shall ensure that the selection of village infrastructure facilities for financing under the Project will follow the PNPM Mandiri guidelines and be subject to the endorsement of a village infrastructure proposal by the full CIO representative committee, including those members representing women and minority groups, and in addition each village infrastructure facility must: (i) provide proportional benefits and employment opportunities to women and minority groups, (ii) lead to improvement in the livelihoods of the poor or near poor, (iii) have the potential for immediate utilization by the poor or new poor,	DGHS PPIU DPIU	Being complied.

	<ul style="list-style-type: none"> (iv) be economically viable and financially sustainable, (v) entail no negative environmental, social, or economic impacts, (vi) be cost effective and established after evaluating all possible alternative designs, (vii) utilize local labor and materials, and, to the extent possible, employing technology that is simple or otherwise appropriate to local conditions, and (viii) be backed by an approved O&M plan, and a written agreement with the district public services to maintain the Works. 		
Governance and Anticorruption Measures			
Para. 15	The Borrower shall, under the EA, establish a Project complaint and problem management unit which shall coordinate with and report to the PNPM Mandiri complaint and problem management unit established under the secretariat to the Oversight Body, and shall review and address grievances of Project stakeholders, in relation to either the Project, any of the service providers, or any person responsible for carrying out the Project in accordance with the PNPM Mandiri's Implementation Guidelines on Management of Complaints and Grievances.	DGHS	Being established.
Para. 16	The Borrower shall ensure that all Project staff are fully knowledgeable of, and comply with, the Borrower's and ADB's procedures, including, but not limited to, procedures for (i) implementation, (ii) procurement, (iii) use of consultants, (iv) disbursement, (v) reporting, (vi) monitoring, and (vii) prevention of fraud and corruption. The Borrower shall ensure that the Project staff is retained in PCMU subject to their willingness to work and satisfactory performance.	DGHS DPIU, PPIU	Being complied.
Para. 17	The Borrower shall facilitate ADB's request to conduct independent audit of accounts of CIOs or participate, together with ADB, in the audit of accounts of CIOs, conducted by Borrower's auditor in case of any allegation of fraud and/or corruption.	DGHS	Being complied.
Para. 18	The Borrower shall ensure that all contracts entered into between the CIOs and district PIUs are made available to the public upon request and also that such contracts and record of payments made shall be publicly posted in the Participating Village.	DGHS DPIU PPIU	Not yet due. Works have not been contracted yet.
Para. 19	Within 9 months of the Effective Date, the Borrower shall cause DGHS to create a Project website to disclose information about various matters on the Project, including procurement and the results of monitoring and evaluation.	DGHS	Not yet due.
Accounting, Auditing and Reporting			
Para. 21	The Borrower shall ensure that all Project accounts, including financial statements, statements of	DGHS MPW	Being complied.

	expenditures, and account records, are audited annually as part of the regular audit of accounts and financial statements. The audit opinion shall include (i) an assessment of the adequacy of accounting and internal control systems relating to Project expenditures and other financial transactions, including the use of the imprest account, (ii) a determination as to whether the Borrower and DGHS have maintained adequate documentation for the imprest account procedures, and (iii) confirmation of compliance with this Loan Agreement's financial covenants and ADB's requirements for Project management.	BPK	
Para. 22	The Borrower shall ensure that the CIOs maintain accounts in the format specified by the Project Guidelines, their books and records are open for public inspection, and the summary of the expenditures are posted on a signboard in the village for greater transparency and accountability.	DGHS PPIU DPIU CIO	Being complied.
Project Performance Monitoring System (PPMS)			
Para. 24	The Borrower shall ensure that the Project's monitoring and evaluation is conducted in accordance with the established Monitoring and Evaluation framework for the PNPM Mandiri program (M&E), encompassing the following elements: (i) monitoring physical and financial progress, as well as the efficacy and efficiency in rural infrastructure implementation, (ii) monitoring the level and adequacy of community participation of various stakeholders in planning and implementing Project activities, (iii) monitoring capacity of CIOs and local governments, (iv) collecting gender disaggregated data on stakeholders' participation in training and planning, and the accrual of benefits including employment generation, and (v) monitoring social, environmental, and economic impacts.	PCMU PPIU DPIU	Being complied.
Para. 25	The Borrower shall ensure that the Project performance management system follows the established PNPM Mandiri's Guidelines on Implementation of Management Information System (MIS), including the validation and verification process to ensure the quality of data and information. The Borrower shall ensure that: (i) inputs from sector program systems are submitted to the national level by the 10 th day of the following month, (ii) M&E findings are updated on the PNPM Mandiri website on the 15 th day of every month, (iii) Monthly updated M&E findings are incorporated in quarterly project progress reports prepared by the PCMU within 1 month of the end of the	DGHS PCMU PPIU DPIU	Being complied.

	reporting period and submitted to ADB and the Oversight Body, and (iv) PCMU prepares and submits a consolidated project completion report to ADB within 6 months of project completion.		
	DGHS, through PCMU, submit to ADB, within 4 weeks of the end of each calendar quarter period, consolidated progress reports which shall include the ongoing findings of the PPMS.	PCMU	Not yet due.
Environment			
Para. 26	The Borrower shall ensure that the environmental assessment checklist, together with environment safeguard awareness raising, for each rural infrastructure improvement or expansion work, is prepared by the CIO in each Participating Village.	DGHS PCMU PPIU DPIU	Being complied.
Para. 27	The Borrower shall ensure that the Works, including, among other things, village infrastructure proposal selection and water supply and sanitation facilities, are reviewed and assessed for environmental impacts in accordance with the Project's Environment Assessment Review Framework. The Borrower shall further ensure that implementation of the Project activities are in accordance with its applicable environmental laws and regulations and ADB's Environment Policy (2002). In case of any inconsistency between the Borrower's relevant environmental laws and ADB's Environment Policy, the later shall prevail.	DGHS PCMU PPIU DPIU	Being complied.
Indigenous People			
Para. 28	The Borrower shall ensure that indigenous people and other vulnerable groups are part of the capacity building, planning, implementation, and post-implementation processes of the Project, and that they equally benefit from the Project in accordance with ADB's Policy on Indigenous Peoples (1998).	DPIU PPIU PCMU	Being complied.
Resettlement			
Para. 29	The Borrower shall ensure that where applicable, each CIO shall prepare a resettlement plan in accordance with the approved with the approved LARF, including endorsement by the resettlement committee at the district level and ADB, disclosure to the affected people, and uploading on ADB's website.	DPIU PPIU PCMU	Being complied.
Para. 30	The Borrower shall ensure that all land acquisition and resettlement activities under the Project are implanted in accordance with its applicable laws and regulations, ADB's Involuntary Resettlement Policy (1995), and the Project's LARF.	DPIU PPIU PCMU	Being complied.

Gender			
Para. 31	<p>The Borrower shall ensure that the proportion of women participants is maintained at not less than 40 percent in training programs at the village level, and at not less than 40 percent in the representative committees and 30 percent for community facilitators.</p> <p>The Borrower shall further ensure that the Project is implemented in accordance with ADB's Policy on Gender and Development (1998) and the Project's Gender Action Plan.</p>	PCMU PPIU DPIU	Being complied.

ADB



Anticorruption and Integrity