



PNPM PEDULI

ONE YEAR ON

INDEPENDENT REVIEW OF LESSONS LEARNED OCTOBER, 2012

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// The most common way that people give up their power is by thinking they don't have any. //

Alice Walker

Author, poet, feminist, activist.

// PEDULI IS ABOUT JUSTICE.....

It exists to support marginalized people to develop bargaining power with their government and within their communities. //

Sujana Royat, Sept 2012.

Deputy to the Minister for Poverty Alleviation and Community Empowerment/Coordination for the Coordinating Ministry for Peoples' Welfare (Menko Kesra) and Head of the Executing Team Oversight, National Team of PNPM Mandiri

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CONTENTS

Acknowledgement	iii		
Acronyms, Abbreviations, Translations	vii		
Definitions	viii		
EXECUTIVE SUMMARY	1		
PNPM Peduli	1		
Review Framework	2		
Summary Review Findings and Recommendations	3		
Concluding Remarks	6		
1. PNPM Peduli Background and Design	9		
2. Scope of Work	13		
Purpose of the Review	13		
Scope of the Review	13		
Analytical Framework	13		
Methodology and Tools	14		
Limitations	16		
The Review Team	17		
3. Review Findings: Lessons Learned	19		
General Observations	19		
Learning Area 1: What have we learned about the role and comparative advantages of Indonesian CSOs?	20		
Learning Area 2: What have we learned about existing capacities, needs and approaches for capacity building to enable CSOs to reach and empower marginalized groups?	25		
Learning Area 3: What have we learned about working on marginalization and social inclusion?	30		
Case Study: Ibu Majinah (53 years), Gunung Kidul	32		
Learning Area 4: What have we learned about working on livelihoods and economic inclusion?	34		
Case Study: Ibu Sutilah	38		
Good Practice: Community Empowerment Strategies	39		
Learning Area 5: What have we learned about effective business processes for financing CSOs?	40		
Good Practice: Downward Accountability	53		
4. Overall Assessment and Recommendations: Considerations for the Future of PNPM Peduli	53		
Overall Assessment	53		
Overarching Strategic Recommendations	53		
5. Concluding Statements	57		
Annex 1: Summary of Peduli EO Section Process	58		
Annex 2: Map of Peduli Supported Projects	60		
Annex 3: Evaluation Terms of Reference	62		
Annex 4: Field Meetings and Organizations Consulted	66		
Annex 5: Persons Consulted	69		
Annex 6: Lines of Inquiry–Interview Tools	78		
Annex 7: Outcomes of Beneficiary Interviews	82		
Annex 8: Defining Indonesian Civil Society	84		
Annex 9: List of Resources and Sources	86		
Annex 10: The Review Team	88		
Annex 11: Summary of Observations and Recommendations	90		

ACRONYMS, ABBREVIATIONS, TRANSLATIONS

ACE	Association for Community Empowerment	<i>Perhimpunan Peningkatan Keberdayaan Masyarakat</i>
AusAID	Australian Agency for International Development	
CB	Capacity Building	
CBO	Community Based Organization	<i>Organisasi berbasis masyarakat</i>
CIDA	Canadian International Development Agency	
CSO	Civil Society Organization	<i>Organisasi Masyarakat Madani</i>
DFID	(United Kingdom) Department for International Development	
EO	Executing Organizations	<i>Organisasi Pelaksana</i>
EU	European Union	<i>Uni Eropa</i>
FBO	Faith Based Organization	<i>Organisasi berbasis keagamaan</i>
FGD	Focus Group Discussion	
Gol	Government of Indonesia	<i>Pemerintah Indonesia</i>
GMO	Grant Making Organization	<i>Organisasi Penyalur Dana Hibah</i>
GMS	Grant Management System	<i>Sistem Manajemen Dana Hibah</i>
IKA	Indonesia for Humanity	<i>Indonesia untuk Kemanusiaan</i>
IP	Intermediary Partners	<i>Mitra–Mitra Perantara</i>
JMC	Joint Management Committee PSF	
LAKPESDAM	Institute for Human Resources Studies and Development	<i>Lembaga Kajian dan Pengembangan Sumberdaya Manusia</i>
<i>LGBT</i>	Lesbian, Gay, Bisexual and Transgender	
<i>LPNU</i>	Economic Institute of Nahdlatul Ulama	<i>Lembaga Perekonomian NU</i>
<i>LPPNU</i>	Institute for Agricultural Development Nahdlatul Ulama	<i>Lembaga Pengembangan Pertanian NU</i>
<i>MEL</i>	Monitoring, Evaluation and Learning	<i>Pemantauan, Evaluasi dan Pembelajaran</i>
<i>Menko Kesra</i>	Coordinating Ministry for Peoples' Welfare	<i>Kementerian Koordinator Bidang Kesejahteraan Rakyat</i>
<i>NGO</i>	Non–governmental Organization/s	<i>Organisasi Non–Pemerintah</i>
<i>NOL</i>	No Objection Letter	<i>Surat Tidak Keberatan</i>
<i>NORAD</i>	Norwegian Agency for Development Cooperation	
<i>NU</i>	Nahdlatul Ulama	Nahdatul Ulama
<i>NTB</i>	West Nusa Tenggara	Nusa Tenggara Barat
<i>OD</i>	Organizational Development	
<i>ODI</i>	Overseas Development Institute	
<i>PDO</i>	Project Development Objective	
<i>PKBI</i>	Indonesia Planned Parenthood Association	<i>Perkumpulan Keluarga Berencana Indonesia</i>
<i>PNPM</i>	National Program for Community Empowerment	<i>Program Nasional Pemberdayaan Masyarakat</i>
<i>POM</i>	Project Operations Manual (PNPM Peduli)	
<i>PSF</i>	PNPM Support Facility	<i>Fasilitas Pendukung PNPM</i>
<i>SIDA</i>	Swedish International Development Cooperation Agency	
<i>SLA</i>	Sustainable Livelihoods Approach	
<i>SOP</i>	Standard Operating Procedures	<i>Prosedur Pelaksanaan Standar</i>
<i>TP</i>	Tertiary Partners	<i>Mitra–mitra Tersier</i>
<i>TSG</i>	Technical Support Group	<i>Kelompok Dukungan Teknis</i>
<i>VfM</i>	Value for Money	
<i>WB</i>	World Bank	Bank Dunia

DEFINITIONS

Capacity building is an approach to development that focuses on understanding the obstacles that inhibit people, governments and organizations from realising their developmental goals while enhancing the abilities that will allow them to achieve measurable and sustainable results.

Civil Society: The arena of un–coerced/voluntary collective action around shared interests, purposes and values. In theory, its institutional forms are distinct from those of the state, family and market, though in practice, the boundaries between state, civil society, family and market are often complex, blurred and negotiated. Civil society commonly embraces a diversity of spaces, actors and institutional forms, varying in their degree of formality, autonomy and power. Civil society is populated by organizations such as registered charities, community groups and village and community based organizations (CBOs), development non–governmental organizations (NGOs), faith–based organizations (FBO), women’s organizations, professional associations, trade unions, self–help groups, social movements, business associations, coalitions and advocacy groups.¹

Civil Society Organization (CSO): For the purposes of this report Annex 8 provides the agreed Civicus list of Indonesian civil society actors.

Marginalization: Marginalization occurs when people are systematically excluded from meaningful participation in economic, social, political, cultural and other forms of human activity in their communities and thus are denied the opportunity to fulfil themselves as human beings.²

Organization development is an approach to assisting people that belong to an organization to take on the process of making strategic improvements within that organization toward the same goal. It is therefore “a system–wide and values–based collaborative process for applying behavioural science knowledge to the adaptive development, improvement and reinforcement of such organizational features as the strategies, structures, processes, people and cultures that lead to organization effectiveness.”³

Social Inclusion is the meaningful engagement in a person’s community, where they have access to services, are free to participate in exercising choice and control, find social connection and have a sense of belonging and responsibility.⁴

Sustainable Livelihood: A livelihood is sustainable when it can cope with and recover from stresses and shocks and maintain or enhance its capabilities and assets both now and in the future, while not undermining the natural resources base⁵. The **Sustainable Livelihoods Approach (SLA)** provides a framework and principles that helps us to understand the complexities of poverty by illustrating the main factors that affect poor people’s livelihoods and the relationships between.

EXECUTIVE SUMMARY

PNPM PEDULI

PNPM Peduli is a Government-led, multi donor trust funded program that is being delivered as a pilot initiative through the PNPM Support Facility (PSF). PNPM Peduli was developed in response to an increased awareness by government and donors that certain individuals and groups benefit less from poverty reduction programs and have less access to public services than do others.⁶

The stated program development objective (PDO) of the PNPM Peduli program is

“To strengthen the capacities of Indonesian CSOs to reach and empower marginalized groups to improve their socio-economic conditions.”

The logic of the PNPM Peduli program is based on an assumption that civil society organizations (CSOs) have significant competitive advantages in terms of their ability

to access and support excluded groups if they are provided with adequate resources and support to do so.

In order to achieve this objective, PNPM Peduli is testing models for the financing of Indonesian national CSOs and mass membership organizations to deliver grants and capacity building to local CSOs to enable them to work with marginalized groups. Six national organizations (Kemitraan, ACE, Lakpesdam NU, IKA, Bina Swadaya, and PKBI) were selected through a select tender process and have received a World Bank Grant to act as Executing Organizations (EOs) for Peduli.⁷ Grants provide resources for EOs to i) strengthen their own management and operational capacity, ii) provide sub-grants to local CSOs or their own sub-branches to work with marginalized groups, and iii) provide capacity building support to these CSO/branch partners.

Figure 1 below shows the PNPM Peduli chain of influence:



Figure 1. PNPM Peduli Chain of Influence⁸

The PSF Joint Management Committee (JMC) approved a Concept Note and initial budget of USD 4,215,000 in January 2010, to develop PNPM Peduli in two phases:

1. **Phase 1** (June 2010–December 2012): This period was further divided into two distinct phases, as follows:
 - a. **Preparation period:** This period involved the design and development of operational procedures and the selection of EOs;
 - b. **Pilot implementation period:** This period involved the awarding of grants to EOs and EOs on-granting to local partners (CSOs or sub-national branches), who implemented activities to test the Peduli model.⁹
2. **Phase 2** (January 2013–June 2015): At this period, the full implementation of the program began, with the expectation that support for the original three EOs will be continued and that an additional 3–4 EOs will be selected.

A further \$5,500,000 was allocated in April 2012, taking the total investment in PNPM Peduli in the pilot phase to \$9,715,000.

Since its inception in January 2011, Peduli has facilitated the establishment of partnerships with 72 Indonesian CSOs. The 72 CSOs are comprised of the three EOs, three Intermediary Partners, 36 local CSOs and 30 branches of Lakpesdam NU. These partners are working in 91 districts across 24 provinces (see Annex 2: Map of Peduli Projects). Their activities under the program involve a wide range of marginalized groups, including indigenous people, female micro-entrepreneurs, farmers and fishers, garbage collectors, street children, sex workers, ex-political prisoners, migrant workers, trafficked women and children, gay and transgendered people, survivors of domestic violence, children in prison and people living with HIV and AIDS. Projects supported by Peduli involve a range of sectors and thematic areas, including:

- Local economic development including skills-building for managing micro-enterprises, sustainable use of forestry resources, and production skills training for unskilled workers;
- Promoting citizenship through facilitating access to legal documentation such as birth certificates, identity cards;

- Improving access to and quality of health and education services;
- Improving social justice and rights for victims of violence and trafficking and people living with HIV and AIDS; and
- Facilitating reconciliation with victims of violence and ex-political prisoners
- Supporting the development of networks and improving social inclusion for gay and transgender people, recovering drug users, sex workers and a wide range of other marginalized groups and individuals.

The purpose of this External Review is to assess the progress of Peduli in its initial stages and provide a basis to support the PNPM Peduli team to refine, refocus and articulate the Peduli model as it progresses to Phase 2 in 2013.

REVIEW FRAMEWORK

Bapak Sujana Royat, Deputy to the Minister for Poverty Alleviation and Community Empowerment/Coordination for the Coordinating Ministry for Peoples' Welfare (*Menko Kesra*) and Head of the Executing Team Oversight, National Team of PNPM Mandiri has described marginalized groups in Indonesia as:

“An under-utilized national asset¹⁰ who have been failed by the system.”¹¹

The underlying program logic of PNPM Peduli can be defined as follows:

CSOs, if **effectively resourced**, can mobilise their **comparative advantages** to **reach and empower marginalized groups**.

For the purposes of this Review, the key terms in this statement can be defined as follows:

- **“effectively resourced”** refers to the effective provision of the required technical and financial resources to CSOs and the systems by which these are transferred;
- **“comparative advantages”** refers to the specific attributes, characteristics and behaviours of CSOs that enable these organizations to reach and work

with marginalized groups more effectively than other organizations or bodies;

- **“to reach and empower marginalized groups”** refers to a participatory process of interaction with specific groups. This involves a participatory assessment and planning process in order to identify key actions that can be implemented by the beneficiaries using their existing assets and strengths to address their development priorities, rights and entitlements;¹²
- **“to empower marginalized groups”** refers to improving beneficiaries' ability to express their aspirations, to demand their rights as citizens, and to participate in decision making regarding the use of public resources.¹³

This analytical framework has been applied throughout the Review at each level of Peduli's Chain of Influence.

In terms of the analytical framework presented above, this report is structured so as to identify lessons in five key areas relevant to the achievement of PNPM Peduli's stated objectives. The report identifies standards of good practice in each of these areas, presents evidence to describe what is and is not working well, and discusses the reasons for these successes and failures. Finally, it presents conclusions and recommendations to inform future decision making.

The Review seeks to determine what has been learned about the following through the experience of the program in its initial stages:

- Learning Area 1: The role and comparative advantages of Indonesian CSOs;
- Learning Area 2: The capacities, needs and approaches for capacity building to enable CSOs to reach and empower marginalized groups;

- Learning Area 3: Working on marginalization and social inclusion;
- Learning Area 4: Livelihoods and economic inclusion;
- Learning Area 5: Effective business processes for financing CSOs.

