

General Overview

PNPM Mandiri Daerah Tertinggal (PNPM Mandiri Disadvantaged Areas/SPADA) is one of several community-driven development programs that are part of the Gol's National Program for Community Empowerment (PNPM). The objectives of the program are to strengthen governance, promote growth and improve service delivery in the participating provinces and districts. The program builds on other successful community development projects, such as the Kecamatan (Sub-District) Development Program (KDP), to align bottom-up planning procedures with the newly empowered district governments of Indonesia, and includes both district block grants and community block grant components to support project objectives.

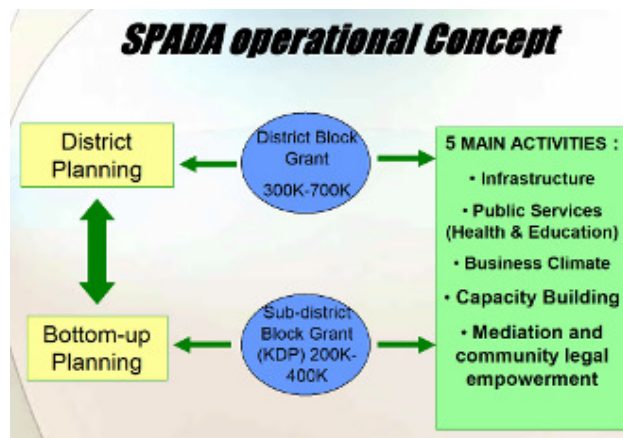
Members of the PNPM Mandiri Daerah Tertinggal World Bank team recently visited Aceh, and so this newsletter largely focuses on work in the province. ☀

Enhancing the Ability of SPADA to Strengthen Peace in Aceh

PNPM Mandiri Disadvantaged Areas (SPADA) works in a number of provinces across Indonesia that experienced violent unrest. When the Suharto regime collapsed in the late 1990s, it exposed an institutional environment where communities and elites had few avenues to peacefully sort out their disputes. PNPM Mandiri Disadvantaged Areas (SPADA) was designed to deliver assistance in ways that help rebuild the social fabric of previously warring communities and positively influence factors that can help prevent conflict and stimulate peaceful development.

In the province of Aceh, where a 2005 peace deal sought to end thirty years of separatist conflict, PNPM Mandiri Disadvantaged Areas was a natural mechanism for local and national government to support the transition from war to peace. To support this goal, the World Bank's Conflict and Development program has been working in the province since the signing of the Helsinki peace agreement. Funded through the Decentralization Support Facility, the Post-Conflict Fund and US\$ 11.6 million grant from the British Department for International Development, the team is undertaking a range of activities aimed at creating at addressing underlying conflict issues and enhancing the ability of PNPM Mandiri Disadvantaged Areas and other World Bank-supported programs to strengthen peace.

The program includes activities focused on strengthening the conflict sensitivity of the core PNPM Mandiri Disadvantaged Areas mechanism. This includes the provision of conflict mediation training for all PNPM Mandiri Disadvantaged Areas (SPADA) facilitators, as well as other development workers, local government personnel and civil society activists. Other projects include psychosocial assistance for conflict victims, funds for local NGOs working on economic development in conflict-affected areas, a peace socialization campaign and support to the local government institutions managing the Reintegration Fund for former combatants and prisoners, and conflict victims. ☀

