LOCAL SOLUTIONS TO POVERTY
ABOUT THE PROJECTS AND KNOWLEDGE SHARING MATERIALS

KNOWLEDGE MANAGEMENT & COMMUNICATIONS - 2019

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Annex 1. Strengthening Village Financial Systems
About

Local Solutions to Poverty (LSP) is a Multi-Donor Trust Fund that’s assisting the government to improve the quality of life of poor and vulnerable Indonesians. Through a community driven development process, empowered citizens develop their own solutions to reduce poverty and inequality.

Previously known as the PNPM Support Facility (PSF), LSP was established in 2007 when the government sought donor assistance to scale up the National Community Empowerment Program *(Program Nasional Pemberdayaan Masyarakat, PNPM)*, its flagship poverty reduction and community empowerment initiative. In 2016, the total value of approved activities stood at $335 million, including two new Joint Management Council (JMC) approved activities for $9 million.

LSP draws on over 16 years of experience working with the government on community driven development by providing analytical and operational support on local solutions to poverty and inequality. Throughout the recent policy transition to the Village Law, the government has continued to seek LSP’s support, including the provision of support for Village Law implementation and analytics support for drafting revised policies and regulations.

In partnership with the Government of Australia and the Millennium Challenge Account-Indonesia, LSP is managed by the World Bank’s Global Practice on Social, Urban, Rural and Resilience and finances technical assistance, analytical and advisory services, as well as operations that support the Government of Indonesia’s implementation of its community-based poverty alleviation platform.

LSP recognizes that poverty is multidimensional and requires the creative engagement of the poor as key actors in poverty reduction. Empowering the poor also requires strengthening government and community institutions to be inclusive and participatory, and ensuring that economic growth is accompanied by a strong commitment to ensure that vulnerable and marginal groups are not left behind.

LSP assists the government to maximize the impact of its key development programs by:
1. Producing and disseminating high-quality research and analytics, including from ongoing projects, in collaboration with other development partner activities;

2. Promoting evidence-based policy to reduce poverty and inequality, as it relates to Indonesia’s framework for local government, and by strengthening relevant government data and monitoring and evaluation (M&E) systems;

3. Financing pilot projects to test and scale up innovations; and

4. Supporting collaboration, problem solving, and knowledge exchange between relevant actors such as the state and society, central and sub-national governments, and communities.
Themes

Across its various project activities, LSP works on the principles of Citizen Engagement and Social Accountability, Community-Driven Development, and Gender and Inclusion.

• **Citizen Engagement and Social Accountability**

Citizens play a critical role in advocating and helping to make public institutions more transparent, accountable and effective. Their contributions to developing innovative solutions to local development challenges are essential.

Social accountability refers to the extent and capacity of citizens to hold the state and service providers accountable and make them responsive to needs of citizens and beneficiaries. While its primary aim is to increase the effectiveness of service delivery, social accountability also strengthens governance and citizen empowerment.

LSP supports increased citizen engagement and social accountability in village government and Basic Service Delivery:

1. Support to the *Village Law* seeks to enhance transparency, participation, and accountability in village planning, financial management, project implementation, and monitoring & evaluation, building on 15 years of citizen engagement in large-scale CDD projects (KDP, PNPM).

2. *Generasi* improves frontline service delivery by mobilizing communities to participate in implementing and monitoring maternal and early child health and education interventions.

3. *KIAT Guru* tests how combinations of community empowerment (via user committees) and performance-based pay can improve the presence and performance of teachers in remote schools.

4. *ECED* supports community participation in implementation and monitoring processes through sub-district financial management units (UPK).

Based on the experience in Indonesia, there is increasing recognition that citizen involvement and social accountability are critical for enhancing democratic governance, improving frontline service delivery, and supporting
the policy framework, institutions, and systems that guide village development. Citizens’ involvement in social accountability can further strengthen the implementation of large-scale programs, such as the Village Law, and help deliver targeted outcomes in Indonesia. Lessons learned from social accountability experiences can also leverage the scale of current policies to achieve widespread impact.

LSP provides support to institutionalize the principles of community empowerment into core government functions. It also seeks to improve the capacities of government agencies, service providers and communities to implement local development solutions. By making these policies, institutions, and systems more responsive and accountable to citizens, LSP support is designed to improve the poverty and development impact of large government programs and financing, long after LSP programs are completed.

• Community-Driven Development

Community-Driven Development (CDD) programs operate on the principles of transparency, participation, local empowerment, demand-responsiveness, greater downward accountability and enhanced local capacity.

Over the past 16 years, the Government of Indonesia has gained significant experience in pioneering and implementing a range of CDD programs through the implementation of LSP and its predecessor programs, including PNPM Mandiri. The government has built on its success with PNPM across the archipelago in strengthening community institutions and their ability to deliver cost-effective infrastructure, and to enhance access to social services and economic opportunities by institutionalizing PNPM’s principles of CDD in the Village Law and mainstreaming them into grassroots development activities.

CDD results in Indonesia have shown that development initiatives tend to be more relevant and effective, producing higher-quality outcomes when the community views its contribution as meaningful and is empowered with a sense of ownership. Therefore, LSP provides support to the government to ensure that communities have the relevant capabilities, technical skills, and knowledge to participate in planning, implementing, and monitoring development priorities that affect them. LSP’s operations and knowledge projects are intended to help the government achieve this outcome.
• **Gender and Inclusion**

The World Bank’s Indonesia Country Gender Action Plan (CGAP) identifies four priority gender gaps and underlying causes:

1. High maternal mortality rate
2. Low female labor force participation and high gender wage gap
3. Low level of women’s participation in public decision making process, and
4. Legal restrictions that discriminate against women.

LSP acknowledges that no society can develop sustainably without transforming the distribution of opportunities, resources, and choices to give females and males equal opportunities to shape their own lives and contribute to their families and communities. To promote gender equality and to improve the socio-economic standing of women, LSP helps the Government of Indonesia to:

1. Reduce the maternal mortality rate by helping the government address the low rates of service utilization among pregnant women and new mothers, and poor-quality maternal and infant health services, and providing conditional grants directly to community members and facilitators trained in health and education issues.
2. Improve nutritional care for mothers and infants by providing block grants and facilitators trained in health issues to communities. These grants are tied to the community’s achievements in terms of defined maternal health and infant nutrition indicators (e.g., monthly infant weighing sessions, the distribution of vitamin supplements, and participation in nutrition classes).
3. Increase women’s participation in village-level decision making processes by ensuring that the principles of gender equality and inclusivity are included in the curriculum for village apparatus training.
4. Increase women’s access to economic opportunities and financing by supporting Ministry of Villages, Disadvantages Regions and Transmigration with the design of a female entrepreneur pilot project.

More broadly, LSP recognizes that factors other than gender may also confer disadvantages on individuals and groups. LSP strives to improve social and economic access for all individuals and groups. For example, through the ECED
project and its teacher training package, LSP has worked towards raising educators’ awareness on supporting children with special needs. One module of the training package focused on how educators can identify children who may require additional support and tailor their instruction approach to meet these needs. It also includes methods to discuss these issues with families, as well as procedures to refer children for additional specialized services. The project’s training approach also encourages teachers to use local languages, practices, and materials in the classroom to empower indigenous communities. Similarly, the KIAT Guru Facilitation Manual mandates free, prior, and informed consultations with indigenous peoples and marginalized groups. Training modules prepared with LSP support for village and district facilitators include topics related to social inclusion.
Engagement Area

We work towards improving the quality of life of poor and vulnerable Indonesians through local solutions to reduce poverty and inequality by engaging in the following areas:

• **Village Law and Community Empowerment**

Reducing poverty and inequality in a country as large and diverse as Indonesia requires enabling communities, villages, service providers and governments to identify and implement local solutions to these problems. Village governments and communities are key stakeholders in most national development objectives. For more than 15 years, the World Bank has partnered with the Government of Indonesia on large-scale community and village development initiatives designed to reduce poverty by empowering communities to play a central role in improving local services and livelihoods.
This partnership has seen three phases:

1. The Kecamatan Development Program (KDP) 1998-2002 supported approximately 20,000 villages to introduce community-driven approaches to plan, budget, implement, and monitor local infrastructure projects. KDP provided block grants, capacity building through trained facilitators, and an M&E system to participating communities.