The Review methodology was qualitative and encouraged reflection, the demonstration and sharing of evidence and the development of lessons learned. Fieldwork allowed extensive opportunity for observation and consultation with a wide range of stakeholders along the Peduli Chain of Influence.

SUMMARY REVIEW FINDINGS AND RECOMMENDATIONS

The purpose of this external Review process has been to develop a snapshot of PNPM Peduli in its first year of operation, and through that describe lessons learnt, to enable the PNPM Peduli team and its partners to confirm the Peduli's future direction as it moves forwards into a new phase of programming.

Given that the purpose of this report is to practically contribute to learning and decision making for Peduli's future, the primary audience is the PNPM Peduli team and its partners. It has been constructed so as to provide these stakeholders with clear frameworks for assessing standards of performance now and into the future; to provide examples of good practice, as well as challenges, open areas for future dialogue; and to suggest possibility strategies and considerations for moving forwards. These are presented as intermediate observations and recommendations for consideration by the team and as such do not need to be revisited here.

Figure 2. Key Stages of the PNPM Peduli Review



What we will provide here is a set of broader overarching observations and recommendations which, **if addressed as a package**, will enable PNPM Peduli to set course to develop and demonstrate good practice approaches to working with marginalized groups in Indonesia into the future. These overarching observations and recommendations are provided below.

Overall Assessment

PNPM Peduli has established a set of relationships and business systems that will support the ongoing development and understanding of effective approaches to reaching and empowering marginalized groups in Indonesia in the future.

With the implementation of the program, there have been indications of emerging outcomes in relation to social inclusion. In a number of cases, beneficiaries have acknowledged changes in terms of increased awareness, confidence, participation, social networks and bargaining power.¹⁴

*“I have more knowledge and confidence. Before I joined with LPSDM I did understand abstract concepts, the words that ended in **“asi”**, words like *realisasi, sosialisasi, motivasi* and others. Coming to understand these words through my training and interaction with LPSDM gives me more bargaining power in my community. I feel more confident and it’s easier to get involved and approach others. Because I am more confident now, I have more courage to speak up and get involved in village issues. Now, when there is invitation for the village, the Kelurahan staff ask me to represent our village. I feel good because they appreciate me.”*

**Nurhaini—Female 37 years,
Lombok Timur**

While the focus in the pilot phase of the program has been on the establishment of systems and relationships, it is understood by all stakeholders that increased attention to quality of interventions and design of activities is a priority as Peduli moves to full implementation. We trust that the observations and recommendations made in this report will assist in establishing mechanisms and systems to support this.

Overarching Strategic Recommendations¹⁵

The program logic and purpose of Peduli is sound and relevant. PNPM Peduli responds to priorities identified by the Indonesian government. The program is positioned to support the inclusion of marginalized groups within government poverty alleviation programs and government services more broadly.

For PNPM Peduli and its partners be able to focus their efforts more effectively, a clear vision statement that defines what Peduli is about and what it is for is required. The following is an example of such a statement:

*“PEDULI IS ABOUT JUSTICE.....
It exists to support marginalized people to develop bargaining power with their government and within their communities.”*

Sujana Royat

We are confident that this type of statement of vision and intent will emerge through planned processes to define Peduli’s own Theory of Change and to articulate the emerging design.

Peduli counterparts, staff and partners are shaping and modelling relationships and behaviours which reflect the values of equality, humanity and justice. Such relationships and behaviours form a vital foundation for the implementation of the program.

Respectful quality relationships are evidenced at all levels of the Peduli chain of influence and are contributing to Peduli’s development and the creation of enabling environments within which all stakeholders operate.



Routine medical check-up for children working on the streets, provided by MPS PP Muhammadiyah, Jatinegara, East Jakarta.

The establishment of the architecture for the delivery of PNPM Peduli is a significant achievement. Prior to PNPM Peduli, the WB in Indonesia had limited experience and no mechanisms in place for direct financing to CSOs using their own systems, and limited experience in other countries from which to draw on. Not only has Peduli established a funding window, it has developed and received approval for a set of SOPs for the program. It has also drafted a CSO Friendly Guide to WB Procurement. It has designed and implemented a process for the selection of EOs. In turn, it has worked with these EO’s to develop their own SOPs and Grant Making System (GMS) and their own process to identify partners and design program is. **Peduli is facilitating internal change within the WB.** The program has been identified as a pilot for the WB to shift from compliance focused procurement to principle focused procurement.¹⁶

Peduli’s role in capacity development stems from and supports its role in the development of a network of agents for change to empower marginalized groups and support social inclusion. Effective capacity

development is demand driven. Such capacity development provides a range of options to address the different stages of development and learning styles of varying organizations and individuals. Peduli can be differentiated from generalist civil society programs because of its focus on social outcomes for groups who are not reached by other development initiatives. In short, it needs to be focused on practical outcomes rather than being institutionally focused. In this manner, it can support partners working towards the desired **development** outcome.

Program level outcomes do not result from a portfolio of discrete and disassociated projects. In order to address marginalization, Peduli and its partners need to shift towards programmatic approaches.

Peduli has tested a range of approaches to working with marginalized groups. Some will have positive impacts on the lives of marginalized people. Some will not. Real success for Peduli is most likely to be achieved through the implementation of a smaller portfolio of programs focused on specific issues or communities. The program will achieve success by describing social and rights based

outcomes; providing and resourcing opportunities for learning and sharing good practice across programs; and facilitating the ability of partners and beneficiaries to engage as a group with government partners. There is great scope for the development of much wider partnerships and networks to through Peduli. There is also a clear need for the development of such partnerships and networks.

Peduli partnerships should build upon the existing experiences and capacities of known organizations, utilising tested approaches. Peduli needs to actively avoid pushing partners into working outside their areas of institutional competence. It should identify partners who are able to work to achieve the goals of PNPM Peduli and to implement programs based on practical and effective approaches to addressing marginalization at its root cause. This is particularly relevant for the work on livelihoods, the manner in which related activities have been implemented necessitating some serious reflection, if not reconsideration, within the program.

In the immediate future, PNPM Peduli needs to focus on the alignment of emerging good practice for funding to CSOs and working with non-traditional organizations and groups. The manner in which donors finance CSOs directly affects what these CSOs are able to achieve on the ground. While PNPM Peduli has made significant progress in establishing a system to finance NGOs, it must now focus on ensuring the quality of that system so that it is in line with donor good practices. Measures to achieve this may include longer program cycles, the use of user-friendly procurement and reporting systems and ensuring contestability at partner selection and activity design stage.

The quality of partner programs in terms of targeting, relevance and technical quality can be significantly strengthened through the development of higher levels of contestability; the effective resourcing of design processes; and the development of quality tools for assessment and program planning. PNPM Peduli stakeholders are aware of that now that systems have been established, attention needs to be paid to strengthening the quality of CSO programming. In part, these improvements will be supported through the Review of financing practices and timeframes. Other improvements will require significant support for CSOs to identify the core

competencies and behaviours required by their staff and organization as a whole to work effectively towards empowering marginal groups. It will then be necessary to establish meaningful capacity building strategies to develop these core competencies and behaviours.

CONCLUDING REMARKS

We emphasise that many of the findings presented within this report are not new news. However, the Review creates the opportunity to spend some time to take stock, to examine key issues within a clear analytical framework, to view these issues from a wide range of angles, and to consider which of these have significant positive or negative impact on the ability of the government, EOs, PSF or any of the partners along the Peduli chain of influence to achieve the PNPM Peduli PDO.

The Review team hopes and trusts that the discussion, evidence, lessons, ideas, guidance, reflections, accolades and criticisms contained within this report will contribute to the ongoing development of the program.

Edwar, Meuthia, Rima, Early Dewi, and Donna Leigh

// I have more knowledge about trafficking, the law, the role of community paralegals and human rights. I am more confident now to meet people who are not from here. I was confident to deal with the human resource staff from my husband's office to deal with a problem with delayed salary payments. Now I can talk in front of class, support my friends with problems and with domestic violence cases. //

Septi Riwanti 40 years, Kubu Raya, Pontianak



Education for all. These two girls practice their writing in the forest where they live in Dharmasraya District, West Sumatera. Free education for Suku Anak Dalam (nomadic indigenous groups) is provided by SSS Pundi.

1 PNPM PEDULI BACKGROUND AND DESIGN

PNPM Peduli is a Government-led, multi donor trust funded program that is being delivered as a pilot initiative through the PNPM Support Facility (PSF).

PNPM Peduli was developed in response to an increased awareness by government and donors that certain individuals and groups benefit less from poverty reduction programs and have less access to public services than do others.¹⁷

The logic of the PNPM Peduli program is based on an assumption that civil society organizations (CSOs) have significant competitive advantages in terms of their ability to access and support excluded groups if they are provided with adequate resources and support to do so.

The stated program development objective (PDO) of the PNPM Peduli program is:

“To strengthen the capacities of Indonesian CSOs to reach and empower marginalized groups to improve their socio-economic conditions.”

In order to achieve this objective, Peduli has established a system for the financing of Indonesian national CSOs, or Executing Organizations (EOs), that deliver grants to and build the capacities of local CSOs to enhance the ability to work with marginalized groups. The system defines two models for these EOs:

- Model A provides grants to two national CSOs, Kemitraan and ACE, who as Executing Organizations (EOs) each receive a grant to strengthen their own management and operational capacity, to provide

sub-grants to local CSOs working with marginalized individuals and communities, and to provide capacity building these CSO partners.

- Model B was established to test the EO model within national membership organizations who receive a grant to provide capacity building and sub-grants to support their sub-national branches. *Lakpesdam*, a subsidiary of the *Nahdlatul Ulama*, a national faith based organization (FBO) boasting 30 million members, is the current partner.

The EOs were selected through a competitive, select tender process overseen by the PSF (see Annex 1: Summary of Peduli Tender Outcomes).¹⁸ During this process, a number of organizations of specific potential and interest were identified, although for various reasons, these organizations may not have qualified as EOs. As a result, the Panel decided to test a third model, involving ‘Intermediary Partners’ (IPs). Under this model, three organizations were selected as IPs and attached to one of the selected EOs. These IPs received block grants, which they then channelled to their own Tertiary Partners (TPs).

Figure 1 below shows the PNPM Peduli chain of influence:

As a pilot initiative, PNPM Peduli was to be conducted in two phases:

1. **Phase 1** (June 2010–December 2012): This period was further divided two distinct phases, as follows:
 - a. **Preparation period:** This period involved the design and development of operational procedures and the selection of EOs;
 - b. **Pilot implementation period:** This period involved the awarding of grants to EOs and EOs

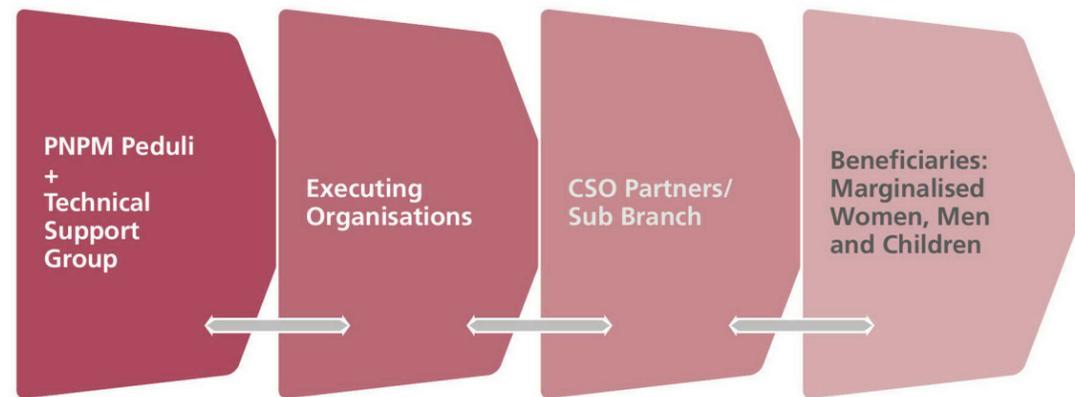


Figure 1. PNPM Chain of Influence¹⁹

on-granting to local partners (CSOs or sub-national branches), who implemented activities to test the Peduli model.²⁰

2. **Phase 2** (January 2013–June 2015): At this period, the full implementation of the program began, with the expectation that support for the original three EOs will be continued and that an additional 3–4 EOs will be selected.

The Concept Note was approved by the Joint Management Committee (JMC) in January 2010, with an initial budget of USD 4,215,000 to design the project, to develop operational procedures, and to award grants to an initial three EOs for the implementation of Phase 1. With the allocation of an additional \$5.5 million in April 2012, the total investment in PNPM Peduli in the pilot phase came to \$9,715,000.

Since its inception in January 2011, Peduli has facilitated the establishment of partnerships with 72 Indonesian CSOs. The 72 CSOs are comprised of the three EOs, three Intermediary Partners, 36 local CSOs and 30 branches of Lakpesdam NU. These partners are working in 91 districts across 24 provinces (see Annex 2: Map of Peduli Projects). Their activities under the program involve a wide range of marginalized groups, including indigenous people, female micro-entrepreneurs, farmers and fishers, garbage collectors, street children, sex workers, ex-political

prisoners, migrant workers, trafficked women and children, gay and transgendered people, survivors of domestic violence, children in prison and people living with HIV and AIDS. Projects supported by Peduli involve a range of sectors and thematic areas, including:

- Local economic development including skills-building for managing micro-enterprises, sustainable use of forestry resources, and production skills training for unskilled workers;
- Promoting citizenship through facilitating access to legal documentation such as birth certificates, identity cards;
- Improving access to and quality of health and education services;
- Improving social justice and rights for victims of violence and trafficking and people living with HIV and AIDS; and
- Facilitating reconciliation with victims of violence and ex-political prisoners
- Supporting the development of networks and improving social inclusion for gay and transgender people, recovering drug users, sex workers and a wide range of other marginalized groups and individuals.



A former political prisoner in Wonasari sub-district, Gunung Kidul, Jogjakarta province, connected with other women to establish a sewing group they call "Mawar Indah" (beautiful rose). Supported by Lakpesdam NU Gunung Kidul.