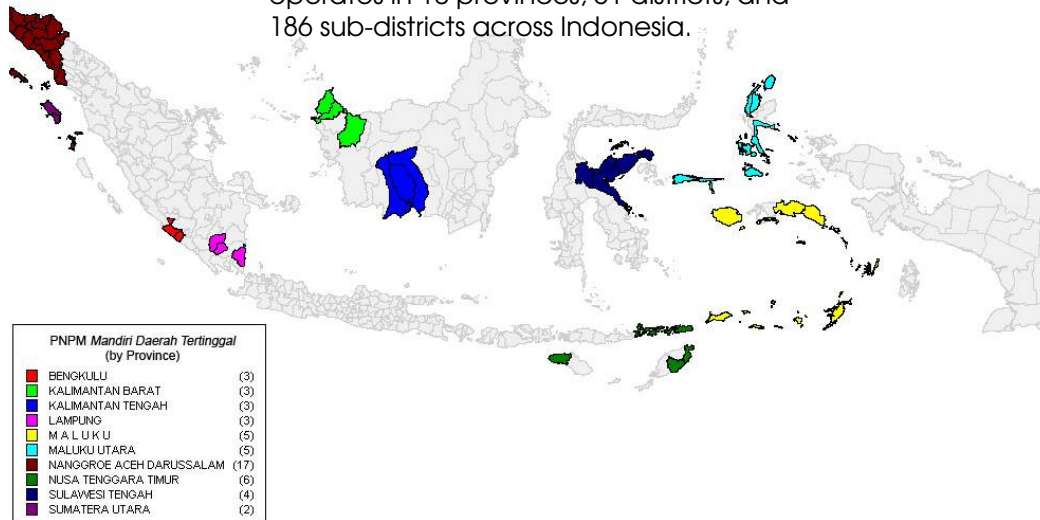


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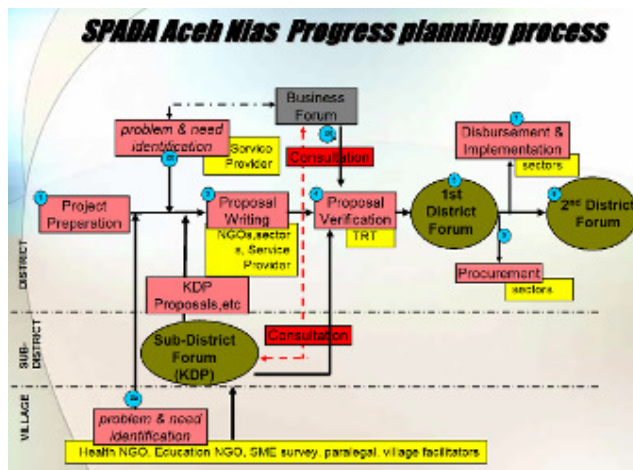
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Project at-a-Glance

PNPM Mandiri Daerah Tertinggal (SPADA) operates in 10 provinces, 51 districts, and 186 sub-districts across Indonesia.



The project structure in Aceh and Nias is illustrated in the diagram below.



Recent and Upcoming Activities

February and March 2008	District Forum Meeting for proposals held in Aceh. Training of technical reviewing teams completed in Bengkulu. Training of Village Facilitators, Local Assistants, school committees, and Public Health Motivators completed.
April 2008	First disbursement of 2007 Block grants. Training of district management team, sub-district management team, Board of Health, and Education Task Force to be completed.
May 2008	Economic governance and regulatory climate surveys to begin. Five pilot districts to sign MOUs with The Asia Foundation for intensive technical assistance to support development of private sector.

Staffing	SPADA Aceh-Nias	SPADA National
National level Consultants (NMC):	N/A	12
Province level Consultants (PMC):	6	22
District level Consultants (DMC):	95	192
Sub-District level Consultants (FK):	0	185

Disbursements	SPADA Aceh-Nias	SPADA National
Total Planning Grants disbursed to date (IDR billion)	14.5	14.7
Total Planning Grants to be disbursed in 2008 (IDR billion)	3.0	87.4
Total Block Grants to be disbursed in 2008 (IDR billion)	140.9	423.6

Visit to Bireuen Finds Education Top Priority

In early February, World Bank team members traveled from Banda Aceh to Alue Limeng and Juli sub-district villages to meet with local government and community leaders regarding leading issues and how PNPM Mandiri Disadvantaged Areas could support improvements.



Madrasah Ibtidaiyah Swasta's outdoor classroom



The team's first stop was Alue Limeng village's Madrasah Ibtidaiyah Swasta (MIS), a school with crumbling exteriors and outdated facilities. One of the school's four classes is taught outside all day. MIS has faced funding challenges, and will receive PNPM Mandiri Disadvantaged Areas 2007 budget support for school supplies. Renovation of the schoolhouse was presented for additional PNPM Mandiri Disadvantaged Areas (SPADA) funding at the District Prioritizing Forum Meeting on March 24.



After a motorcycle ride into the hilly villages of Juli sub-district, the team observed a recently renovated school building funded by the PEMDA budget. Still,

there is need for assistance from projects like PNPM Mandiri Disadvantaged Areas, as the school is not yet functional and in serious need of additional desks, chairs, books, paper, and other school supplies.