2. The National Community Empowerment Program (PNPM Mandiri) 2007-2014 scaled up these community-driven methodologies to reach over 65,000 villages.

3. The Village Law, enacted in 2014, incorporated principles and practices from KDP and PNPM into village government and governance.

The Village Law phase marks a major shift in Indonesia’s ongoing decentralization. It provides increased authority and financing (more than $7 billion annually) to villages, and seeks to integrate community-driven approaches (that were largely conducted outside of village governments) into village governance and development processes. It also marks a major shift in Bank support away from design and implementation of large-scale community-driven development projects (KDP/PNPM) toward a new focus on integrating good practices from CDD into the policies, systems, and capabilities that enable village government and service delivery.

The World Bank supports Village Law implementation through two channels:

1. Operational support under the Village Innovation Program (restructured from an earlier $650 million loan supporting the former PNPM program), and;

2. Analytical and technical support under the Village Law Programmatic Advisory Services and Analytics (PASA).

The Village Innovation Program supports the Ministry of Villages to provide innovation grants, technical service providers, and innovation teams to improve use of Village Law funding.

The Village Law PASA supports the Government’s efforts to ensure accountable village governance and participatory village development through four pillars:

1. Resource mobilization, allocations and flows;

2. Village development governance, accountability and capacity;

3. Community empowerment and inclusion; and

• **Using Evidence to Inform Local Development**

LSP maintains a strong focus on local development solutions that are informed by evidence. Its package of analysis, operational support, and rigorous impact evaluation aims to support the policy framework, institutions, and systems that guide village development and frontline service delivery. LSP helps the government test participatory village development and service delivery approaches, assess the impact of these approaches using rigorous impact evaluation tools, and feed the results of this analysis back into long-term policy reforms and service delivery improvements.

LSP benefits from a combination of monitoring and evaluation activities and rigorous analytical studies carried out by its analytics team in close collaboration with the Government of Indonesia and other development partners. These studies inform and influence the operational design of LSP’s projects, as well as the government’s policy on community-based poverty reduction programs.

As part of monitoring and evaluation activities and studies, LSP designed several unique surveys and national monitoring systems, including evaluations on program impact, the Female Headed Household Survey, the Aceh Reintegration & Livelihoods Survey, Rural Infrastructure Surveys, as well as the Local Level Institution Study.
• Basic Service Delivery

Public agencies and private enterprises must meet beneficiaries’ expectations for them to be considered as service providers. Beyond health, education, water, sanitation, and electricity access, these services now include social protection, information, transport, financial services and credit markets.

To improve the quality of basic services, LSP has facilitated a range of activities to enhance the skills of service providers. These focus on measures to strengthen village government planning, implementation, and monitoring capacities and to develop better performance incentives and accountability mechanisms through its various projects in Generasi; Early Childhood Education and Development (ECED); MELAYANI and KIAT Guru. It also works to improve institutional capacities to address frontline service needs.

Beneficiaries’ feedback is essential in ensuring quality service delivery. Understanding their needs and demands, as well as the delivery experience, are crucial to ensuring proper and accountable service delivery to all citizens, especially the poor. Accountability between policy makers, service managers, frontline service providers, and citizen beneficiaries is required and has become a critical point for services to benefit the poor.
LSP’s combination of analysis, operational support, and rigorous impact evaluation is increasingly directed at sustainable reforms of government policies and systems. LSP helps the Government of Indonesia test participatory village development and service delivery approaches, assess the impact of these approaches using rigorous impact evaluation tools, and feed the results of this analysis back into long-term policy reforms and service delivery improvements.

Annual Progress Reports

Local Solutions to Poverty (LSP) Annual Progress Report 2018

The Government of Indonesia (GoI) continues to strengthen its emphasis on building human capital and local economic development, particularly in rural areas. Over the past two decades, Indonesia has taken great strides in reducing poverty. However, in recent years, the country’s Gini index, which is a measure of inequality – has shown only small reductions from 0.41 (2013) to 0.39 (2017). In recognition of this, the GoI is increasingly concentrating its efforts to promote more inclusive growth and to reduce inequality. Furthermore, over the past 18 months, the GoI has also increasingly focused on strengthening its own existing systems to accelerate human capital development, prevent stunting, and to maximize the Village Law’s performance across nearly 75,000 Indonesian villages. The Local Solutions to Poverty (LSP) Multi-Donor Trust Fund (MDTF) is well positioned to support the GoI to achieve these goals. The LSP MDTF (or LSP Facility) mobilizes the World Bank’s Indonesia and global experience, networks, and convening power to support the GoI to improve the quality of lives of poor and vulnerable Indonesians by improving basic service delivery and village development. Specifically, LSP supports the GoI by: (1) undertaking and disseminating rigorous impact evaluations and analytics; (2) informing and promoting evidence-based policy decisions, agendas, and systems reforms; (3) providing enhanced implementation support to assist the GoI deliver complex and innovative operations and pilots; and (4) supporting collaboration and knowledge exchange among international, national, and sub-national actors.

Local solutions to poverty annual progress report 2017

In 2017, the LSP Multi-Donor Trust Fund enables the World Bank to work at four levels to support the Government of Indonesia (GoI) to enable local development solutions to poverty. First, it works at the highest levels of government to help focus the national policy agenda on reforms and instruments that the national government can use to empower and incentivize local actors to reduce poverty and inequality. This includes high-level policy dialogue with ministers, tapping into the World Bank’s global expertise as well as using national forums such as the regular Indonesia Economic Quarterly to raise media and public awareness of national development priorities. Second, LSP enables the World Bank to provide policy and technical advice to ministerial officials, including at the Ministries of Finance, Planning, Home Affairs, Villages as well as Health and Education. Third, enhanced implementation support assists the GoI to deliver complex and innovative operations, including the Village Innovation Program (VIP), Healthy and Smart Generation (Generasi), Teachers’ Performance and Accountability (KIAT Guru), and the Early Childhood Education and Development (ECED) project. Finally, LSP commissions special studies, undertakes rigorous impact evaluations, facilitates Knowledge Exchanges, and leverages the World Bank’s global expertise in community development, public financial management (PFM), local economic development (LED), stunting and community health, & impact evaluation.


Local Solutions to Poverty (LSP) Achievement Brief 2017

In 2017, the Local Solutions to Poverty (LSP) focused on strengthening the GoI’s institutions and systems in three main areas: 1. Village Development: Strengthening village institutions, as participatory and inclusive platforms for rural development and poverty reduction, to help improve the effectiveness of US$ 7.3 billion in annual village funding; 2. Basic Service Delivery: Institutionalizing and scaling up demand-driven approaches to improve frontline and basic services that reduce poverty and improve livelihoods, particularly in poor and remote areas; and 3. Analytics: Producing and disseminating high-quality data and analytics, and strengthening the GoI’s existing monitoring and evaluation (M&E) systems to support more effective village development and local service delivery. LSP supported the GoI in these areas through nine main projects and initiatives. This report is a summary of how Local Solutions to Poverty is improving the lives of poor and vulnerable Indonesians.

Local Solutions to Poverty: Annual Progress Report 2016

The Local Solutions to Poverty (LSP) Facility is supporting the effective leadership and management of the Government of Indonesia's programs to improve the quality of life of Indonesians through local development solutions to poverty and inequality. Through LSP, development partners provide high-quality coordinated technical assistance as well as policy advice and targeted financial assistance to the Government. This report describes LSP’s progress against the End-of-Facility Outcomes (EOFOS) from January to December 2016, and represent the transitional output from PNPM Support Facility (PSF) to the new LSP.

Through evaluations or studies, ongoing field monitoring, and policy dialogue, we provide Government and other stakeholders with evidence and real-time information on the implementation of Village Law, especially on participation, transparency of information and accountability. We also provide support to improve availability and quality of village level data to better capture efficiency and effectiveness of Village Law results in the field.