2 SCOPE OF WORK

PURPOSE OF THE REVIEW

The purpose of this Review is to assess the progress of Peduli in its initial stages and to determine the extent to which it is ready to deliver in terms of the four key dimensions outlined within the Terms of Reference (see Annex 3)

In addition to its stated objective of working through CSOs to support the empowerment of marginal groups, Peduli is also a "learning by doing" exercise for the WB. While the WB is highly experienced in the administration of large grants and the processing of loans to national governments, it has very little experience in providing grants to CSOs of the type fundamental to a program such as Peduli. Given the innovative nature of the program, a further purpose of the Review is to assist the the program in understanding the extent to which its grant-making processes are compatible with the transfer of resources to CSOs, with appropriate due diligence, without creating unnecessary administrative burdens.

Peduli is a pilot that can perhaps best be described as a design-implement process. In this context, the Review is intended to support the Peduli team in refining, refocusing, and articulating the Peduli model as it progresses to Stage 2 of implementation in 2013.

SCOPE OF THE REVIEW

At the commencement of the Review mission, the Review and Peduli teams worked together to refine the scope of the Review and to determine a suitable approach and methodology.

At the point of commencement of the Review, Peduli had only been fully operational for nine months. Therefore, it was agreed that it was not possible to assess the impact of the program at either institutional or beneficiary levels. Rather, it was agreed that the Review should seek to identify and characterise emerging changes in terms of beneficiary awareness, knowledge, skills and organizational development.

The Review is specifically intended to determine what has been achieved, to examine the implementation strengths and gaps of the program, and to formulate lessons learnt from its initial stages. The findings of the Review will be used to inform the development and implementation of the second phase of the program and to make a practical contribution to its future.

As such, the primary audience is the Peduli team and its partners. To achieve its purpose, the report has been constructed in a way to provide these stakeholders with a clear framework for assessing standards of performance now and into the future; to provide examples of good practice; to identify challenges and difficulties; to open areas for future dialogue; and to suggest possible future strategies.

ANALYTICAL FRAMEWORK

The very existence of Peduli is based upon a recognition by the Indonesian Government that certain groups and individuals benefit less from poverty reduction programs and public services than others. Bapak Sujana Royat,

Deputy to the Minister for Poverty Alleviation and Community Empowerment, has described marginalized groups in Indonesia as:

“An under-utilized national asset”²¹ who have been “failed by the system.”²²

The underlying program logic of PNPM Peduli can be defined as follows:

*CSOs, if **effectively resourced**, can mobilise their **comparative advantages** to reach and empower **marginalized groups**.*

For the purposes of this Review, the key terms in this statement can be defined as follows:

- **“effectively resourced”** refers to the effective provision of the required technical and financial resources to CSOs and the systems by which these are transferred;
- **“comparative advantages”** refers to the specific attributes, characteristics and behaviours of CSOs that enable these organizations to reach and work with marginalized groups more effectively than other organizations or bodies;
- **“to reach and empower marginalized groups”** refers to a participatory process of interaction with specific groups. This involves a participatory assessment and planning process in order to identify key actions that can be implemented by the beneficiaries using their existing assets and strengths to address their development priorities, rights and entitlements;²³
- **“to empower marginalized groups”** refers to improving beneficiaries’ ability to express their aspirations, to demand their rights as citizens, and to participate in decision making regarding the use of public resources.²⁴

In terms of the analytical framework presented above, this report is structured so as to identify lessons in five key areas relevant to the achievement of PNPM Peduli’s stated objectives. The report identifies standards of good practice in each of these areas; presents evidence to describe what is and is not working well; and discusses the reasons for

these successes and failures. Finally, it presents conclusions and recommendations to inform future decision making.

The review seeks to determine what has been learned about the following through the experience of the program in its initial stages:

- Learning Area 1: The role and comparative advantages of Indonesian CSOs;
- Learning Area 2: The capacities, needs and approaches for capacity building to enable CSOs to reach and empower marginalized groups;
- Learning Area 3: Working on marginalization and social inclusion;
- Learning Area 4: Livelihoods and economic inclusion;
- Learning Area 5: Effective business processes for financing CSOs.

At the outset of the Review, it was agreed that these Learning Areas were priorities in the context of current program experience for the team and partners and that an analysis of the defined issues could be achieved through this Review.²⁵ The team membership was specifically selected with these learning areas in mind. However, the Review team does not claim that this is a comprehensive and complete list of lessons learnt or of issues affecting the program.

METHODOLOGY AND TOOLS

The intent of the Review is to describe the state of the activities and approaches implemented to date under the Peduli program. It is also intended to support the Peduli team and its partners in understanding the extent to which these activities and approaches support progress towards the stated objectives of the program.

As such, the Review is qualitative in nature. It has been produced with the most extensive possible field observations and consultation with a wide range of stakeholders, including EOs and IPs, CSOs/branches, direct and indirect beneficiaries, Government counterparts, donors and staff and advisers of the WB and PSF.

The Review was conducted between August and October, 2012. The key stages and activities are shown in Figure 2 below:

EO Meetings: Two such meetings were conducted, with the first one focusing on strategic programming and partnership issues and the second on the grant management system. These meetings were held with each EO and IP and followed the same format in each case.

CSO and Beneficiary Field Visits: A number of such field visits were conducted. Efforts were made to ensure that the selection of projects visited was as equitable and representative as possible in terms of the mix of lead partners (EOs), geographic location, composition of beneficiary/target groups, rural/urban location, gender balance and thematic/sectoral focus. In order to visit as wide a sample of projects as possible given the available time and resources, projects and locations were selected through the identification of five provinces which had sizeable clusters of projects delivered by a range of partners. Within those five provinces, projects were selected on the basis of the variables described above.

For each of the CSO and beneficiary field visits, a standard one-day format was applied. This format enabled a focused

discussion with CSO field and administrative staff on program and strategic issues, followed by a Focus Group Discussion (FGD) with beneficiary groups, field observations, and 1–1 interviews with selected beneficiaries and, where possible, indirect beneficiaries, local government representatives and/or community leaders.

Field visits were conducted at 17 CSO projects in five provinces. This represents a coverage of 26 percent of the on-granted project portfolio. Forty-nine (49) beneficiaries were interviewed directly, while more than 30 additional beneficiaries participating in FGD (see Annex 7). In addition, the Review team interviewed more than 100 staff from partner EOs, IPs and CSOs. A full list of locations and organizations visited and people consulted is provided in Annexes 4 and 5 respectively.

The Review team was able to attend a number of learning events through which members of the team were able to directly observe capacity building activities for CSO partners and community facilitators. Three team members also attended the Peduli Learning Forum. This enabled

Figure 2: Key Stages and Activities of the PNPM Peduli Review





Training of trainers is provided for victims of domestic violence and trafficking in Kubu Raya District, West Kalimantan. The paralegal training is provided by YLBH-PIK.

these members to directly observe and reflect on Peduli's approach to cross-program networking, capacity building and the sharing of experience and formation of lessons learned. Attendance at the Learning Forum also enabled Review team members to engage in targeted conversations with beneficiaries and CSO partners from provinces where field visits were not conducted, further enriching data and analysis.

A **Partner Workshop** was held following the field mission to enable the EOs and Peduli team to discuss and reflect upon issues highlighted through the mission. These included issues such as the role of civil society in development, the comparative advantages of CSOs in working with marginalized groups, and the constraints and challenges faced by CSOs in undertaking their mandates.

In addition, consultations with donors, PSF Management and Government were held following the field mission.

These consultations were structured to encourage reflection on key observations and involved a focused discussion on issues of concern to the particular stakeholders. Through this means, opportunities to build on the successes and to overcome challenges into the next stage of Peduli were identified.

A list of key questions and issues related to each process is provided in Annex 6.

LIMITATIONS

Clearly, it was not feasible for the Review team to inspect all activities and to visit all stakeholders in a program as diverse in size, scope and geography as PNPM Peduli. Time and resource limitations necessitated pragmatic decisions regarding the field locations to be visited. These decisions were made on the basis of location, scope of activity, relevance to the learning areas, number of partners present,

accessibility and frequency of previous field missions by PNPM Peduli team members. The selection resulted in a greater number of inspections of 'livelihoods' activities, rather than on those focussing on access to services, citizenship and social inclusion. However, this emphasis was also an express response to the stated desire of the PNPM team and partners to pay particular attention to this aspect of programming. The emphasis also reflects the orientation of the PNPM Peduli program towards livelihoods activities at the present time.²⁶

The Review did not involve a wide consultation with Gol stakeholders. Where the views of Gol are expressed, they have been provided by representatives of Menko Kesra, which serves as the program's implementing agency.

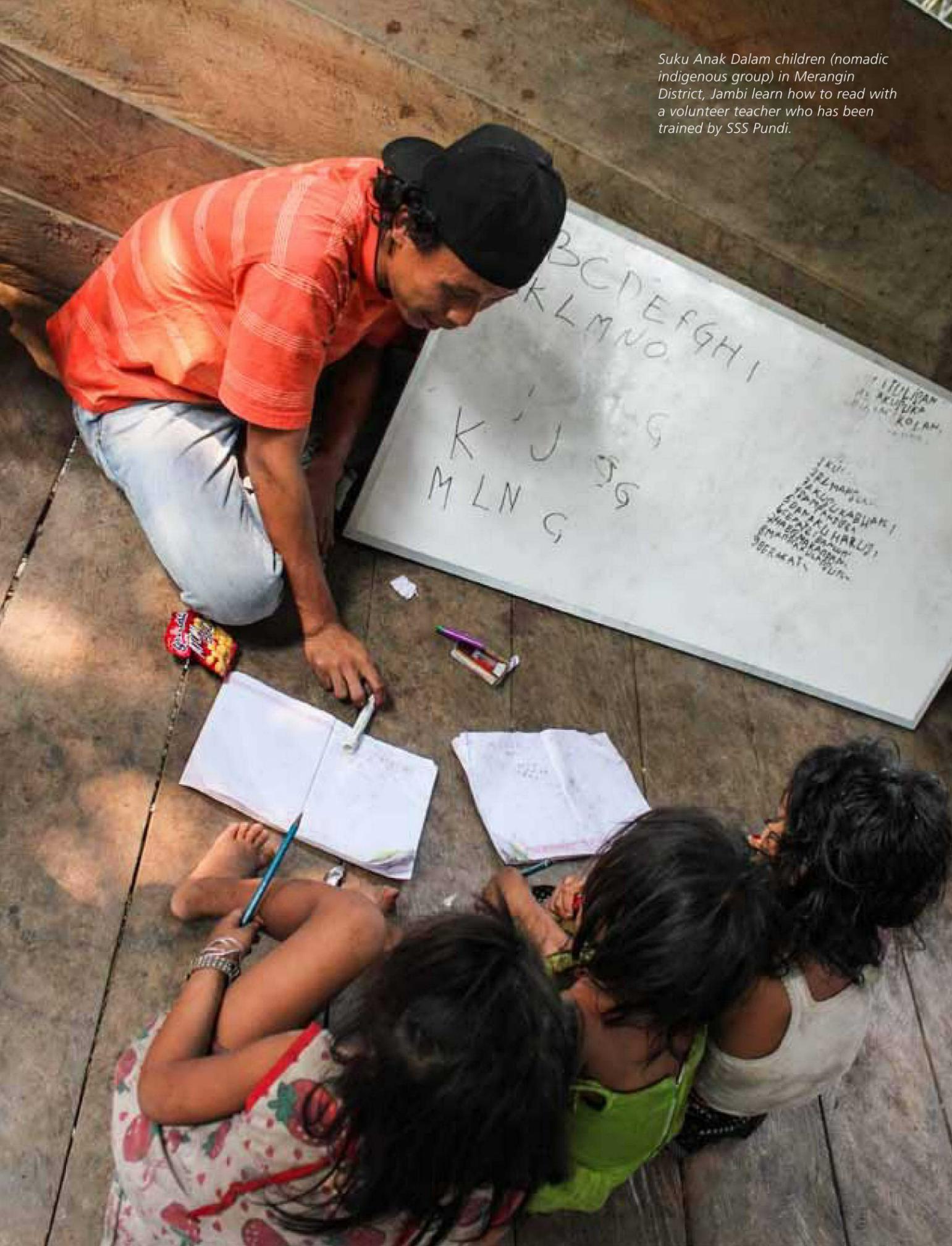
Efforts were made by the Review team to establish clear and consistent approaches to all of the meetings and consultations described above. This included the use of standardized tools, participation lists and structured formats for field visits and consultations. In some cases, the prescribed formats were not applied, which means that there may be some minor inconsistencies in the way in which some consultations were held with beneficiaries.²⁷ Examples include CSO staff attending beneficiary FGDs despite being requested not to and an inability in a few places to conduct 1–1 interviews with beneficiaries, as FGD formats had been arranged and expectations raised.

Finally, as stated previously, due to the short period for which the program has been implemented, the Review did not attempt to measure impacts at the organizational or direct beneficiary level at this early stage.

THE REVIEW TEAM

The Review was undertaken by a team of independent Indonesian and international specialists recruited by the PSF. The biodata of these individuals is provided in Annex 10.

Suku Anak Dalam children (nomadic indigenous group) in Merangin District, Jambi learn how to read with a volunteer teacher who has been trained by SSS Pundi.



3 REVIEW FINDINGS: LESSONS LEARNED

The Review team acknowledges that many of the findings presented within this report are not new to the Peduli team or to program partners and stakeholders. However, the Review creates a new opportunity to examine and analyse these issues within a clear analytical framework. It creates an opportunity to view these issues from a wide range of angles and to determine the factors that have a significant positive or negative impact on the achievement of the PDO.

In the following section, a few brief general observations are set out, followed by more detailed discussion of issues relating to the five learning areas.

GENERAL OBSERVATIONS

PNPM Peduli has established a set of relationships and business systems that will support the ongoing development and understanding of effective approaches to reaching and empowering marginalized groups in Indonesia in the future.

The program logic of Peduli is sound and its purpose is relevant. PNPM Peduli responds to priorities identified by the GoI and is based upon clear evidence of needs.²⁸ The program is positioned so that it can mobilize learning and support the inclusion of marginalized groups within government poverty alleviation programs and government services more broadly.

