Program for Community
Empowerment in Urban Areas

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Indonesia’s Flagship Urban CDD Program
Outline of the Presentation

- Urban Poverty in Indonesia
- What is PNPM and how does it work?
- Innovations under the program
- Directions for moving forward
Urban poverty in Indonesia

**URBANIZATION:**
By 2008, 50% of the population (110 million) was living in cities and increasing at 4.4% per year.

**POVERTY:**
A quarter of the population in cities (or around 25 million people) live in slums and informal settlements.
What is PNPM?

- GOI’s flagship program to empower the poor and provide access to basic services through a community-based approach.
- The urban arm – PNPM-Urban (US$ 441.98 million with disbursement avg US$ 100 million/year)
  - Direct funds to the community - block grants of $50,000-125,000 disbursed directly to sub-districts (10-40 villages); $16,000 - $35,000 to kelurahans
  - Operates in all urban wards in the country (~11,000)
  - Total beneficiaries - 23 million households
  - Open-menu system
  - 9,000 technical, economy and social facilitators support 4-6 month planning period – CDP (Community Development Plan)
- Genesis – Asian Financial Crisis and end of Suharto era
- Evolution – shift to infrastructure services, more emphasis on participatory planning, links to LGs
PNPM Urban Cycle at the Community Level

Who is the poor?
What is the problem?
What is the potency?
+ 6 – 10 month

PS is series of activities, such as social mapping, transect walk, and FGD to define potency & problem of the poverty alleviation.

What is Poverty?
+ 5 – 6 month

Series of Focus Group Discussion (FGD) to define wealth classification, poverty causes, and poverty criteria. After that, community determine the poor in their neighborhood by themselves.

Accept or Reject UPP?
+ 4 month

Ensure community preparedness & application of cadres.

Who leads?
+ 8 – 10 month

• BKM is collective decision making body
• BKM responsible to manage poverty alleviation programs at kelurahan level
• BKM members do not represent group/area/party, but represent universal values.

How to handle poverty?
+ 10 – 12 month

Community Development Plan of poverty alleviation programs for 3 years.

Who is the beneficiary?
> 8 month

Determine the beneficiaries (community Groups).

RKM = Community Preparedness Meeting
RK = Poverty Reflection
PS = Community Self-survey
BKM = Community Board of Trustee
PJM Pronangkis = Community Development Plan
KSM = Self-help Group
What does this translate into?

- 39% participation rate of the poorest and vulnerable community members in planning and decision making meetings
- 43.25% participation rate of women in planning and decision making meetings
- About 75% of local governments provide cost-sharing
- 8,500 kms of roads, 179 kms of bridges, 6,800 kms of irrigation canals, 4,300 kms of drainage
- 67th units of clean water, 37th units of public toilets
- 920th beneficiaries of revolving loans
- 34th units of community health centers
- 724 units of schools
**Innovations: Monitoring Systems**

- Monitoring Methodology instituted under PNPM
  - Community Participation Monitoring
  - Monitoring by the Government
  - Monitoring by Consultants and Facilitators
  - Establishment of MIS and website ([www.p2kp.org](http://www.p2kp.org))

- Studies—quantitative-qualitative, GOI, WB, and mix GOI-WB

- Intensive supervision: 4 missions/year, 150 villages, 30 local governments

- Audit reports

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Innovations: DRM
Innovations: PAPG/ LG coordination

- Context: Distrust of Local Government in Indonesia
  - In this context the objective of the PAPG program is to facilitate the partnership between local government and community to plan and implement poverty alleviation programs.
  - Highly competitive selection process. Criteria included population of poor above 35%.
  - 3 year program per city - Grants between $450K and $750K USD (Total of 117 grants awarded).
  - Open set of activities.
  - Required a demonstrated impact beyond the kelurahan, and a matching financial commitment from local government.

- Lessons
  - The creation of a fiscal and accountability relationship between local governments and the community institutions.
  - The significant leverage of funds from local government.
  - The joint implementation of infrastructure projects between the community and the local government.
Innovations: “Neighborhood Development” Pilots

- From small-scale, disperse, settlement improvement projects to neighborhood wide upgrading
- Four principles:
  - CDD
  - Improving living conditions key dimension of urban poverty reduction
  - Active involvement of local government is a must
  - Sound urban planning and spatial analysis are instrumental in connecting poverty to priority investments
- 273 pilots ($110,000 / grant) – 30% planning, 70% construction. (Scaling up to 1500 communities)
- Main investments - Construction of footpaths, small roads and drainage, greening of aesthetic public space improvement; and market improvements
- Innovative aspects: The support of an urban planner, a marketing effort to seek leveraging funds, a spatial analysis to understand the location and aggregation of problems, and a Community Settlement Plan that goes from vision to activities in a selected priority area

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Directions for moving forward

- Scaling up the “ND” approach
- Increasing and formalizing links to LGs
- Channeling
- Limiting the open menu approach or strengthening screening criteria for investments
- Improve capacity of facilitators and oversight teams
- Process evaluation – and continuous feedback loop