**Village Law**
To promote efficiency in the implementation of the Village Law, especially as it relates to participation, transparency and accountability, through public data analysis, public policy analysis, and direct observation of practices at different levels of government.

**Community Development**
Fifteen plus years of lessons-learned, thematic studies and programs evaluation results in community-driven development in Indonesia. From Kecamatan Development Program (KDP) and Urban Poverty Project (UPP) to National Community Empowerment Programs (PNPM), more than 40 evaluations/studies had been completed to provide assessments over the performance of various programs/pilots and analysis of factors influencing programs implementation and achievements.

**Basic Services**
Evaluations/studies to assess the impact of pilot projects using community engagement and social accountability mechanisms in improving accessibilities to public basic services (health and education) and in improving health and education outcomes.

**Gender and Inclusion**
Analysis to understand impact of community-based development or poverty programs on women, the poor, and other marginalized groups.

**Others**
Various evaluations or studies or analysis on social-development issues in Indonesia such as strengthening poverty measurement through improved consumption module, tracking post-conflict social condition, and using community rangers in natural resources management.
Analytics | Village Law | Sentinel Villages Study

Longitudinal study to monitor village governance in 5 selected districts since the implementation of Village Law in 2015. Two rounds of surveys conducted in 112 villages complemented with qualitative studies in 10 villages. A field observer stays in each district to provide real-time updates of challenges in implementing the Village Law at district and village levels.

Publications:

**Improving the Village Cash for Work (PKT) Policy**
The policy of cash for work (Padat Karya Tunai or PKT) in the village which began in 2018 to tackle poverty, unemployment and malnutrition in the villages raises several problems. This relates to some of the provisions in the PKT technical guidelines (i) causing budget inefficiencies, (ii) the risk of reducing the quality of work results, and (iii) not being equipped with clear reference criteria to establish PKT goals.
https://www.smeru.or.id/en/content/improving-village-cash-work-pkt-policy

**Study on the Implementation of Law No. 6/2014 on Villages**
The baseline study is part of the three-year longitudinal study which monitor how the village government applies good governance principles (transparency, participation and accountability) in the early years of Village Law implementation.
https://www.smeru.or.id/en/content/study-implementation-law-no-62014-villages-baseline-report

**Participation, Transparency and Accountability in Village Law Implementation: Sentinel Villages Study Baseline Findings**
The study observes the first two years of Village Law implementation to assess villagers' participation, the transparency and accountability of village governments, and the influence of good governance principles on village decision-making processes for development investments.

**Promoting Community-Based Village Supervision**
The disclosure of various cases of budget lapses in some areas shows that supervisory practices have been weak. This policy note recommends a village monitoring model by the community that adopts four principles of social accountability: relevance, publicity, refutation, and enforcement, from the planning stage to the evaluation of village governance.
https://www.smeru.or.id/en/content/promoting-community-based-village-supervision
Debottlenecking Distribution and Disbursement of the Village Fund

The distribution of Village Fund (VF) has entered its third year in 2017, yet delays in distribution and disbursement continue to occur and could potentially undermine the quality of VF spending. The challenge is how to develop a simple mechanism that accommodates village capacity, while upholding the principle of accountability.

https://www.smeru.or.id/en/content/debottlenecking-distribution-and-disbursement-village-fund

The Role of Kecamatan in Village Law Implementation

This policy brief presents a summary on the challenges as well as the recommendations for strengthening the role of the kecamatan in Village Law implementation.

https://www.smeru.or.id/en/content/role-kecamatan-village-law-implementation

Reforming BPD to Strengthen Villages

This policy brief presents the shifting role and position of Badan Permusyawaratan Desa (BPD) under Village Law. Reform of the BPD as a democratic institution in the village is needed, especially in terms of channeling community aspirations and monitoring village government.

https://www.smeru.or.id/en/content/reforming-bpd-strengthen-villages

Analytics | Village Law | Village Data

Promote utilization of village level data in decision-making and village development processes through:

1. strengthening of PODES instrument, and
2. pilot project to improve data collection, verification and update at village level as well as to increase utilization of data in village development planning.

Publication:

A report of a census of basic village infrastructure, including health and education, to provide detailed facility-level information on public health and education facilities.

Over 15 years of experience in community-driven development in rural areas, including in natural resource management, revolving-loan fund, and post-disaster/post-conflict situation.

Publications:

**The Role of Kecamatan in Village Law Implementation**
This policy brief presents a summary on the challenges as well as the recommendations for strengthening the role of the kecamatan in Village Law implementation.
https://www.smeru.or.id/en/content/role-kecamatan-village-law-implementation

**Results Evaluation : Sustainable Natural Resource Management Through PNPM Green Investments : A Rural Livelihood Analysis**
A summary of three studies to identify the benefits of PNPM Green program, and to examine to what extent the program meets its objective to make the utilization of natural resources by rural communities sustainable.
https://openknowledge.worldbank.org/handle/10986/21128

**Evaluation of the Village Financial Assistance Program (Bantuan Keuangan Peumakmu Gampong, BKPG) in Aceh Province**
The Government of Aceh began the BKPG program in 2009 to accelerate development and poverty reduction while strengthening the capacity of village governments to deliver needed services. The survey was conducted with the aim of assessing program utilization, the overall effectiveness of the program, and the perceptions of Acehnese villagers of the program.

**Beneficiary Assessment of PNPM/RESPEK Rencana Strategis Pembangunan Kampung (Village Development Strategic Plan)**
This study attempted to capture and understand the perspectives of beneficiaries of the PNPM/RESPEK program in the challenging environment of Papua and West Papua. The study highlights some of the key implementation challenges of CDD in remote areas and proposes how these might be addressed for future implementation of CDD programs in Papua/West Papua, as well as the Village Law.
Research Report: A Qualitative Study: The Impact of PNPM Rural East Java, West Sumatra, Southeast Sulawesi

This study aims to look at the impact of PNPM–Rural especially on poverty reduction, community participation, and the accountability, transparency, and responsiveness of the government at the village level. In addition, this study also examines the impact of PNPM–Rural on the fulfillment of the poor's primary needs in rural areas as well as the extent to which empowerment has occurred.


PNPM Rural Impact Evaluation Report 2012

This paper reports on a quasi-experimental evaluation of the PNPM Rural program designed to assess the impact of the project on household welfare, poverty, access to services, employment, social dynamics and governance.


Governance Review Of PNPM Rural: Community Level Analysis: Final Report

This Governance Review is an attempt to assist the government in better understanding the extent and causes of such problems and to generate recommendations for improvement.


The Employment and Poverty Impact of PNPM: Program Nasional Pemberdayaan Masyarakat: The National Community Empowerment Program

The major benefits of the PNPM program is to generate additional employment and the corresponding additional income, primarily for poor unskilled labor. This paper estimates the program’s impact on employment and income for 2007 to 2010 and analyzes the circumstances under which the effect could be larger or smaller.


Micro Credit Strategy Formulation Mission for the National Community Empowerment Program or Program Nasional Pemberdayaan Masyarakat (PNPM)

The main objective of the study is to outline an operationally grounded strategy for a national microcredit program that will be complementary to PNPM. The micro-credit component will form one wing of the Government’s overall national poverty reduction strategy to address issues of access to finance for the poor as well as to develop the private sector.

**Rapid Appraisal of PNPM Neighborhood Development (and Poverty Alleviation Partnership Grant Mechanism)**

The findings from the report that while the Neighborhood Development Pilot Project offers an innovative model for community drive urban upgrading based on spatial planning, there are a number of implementation challenges that are constraining its potential impact. In general, the project appears to be most successful in locations that have a strong BKM, an engaged local government and generally do not have complex infrastructure needs.


**Qualitative Study of the Proliferation and Integration of Community Empowerment Programs in Central Java, West Nusa Tenggara, and South Sulawesi**

This study was conducted to identify the benefits and costs of integration and integration practices of empowerment programs in the regions. This was an exploration study to identify what initiatives have been adopted in the regions to deal with the problems that arise from empowerment program proliferation.


**Review of the KDP Microcredit Approach**

This report reviews KDP’s current microcredit system to come up with recommendations for the second KDP project to be implemented between January 2002 and June 2006. The review focuses on examining the supply side of KDP’s microcredit system.