The high level ownership over PNPM Peduli by the GoI and the high level of collaboration within the PNPM Peduli team is clearly indicated by the frequency of joint field missions and by the allocation of significant time and attention by Menko Kesra to providing guidance to PNPM

Peduli staff and partners. This guidance has been facilitated through a number of events, Learning Forums, telephone and email exchanges and regular face to face meetings.

Respectful quality relationships exist at all levels throughout the Peduli chain of influence. These relationships contribute to Peduli's development and foster the development of enabling environments within which all stakeholders operate.

Despite the short period for which the program has been implemented, **beneficiaries are clearly able to articulate emerging changes. These changes relate to increased awareness, improved confidence, higher levels of participation, the expansion of social networks and improved bargaining power.**

Peduli has driven change within the WB. Prior to PNPM Peduli, the WB had limited experience in Indonesia and very limited experience elsewhere in the world to facilitate direct financing to CSOs. The program has established a new funding window for CSOs in Indonesia. Through the program, a set of Standard Operating Procedures (SOP)²⁹ and a CSO Friendly Guide to WB Procurement for the program has been developed and drafted. Through the program, a process for the selection of EOs has been designed and developed, together with systems for these EOs to develop their own SOPs and Grant Making Systems (GMS) and their own practices of partner identification and program design. **The establishment of the architecture for the delivery of PNPM Peduli in a very short time frame is a significant achievement.**

However, there is a range of inherent tensions in the PDO. These tensions largely derive from the lack

of a clear geographic and sectoral focus, or a focus on specific issues, causes and or groups. These tensions need immediate attention to enable Peduli and its partners to strengthen the potential impact of the program on the lives of marginalized people and to support the development of a more inclusive society.

Further tensions may continue to emerge as Peduli seeks to define itself in what currently presents as a very large and uncluttered programming space.³⁰ Amongst other issues, these tensions may relate to conflicts between the goals of social vs. economic development; rights vs. welfare; civil society vs. technocratic approaches; thematic targeting or vulnerability and poverty targeting; geographic vs. thematic scope; and scope vs. impact.

In order for PNPM Peduli and program partners to more effectively focus their efforts, a clear vision statement that defines what Peduli is about and what success would look like is required. As stated previously, Peduli has in effect been a design–implement process. In this context, the team is confident that an appropriate statement of vision and intent will emerge through planned processes to define Peduli’s own Theory of Change (ToC) and to articulate the emerging design.

“I know more about trafficking, the law, the role of community paralegals and human rights. I am more confident about meeting people who are not from here. I was confident about dealing with the human resource staff from my husband’s office with regards to a problem with delayed salary payments. Now I can talk in front of class, support my friends with problems and in domestic violence cases.”

**Septi Riwanti 40 years,
Kubu Raya, Pontianak**

LEARNING AREA 1: WHAT HAVE WE LEARNED ABOUT THE ROLE AND COMPARATIVE ADVANTAGES OF INDONESIAN CSOS?

The Framework:

The Review recognises that organizations always exist within environments which shape their dynamics and development. Thus, when seeking to determine the comparative advantages and roles of CSOs in development in Indonesia, it is useful to describe the historical role and recent development of Indonesian civil society, particularly within the context of the drivers of political reform and democratisation.

The Review recognises that while different organizations have a range of varying characteristics, they all need to appear appropriate, if not legitimate, in order to exist and to access resources. This is highly pertinent in the case of Indonesian CSOs, who have historically derived their resources from overseas sources. The Review also recognizes that resources for capacity building are a key part of this equation. As such, in order to develop certain capacities, CSOs need to draw support (material resources, knowledge, skills, and promotion) from other sources. Such support may be provided through intentionally established networks or through other forms of loose collaboration. Finally, organizational development also relies on the specific conditions of organizations and of civil society itself. For example, organizations may lack the incentive to change or to improve their performance as a result of ‘convenient’ forms of external support.

Historical Context: Throughout history, Indonesian civil society has consisted of a number of varying types of entities, including religious, ethnic, professional, community, and mass organizations. These have largely served the needs of particular segments of society and have been supported through locally derived resources. In the 1970’s, a new form of civil society organization emerged in response to and in the context of the bureaucratic, authoritarian, hegemonic approach to development of former President Soeharto’s New Order regime. These organizations largely occupied two key ‘spaces’: 1) those that expressed critical views of the government, voicing resistance to violations of economic and political rights and engaging in advocacy,



Adolescent girls, who are victims of trafficking in Kota Manado, North Sulawesi, attend certified salon training. The training is partnered with basic financial training. YPEKA supports graduates to then establish group salons in Manado.

community organization, and civic education. These organizations were largely supported with resources from external sources; and 2) those that were engaged in service delivery and community development in areas such as health, nutrition, water and sanitation, family planning, non–formal education, microcredit and cooperative development etc. These organizations were largely supported with resources from foreign donors, NGOs and government development projects.³¹

During the new order period, the government took harsh action to stifle the activities of civil society. Even universities and mass organizations³² were “tamed to consciously not challenge the regime and mass organizations focused on non politics activities and social service”.³³ A large number of government–led “NGOs” were also formed and were largely supported through government and bilateral development projects. The formation of these organizations is now understood to be largely a hegemonic response in the face of the organic emergence of bonafide civil society organizations.

During the New Order period, the orientation of CSOs on servicing the unmet needs of communities resulted in a strong focus on small scale community development ‘projects,’ with a heavy reliance on available human resources that were willing to work with communities. Compared to government services, these organizations added value through the strength of their approach to working with communities. While these organizations used and embedded participatory instruments in development practice and organising,³⁴ their perspectives and reach were too small to have significant influence. Furthermore, they did not invest heavily in organizational and institutional development.

The fall of the New Order saw a proliferation of CSOs of various forms, ranging from those serving particular interests to those claiming to serve the interests of society as a whole. Significant global attention was paid to processes of democratisation and institutional reforms as new political systems with new institutions created new actors in society, interests, and power. Regional autonomy



Sujana Royat (Deputy Minister for Poverty Alleviation and Community Empowerment, Coordinating Ministry for People's Welfare) and Denny Indrayana (Vice Minister of Law and Human Rights) listen to a song of hopes and dreams written by 30 young boys in Rejang Lebong District's adult prison, Bengkulu. PKBI Bengkulu provides health, education and counseling services to the boys and helps prepare them to transition back into society upon completing their sentence.

added further complexity and expanded the number of political arenas in which such organizations could operate. In the context of weak institutional frameworks and a weak central government, an increasing number of actors struggled to access and utilise public resources. At the same time, central and local government became acquiescent in the face of democratic demands to create formal arenas for participatory development planning, despite the need for extensive institutional strengthening as a basis for this.

A newly emerging and partially 'legitimate' civil society increasingly focussed its attentions on issues such as participatory planning, good governance and natural resource management. Increasingly, community empowerment and participatory planning became vehicles for decentralisation planning and poverty alleviation. Increasingly, they were supported by large multilateral and bilateral programs.³⁵ Testing and modelling good practice in community empowerment is arguably one

of the significant achievements of Indonesian CSOs that play a role in advocacy, watch/monitoring, and citizenship education.³⁶ However, these organizations have been largely locked out from having any major and fundamental role in these processes and from participation in flagship decentralisation, governance and poverty alleviation programs.

The early years of 'reformasi' were also characterized by widespread civil conflict, resulting in or exacerbated by the displacement of more than 1.5 million people and by a series of complex emergencies and natural disasters. Donor resources to civil society development organizations were provided for the delivery of humanitarian programs. This kept these organizations focussed on service delivery and worked against their full engagement in the processes of democratisation that were happening around them. The focus on humanitarian programs also worked to inculcate a programming culture and approach that defined

beneficiaries more as recipients of assistance than as actors in development. As such, NGOs have often focused on applying the principles of participation at the project level, rather than on facilitating the transformation of social structures or on challenging patterns of social exclusion.

Of course, the policies and practices of donors have significantly influenced the way in which civil society has developed. While significant international and national resources have been allocated for development in Indonesia, flows to civil society organizations have not always been proportionate to their potential role. This has curtailed the development of the civil society space and the organizations within it. Resources have flowed to individual organizations rather than to support collective action. In turn, this has created competition for limited resources, undermining the potential for collaborative action. Until recently, donors have not allocated significant funding to schemes to strengthen civil society and NGO networks.³⁷ As such, CSO networking and collaboration has been described as "almost stagnant."³⁸ The 2011 Civil Society Index states that "the pattern of cooperation with other organizations is still conducted on an individual basis rather than on an institutional basis."³⁹ In short, CSOs are limiting their own potential development by failing to tap into resources (materials, knowledge, skill, legitimacy) that could be sourced through effective networking with other organizations.

The Evidence and the Lessons: What is happening within and through the Peduli program? What are we learning from these experiences?

To understand Peduli's potential engagement and support for civil society, it is necessary to understand the special historical role of networks in creating social change and political reform in Indonesia. Networks have been a characteristic of both mass organizations and grass roots social movements and of large government programs. In this context, networks have served to create key focal points for discourse and the sharing of ideas, connecting individuals between and across groups and fostering the creation of values and identities.⁴⁰ As such, networks have been a fundamental driver for change in Indonesia. They are legitimate, maybe critical, to support coalition building, cooperation and capacity development at a range of levels.

However, CSOs have been less successful in mobilising and utilising network approaches. Historically, CSO networks in Indonesia have faced a number of constraints. These include a lack of diversity and connection with other groups. There is very limited structure to the CSO sector, with no officially recognized peak agency. Cooperation has tended to focus on individual relationships rather than institutional relationships. This means that relationships between CSOs have tended to be loosely constructed. As a result, opportunities for CSOs to connect to create change have often been missed. So, while networking models can be real drivers of change within Indonesia's social and political context, this has so far been poorly utilized by the development sector in Indonesia.

In this context, there is enormous potential and a great strategic opportunity for PNPM Peduli to support the development of a network and a movement for social change in Indonesia. It can achieve this by harnessing the existing capacities of PNPM partners; by building coalitions for justice and change amongst them; by enhancing their capacities in terms of good practice approaches to working with marginalized groups, advocacy and the mobilisation of media to promote value and behavioural change; and by creating demand for good local governance, participation in decision making and access to services.

Peduli has already started to build on this potential by creating a strong culture of partnership between its EO, IP and CSO partners. In turn, this partnership has created opportunities for cross program learning; the sharing of information; and the fostering of linkages between CSOs working on similar issues. A clear example of this occurred during the Review mission, when the team was approached by an organization concerned to protect an Ahmadiyya community experiencing systemic Marginalization in Lombok. Following this approach, the team engaged in discussions with all partners regarding possible collective approaches in response to this issue for.

Intermediate Recommendation:

PNPM Peduli should continue in its efforts to establish and strengthen CSO networks as a key strategy for both advocacy and capacity building.



PKBI Bengkulu and the District Office of Human Rights in Bengkulu sign a Memorandum of Understanding for cooperation supporting children in Curup Prison. The signing is witnessed by Sujana Royat (Deputy Minister for Poverty Alleviation and Community Empowerment, Coordinating Ministry for People's Welfare) and Denny Indrayana (Vice Minister of Law and Human Rights).

In its first year of operation, PNPM Peduli has focussed on the establishment of systems and the development of early partnerships to support the implementation of the program. PNPM Peduli has made considerable efforts to build relationships and create a sense of partnership between the PNPM Peduli EOs and IPs. The results of these endeavours are very much evident. At meetings, workshops and the Learning Forum, there has been clear evidence of strong working relationships between the EOs, IPs and the PNPM Peduli team. All EOs and IPs have stated that they have worked collectively to define shared meaning and to establish consensus. This strong working relationship extends to interactions with PNPM Peduli team members and Menko Kesra. There is a very clear sense of shared values between PNPM Peduli and its partners, with these shared values forming the basis for cooperation into the future.

As stated previously, the program logic of Peduli is based on an assumption that Indonesian CSOs have comparative

advantages in terms of their ability to reach and empower marginalized groups in Indonesia, if they are effectively resourced to do so. However, the statement contains an underlying assumption regarding the capacity of these CSOs.

By understanding the historical development of civil society in Indonesia and the contexts within which CSOs have been developing, we can see that until recently, **Indonesian civil society has been locked out of development processes.** This points to failures to recognise the legitimacy of Indonesian civil society at both the political and community levels. It indicates that establishing this legitimacy remains a significant challenge and fundamental priority for Indonesian CSOs into the future. PNPM Peduli cannot simply assume that its partners are viewed as legitimate actors for development. Rather, Peduli's own programming strategy needs to support the development of this legitimacy at all levels of its chain of influence.

Intermediate Recommendation:

Peduli's own programming strategy needs to include efforts to support the legitimacy of CSOs. This legitimacy needs to be developed by promoting downward and upward accountability of CSOs; by supporting them to deliver on their commitments; by promoting the establishment of networks and communities of practice; and by enabling CSOs to develop skills in effective advocacy and alliance building.

The history of the development of civil society in Indonesia also suggests that the capacities of different CSOs will vary widely. In some cases, these capacities may not be as developed as we assume.

Intermediate Recommendation:

The development of partnerships within Peduli should be based on a realistic assessment of programming capacity (practice). It should enable partners to build on existing skills and capacities and to develop new capacities that will add value to the core business of the agency.

This historical perspective indicates some of the strengths and weaknesses of the CSOs. It also suggests the need to qualify program logic in light of the skills and capacities that CSOs bring to the program. This is particularly true in terms of the role and capacity of EOs to successfully carry out their function of capacity building of CSOs or to effectively assess what the capacity building needs of these CSOs are and how these needs can be met.

LEARNING AREA 2: WHAT HAVE WE LEARNED ABOUT EXISTING CAPACITIES, NEEDS AND APPROACHES FOR CAPACITY BUILDING TO ENABLE CSOS TO REACH AND EMPOWER MARGINALIZED GROUPS?

The Framework:

The design of the PNPM Peduli program is based on the assumption that if EOs are provided with the necessary resources, they will be able 1) to enhance their own institutional capacities and 2) to support the capacity building efforts of their partners.

For the purpose of understanding the emerging lessons from Peduli's capacity building efforts, it is important to distinguish between **two distinct concepts**: 1) capacity building (CB) and 2) organization development (OD).