Delayed project implementation begins to build momentum

To date, implementation of PNPM Mandiri Disadvantaged Areas has progressed slowly due to several procurement and financial issues. Effectively, project implementation began only after the much delayed KPDT budget (DIPA) was received in July 2007. As a result, DIPA 2007 and 2008 block grants for SPADA Aceh will be disbursed in the year 2008.



Economic Initiative Gets a Boost

The private sector development (PSD) component of PNPM Mandiri Disadvantaged Areas (SPADA) Aceh and Nias – which will encompass technical assistance aimed at increasing private sector growth and the possibility of district block grants for economic infrastructure – got a boost recently with the start-up of the Aceh Economic Governance (AEG) project co-funded by DFID and MDF.

The Asia Foundation (TAF), an international NGO with more than 50 years experience working in Indonesia and three decades in Aceh, will deliver intensive technical assistance to five pilot districts to improve economic regulations and reduce the bureaucratic burden faced by the business community, especially in rural areas. AEG will also survey the regulatory and investment climate, providing essential information to SPADA-organized Business Forums in all 19 participating districts in Aceh and Nias to support communities' identification of needs and solutions. Results of these surveys will also allow investors, donors and government to compare investment climates and development needs of districts across Aceh, Nias and nationally, as TAF and its local partner, KPPOD, separately survey other districts in Indonesia.

Also, TAF and its local partners will work over the two years in the pilot districts to streamline business licensing through One-Stop Shop licensing centers, inventory local business regulations and train local government staff to assess their impact on business, and build capacity of business associations to advocate for reform of the business climate.

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AEG, supervised by the World Bank, will work in partnership with PNPM Mandiri Disadvantaged Area's Implementing Agency for PSD (IA-PSD), planned to be in place later this year. IA-PSD for Aceh and Nias will help integrate participatory planning into the local government's economic development planning process by facilitating focus group discussions, Business Forums and Private Sector Committees to prioritize and address needs for private sector growth in all 19 participating districts. ☀

LGSP Collaboration brings joint workshops in Medan, progress on integration and socialization

More than 30 consultants and district coordination team members gathered for a four-day PNPM Mandiri Disadvantaged Areas (SPADA)-LGSP workshop at the Garuda Plaza Hotel in Medan, Sumatera from January 28 to January 31, 2008. Facilitators from multiple districts across Aceh presented training modules on financial management and budgeting, sharing key learnings and practices of technical assistance in the field. PNPM Mandiri Disadvantaged Areas and LGSP leadership provided opening remarks and were on hand to answer questions and participate in discussions.



Above: Ed Scott (LGSP) opens the workshop with welcome remarks. Right: LGSP Aceh office

At the next workshop, it was the trainer's turn to be trained. From February 24 to March 2, 2008, PNPM Mandiri Disadvantaged Areas (SPADA)-LGSP facilitators attended a series of interactive modules on assisting local governments with the annual budget planning process. The goal of the workshop was to develop facilitators for their role connecting deep understanding of both available funding and the people's needs and priorities. Following the workshop, facilitator attendees returned to their respective

districts, and most have already held District Prioritization Forum meetings. Currently, facilitators continue to finalize project budgets, schedule socialization meetings, and create technical reviewing teams.



PNPM's Endah Nurdiana fields questions from workshop attendees

Across February 2008, PNPM Mandiri Disadvantaged Areas and LGSP leadership regularly met in Medan, Aceh, and Jakarta to move forward on SPADA-LGSP operational collaboration and further integration of PNPM Mandiri Disadvantaged Areas mechanisms into Musrenbang. As a result, the group finalized the procurement manual and formal guidelines to reap SPADA-LGSP synergies with LGSP's regular assistance program.



From February 19, 2008 to February 29, 2008, PNPM-LGSP conducted needs assessment and socialization in four districts in Aceh: Aceh Tamiang, Aceh Timur, Aceh Utara,

and Bireuen.

In the coming weeks, LGSP and PNPM Mandiri Disadvantaged Areas will conduct formal socialization meetings with the Aceh and Jakarta government contacts (PIU BRR, PIU KPDT and PMU BAPPENAS) for approval and formal letters to facilitate collaboration and agreement among key stakeholders in the field.