**Village Corruption in Indonesia: Fighting Corruption in the World Bank’s Kecamatan Development Program**

This Paper was written in 2001. At the time, Indonesia was only three years into reformasi (Political reform), the era of political change ushered in by President Suharto’s resignation in 1998. Indonesia was also about to embark on one of the most far-reaching decentralization programs in the world.


**Indonesia Kecamatan Development Program: Building a Monitoring and Evaluation System For a Large-Scale Community-Driven Development Program**

This paper describes the monitoring and evaluation system developed for KDP. It includes a detailed description of its components, how they were constructed and operationalized, and the challenges encountered while incorporating these multifaceted activities into a large CDD program.

**Monitoring Corruption: Evidence from a Field Experiments in Indonesia**

This paper uses a randomized field experiment to examine several approaches to reducing corruption. It measures missing expenditures in over 600 village road projects in Indonesia by having engineers independently estimate the prices and quantities of all inputs used in each road, and then comparing these estimates to villages' official expenditure reports.  


**Indonesia's Kecamatan Development Program : A Large-Scale Use of Community Development to Reduce Poverty**

Indonesia’s Kecamatan Development Program (KDP) provides a new tool in the fight against poverty. The community-based planning process provides a powerful and efficient way to build large amounts of simple productive infrastructure using mechanisms that mobilize and develop the capacities of rural communities themselves. As community capacities develop, they can also take a more active role in improving the quality of other social services.  


**A Report on KDP Mandiri: An Analysis of Efforts to Replicate the Kecamatan Development Project**

The main goal of this study is to examine in greater depth ten KDP replication schemes and to assess the extent to which they adopt certain principles and programmatic features of KDP. This study is to gain insight into how KDP’s principles and procedures may be influencing other government development projects especially in the areas of improved governance, community capacity building, and service delivery.  

[https://openknowledge.worldbank.org/handle/10986/21979](https://openknowledge.worldbank.org/handle/10986/21979)

**KDP2 Matching Grant Study**

This paper seeks to understand what prompted local governments to contribute to KDP and the process by which they did so. It also attempts to document the impact that this had on oversight and involvement, as well as some of the administrative issues faced by the program as it works to integrate with local government procedures. Much of the study focuses on the executive branch of district governments.  


**Local Conflict and Community Development in Indonesia Assessing the Impact of the Kecamatan Development Program**

This study examines questions relating to the nexus between development projects and different forms of local conflict. It does so by examining how the World Bank/Government of Indonesia’s Kecamatan Development Project (KDP) interacts with social tensions and local conflict, and how it affects the nature and extent of local conflict management.  

**Crisis and Contradictions: Understanding the Origins of a Community Development Project in Indonesia**

This paper is about the genesis of KDP. It will primarily look inwards, towards the opportunities and constraints that challenge social scientists working within large development bureaucracies.


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**Impact Evaluation of the Second Phase of the Kecamatan Development Program in Indonesia**

Increasingly, Indonesian communities have been able to determine their local development priorities as the Government of Indonesia and donors implement programs using the community driven development (CDD) approach. One example of this is the Kecamatan Development Program (KDP), a Government of Indonesia program aimed at alleviating poverty, strengthening local government and community institutions, and improving local governance.


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**Expanding and Diversifying Indonesia’s Program for Community Empowerment 2007-2012: Science of Delivery Case Study**

This newly-released Science of Delivery case study presents an account of the PNPM program’s inception and scaling-up from 2007 to 2012, with a particular focus on implementation processes and the causal factors that enabled PNPM to achieve initial successes and subsequently broaden its scope to reach Indonesia’s rural poor.


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**Direct Democracy and Local Public Goods: Evidence from a Field Experiment in Indonesia**

This paper investigates an alternative political mechanism for deciding on local public goods: plebiscites, where citizens vote directly at an election for their most preferred projects.


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**Delivering Assistance to Conflict Affected Communities The BRA-KDP Program in Aceh ISDP 13**

The end of the conflict in Aceh led to the arrival of a range of different programs aimed at ‘reintegrating’ former combatants and providing assistance to conflict-affected groups. The BRA-KDP Program was an innovative attempt by local and national government to employ lessons learned from successful community-development programs to post-conflict Aceh.

Consolidated Assessment of UPK Revolving Loan Funds in Indonesia

This is the final consolidated report of an extensive programme to assess the financial performance and capacity building needs of the UPK Revolving Loan Funds (UPK RLFs) under the PNPM Mandiri project in Indonesia. As the programme was not designed as a traditional microfinance program, this assessment looks at whether the UPKs could continue providing loans to the community without continuing direct Government support and under what conditions individual UPK RLFs could become self-sustainable. This report covers all 267 rural UPK RLFs and 241 urban UPKs identified for the purpose in the four provinces.

https://openknowledge.worldbank.org/handle/10986/21975

P2SPP/PNPM Integration Lessons Learned Study in Six Districts: Kabupaten Sumedang, Kabupaten Boyolali, Kabupaten Gunung Kidul, Kabupaten Ngada, Kabupaten Tapin, Kabupaten Batanghari

Executive summary of study on P2SPP (now PNPM Integrasi. The program was designed to help integrate community planning into the larger scheme of technocratic government planning. The program gave grants at the district level to fund projects at the sub-district level that had been proposed in PNPM meetings at the village level, tying the three levels together. This study examines the interactions between PNPM’s participatory planning process, and the plans of government line ministries.


How Large Conflicts Subside: Evidence from Indonesia

This paper studies how sites of large-scale violence moves toward a phase of substantially lower violence. Why has large scale violence precipitously declined? How did the new phase of lower violence come about? The research team seek to answer these questions by examining evidence from the National Violence Monitoring System (NVMS), a new dataset that records the incidence and impact of violence in Indonesia over a 15-year period since Indonesia’s democratic transition commenced in 1998.


Analytics | Community Development | Urban Community

Over 15 years of experience in community-driven development in urban areas, including analysis of urban poverty, dynamics of community participation, and roles of facilitation in urban setting.

Publications:
Process Evaluation of the Program Nasional Pemberdayaan Masyarakat (PNPM)-Urban

This evaluation focuses largely on documenting the implementation of activities under the current phase of PNPM-Urban as well as under the pilot Neighborhood Development (ND) scheme undertaken as part of PNPM-Urban, and examines to what extent project objectives are being attained, as well as best practices and lessons learned for the future.


Indonesia Urban Poverty Analysis and Program Review

As part of a review of the Program National Pemberdayaan Masyarakat-Urban (PNPM-Urban), the Government of Indonesia’s largest anti-poverty program for urban areas, in 2011 the World Bank commissioned a study that combined a background analysis of urban poverty and a review of current programs that serve the urban poor.


Indonesia : Urban Poverty and Program Review : Policy Note January 2013

The policy note is based on a report, “Indonesia Urban Poverty Analysis and Program Review”. There number of policy priorities emerge for an urban poverty reduction strategy, particularly in view of the growing numbers of urban poor. These can be categorized under 2 broad areas of: economic and urbanization policies; and social policies and are consistent with global evidence on poverty reduction strategies.

https://openknowledge.worldbank.org/handle/10986/16301


The policy note is based on two commissioned studies: i) “A Qualitative Study of the PNPM Urban in Indonesia”; and ii) “Rapid Appraisal of PNPM Neighborhood Development (and Poverty Alleviation Partnership Grant Mechanism”).

https://openknowledge.worldbank.org/handle/10986/17870

Analytics | Community Development | Rural Infrastructures

Various analysis of technical quality and economic impact of infrastructure built using community-driven development approach in rural areas as well as a census of availability and quality of key infrastructure in Indonesia villages.

Publications:
**Final Report Evaluation of PNPM Respek: Village Infrastructure and Institutional Capacity**

This study focuses on three aspects of the implementation of PNPM RESPEK program in Papua and West Papua: quality of infrastructure, utilization of infrastructure and the development of village institutions. Based on the study results, the authors present Policy Recommendations in this report.