Capacity building involves understanding the obstacles that inhibit people, governments and organizations from realising their developmental goals and enhancing their abilities to overcome these obstacles and to otherwise achieve measurable and sustainable results.

In short, CB is about improving specific skills and knowledge with the intention of changing specific behaviours through the application of skills and knowledge. CB can take place at a number of different levels, including the individual, institutional and societal levels. In the context of PNPM Peduli, CB refers to **strengthening the skills, competencies and abilities of people and communities so they can address the causes of their exclusion and overcome their hardships.**

Organization development involves assisting people that belong to an organization (staff, Board members, volunteers) to take on the process of making strategic improvements within that organization toward the same goal. It has been defined as follows:

“Organization development is a system-wide and values-based collaborative process for applying behavioural science knowledge to the adaptive development, improvement and reinforcement of such organizational features as the strategies, structures, processes, people and cultures that lead to organization effectiveness.”⁴¹

Of course, organizational development and capacity building are not mutually exclusive: capacity building can be conducted to achieve organizational development. However, it is important to realise that the two concepts involve different approaches and require very different investments:

- OD is a long-range in perspective.⁴² It is not about delivering a specific intervention such as training,



Women in the Pipikoro Highlands of Central Sulawesi are supported by SCF to attend an informal school to obtain their high school diploma.

but rather about positioning that intervention within a larger, organizational wide plan or framework for change.

- OD needs to be supported by top managers. Not only do these wider plans and frameworks for change need to be widely understood, they need to be appropriately led and resourced.
- OD is not conducted exclusively through education or training efforts. Learning organizations are organizations in which “people are continually discovering how they create reality. And how they can change it. Organization-wide learning involves change in culture and change in the most basic managerial practices.”⁴³
- OD emphasizes employee participation in assessing the current and future state of the organization. These employees should make free and collaborative choices regarding how development should proceed, empowering the system to take responsibility for achieving and evaluating results.
- OD is interactive and adaptive. It encounters living systems that require feedback to govern future moves and adjustments.

The Evidence and the Lessons: What is happening in Peduli and what are we learning from that?

The PNPM Peduli PDO reflects an assumption that if appropriately resourced, EOs will be to provide capacity building activities for the development of their own institutions and that of their partners. To some extent, this also assumes that these organizations have sufficient CB capabilities themselves to understand the CB needs of their partners and to respond to them in the appropriate ways.

The PNPM Peduli first Quarterly Report acknowledges that the process of selection of EOs:

“... will favour those organizations that are good at writing proposals, but not necessarily those that are best at identifying and supporting the local CSOs that work with the most marginalized people at the grassroots level.”

The statement recognises that the strategy of expecting EOs to be wholly responsible for the delivery of capacity building efforts is not optimal. To address this, PNPM Peduli has made efforts to resource capacity building in a number of different ways:

- Funds have been allocated to EOs so that they may procure external assistance for CB activities for themselves and their partners;
- EOs are entitled to utilize CB resources allocated within their grants to conduct CB activities;
- The PSF provided mentoring and training activities, particularly in areas related to monitoring, evaluation and learning, reporting, procurement and financial management;⁴⁴
- PNPM Peduli has conducted regular Learning Forums which have brought together beneficiaries, CSOs, EOs, Government and others stakeholders to address key policy and practice issues.

In addition, the PNPM Peduli design concept made provision for the establishment of a Technical Support Group (TSG), the purpose of which was to support a number of functions related to the implementation of the program. These functions include the development of a communications strategy, the implementation of organizational assessments and the development of a capacity building strategy to enable PNPM Peduli and EOs to focus their capacity building efforts and the provision of technical support and other CB activities for partners.

From the outset, PSF has recognized that the establishment of the TSG involved significant challenges. The establishment of this group required a single third party organization to implement a diverse range of tasks and functions, while the primary partnering relationships were between Peduli, the EOs and CSOs. However, the decision to utilise a third party organization was in accord with the commitment to utilise national organizations rather than to establish a large program leadership or advisory team based within the PSF. These challenges became increasingly apparent at implementation. Two tender processes were held to identify suitable partners, followed by extensive negotiations on roles and responsibilities. While some aspects of the work conducted by the third

party organization added value, this was not always the case. Consequently, the contract for the TSG was terminated after approximately six months. Instead, specific technical staff were mobilised to provide support in priority areas such as capacity building, monitoring and evaluation.⁴⁵

The contract with the TSG was terminated prior to the completion of the early CB strategy work. Despite this, the capacity assessment undertaken by this TSG was considered useful for EOs, particularly in terms of assessing their own organizational capacities and needs for development. On this basis, the assessment has been developed into action plans, which are being implemented by partners. However, due to the focus on OD and institutional capacities, the work conducted by the TSG has less relevance in terms of supporting CSOs to deliver its programs with marginalized groups. This highlights a key tension of Peduli: Should the program position its CB resources into OD, or more broadly into supporting program quality and performance? We shall return to this point later in the chapter.

Mentoring support from the PSF has been valuable and has focused on the application of practical skills and knowledge to assist EOs and CSOs meet their administrative and reporting responsibilities.

“We have a lot of experiences in implementing programs. However, we have less experience in developing ToR, documentation and reports. Peduli has improved the ability of staff to develop documents such as ToR, narrative reports, and financial reports. Now we have procedures and systems to create such documents.”

Rohimun, Lakpesdam NU Indramayu

In addition to providing training and mentoring, PSF has also undertaken reviews of PSF and WB’s own management systems. In turn, these reviews have contributed to enabling EOs and CSOs alike to more efficiently administer their programs.



Women in Jatiguwi Village, Malang, East Java conduct a mapping exercise with RUMPUN, to help them plan activities. They have established a number of women's cooperatives producing and selling batik and a range of snack foods.

“We have found that the technical support provided by the PNPM Peduli team has been really valuable. For example, Ibu Nina has really helped us to think through our log frame and also help our partners to do the same. We have had help with strengthening our proposals by members of the team. Ibu Felicity and the finance and procurement team have helped to make the WB systems clear to us and to lobby for change in those systems so that they align better with our needs and the capacities of our partners.”

Siti Masriyah, ACE

In addition to exploring the experience of stakeholders with CB activities through interviews and discussions, the Review team also took the opportunity to attend a Learning Forum and a range of CB events and training held by EO partners during the field missions to inform our observations.

The Learning Forum was a highly interactive process which brought together a wide range of Peduli stakeholders. It facilitated a sharing of experiences and lessons learnt from programming, extending the networks of participants and fostering improved knowledge through structured sessions on key technical information. Throughout our field consultations, CSOs have consistently affirmed the usefulness of these exchanges, stating that they add value to their programming. The results of Learning Forums are circulated widely and in an accessible manner.

The Review team found that the training provided by EOs was generally interactive in nature and skilfully facilitated. However, in some instances it found that the quality of the training could be strengthened through a recognition that what is being delivered is professional development, with greater attention to effective timetabling, more limited participation⁴⁶, more effective targeting of participants in terms of their roles and function, levels of knowledge, and better application of adult learning principles.

Intermediate Recommendation:

CB is a discipline. Where EOs and CSOs are expected to be able to deliver CB activities, it is important to ensure that they have the skills and capacities to do this in a planned and systematic way. This will ensure better learning outcomes for participants. A future PNPM Peduli CB Strategy needs to consider strategies for building the capacity to build capacity.

Another interesting tension resulting from this early focus of the CB work on OD is the fact that while PNPM Peduli has positioned EOs to become involved in a longer term relationship with CSOs so they could play a stronger CB role, they were not been selected on the basis of this capacity. The extent to which each of the EOs has the desire to expand their organizational focus to achieve this goal is unclear. A further consideration is the fact that CB and OD are relative to the needs and contexts of different organizations. As such, it is not feasible for a single agency to meet the entire CB needs of another agency. In addition, it is clear that CB activities need to be tailored to the specific needs of any given organization. This highlights the wisdom of Peduli's approach in providing resources to the EOs to enable them to facilitate CB activities from third-party service providers. However, questions have been raised regarding the quality and relevance of some of the services provided in this fashion to the CSO partners. Some development programs, such as AusAID's ACCESS program, are having success in developing market and demand based systems for capacity development. It would be valuable for the PNPM Peduli team to explore the relevance of these to its own model.

Intermediate Recommendation:

PNPM Peduli should continue its efforts to explore alternate models for the sourcing of CB activities for its partners.

PNPM Peduli has invested heavily in establishing quality MEL frameworks and tools. This has resulted in a strong MEL system at the program level. However, the PNPM Peduli team is cognizant of the limitations of EOs and their partners in MEL. Thus, the team is endeavouring to ensure that MEL is strengthened at all levels to ensure a greater analysis and articulation of change for beneficiaries and partners. In addition to the MEL Adviser, PNPM Peduli has recently engaged a full time team member whose tasks

will include supporting this work. The clearer articulation of PNPM Peduli's Theory of Change will reduce some of the inherent tensions within the PDO.

A key concern raised by the PNPM Peduli team at the beginning of the Review process was the importance of shifting the focus of CB activities to strengthening field practice, particularly in terms of knowledge of and ability to apply effective approaches to working with marginal groups by the CSOs. While in the first 12 months of implementation, CB activities have necessarily focused upon the ability of partners to meet their administrative and contractual obligations, the Review found that capacities for effective design, and field practice in some thematic areas were limited.⁴⁷ Addressing this must be a clear priority for future CB efforts.

This leads us to a fundamental tension in the Peduli CB strategy: there is a need for PNPM Peduli to address the current tension between OD and CB and to focus its efforts within a clear and achievable framework that assist the program and its partners to achieve the programs stated goals.

In short, PNPM Peduli needs to explicitly determine what are its goals for its partners to ensure the appropriate return on its investments. PNPM Peduli is not an institutional strengthening program. It is not a civil society program. Its capacity building efforts need to be focused to support its fundamental objective: strengthening the skills, competencies and abilities of people and communities so they can address the causes of their exclusion and overcome their hardships.

Peduli's capacity development efforts should support its positioning as a network of agents for change to empower marginalized groups and to support social inclusion. Effective capacity development is demand driven. It provides a range of options to address the different stages of development and learning styles of organizations and individuals. What differentiates Peduli from generalist civil society programs is its focus on social outcomes for groups who are not reached by other development initiatives. In short, it needs to be “practice” orientated to support partners in the achievement of the desired **development** outcome.

LEARNING AREA 3: WHAT HAVE WE LEARNED ABOUT WORKING ON MARGINALIZATION AND SOCIAL INCLUSION?

The Framework:

Marginalization describes the multiple disadvantages of people who are systematically excluded from meaningful participation in economic, social, political, cultural and other forms of human activity in their communities and are thus denied the opportunity and access to access fulfil themselves as human beings and to meet their basic needs.⁴⁸

Marginalization has multidimensional characteristics and extends well beyond poverty. While the poor are often marginalized, marginalization does not refer only to the absence of economic capacity. Rather, it also refers to lack of knowledge, exclusion from participation in the social and political arenas, and lack of political rights and capacity, recognition and power.⁴⁹

In understanding marginalization, it is important not only to understand the *characteristics* of marginalization but also the *experience* of exclusion. Being marginalized means more than having a low income. It includes the lack of capacity to participate in society. For example, a community of persons with disabilities faces exclusion, marginalization and devaluation in a context in which their physical differences prevent them from gaining access to basic services or being fully included in society. Minority groups, such as ethnic minorities and migrant communities, often point to racism and discrimination as factors leading to their marginalization. They seek to overcome this marginalization in order to achieve inclusion as equal citizens. In some cases, they are excluded by law or policy from fundamental rights, such as access to land or resources. Those who lack employment over the long-term face the risk not only of poverty, but also of losing the respect of their neighbours and communities in communities where work even more than income is a sign of full participation in the community.

The effects of marginalization can be dramatic, often resulting in marginalized individuals suffering from a crisis of identity. They are often considered to be responsible for their own marginalization. This excludes them further

and undermines their motivation and ability to participate as active citizens. In some cases, marginalized individuals face social pressure to accept whatever is offered to them, and are made complicit with views and beliefs that are forced upon them. The vicious cycle continues, often being replicated through generations. For example, marginalized groups may not be able to acquire documentation such as birth certification, 'poor cards' etc for themselves and their children. This further limits their access to basic services, which in turn exacerbates their marginalization. Marginalization can lead to mental health issues, social tension and conflict. All of these factors contribute to the creation of vicious cycles whereby the external symptoms of marginalization reinforce the feeling and experience of marginalization: "the marginalized are viewed in this light, since they are forced to be so."⁵⁰

It is through this understanding of the experience of marginalization and exclusion that we will be able to effectively consider and plan the desired social inclusion outcomes of the PNPM Peduli program. In these terms, social inclusion refers to meaningful engagement in a person's community, where individuals have access to services, are free to participate in the community, exercise choice and control, find social connections and have a sense of belonging and responsibility.⁵¹

In describing marginalized people as "an underutilised national asset," Bapak Sujana Royat has clearly articulated the intent of Peduli to assist in identifying effective ways of enabling marginalized groups and individuals to gain access to goods and services and to become active participants in society.

“The system has failed marginalized people. The PNPM Peduli program is about creating justice for them.”

Sujana Royat

As development actors, we are aware that understanding the causes of poverty does not always lead directly to a strategy for eliminating it. The same is true for marginalization: understanding the causes and characteristics of marginalization does not necessarily lead to "a reliable prescription for overcoming it."⁵²



A group of adolescent transgender from SWARA (a membership based group) discuss rights and gender. Prior to Peduli, they noted donor support focused on HIV and AIDS. Under Peduli they can choose activities that are most important to them. Their activities focus on promoting equal access to education, health, employment and financial services.

With this in mind, we need to maintain realistic expectations about what can be achieved and what cannot. As stated previously, marginalization is multidimensional. It is influenced by a range of factors. As such, as key actors, all stakeholders in the PNPM Peduli program must consciously develop a realistic awareness as to what it can achieve and whom it can realistically influence.