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Interview with Susie Andriani, District Management Consultant for Aceh Pidie



Susie (far left) and the DMC office

PNPM Mandiri Disadvantaged Areas team members traveled to Kantor Kecamatan Mutiara, Mutiara sub-district in early February 2008 to observe preparation for PNPM Mandiri Disadvantaged Areas implementation. During the trip, we interviewed Susie Andriani, Coordinator of the District Management Consultant office in Pidie.

Question: Thanks for sharing your time with us. Please tell us a bit about how you and your team have been preparing for PNPM Mandiri Disadvantaged Areas implementation.

Answer: Sure, happy to speak with you. One thing we have set up in preparation has been monthly coordination meetings, which brings together the coordination, technical reviewing, and activity management teams. The Secretariat of the technical reviewing team attends each meeting, and his/her role is to provide solutions and issue assignment letters following the meeting. Here, members of the community, local government, and PNPM Mandiri Disadvantaged Areas team assign themselves duties and sign agreements to follow through on their responsibilities. We at the DMC office take responsibility for reminding meeting attendees to complete their tasks.

Question: Great, thanks for the summary. So, what about any challenges or obstacles you have faced during this preparation time?

Answer: Sure, well, a past problem was with our monthly coordination meetings. There was some delay in the fall of 2007, with government budget problems and the decision to prioritize working on administering block grants. However, we restarted the coordination meetings on January 16, 2008, and have held regular meetings since.

Question: Right, that brings up an interesting point: how are district and sub-district activities linked together in your district? Specifically, where are the PNPM Mandiri Disadvantaged Areas (SPADA)-KDP linkages?

Answer: Here, KDP and PNPM Mandiri Disadvantaged Areas are strong in terms of their informal collaboration. For example, both teams invite each other to meetings. During PNPM Mandiri Disadvantaged Areas meetings with KDP District Management Consultants, they receive a list of sub-district facilitators. PNPM Mandiri Disadvantaged Areas meets with these facilitators to go through a list of proposals that were prioritized by the community, but were not funded by KDP. Unfunded KDP proposals that prove eligible for PNPM Mandiri Disadvantaged Areas and are approved by the technical review team will be accepted for consideration.



Susie (fourth from left) responds to mid-wives during a community meeting

Question: As there are a number of other programs, both through the government and other groups, how do you avoid duplication of efforts?

Answer: Indeed, there are a number of groups working here. In this district, the *Bupati* (head of district) regularly meets with each group to clarify and divide responsibilities among the government and non-governmental organizations. One way in which we can improve on this is developing coordination within the local government working unit. The local government is very supportive of our work, and uses recommendations from the District Forum Meeting. ☺

Banda Aceh Workshop Focuses on Good Practices in Education

The SPADA (PNPM Mandiri Disadvantaged Areas) program supports districts in making education plans based on locally identified needs and provides grants to implement approved plans. While districts have identified their education priorities, they do not always know where to find solution. To address this problem, developing a system to identify, assess and disseminate good practices in education is one of the key platforms of SISWA (System Improvement through Sector Wide Approach), a program to support the government in implementing its education priorities.



*Left: Ibu Ummiyani, MIN Rukoh principal
Right: Learning on display at MIN Rukoh*

The joint SISWA - SPADA workshop in Banda Aceh on March 3-4 was designed to help them to do exactly that. The meeting invited program representatives to talk about their activities and achievements. In addition, a presentation from MIN Rukoh's principal and a visit to her school illustrated workshop attendees the remarkable improvement possible from School Based Management programs. The audience was impressed by the learning activities, classrooms, as well as the active volunteers made up of parents and community members.

They agreed it would be best to follow existing successful programs, work through the school cluster system and was important to build local training and management capacity to support sustainability and dissemination of programs. While it was a successful workshop, it is only the first step. SISWA is planning to provide technical support to help districts plan their programs and get the support they need to implement them.



In Aceh, several programs already exist to improve schools and involve the community, such as CLCC (Creating Learning Communities for Children - by UNESCO-UNICEF) and ERA (Education Reform for Aceh by AusAID). So, how can PNPM Mandiri Disadvantaged Areas link into such programs?

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