**Village Capacity in Maintaining Infrastructure Evidence from Rural Indonesia November 2010**

The study seeks answers whether the villagers in poor villages have the resources to maintain their priority infrastructure on their own, to what extent villagers are willing to use their resources for infrastructure maintenance, and how village characteristics affect resource availability and their willingness to pay for infrastructure maintenance.


A report of a census of basic village infrastructure, including health and education, to provide detailed facility-level information on public health and education facilities.


**Final Report Evaluation of Infrastructure Quality KDP Cycle IV**

This study evaluates the KDP infrastructures based on the technical quality and the performance indicators, including project management, the role of the community, maintenance, and the opinions of the community about KDP.


**Economic Impact Analysis of Kecamatan Development Program Infrastructure Projects: Final Report January 2005**

Roads, Bridges, Water Supply and Irrigation have been shown over time to be the dominant types of infrastructure requested by KDP villages across Indonesia. The study focused on the Economic Impact Analysis of these types of KDP infrastructure.

[https://openknowledge.worldbank.org/handle/10986/21328](https://openknowledge.worldbank.org/handle/10986/21328)
2006 Village Survey in Aceh: An Assessment of Village Infrastructure and Social Conditions

The 26 December 2004 earthquake and tsunami, coming on top of three decades of violent conflict, have had a devastating impact on infrastructure and social dynamics in Aceh. To provide an accurate overview of the current condition of Acehnese villages, the Kecamatan Development Program (KDP)—the government’s largest community development program in Aceh—undertook an assessment of the infrastructure status and the social situation throughout the province.


Operation and Maintenance Overview for Program Pengembangan Kecamatan (PPK) and Program Nasional Pemberdayaan Masyarakat: To Assess the Operation and Maintenance of PPK and PNPM Implemented Micro-Infrastructure project in Indonesia between 1999-2007

This report is based solely on Program Pengembangan Kecamatan (PPK) and Program Nasional Pemberdayaan Masyarakat (PNPM) monitoring missions conducted between November 2006 and December 2008 in 12 Provinces of Indonesia. The objective is to assess the continued functioning status of micro-infrastructure projects implemented through the PPK/PNPM program between 1999 and 2007.


This technical evaluation covered all infrastructures sub-project within subject villages funded by PNPM Rural, PNPM Green, PNPM Generasi, BKPG, PNPM’s post-recovery and post-crisis programs.


Analytics | Community Development | Local Governance and Institutions

Longitudinal analysis of local capacity in selected Indonesia villages since 1996 complemented with various studies on governance and corruption under KDP and PNPM Rural.

Publications:
The Local Level Institution Study 3: Overview Report
The primary objective of this study was to trace developments in local capacity since LLI2 and evaluate the changes in light of decentralization, democratization, and expansion of participatory programs since 2001. The LLI3 findings seek to inform the Indonesian government's sub-national governance strategy, particularly the redesign of the PNPM Mandiri.

Lessons Learned from the Pro-Poor Planning, Budgeting and Monitoring Program (P3BM): A Rapid Assessment in Nine Districts
This is the executive summary of the report. The objectives of this rapid assessment are to capture lessons learned from the utilization of P3BM analysis and tool and to identify challenges and barriers in the utilization of the P3BM analytical tools as well as gathering information to improve and enhance the P3BM tools and approach methodology.
Analytics | Basic Services

Evaluations/studies to assess the impact of pilot projects using community engagement and social accountability mechanisms in improving accessibilities to public basic services (health and education) and in improving health and education outcomes.

Publications:

*Indonesia Long-Term Generasi Qualitative Study*
This qualitative study is intended to explore whether three components of Program Generasi — facilitation, community participation, and the target and performance bonus system — are functioning as intended. The study also aimed to evaluate the program’s long-term impact on village governance and service delivery, and how the program influence Village Law implementation.

*Indonesia Generasi Long-Term Impact Evaluation*
This document describes the findings from an evaluation carried out in 2016/17 to determine Generasi’s longterm impact. It represents the fourth and final wave of evaluations; the first three waves were carried out between 2007 and 2010. This quantitative report is intended to complement the qualitative study of the same project titled “*Indonesia Long-Term Generasi Qualitative Study*”

*Lessons Learned from SPADA Planning and Service Delivery*
Executive summary of study conducted in 10 districts i.e.: Aceh Besar and Bireun (Aceh), Poso and Morowali (Central Sulawesi), Sanggau and Bengkayang (West Kalimantan), Central Halmahera and South Halmahera (North Maluku), South Timor Tengah and East Flores (East Nusa Tenggara). The present study is intended to draw lessons learned and identify strengths as well as challenges and constraints in SPADA implementation related to participatory planning and its integration with district-level planning (Musrenbang).

*Indonesia’s PNPM Generasi Program: Final Impact Evaluation Report 2011*
Indonesia has made remarkable strides in key human development indicators over the past few decades. Primary school enrollment is close to universal for both boys and girls, and the child mortality rate has declined rapidly. Nevertheless, infant mortality, child malnutrition, maternal mortality, junior secondary school enrollment, and educational learning quality have all remained problematic in Indonesia compared to other countries in the region.
Should Aid Reward Performance? : Evidence from a Field Experiment on Health and Education in Indonesia

This paper reports an experiment in over 3,000 Indonesian villages designed to test the role of performance incentives in improving the efficacy of aid programs. Villages in a randomly-chosen one-third of subdistricts received a block grant to improve 12 maternal and child health and education indicators, with the size of the subsequent year's block grant depending on performance relative to other villages in the subdistrict.

https://openknowledge.worldbank.org/handle/10986/22639

Opportunities and Approaches for Better Nutrition Outcomes through PNPM Generasi : A Qualitative Study

Penelitian "Peluang dan Strategi untuk Mencapai Tingkat Nutrisi yang Lebih Baik dalam PNPM Generasi" (Opportunities and Approaches for Better Nutrition Outcomes through PNPM Generasi) dilakukan untuk mengidentifikasi dan mendokumentasikan kontribusi PNPM Generasi terhadap Pemerintah Indonesia yang berupaya untuk mengurangi jumlah penderita malnutrisi kronis di seluruh nusantara.

Analytics | Gender and Inclusion

Analysis to understand impact of community-based development or poverty programs on women, the poor, and other marginalized groups.

Publications:

**PEKKA Impact Evaluation Baseline Report : Evaluating the Female-Headed Household Empowerment Program in Indonesia**
This report presents the analysis of the baseline data collection as part of the effort to evaluate the impact of the Program Perempuan Kepala Keluarga (PEKKA) program. PEKKA is an empowerment program to address the poverty and vulnerability of female-headed households in the poorest parts of Indonesia.

**PNPM Peduli : One Year On, Independent Review of Lessons Learned 2012**
An independent assessment of the pilot phase was conducted between August and October 2012 to inform design of Phase II. The assessment concluded that overall the program is on track to reach its objectives in that it has established a set of relationships and business systems that will enable it to develop effective approaches to reaching and empowering marginalized groups in the future.

**Marginalized Groups In PNPM Rural June 2010**
This study attempts to answer the following questions: who participates in PNPM-Rural and who does not, why these groups do not participate and what the obstacles are to participation; and what can be improved in poverty programs to reach these groups. The study also examines the socio-economic and political reasons why some groups participate in the development process and others are marginalized.

This review was undertaken to look at how gender and women’s issues had been addressed in other CDD projects to understand about what worked, and why in order to help influence the PNPM design. This review also presents recommendation of ways forward for future gender programming in CDD-type programs.
**PNPM Gender Study 2012: Increasing the Quality of Women's Participation**

The study on which this report is based critically examined strategies that have been used over time within PNPM with regard to women's participation and factors that impact the uptake, success, sustainability, and outcome of such strategies. The report findings provide recommendations related to national-level management and leadership, program design and monitoring, staffing and staff development, and new initiatives.


**Do Women Make Any Difference? KDP1 Gender Data Analysis: Interim Report**

This paper discusses various gender data results from KDP Years 1, 2 and 3 (1998 – 2001). It examines several hypotheses associated with gender and the impact of gender related variables on the KDP process and outputs. This paper also explores the effects of women’s participation and representation.