Marginalization and the experience of marginalization may vary significantly between different marginalized groups. In addressing the needs of each particular group, we need to:

- Engage with marginalized people themselves to understand:
 - » What is marginalization? What forms does it take?
 - » Who is being marginalized? What is the experience of marginalization? What are the costs of marginalization to the individual?
- Work with the system, including the wider community and government, to understand:

- » Why is marginalization occurring? What are the values and attitudes that reinforce marginalization?
- » What are the systems, norms and behaviours that reinforce marginalization?
- » What are the costs of marginalization and of the exclusion of certain groups to this community/society?
- » What are the drivers for change and what are the processes and mechanisms that can support that change?

We understand that marginalized groups are not responsible for their own marginalization. Rather, they are marginalized as the result of a failure of social, political, regulatory, economic systems. As such, working to empower marginalized groups without reference to the systems is unlikely to result in sustainable change. Rather, we understand that **working to address marginalization and to support inclusion requires us to work politically and socially.**

The Evidence and the Lessons: What is happening in Peduli and what are we learning from that?

Under the PNPM Peduli program, effective targeting requires the following:

- Selection of the appropriate target group;
- Selection of the correct intervention for particular target groups;
- Selection of correct alliances and relationships to support the intervention, based on consideration of who else needs to be included in the project to enable inclusion.

The Review team visited a range of projects intended to benefit a wide range of target groups including groups consisting of crop and livestock farmers, fisher folk, migrant

workers, ex-political prisoners and accused Communist sympathizers, slum dwellers, transgendered, gay and lesbian individuals and recovering drug users. The largest proportion of Peduli supported projects (88 percent) focus on activities to foster ‘livelihoods’⁵³, particularly through the facilitation of income generating activities. With few exceptions, these projects were based on the establishment of groups of beneficiaries working to achieve a shared goal.

The Review confirms concerns that the targeting of beneficiaries has been more challenging than anticipated. It is clear that some projects targeted the right groups with the right interventions. However, some projects provided good interventions to poorly targeted groups, while others provided poorly designed interventions to appropriate groups.

“Actually, there are other people in this village who are worse off than me. Some of these people have uncertain incomes and no Jamkesmas. They should be included in this program!”

Emi, Female beneficiary 32 years, Bantul

Poor targeting was largely the result of a combination of multiple factors, including the following:

- Lack of clear program guidance and systems to support effective targeting;
- Misunderstanding and misinterpretation of the meaning of marginalization;
- Uses of inappropriate tools for assessing marginalization;
- Creation of opportunities or spaces for own programming priorities.⁵⁴

Overall, partners felt that at the outset, Peduli did not provide sufficient guidance to support effective selection of target groups and of programming interventions. The definitions of marginalization used within early documentation of Peduli provided a ‘shopping list’ of different target groups and encouraged partners to try to work with as many of these groups as possible in the pilot period.

“Marginalization was not clearly defined at the beginning of the program. However, we tried to focus on the marginalized groups mentioned in the PNPM Peduli guidelines.”

The justification for this is that that the pilot phase was an opportunity for Peduli to test approaches to working with different types of marginalized groups and with different approaches to accessing them. However, with hindsight, assumptions regarding the comparative advantages and capacities of CSO partners and of the EOs to oversee them were to some extent overestimated, given the size and scope of the Peduli program.

EOs and their partners have raised the issue of the focus on livelihoods and economic development in the selection of interventions. This focus may be partly due to a perception that the PDO places emphasis on economic empowerment. However, CSOs consistently reported that they felt there was a strong message from PNPM Peduli and Menko Kesra that they should focus on economic inclusion. As a result, they encouraged their partners to focus activities in this area.

Intermediate Recommendation:

Prior to entering into the next stage of program development, PNPM Peduli and its partners should take time to reflect and develop a clear Theory of Change to enable more effective targeting of beneficiaries and activities.⁵⁵

While the PNPM Peduli Operations Manual states that EOs are responsible for:

*“Selecting suitable partners (local CSO/branches) and project activities utilising the Operational Manual guidelines to ensure that the right partners are selected and the target marginalized groups are reached.”*⁵⁶

There is no further guidance as to how this should be achieved. Targeting could be significantly strengthened through attention to the identification and development of tools for targeting marginalized groups and aligning programming interventions to address both the symptoms and causes of marginalization. Not only do these tools need to be developed at the program level, but the definitions, values and guidance they imply must be reflected within contracts, SOPs, appraisal and evaluation processes at all levels within the Peduli chain of influence. Naturally, resources need to be allocated to enable partners to use these tools in a meaningful way. Capacity building, monitoring, evaluation and learning activities can play a significant role in achieving this.

The lack of external contestability of CSO proposals is a key weakness, contributing to poor targeting. Current project selection is undertaken by EOs using internal selection processes (see Learning Area 5), with limited contestability

CASE STUDY: IBU MAJINAH (53 YEARS), GUNUNG KIDUL

Ibu Majinah never participated in community events because she and her family still bore a stigma related to the parents’ record as political prisoners following the events of 1965. However, she was encouraged by Lakpesdam to engage in community activities for the first time in her life.

“My first and meaningful group involvement was with a big group named Kiprah Perempuan in Yogyakarta back in 2008. Now, I also participate in a micro finance group, regular social gathering, and village meetings,” she says.

Majinah has also participates in sewing training through her involvement in the Mawar Indah Group, which is supported by Lakpesdam and PNPM Peduli. The group is new and she is just starting to develop sewing skills, so she is still unsure if she will be able to generate an income from it. However, she enjoys the classes and is happy to be engaged in communal activities with other women.



in the area of partnerships and interventions. This is further compounded by the fact that the project design process was not resourced, making it is challenging to hold EOs and CSOs accountable for failure to undertake quality assessment, community planning processes and field verification processes.

Intermediate recommendation:

The establishment of clear mechanisms for external contestability of intended project interventions against clear quality standards for activity design and targeting is strongly recommended at all levels of the Peduli chain of influence.

Of course, the issue of targeting is fundamental to the success of Peduli. Furthermore, it is an issue that will become increasingly challenging with any scaling-up of the program. This highlights the fundamental link between capacity building, effective resourcing, and supporting systems to enable CSOs to effectively reach marginal groups and to implement interventions that will enable them to access opportunities to become engaged citizens.

LEARNING AREA 4: WHAT HAVE WE LEARNED ABOUT WORKING ON LIVELIHOODS AND ECONOMIC INCLUSION?

Under the PNPM Peduli program, the vast majority (88 percent) of current interventions implemented by the CSOs focus on 'livelihoods'. However, both PNPM Peduli team members and EO partners have begun to question this emphasis, considering whether the program should consider increased emphasis on other possible interventions such as access to services, citizenships, rights and social protection and inclusion more broadly. To guide the future direction of the program, livelihoods has been designated as a key learning area for the Review.

The Framework:

An examination of the sustainable livelihoods approach (SLA) helps us to better understand issues affecting members of marginalized groups and the contribution that Peduli partners make to improving the livelihoods of beneficiaries. The SLA provides a framework that helps us to understand the issues that affect poor people's livelihoods and the relationships between them. This framework is set out in Figure 3 below:

SLA also provides a set of principles intended to guide action to address and overcome poverty and economic exclusion:

- **People-centred:** SLA begins by analysing people's livelihoods and how they change over time. The people themselves actively participate throughout the project cycle.
- **Holistic:** SLA acknowledges that people adopt many strategies to secure their livelihoods. It also acknowledges that many actors are involved. For example, these actors may include those from the private sector, ministries, community-based organizations and international organizations.
- **Dynamic:** SLA seeks to understand the dynamic nature of livelihoods and what influences them.
- **Build on strengths:** SLA builds on people's perceived strengths and opportunities rather than focusing on their problems and needs. It supports existing livelihood strategies.
- **Promote micro-macro links:** SLA examines the influence of policies and institutions on livelihood options and highlights the need for policies to be informed by insights from the local level and by the priorities of the poor.
- **Encourage broad partnerships:** SLA counts on broad partnerships drawing on both the public and private sectors.
- **Aim for sustainability:** Sustainability is important if poverty reduction is to be lasting.⁵⁸

"A livelihood is sustainable when it can cope with and recover from stresses and shocks and maintain or enhance its capabilities and assets both now and in the future, while not undermining the natural resources base."⁵⁹

The SLA is useful because it recognises the diversity of aspirations, the importance of assets, and the constraints and opportunities resulting from institutional structures and processes. In practical terms, it focuses on people, rather than resources and organizations, highlighting the fundamental importance of participation to the achievement of sustainability.

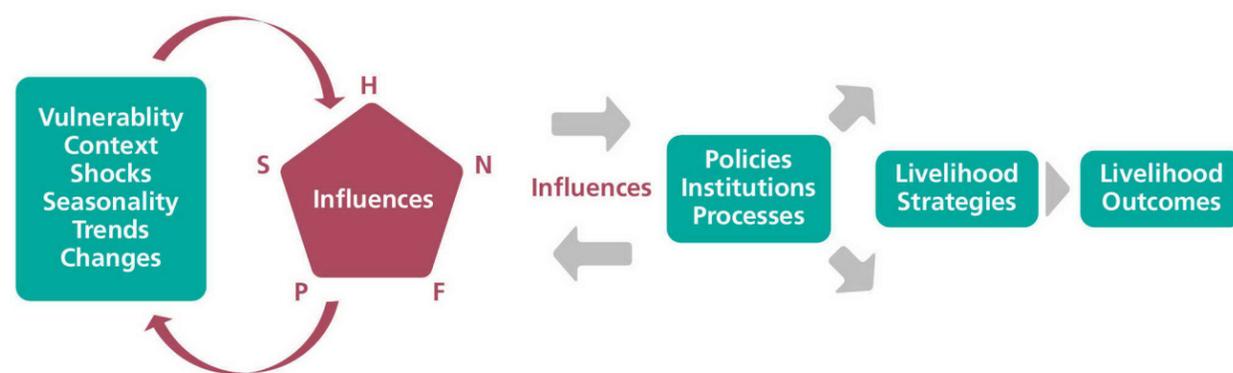
What implications does this have for the manner in which CSOs can and should be programming? SLA is intended to facilitate people gaining power and resources to improve their quality of life. This is usually initiated through some form of business/economic activity that will facilitate gradual changes in social, educational, cultural, or political values.

Therefore, to support livelihoods, good practice emphasizes a **mindset** and **work processes** that optimise resources and which regards the community as the **primary actor**. To achieve this, the following activities are important:

- **Mapping of the community's potential and opportunities within the community:** This mapping is intended to facilitate an understanding of the community assets that provide the basis for the community to become more productive. Mapping activities include: FGD, surveys, data collection and analysis;
- **Group strengthening:** The facilitation of consensus to develop a work plan is critical for ensuring that the livelihood approach is sustainable. The building of consensus usually requires a series of group discussions, approaching community stakeholders through socialization, FGD, workshops, and village meetings;
- **Individual capacity building:** This is required to enable people to become more productive. Individual capacity building may involve skills training, technical production, entrepreneurship, and mentoring;
- **Strengthening collaboration and cooperation:** This is required to integrate the external environment with the activity through workshops, gatherings, business meetings, and study tours;
- **Access to business services:** This involves facilitating the finding of partners with whom community members can strengthen their business through access to capital, markets, business partners, and other resources.

Through these processes, the community is encouraged to understand the means by which its members can overcome obstacles to the achievement of their goals. They learn how to work with stakeholders from different sectors and levels and to gain a better understanding of the relationship between individual aspirations and community priorities.

Figure 3: the Sustainable Livelihoods Framework⁵⁷



KEY Livelihoods Assets: H = Human Capital, N = Natural Capital, F = Financial Capital, S = Social Capital, P = Physical Capital

When implemented effectively, these processes may result in a range of innovations:

- **Institutional Innovation:** For example, the achievement of shared goals, the formation of formal groups, collaboration, and a common platform;
- **Commercial innovation:** For example, improved packaging, branding, shared marketing.
- **Technological innovation:** For example, improved efficiency in production, production systems, and marketing.

The Evidence and the Lessons: What is happening in Peduli and what are we learning from that?

As stated previously, under the PNPM program, the vast majority (88 percent) of current interventions implemented by the CSOs focus on 'livelihoods'. The majority of these interventions consist of the following:

Skills training: Training in skills related to food and handicraft production, plant nurseries, farms, and fish ponds;

- **Entrepreneurship training:** Training focused on improving basic knowledge and motivation for entrepreneurship, rather than on business management skills (market research, the importance of business plans, how to calculate costs, develop financial plans, and financial record-keeping);
- **Supporting access to government programs:** related to poverty alleviation and business development.

The Review confirms concerns that **CSOs have a limited understanding of sustainable livelihoods approaches.**

It confirms that **capacities to work effectively on livelihoods issues are generally weak, with little potential to result in activities that deliver tangible and sustainable economic benefit for beneficiaries.**

The livelihoods interventions implemented by CSOs focus on group and household level production and income generation. They are not based on appropriate strategies for community empowerment and the mobilisation of assets to achieve their economic and wider development outcomes.

Key identified weaknesses in the level of **knowledge** of CSOs include:

- **Lack of a holistic understanding of the SLA;**
- **Lack of access to effective tools to undertake sound livelihoods analysis and business planning:** For example, the Review found numerous instances of CSO staff failing to calculate costs of production to inform pricing of outputs. In some cases, this has led to the cost of production exceeding earnings from the sale of outputs;
- **Lack of understanding of assets:** Assets are considered to consist of tangible objects, such as equipment and land. Assets should be interpreted more broadly to include intangible assets, such as individual capacity, social relations, natural resources, village infrastructure, and financial resources;
- **Lack of understanding of issues surrounding access to capital, debt dependency, effective saving systems;**
- **Lack of business and marketing skills, including facilitating access to market.**

Key weaknesses in the **approaches** of CSOs identified include:

- **A focus on skills training for first stage production and processing without prior implementation of effective market research, analysis of production costs or value chains to support pricing, business planning, financial literacy training etc;**
- **Lack of analysis of and utilisation of strengths and assets:** Examples of such underutilisation include cases of skilled professional people (paralegals, economics and graphic arts graduates) marginalized due to past addiction, HIV status or because they are transgender. In some cases, interventions are focused on involving such individuals in activities such as cleaning motorcycles or primary production, rather than on supporting their reach integration into the workforce or find alternative avenues to apply their professional skills and expertise;
- **Lack of engagement of communities and beneficiaries in program planning:** In some cases, this has led to poor compliance or program activities which are not suitable for local conditions;



A community member from Tambak Bajo, East Kalimantan and the KBCF Program Manager showcase their products and share learning about building their business at the PNPM Peduli Learning Forum in Makassar, September 2012 (conducted by the PSF). Together with 15 other small business owners supported by PNPM Peduli CSOs they shared learning and expertise, connected with local government, and met private companies to discuss strategies for growing their business.