**Enhancing Women’s Participation: Learning from Field Experience**

This book is expected to be used as a practical resource for problem solving in the field. It provides examples that will hopefully inspire the creativity and sensitivity of facilitators to successfully carry out the second phase of KDP by enhancing women’s participation, and answers to the types of questions that were frequently asked throughout the implementation of the program.

Analytics | Others

Various evaluations or studies or analysis on social-development issues in Indonesia such as strengthening poverty measurement through improved consumption module, tracking post-conflict social condition, and using community rangers in natural resources management.

Publications:

Mapping Indonesia’s Civil Service
This report mapping Indonesia’s civil service using an original data set constructed from GoI data on all the country’s active civil servants to examine personal characteristics including age, gender, education level (which proxies for skill), and promotions. It addresses two important questions:

- Are highly skilled and knowledgeable workers currently being attracted, recruited, and promoted?
- Are civil servants from historically underrepresented groups, including women, being given equal opportunities for advancement and promotion?

The study recommends government action in three policy areas:

- Increase promotion opportunities for women and increase their overall representation in senior positions
- Distribute skilled civil servants more evenly throughout the country by improving the incentives for highly skilled service providers to rotate into poor and remote regions.
- Plan for the upcoming wave of retirements within the civil service by recruiting more women from top universities and hiring medical and teaching staff only from licensed and accredited institutions.

https://openknowledge.worldbank.org/handle/10986/31017

Opening Up 10 Years of Micro-data from Indonesia
Over 16 years, the Local Solutions to Poverty (LSP) has financed technical assistance, analytical and advisory activities, as well as operations that support the Government of Indonesia’s implementation of its community-based poverty alleviation platform, including its flagship National Program for Community Empowerment (PNPM Rural) program.

The program, as with its predecessor the Kecamatan Development Program (KDP), has benefited from a combination of monitoring and evaluation (M&E) activities and rigorous analytical studies carried out by LSP’s analytics team in close collaboration with the Government of Indonesia. These studies informed and influenced the operational design of PNPM Rural and related programs, as well as the Government’s policy on community-based poverty reduction programs.
As part of these M&E activities and studies, LSP designed several unique surveys and the National Violence Monitoring System. These datasets, and the accompanying technical documentation and reports, are available on World Bank's microdata catalogue. This brochure showcases these micro-datasets so that governments, researchers and practitioners in Indonesia and globally can use them to inform research on local level development.


Social and Environmental Impact of the Community Rangers Program in Aceh

This report presents the results of a randomized evaluation of the impact of the Community Rangers Program (CRP), a community-based forest protection program implemented in Aceh, Indonesia, in 2011-2014. Fauna and Flora International (FFI) implemented the CRP with funding from the Consolidating Peaceful Development in Aceh (CPDA) Trust Fund of the World Bank. The evaluation was undertaken by a team of independent researchers based at universities in the United States.

The CRP therefore had two primary and complementary objectives: (1) to improve the economic and social integration of at-risk youths in Aceh by creating an alternative to illegal logging, and (2) to enhance environmental awareness and protection at the community level in Aceh.

It aimed to achieve these goals through a set of reinforcing activities in which it identified at-risk youths, trained them to work as forest rangers, and tasked them with undertaking activities designed to promote environmental protection, as well as the youths' standing and integration within their communities.

The results show that the CRP succeeded in improving economic outcomes for rangers on a number of dimensions. The economic outcomes of interest included both objective measures of wellbeing (income and household poverty), as well as more subjective measures associated with perceptions of economic status and economic conditions. Overall, the program had positive and significant effects on all subjective measures of economic welfare.

https://openknowledge.worldbank.org/handle/10986/24069

Providing Rural Youth in Aceh with an Alternative to Forest Crime: Lessons from the Community Rangers Program

The Community Rangers Program (CRP), implemented by Fauna and Flora International (FFI) with a grant from the World Bank-managed Consolidating Peaceful Development in Aceh Trust Fund, provided unemployed rural youth with an opportunity to train and work as environmental stewards.
The CRP combined the following two objectives:
(1) to improve the economic welfare and social inclusion of participating youth, therefore creating a viable alternative to illegal logging; and
(2) to enhance environmental awareness and protection at the community-level in Aceh.

This policy brief presents the results of a randomized evaluation of the CRP’s social and environmental outcomes.


[Bibliography] 15 years of Indonesia’s National Community-Driven Development Programs: The Kecamatan Development Program (KDP), The National Program for Community Empowerment (PNPM)

This annotated bibliography draws together articles, evaluations, studies, and other materials that reflect the lessons learned from fifteen years of research, covering a broad array of topics connected to KDP and PNPM Mandiri, including program design and management, participation and empowerment, transparency and accountability, microcredit, relations with government and civil society organizations, and the effectiveness of CDD approaches in urban areas and postconflict situations. Most of the materials included here were published by the PNPM Support Facility (PSF), a multi-donor trust fund facility managed by the World Bank on behalf of the Government of Indonesia. All materials included are freely available to the public.

The Government of Indonesia has increasingly focused on addressing the country's rising inequality. The two-pronged approach aims at improving the quality of village spending and service delivery and on better understanding how fiscal transfers affect development at the local level.

Law No.6/2014 on Village or the Village Law substantially increases the total value of government fiscal transfers from US$4 billion in 2015 to an estimated US$12 billion in 2018 to 74,954 villages across the archipelago. Despite previous spending increases in priority sectors, Indonesia's performance against key development indicators remains below that of many countries at similar or lower level of economic development.

Institutionalizing good governance principles of participatory and inclusive practices in village government system the Village Law PASA supports multi-level of governments to assess and improve the effectiveness of annual fiscal transfers to villages, strengthening fiduciary systems, and institutionalizing PNPM’s participatory mechanisms and practices into long-term reforms of the legal and regulatory frameworks for local governments' core systems.

The overall objective of the Village Law PASA is to support government efforts to ensure accountable village governance and participatory village development. The program delivers three main types of support:

1. Just-in-time (JIT) policy advice and analytics
2. Technical support for the operationalization and implementation of policies and systems
3. Robust analytics

The program provides analytical and technical support to Directorate General of Fiscal Balance of Ministry of Finance, The National Development Planning Agency (Bappenas), Ministry of Home Affairs, Coordinating Ministry of Human Development and Cultural Affairs, Ministry of Villages, Development of Disadvantaged Regions and Transmigration, and other stakeholders.

The Village Law PASA Program is organized around four programmatic pillars:

1. Resource mobilization, allocations and flows;
2. Village development governance, accountability and capacity;
3. Community empowerment and inclusion, and;

Related publication:

**Buku Bantu Pengelolaan Pembangunan Desa**

This book includes guidelines in planning, budgeting, implementing, procuring goods and services, reporting, guidance and supervision in village development. The Indonesian government has issued various regulations derived from laws to regulate the implementation of development in accordance with the mandate of the Village Law. This book is a tool for villages to implement development and effective services based on applicable regulations, and in accordance with the needs and aspirations conveyed by village communities through a participatory and transparent deliberation process. In addition, this book is also expected to be used by rural communities in general in order to understand the development process and services, and be able to understand their rights and roles as villagers who can participate in the development process in their villages.

The ECED project strengthens early childhood education systems in rural Indonesia by addressing the low capacity of community teachers in poor and remote parts of the country to deliver quality education services. The pilot project works towards increasing teacher access to quality professional development services by leveraging and enhancing existing government teacher training programs, strengthening local capacity to deliver training at the district level, and introducing community participation in the service delivery process. This district-based, community-focused training system is piloted in 25 districts over a two-year program period, with the participation of 15,000 community ECED teachers from 2,647 villages.
Generasi works to empower local communities in poor, rural sub-districts in provinces covered by the project to increase their use of health and education services. The project provides an incentivized, participatory block grant system to meet the health and education needs of women and children in poor, rural areas, as well as financing for capacity building activities at the village level.

The project targets three Millennium Development Goals in which Indonesia’s performance is lagging:

1. Achievement of universal basic education;
2. Reduction in child mortality; and
3. Improvement in maternal health.

Utilizing agreed-upon targets for 12 health and education indicators, the project promotes community participation in decision-making to identify and implement local solutions to health and education challenges.

Publications:

*About Human Development Workers (HDWs)*
As part of the government of Indonesia's stunting prevention strategy (2018-2021), The World Bank and the government launched the Human Development Worker (HDW) pilot in 2018 by engaging 3,105 HDWs in 31 districts in nine provinces. The HDW have three key tasks, among others, diagnose, treat, as well as monitor and adjust.

Related publication:

*Buku Saku Kader Pembangunan Manusia: Memastikan Konvergensi Penanganan Stunting Desa*
The Government has launched the Accelerated Stunting Reduction Strategy in August 2017. One of the pillars of the Strategy emphasizes the importance of convergence interventions of Specific Nutrition and Sensitive Nutrition at the Central, Regional and Village levels. To ensure the services are available in the villages and utilized by the community in the village, the Human Development Worker (HDW) is formed. HDW is a cadre selected from the village communities to play a role in human development, especially in the monitoring and facilitation of the convergence of stunting reduction.
Investing in Nutrition and Early Years (INEY)

Indonesia is home to more than 250 million people. It is a trillion-dollar economy and boasts four of ASEAN’s 7 start-up unicorns. However, 9 million (37%) Indonesian children under 5 are stunted*.

Poor nutrition, poor maternal health, inadequate healthcare and poor access to clean water can all cause stunting. Stunted children are prone to learning difficulties, illness and poverty. At a national level, high stunting rates can decrease a country’s economic growth and increase inequality.

The Government of Indonesia has launched an ambitious stunting prevention strategy (2018-2021) to strengthen the nation’s human capital investments. Through the national strategy, the government will spend US$14.6 billion to reach 48 million beneficiaries in 514 districts and 75,000 villages.

The Investing in Nutrition and Early Years (INEY) Program aims to increase the simultaneous use of nutrition interventions by 1,000-day households in priority districts. The convergence of basic services is at the heart of INEY.

INEY is led by the Vice President of Indonesia and provides the management tools and incentives to execute the national strategy.

It is implemented by 10 national agencies because services in five sectors must converge to prevent stunting. The five sectors are health, water and sanitation, social protection, nutrition, as well as early childhood education and development.

INEY Results Areas:

1. **Strengthening national leadership.** Strengthen national leadership and ensure the effective national coordination and accountability mechanisms that are critical for the sustained and high-quality implementation of the national strategy.

2. **Strengthening delivery of national sector programs.** Support the improved design and delivery of national sector programs that have been identified as the significant gaps in the current mix of programming (i.e. ECED for children 0-2, nutrition sensitivity of food assistance and interpersonal communication).
3. **Strengthening convergence of district activities.** Strengthen the management and implementation of nutrition activities implemented at the district level and reduce financial fragmentation.

4. **Converging village service delivery.** Support activities that will converge delivery of priority interventions on all 1,000-day households in villages, incentivize villages to allocate additional budget from Village Funds to priority nutrition-specific and nutrition-sensitive interventions.

**Human Development Worker (HDW) Program**

As part of the Government of Indonesia’s stunting prevention strategy (2018-2021), The World Bank and the government launched the Human Development Worker (HDW) pilot in 2018 by engaging 3,105 HDWs in 31 districts in nine provinces.

The HDWs have three key tasks:

1. **Diagnose.** Using community- and household mapping, the HDWs identify risks, human capital gaps, and service availability for families and children in the village. The HDWs then develop targets and checklists to fill the human capital gaps and service needs, working closely with facilities and existing programs.

2. **Treat.** Based on the diagnosis, HDWs prioritize interventions and deliver and monitor a package of key services to address malnutrition and promote early childhood development in the village. Households with children who are, or are at risk to become stunted are targeted for additional intervention, including home visits and monitored growth promotion. The HDWs also work with the village leadership to ensure that village plans and budgets prioritize human development services.

3. **Monitor and Adjust.** The HDWs use household and village level checklists and scorecards to continuously monitor performance and results. They use regular growth monitoring (height and weight) to track progress. A quarterly village convergence forum will feed baseline and service delivery monitoring data to district service providers, review implementation and impacts of village-financed nutrition activities, and seek feedback from beneficiaries.

*Riskesdas (Indonesia Basic Health Research), 2013*
KIAT Guru is helping to improve education service delivery in remote villages by empowering communities to report on teachers’ attendance and performance. Teachers’ allowances are tied to their service quality. The pilot started in July 2016, with implementation in 203 schools and impact evaluation in 270 primary schools in five underdeveloped districts. Communities verify teacher presence using mobile phone-based applications and evaluate teacher service performance using community scorecards.

Publications:

**KIAT Guru Fact Sheet**
KIAT Guru program aims to improve education service delivery in remote villages by empowering communities and tying payment of remote area allowance with either teacher presence or teacher performance.

**Primary Education in Remote Indonesia: Survey Results from West Kalimantan and East Nusa Tenggara**
The first phase of KIAT Guru (Improving Teacher Performance and Accountability) was piloted in five districts ranked among the poorest of Indonesia. Prior to piloting the KIAT Guru, a baseline survey, which is summarized in this report, was conducted in 270 remote primary schools between 2016-2017 with respondents including principals, teachers, students, school committees, parents, and village heads. This report presents a detailed description of the six main findings of the survey, along with policy recommendations. [https://openknowledge.worldbank.org/handle/10986/33113](https://openknowledge.worldbank.org/handle/10986/33113)

**Teacher Accountability and Pay-for-Performance Schemes in (Semi-) Urban Indonesia: What do Education Stakeholders Think?**
Teacher evaluations are conducted to inform employment decisions and teacher professional development with the ultimate goal to create beneficial student learning environments. This paper uses data from a recent large-scale opinion survey in Indonesia to examine and provide rare insights into the attitudes of key education stakeholders towards teacher performance evaluations. [https://openknowledge.worldbank.org/handle/10986/33376](https://openknowledge.worldbank.org/handle/10986/33376)
MELAYANI (Menguraikan Permasalahan Perbaikan Layanan Dasar di Indonesia) supports district governments in Indonesia to use a problem-driven approach to tackle challenges in delivering services, taking into account their own conditions and capacities. MELAYANI is being piloted in three districts, starting mid-2017.

The provision of basic public services to the poor and near-poor is largely the responsibility of subnational governments in Indonesia. Provision of responsive basic service delivery increasingly depends on subnational governments’ capacity to analyze and solve problems through collective action.

MELAYANI encourages districts to work on service delivery challenges that are meaningful to them, though still contributing to the President’s Nawa Cita priorities. The program provides support in the form of an iterative approach to help district governments identify service delivery problems, test solutions, monitor implementation, learn by doing and modify solutions based on these lessons.
The MELAYANI methodology draws on leading international studies and lessons on service delivery reforms, including the Problem Driven Iterative Adaptation (PDIA), Deliverology, and an earlier pilot of a World Bank instrument - Rapid Assessment and Action Plan.

The PDIA approach is explained in 13 videos which are available on Batukarinfo website.

MELAYANI aims to:

- Understand how districts identify and solve problems, to better design interventions for improved service delivery; and
- Develop a problem-driven model that can be scaled up and deployed as part of capacity building support to improve service delivery.

The Problem-solving Process:

1. IDENTIFY THE PROBLEM
   - A locally felt problem is constructed, with a clear idea of what ‘problem solved’ will look like.
   - A problem-solving team is assembled.
   
   COACH WILL:
   - Work with broad group to identify a ‘good problem’ that is backed up by evidence
   - Construct the problem using SW exercise

2. UNDERSTANDING THE PROBLEM
   - Data is collected and verified
   - Problem is broken down to smaller parts
   
   COACH WILL:
   - Engage with smaller ‘problem-solving team’ to break down problem
   - Support team to verify data and analyze problem
   - Understand factors driving performance
   - Understand system activities

3. FIND SOLUTIONS / DETERMINE IF RIGHT FIT
   - Initial actions steps are identified by the team
   - What can we do first next to start solving the problem?
   