- **Poor cost and benefit analysis at the outset:** for example, see the case of Ibu Eli (see box below);
- **The use of 'kelompok' group business systems and failure to recognise that not everyone can or wants to be an entrepreneur;**
- **The positioning of community members as recipients or objects rather than as primary actors,** through the distribution of tools and equipment, provision of one-off training and technical inputs, rather than through involvement in joint planning and analysis, partnering and mentoring.

Without exception, the Reviewers noted that CSOs have implemented livelihood activities through group-based (*kelompok*) approaches. While this approach offers a convenient modality through which CSOs can program, **kelompok approaches are rarely effective**, except in terms of improving bargaining power for the purchase of raw materials and for accessing capital. A group-based approach is less likely to address the individual motivations

and the individual needs of groups' members. Such an approach often triggers conflicts between members as a result of conflicting individual interests. The group approach also runs the risk of reinforcing existing and unequal power structures. This may undermine empowerment and lead to inequitable transactions.

The short project cycle has had a negative impact on the quality and sustainability of economic development activities. CSOs report that they have had no time to engage communities in program planning and the assessment of opportunities. This has led to a poor assessment of opportunities and constraints, which significantly impact upon success. For example, one partner established an enterprise to cultivate catfish in NTB. However, after the partner had conducted training with beneficiaries, it was found that there was a shortage of catfish fingerlings (*bibit lele*) in the province. Thus, these fingerlings had to be sourced from outside NTB, which raised the cost of production and undermined the income

CASE STUDY: IBU SUTILAH

Ibu Sutilah is the head of the 'kripik rumput laut' (seaweed crisps) artisans group in Bangsal Village, Mataram. This mother of three had difficulty managing the business group because the group did not adequately calculate the cost of production. Thus, the group had difficulty in determining an appropriate selling price. In addition, the group's working capital for production continued to shrink because cash inflows were utilised to pay wages for the group.

In short, the skills training intervention was not preceded by adequate market research. As a result, participants had difficulty establishing a viable business.



generating potential of the program. The Reviewers also found cases of the inappropriate purchase of equipment, such as machinery requiring a higher wattage than was available in the village. Of course, with better attention to planning, such cases should be avoidable. However, cases such as these were not uncommon. Unfortunately, they significantly detract from the value created by the program, demonstrating poor downward accountability, undermining the legitimacy of civil society and placing increased burdens on beneficiaries.

Throughout the Review process, **all stakeholders** (government, Peduli, EOs, CSOs) agreed that livelihoods interventions provided a convenient entry point into programming to address root causes of marginalization, which is why there is such an emphasis on livelihoods activities within the Peduli portfolio.

If partners do not have the requisite skills to improve economic outcomes for beneficiaries, should they be involved in this kind of intervention? This is an especially relevant question when the intent of the program is to foster not just the economic inclusion of beneficiaries, but also their social inclusion. At present, EOs and CSOs are focusing on livelihoods activities because they see these activities as

an easy entry point to working with poor communities on wider and systemic issues of social inclusion, not because this is their area of skill, expertise and interest.

In the interests of achieving downward accountability and ensuring that the program achieves its stated objectives, this question needs to be resolved as a matter of urgency. This could perhaps best be done through a ToC process in which the overarching PDO of Peduli is on the basis of the lessons learned from the last 12 months of programming, as set out in this report.⁶⁰

Intermediate Recommendation:

There is an urgent need to reassess Peduli's current focus on economic empowerment and livelihoods. It is essential to determine the conditions under which this form of engagement can be supported. It is also necessary to determine what capacity building and monitoring efforts are necessary to ensure that associated interventions provide an appropriate return on investment and do not result in harm.

LEARNING AREA 5: WHAT HAVE WE LEARNED ABOUT EFFECTIVE BUSINESS PROCESSES FOR FINANCING CSOS?

Peduli is a "learning by doing" exercise for the WB. While the WB is well versed in large grant administration and the processing of loans to countries, it has very little experience in providing the type of grants to CSOs that a program such as Peduli necessitates. Thus, this Review attempts to capture the experiences of the program to assist the PNPM Peduli team in understanding the extent to which its grant-making processes enable the transfer of resources to CSOs to leverage their work without creating unnecessary constraints through administrative burdens.

The Framework:

An assessment of the relevance and effectiveness of the grant making system established for Peduli is best discussed within the context of current trends in donor good practice for financing civil society and CSOs, as characterised below:

- **Accessibility and flexibility of Grant Management Systems:** The funding of non-traditional and diverse groups is an important characteristic of good practice

civil society programming. It is particularly important for programs intended to benefit hard to reach and marginal target groups.⁶¹ However, competitive funding arrangements often exclude certain types of CSOs from access to funding due to their inability to meet generic requirements for this funding. Increasingly, donors and grant-making organizations are recognising that in order to broaden the access to a wider spectrum of civil society actors including, newly emerging CBOs, media, village and stakeholder interest groups, and FBOs, it is important to provide a range of different grant types. These should have eligibility criteria which will enable groups to access varying types of funding according to the needs and capacities of the specific groups.⁶² They should enable the flexible and responsive mobilisation of funding to CSOs in the context of changing needs, while still adhering to globally accepted standards of due diligence, accountability and transparency.⁶³

- **Selection of Partners:** Careful selection of partners is fundamental to mitigating a range of management and programming risks. The tendency of donors to



GOOD PRACTICE: COMMUNITY EMPOWERMENT STRATEGIES

In the PNPM Peduli Learning Forum in Makassar, the Kawal Borneo Community Foundation (KBCF) from East Kalimantan made a presentation on issues faced by the community, addressing the approach taken and the strategies adopted under the program. The KBCF approached focuses on the potential of the community. KBCF implemented a range of livelihood activities intended to meet the needs of the community. This included the cultivation of carp in Tambak Bajai village. The carp cultivation program was created and certified as a Women's Business group in Tekalsalo village. To ensure the sustainability of the program, KBCF also took steps to include government and private stakeholders.

“The PNPM Peduli program is just the start of a long series of empowerment strategies that will be implemented in 3 years”, says Saparudin, the manager of KBCF program.

focus on fiduciary risks can lead to a failure to address other capacity deficits, even though these deficits may potentially influence or undermine the program or lead to additional risks. Systems to ensure the appropriate selection of partners should be based on the intended outcomes of the program. They should be based on a sound analysis of the institutional capacities and attributes of the partner to deliver in terms of these intended outcomes and to enable proportionality and provide value for money (VfM).⁶⁴ While many donors are currently implementing two-stage restricted or select tender processes, contestability is still a fundamental value, particularly in terms of enabling the emergence of new actors and approaches;

- **Use of intermediaries:** Few donors are able to bear the significant transaction costs associated with directly financing CSOs. Therefore, as in the case of PNPM Peduli, donors rely upon the use of intermediaries such as Managing Agents, international NGOs and national CSOs. While this may be appropriate in terms of managing the flow of finances, this approach may also create a number of risks and challenges. For example, intermediaries may not have the same capacities as donors to:
 - a. Mediate where relations between civil society and its organizations and the State are conflicted;
 - b. Establish linkages between civil engagement and efforts to strength the capacity and responsiveness of state institutions; and
 - c. Absorb the inherent risks where they do not have the diplomatic weight that donors enjoy.⁶⁵

Unless intermediaries have a high degree of legitimacy amongst a wide stakeholder group, utilising them as grant makers may position them as ‘gatekeepers,’ which could lead to divisions and/or the cooption of specific agendas. Ultimately, it may lead to the stifling of the natural diversity of civil society views and approaches. Therefore, good donor practice should ensure that careful and ongoing attention to the role and performance of intermediary organizations is undertaken on a regular bases. This should include an external contestability test.

- **Financing Arrangements:** The way in which CSO development activities are financed (funding cycles, the GMS, operational procedures) significantly influences the way in which CSOs are able to implement activities. For example, project based funding can seriously affect “the quality of aid funds for people-centred sustainable development.”⁶⁶ It can result in an overreliance on service delivery and project-based activity that can significantly hamper the contribution of CSOs in the civic arena as they struggle to secure sufficient funds to ensure their ongoing existence. Current trends in donor financing to civil society shows a shift away from project focused funding and towards program and partnership funding in situations where CSOs have demonstrated capacity. Increasingly, financing is moving towards approaches that include core funding, long-term and multi-year programmatic and institutional funding, co-financing, and funding the up scaling and/or replication of existing programs, rather than on the financing of discrete ‘projects’.⁶⁷ Some donors, such as SIDA, are adopting this approach not only with their direct partners, they are also encouraging their own core-funded Swedish NGO partners who act as intermediaries to reduce administrative transactions and to include core-funding and long term (3–4 year) funding to their Southern partners.⁶⁸
- **Accountability:** Good financing practices promote transparency. Such approaches require equal attention to upward and downward accountability. They involve measures such as the public disclosure of information relating to funding, performance and results, the engagement of beneficiaries and key stakeholders in planning and decision making, monitoring, evaluation and learning processes, ensuring equal opportunities for all, and the establishment of effective safeguards. At the institutional level, this approach also requires ensuring that regular reviews of partnerships, contracting arrangements and institutional capacities are conducted regularly to determine that the partner continues to demonstrate the required skills, capacities and systems to achieve the development objectives in an effective and efficient manner.⁶⁹

DFID’s recent review of multi-donor support to civil society and engagement with non-traditional actors highlights a number of additional issues that are particularly pertinent to the work of Peduli. In particular, these relate to the need to work politically and engage with non-traditional civil society groups such as social movements, FBOs, and the media when working with hard to reach groups. As such, we have included these within our framework for analysis.

The DFID review reinforced identified a range of strategies to enhance the reaching of non-traditional partners, including:

- Diverse, experimental funding with strong facilitation capacity, allowing donors to identify ‘winners’ and to nurture coalitions through incremental learning;
- Working with intermediaries with a history of engagement with particular non-traditional groups;
- Facilitating the development of a cascade of different funding mechanisms to reach different groups within civil society;
- Differentiating grant making, minimising reporting requirements and giving partners the space to fail and learn from their mistakes in an effort to engage with less experienced non-traditional groups including grassroots CBOs;
- Fostering meaningful engagement with beneficiary groups to encourage the use of pro poor approaches, to engage beneficiaries in program governance structures, and to focus on rights.⁷⁰

The Evidence and the Lessons: What is happening in Peduli and what are we learning from that?

The Financing Relationships

In order to achieve its objectives, Peduli is testing a number of models for the financing of Indonesian national CSOs to deliver grants to and build the capacities of local CSOs to enable them to work with marginalized groups:

- **Model EO–A** provides grants to national EOs, who each receive a grant to strengthen their own management systems and operational capacity and to provide sub-grants to third party organizations (local

CSOs) to a) support their poverty reduction activities with marginalized groups; and b) to strengthen their management and organizational capacity. Kemitraan and ACE are the current EO–A Grant holders under this model.

- **Model EO–B** provides grants to national membership organizations, who receive a WB Grant to strengthen their own management systems and operational capacity and to build the capacity of sub-national branches to a) support poverty reduction activities of sub-national branches with marginalized groups; and b) strengthen their management and organizational capacity. *Lakpesdam*, a subsidiary of the *Nahdlatul Ulama*, a national faith-based organization with 30 million members, is the only current holder of an EO–B Grant under this model.

EOs were selected through a competitive, select tender process overseen by PSF (see Annex 1). During this process, the Panel identified three additional organizations which it felt had specific potential, while qualified for a grant under the two models set out above. As a result, it was decided to test a third model, as described below:

- The **EO–IP Model:** This model was developed to manage risk while supporting aspiring EOs to develop capacities as grant making organizations in the future. Under this model, three additional organizations (Intermediary Partners, or IPs), were attached to one of the EOs and received smaller block grants, which they then channelled to their own partners (Tertiary Partners, or TPs). IKA, Bina Swadaya and PKBI were all appointed as IPs under this model.

When asked about their strategic motivation for engaging with Peduli, Kemitraan, ACE and IKA each described themselves as GMOs, indicating that grant making was part of their core business and strategic vision.⁷¹

It should be noted also that this issue of CSOs positioning themselves as GMOs is also manifest at sub-national levels. Thus, a number of Peduli programs are working with a provincial sub-granting organization.⁷² This has wide ranging implications for the flow of resources and the targeting of capacity building efforts, as it adds a further, unplanned layer to Peduli’s chain of influence.

To some degree, the extent to which EOs and IPs have positioned themselves as GMOs may be a reflection of their current grant arrangement with the program, in which their role is specifically articulated in this way and supported by reporting milestones linked to their grant making functions.

Intermediate Recommendation:

Engagement with ALL partners in Peduli, including EOs, should be based on **shared strategic programmatic interests**, as opposed to their intention to position themselves as GMOs. This should also be the case for sub-national organizations acting as local GMOs.

All stakeholders (PSF, EOs, IPs and CSOs) agree that **the mechanism of partnering IPs with EOs has not been particularly effective.** EOs and IPs state that the current arrangement has resulted in an increased administrative burden (reporting, contracting, disbursements, monitoring etc), which in turn has resulted in delays and increased transaction costs and fiduciary risk.⁷³ The creation of additional new layers distances EOs from field activities and reduces their ownership of program activities, with these EOs supporting programs that may not fit with their overall programmatic focus or approach.

The idea that this model would support the capacity building of IPs was flawed firstly because IPs were required to use the EO systems and Standard Operating Procedures (SOP) rather than their own and secondly because EOs were not provided with additional resources to support this model or to implement the additional capacity building activities are required.