   COACH WILL:
   - Work with the team to analyse the ‘change space’ for each small problem component
   - With the team, identify the sequencing of how team members will tackle each small problem

4. IMPLEMENT SOLUTIONS - ACTION
   - Action is taken members of the team are encouraged to take action and are held accountable for their steps
   
   COACH WILL:
   - Support the team as they start to take action on their assigned tasks
   - Report regularly to leaders
   - Follow up regularly with team members according to a tight timeframe

5. IMPLEMENT SOLUTIONS - STOCKTAKE
   - The team take stock of experience:
   - What results were achieved?
   - What lessons were learned?
   - What challenges were encountered?
   - How did we overcome the challenges?
   
   COACH WILL:
   - Lead team through a stocktake of what they have just completed
   - What results were achieved?
   - What lessons were learned?
   - What challenges were encountered?
   - How did we overcome the challenges?

6. IMPLEMENT SOLUTIONS - COMMUNICATE QUICK WINS
   - Using evidence from the stocktake, communicate quick wins and lessons to bolster legitimacy and authority and expand support
   
   COACH WILL:
   - Support the group to communicate its successes and expand support for continued action

7A. YES
   - Exit the process and think about diffusion or scaling challenges

7B. NO
   - Build on expanded authority, use lessons to adapt thinking about the problem and potential solutions designs, and iterate again

Source: Adapted from Andrews et al (2015) Building capacity by delivering results: Practicing PDIA principles into practice
MELAYANI: Untangling Problems to Improve Basic Services

MELAYANI (Menguraikan Permasalahan Perbaikan Layanan Dasar di Indonesia) supports district governments to use a problem-driven approach to tackle service delivery problems, taking into account their own conditions and capacities. Its methodology draws on leading international studies and lessons on service delivery reforms.
Village Innovation Program

This program focuses on helping villages use their fiscal transfers to make sound village development investments. The program seeks to enable and incentivize villages to allocate more of their fiscal transfers from the Village Law to entrepreneurship and to improve the technical quality of these activities. The activity provides financing for three platforms:

1. District-level village innovation platform that will support the institutionalization of the knowledge-sharing functions of the PNPM facilitation and community empowerment activities;
2. Capacity-building for local technical service providers that will improve their ability to deliver technical services to villages; and
3. Data that will support the maintenance and use of a dataset on village development needs, priorities, and outputs.

Together, these platforms will improve villages’ capacity to plan (and ultimately use) their fiscal transfers for village development investments with a focus on village entrepreneurship, human capital formation, and village infrastructure.

Related publications:

Dokumen Pembelajaran Festival Desa Inovatif
"Dokumen Pembelajaran - Festival Desa Inovatif" presents a compilation of knowledge management activities and innovative action from various villages in West Nusa Tenggara Province. The book is expected to inspire anyone to adopt the good practices and innovation from the village.

https://batukarinfo.com/referensi/dokumen-pembelajaran-festival-desa-inovatif

These book lists the village innovations from various districts in the archipelago. They are intended to share the keys of well-developed village innovations so that they can be replicated or adopted by other villages.

- Dokumen Pembelajaran Inovasi Desa : Bursa Inovasi Desa 2018

- Dokumen Pembelajaran: Program Inovasi Desa (2017)
  https://inovasidesa.kemendesa.go.id/
**What is Siskeudes?**

_Siskeudes or Sistem Keuangan Desa_ (Village Financial System) is an application. It is used by villages to create the budgets, accounts, and financial reports. It is provided by the central government for free. District/city governments can also use _Siskeudes_ to compile budgets and budget realization reports for villages in their jurisdiction.

**Why did the government create Siskeudes?**

Before _Siskeudes_ was launched, most villages created budgets and financial reports, and managed accounts using MS-Excel or other applications that were not standardized. This meant that district/city governments could not reliably monitor and evaluate village budgets and financial reports. Also, many villages had purchased applications developed by private companies, which could not be upgraded to meet regulatory standards. _Siskeudes_ solves this by standardizing formats of data input and reporting.

**Who developed Siskeudes?**

In May 2015, the Indonesian Government, through the Development Finance Comptroller (_Badan Pengawasan Keuangan dan Pembangunan_ or BPKP) developed _Siskeudes_ on the recommendation of the Corruption Eradication Commission and instructions from the House of Representatives’ Commission XI. _Siskeudes_ then became a joint product of BPKP and the Ministry of Home Affairs (MoHA), and was launched in July 2015. It was first implemented by villages in early 2016.
What is the purpose of Siskeudes?

*Siskeudes* helps village governments to easily create budgets and financial reports and manage accounts. It allows district/city governments to compile, monitor and evaluate Village Budget Plans. Once data is entered, *Siskeudes* automatically produces reports which saves village governments time and effort, reduces irregularities due to human error and helps with the aggregation of data. Also, any illegal change of activities or budgets can be tracked and prevented in *Siskeudes*.

How does Siskeudes support the implementation of the Village Law?

First, *Siskeudes* allows financial budgeting and reporting by villages to become more timely and accurate. This allows the central government to disburse funds to villages on time. Second, it improves village financial accountability because notes and reports in *Siskeudes* cannot be altered without due process. Third, *Siskeudes* can also be used by district and city governments to compile budget realization reports of all villages in their jurisdiction. These reports are included in the district/city government financial report which is audited by the Supreme Audit Agency. Fourth, since villages and districts no longer need to pay to obtain or develop village finance applications, they can instead use these earmarked funds to train village and district apparatus to better manage finances.

Is it difficult to implement Siskeudes across Indonesia?

1. Some provincial and district governments have not committed to implementing *Siskeudes* and Task Forces at district/city levels are yet to be established.
2. Not enough funds are made available to train staff at MoHA, BPKP, local governments and villages to improve financial management skills.
3. Some districts don’t have the human resources, nor the technical capacity to assist villages in their jurisdiction.
4. Villages are reluctant to implement *Siskeudes* and instead prefer to use manual excel-based systems because the latter are easier to modify locally.
How can Indonesia overcome the main difficulties in implementing Siskeudes?

1. **By ensuring a legal basis for using Siskeudes.** A Circular letter from MoHA instructing all provinces and districts to implement Siskeudes is needed. Districts should establish task forces to implement Siskeudes and manage complaints.

2. **By allocating funds for training.** Central and local governments should provide additional training to key staff to improve their financial management skills.

3. **By providing training opportunities and materials in financial management.** District and sub-district officials require training in managing village-level finances and in providing assistance to villages when required. Video tutorials, e-learning materials, users’ discussions groups on social media are needed to improve flow of knowledge between trainers and trainees.

4. **By engaging village-level facilitators.** Facilitators have historically played an important role in building capacity in villages. However, facilitators are not yet consistently involved in implementing the Siskeudes. MoHA, BPKP, and the Ministry of Villages, Development of Disadvantaged Regions and Transmigration (MoV) can coordinate the involvement of village facilitators to support the implementation of Siskeudes.

5. **By requiring villages to use Siskeudes.** All Regents and Mayors (who report to provincial Governors) should issue Instructions to villages to make use of Siskeudes to prepare village-level budgets and reports.
**Where has Siskeudes been used successfully?**

*Siskeudes* has been used successfully in approximately 60% of 67,000 Indonesian villages which have so far implemented it. The remaining villages have recently begun using *Siskeudes* and so far, only to create village budgets. In Papua and North Kalimantan, less than 30 percent of villages had used the application. Geographic remoteness, lack of supervision, limited electricity and internet facilities are some obstacles to villages implementing the *Siskeudes*.

**How can Siskeudes be improved?**

1. **Technical Review.** A technical review or special audit of *Siskeudes* should be conducted by BPKP and MoHA to ensure that it complies with regulations, is bug-free, and meets user needs.
2. **Certification.** It should also be certified by an independent firm to guarantee its quality and reliability.
3. **Integration.** *Siskeudes* should be used as the primary data source for other applications such as for Village Fund disbursement (OMSPAN at the Ministry of Finance), and for the Village Development Information System (SIPEDE at MoV).
4. **Web version.** An online version of *Siskeudes* which auto-synchronizes between villages and districts/cities is needed. An online version will require adequate network infrastructure.