Intermediate Recommendation:

The IP Model should not continue. Given that this model has not worked to facilitate the expected capacity building and skills transfer for IPs, PNPM Peduli needs to consider the mechanism by which it will assess the capacity and suitability of IPs to become EOs in the future. This mechanism may include opportunities for new actors to be engaged.

There are indications that **mass membership organizations are motivated to achieve higher levels performance and accountability at all levels**

(upward and downwards and within teams). In the case of *Lakpesdam*, this can be attributed to a sense of downward accountability to a strong and wide membership base, a clear vision and operational ethos, and strong institutional structures, policy frameworks, management systems and lines of accountability. While this clearly needs to be tested through further partnerships, the indication is that mass organizations may be able to facilitate significant change at both institutional and societal levels.

Selection of CSOs for On-granting

Model A: Kemitraan and ACE used a combination of methods to select their CSO partners. In most cases, selection was based on pre-existing relationships. For example, Kemitraan invited CSOs with whom they had previously collaborated in programs to benefit indigenous peoples and to address governance and forestry issues. It engaged with the CSOs because they provided a logical fit with the stated purpose and intent of Peduli. Similarly, ACE reviewed its existing partnerships and selected CSOs with whom they had previously collaborated and whom they felt were a good match for the PNPM Peduli program's priorities.

The intention of Peduli to test programming approaches and to reach a more diverse beneficiary base impacted significantly upon the scope of each EO's programmatic base and the selection of partners. For example, Kemitraan solicited additional partners whom they knew had experience in addressing particular priority issues, such as HIV, reproductive health, street children and micro-enterprise development. ACE also actively sought new partners, such as Our Voice, to address LGBT issues. However, it also strongly encouraged its existing partners to engage in programmatic/thematic areas that were new to them. For example, this included LPSDM and PPSW Borneo, who were "strongly advised" to work with migrant workers, a group with which they had no previous experience or relationship.

In each case, existing networks were used and participation was by invitation only. There was no wider, open call for partners or proposals. This led to limited competition for resources and no external contestability.



A women's groups in Indramayu, Central Java, participate in livelihood training to learn how to make fish-balls, prior to setting up their own small business. They receive training and business support from Lakpesdam NU Indramayu.

Model B: *Lakpesdam* established a set of key criteria which it used to identify and invite 20 member branches to engage in the implementation of Peduli. It also worked with LPP NU and LP NU⁷⁴, who proposed a further nine and one additional partnership respectively. *Lakpesdam* then worked with these 30 branches to develop their proposed activities, all of which were funded.

For this selection, there was no widely promoted process of internal contestability. On reflection, *Lakpesdam* itself recognized that the criteria used to select partners focused on capacities for project and grant management, rather than on the programming approach and the orientation of the selected branches and their capacity to work with marginalized groups.

Model EO-IP: Peduli negotiated contracting relationships between the EOs and IPs. Due to existing relationships and some shared programming priorities, PKBI and Bina Swadaya were partnered with ACE. Kemitraan

was partnered with IKA, due to the perceived closer link between the institutional ethos and interests of the two organizations.

IP on-granting followed the patterns defined by the two models above, with IKA and Bina Swadaya on-granting in the same manner as the national CSOs (Model A), providing grants to existing partners and organizations within their civil society networks. PKBI conducted on-granting as a national membership organization (Model B), providing grants to a number of its own branches on the basis of internally created criteria.

Lessons Learned: Selection of CSOs for On-granting: In all cases, **there has been limited contestability in the selection of partners and projects** funded under the program. To some extent, this is justified by the extremely wide scope of Peduli, which encouraged partners to work with as many marginal groups and in as many locations as possible. It is also justified by the breadth



Poor women in Cimahi District have come together to form a small business group to help generate income. They make and sell cushions from scrap materials donated by a local factory. The women have received handicraft and business training from Lakpesdam Cimahi, West Java.

of the membership base of Model B organizations; the fact that proposal and program development process were not resourced by the program; and the fact that the timeframe for partner selection and proposal development was far too short and did not allow for good program planning and development practices.

There was also a disproportionate focus on the reduction of fiduciary risk and on project and grant management capacities, rather than on the quality of design interventions and the capacities, technical capacity, programming approach and attributes required to work effectively with marginalized groups. This has contributed in some cases to poorer than expected targeting, program design and implementation. These issues are dealt with in more detail in section XXX of this report.

In working with marginalized groups, it is entirely appropriate to establish partnerships with specific organizations that have a sound track record in

performance with these groups. However, the Review team does not feel that this was achieved through the Peduli on-granting arrangements in place at the present time, despite the inclusion of specific organizations such as Our Voice and SWARA, which may be otherwise have been excluded from grant funding.

Intermediate Recommendation:

In the interests of quality programming and downward accountability, there is a need for increased contestability in the selection of CSO partners and programs. While restricted and targeted selection process are acceptable, a higher level of transparency and accountability could be achieved if EOs and IPs facilitated a higher degree of contestability within selection processes. This could be achieved through the establishment of clear program and performance criteria, based on intended development outcomes, proportionate criteria to select on the basis of these and external appraisal and peer review controls.

Funding Arrangements

Peduli was established as a 3.5 year program, with financing in two stages:

- Phase 1: Pilot and Phase II Preparation (June 2010–December 2012); and
- Phase 2: Implementation (January 2012–December 2014).

Grant contracts to EOs and subsequent on-granting to CSOs has followed the pattern of funding to the PSF itself. As such, grants to CSOs are for 10 months periods without security of ongoing funding following the Pilot Stage.⁷⁵ In practice, delays in disbursements have shortened this timeframe by a further 2–3 months, in some cases leaving an actual implementation period of 7–8 months only.

EOs, IPs and CSOs consistently report that the short project cycle means they are unable to focus on the content and quality of the program and are unable to use participatory development practices for the design of activities and throughout implementation.

“It’s all too fast. The short timeframe stops us from using good community development and community planning processes. Empowerment is all about the processes that people have been through. There is no time for the community to internalise the planning process and really understand what the program is trying to do.”

Team Member: Satu Nama, Yogya

Lack of funding certainty disincentivises programmatic approaches and limits the abilities of EOs, IPs and CSOs to plan long-term advocacy efforts to address the structural causes of poverty and marginalization, which require longer term engagement in terms of networking, credibility and relationship.

“To achieve our goal we need to work and look beyond the visible and tangible activities and outputs. However, because of the funding timeframe, the EO is more concerned about the outputs than the process.”

CSO FGD

After EOs and IPs were selected, they were expected in turn to select partners and develop detailed proposals and budgets for on-granted activities against a budget allocation provided by Peduli. This process was undertaken in a two-month period between June and July 2011.

EOs consistently report that they felt they were not provided with the adequate resources and support to undertake this work. In particular, they did not have budgets to undertake field verification visits to CSOs and communities in many provinces. In turn, they were unable to provide resources to their intending CSO partners to facilitate participatory assessments and community planning processes. In some cases, CSO staff developed the proposal and selected beneficiaries without transparent processes. This has clearly contributed to the number of poorly targeted programs currently being supported.

Both Peduli staff and EOs became aware of this early in the implementation phase. Peduli has responded by providing some room for EOs and CSOs to reassess needs and to review and adjust activities. However, this has not been possible in all cases. Rather, in some cases, for pragmatic reasons, some poorly targeted activities will simply run their course until the next funding cycle, at which point the focus of the problem will be clearer and greater attention will be paid to effective targeting. This will result in some poor performing and poorly targeting initiatives being phased out.

While EOs and CSOs alike complained about the lack of financial resourcing for this design stage, the Review team felt that few EOs and CSOs possessed sufficient design expertise to achieve the quality of targeted programming that Peduli aspires to. Thus, attention to both the technical

and financial resourcing of CSOs and EOs in the design of the future program should be given equal attention and priority.

“By not financing the preparation and planning phase, Peduli runs the risk not only of failing to meet beneficiary needs and to lessen value for money, but of undermining the beneficiaries ownership of the program in the long run.”

Short term financing does not fit with the development outcomes that PNPM Peduli seeks to achieve. Such financing leaves EOs and CSOs with extremely limited design options, especially in a context where they are being asked to develop programs and approaches with non-traditional partners and with marginalized target groups who do not have access to other forms of support. Such financing promotes and supports the design and implementation of short-term projects rather than the longer-term programs that are more likely to result in meaningful impacts at the beneficiary level, especially where the desired results include the behavioural and attitudinal change required to facilitate empowerment, citizenship and participation.

Intermediary Recommendation:

The development of systems to ensure the more effective provision of financial and technical resources to CSOs and EOs to design interventions should be given high priority in the next phase of Peduli and its associated programming activities.

Disbursements and Payments

EOs, IPs and CSOs all experienced delays in disbursements and payments as a result of:

- The fixed ceiling on EOs designated accounts;
- The limited capacity for pre-financing of EOs; and
- Poor capacity of CSOs in financial documentation and reporting.

The initial fixed ceiling of 10–15 percent of the total grant value in the EOs designated account was insufficient to meet the cash flow requirements of multiple partners.⁷⁶

This resulted in delays to some payments, with others only receiving partial payment of their transfer requests. This was the case with *Lakpesdam*, which provided equal tranche payments to each branch rather than disbursing against work plans and cash flow estimates. Unable to pre-finance, ACE was similarly unable to finance partners in line with their work plans and estimates.

The Peduli team recognized very early on that the ability for partner to pre-finance was not adequately assessed at selection. In response, changes were implemented to the disbursement system. Initially, the percentage limit was increased to 20 percent. Later, the system moved from a percentage advance to an expenditure forecast system. This provides an excellent example of efforts by the PSF to seek to reorientate its systems in line with its intention of establishing an efficient and effective system for CSO financing.

“With the changing to forecast-based we feel safer and can follow our disbursement timeline”

Titik Hartini, ACE

Poor capacity has also contributed to delays. CSOs acknowledge that they have received a lot of mentoring and training support from the PSF Finance Management teams. In turn, members of these teams have stated that this has “brought them closer to the CSO partners than any other PSF CSO program.”⁷⁷ Monthly meetings have been held, with PSF Finance Team members reviewing disbursement plans and other financial documentation. Given these efforts and the changes made to financial management procedures, there is an onus on EOs to focus on strengthening their own financial management and planning systems.

CSOs report **that delays and partial payments have significantly constrained program implementation.**

Plans made in good faith with community members have had to be adjusted, postponed and in some cases cancelled due to cash flow considerations. Procurement of tools and equipment required for training was often not possible until after the planned event. This undermines the implementation of interventions and undermines relationships and trust with beneficiaries.



Beneficiaries and CSO staff attend a field trip to a successful small business in Gowa District during the PNPM Peduli Learning Forum in Makassar, September 2012. They discussed success factors, sustainability and how to overcome business challenges.

Lessons Learned: Disbursements and Payments

The issue of **the low level of capacity of some CSOs** in the area of financial documentation and reporting is not unexpected in a CSO program in any context, and will generally lead to some delays in disbursements to some organizations. This issue needs to be addressed through pragmatic attention to the development of user-friendly guidelines and systems and through the provision of capacity building and other specific activities to ensure that CSOs programs and standing in the community are not undermined by administrative concerns.

EOs and CSOs acknowledge that participation in Peduli has strengthened their capacities in the areas of financial, administrative, procurement and contract management. This is particularly relevant for small CSOs that have no previous history of accessing institutional funding.

The high level of responsiveness by the PSF to resolving the financing issues experienced by EOs and CSOs **is strong evidence of its commitment to establishing an effective and efficient system for financing CSO activity** in Indonesia.

“As a new organization, SWARA received a lot of support from the PSF in establishing the finance system. Support was provided to implement procurement procedures, to ensure that all receipts were correctly documented and to produce the finance report”

Luluk, SWARA



A joint PSF Safeguards, PSF Field Team and PNPM Peduli Executing Organization field mission to SCF in the Pipikoro Highlands, Central Sulawesi. The mission was conducted as part of program monitoring and capacity support provided to SCF.

“We have been helped by PSF through its provision of Regular and intensive technical assistance in the area of financial management. Through this, we have learned to improve our financial management system.”

Ufi, Lakpesdam

Procurement

World Bank procurement processes have had a significant impact on program delivery. Without exception, EOs/IPs and CSOs have found WB procurement procedures complicated and onerous. They have frequently stated that guidelines are not sufficiently user-friendly either for CSOs or EOs. WB procurement team members indicated that the capacity of EOs to support procurement processes was lower than initially anticipated. Limited capacities in this area have contributed to delays in procurement. In turn, these delays

have had an impact on the implementation of program activities. For example, numerous CSOs reported that often, in the period between the completion of the required paperwork for procurement and the granting of approval, the equipment originally intended for purchase had been sold or is otherwise unavailable. Thus, the procurement process had to recommence. Others report that delays in the approval of procurements has meant that tools and equipment required for training and/or distribution to community members has arrived well after the training has been conducted and the activities for which this equipment is required have already commenced.

EOs were required to obtain a No Objection Letter (NOL) for their procurement plans before conducting transactions. This requirement applied not only to the EOs, but also to each of their partner CSOs. This requirement created significant administrative burdens on the CSOs and the EOs in the early stages of the program. It was the primary cause of delays reported by CSO partners. Although grant agreements between the EOs and the program were signed in July 2011, NOLs were only issued in

September. This meant that the EOs were unable to issue contracts to CSOs until October 2011. As a consequence, the effective program period for CSO activities was reduced from 12 to 8 months. This had knock on effects at the field level, resulting in insufficient community engagement in activity planning and inception, less internalisation of the intended outcomes of the program by beneficiaries and communities, a reduced frequency of activities, increased attention to outputs and less focus on the quality of program.

The Peduli team has been acutely aware of the potential impact of this issue on the program from the outset and have proactively engaged in seeking to minimise its impacts. In particular, the Peduli team made concerted efforts to streamline Procurement Guidelines to make them more accessible and functional for CSO partners in the field, while still maintaining globally accepted standards for accountability and transparency. Amongst other efforts, this included the development of a Procurement Procedures Manual for CSOs, which is currently passing through the approval process; negotiating changes in the value thresholds which apply to specific transactions; enabling PSF procurement specialists to provide training and support to EOs; and visiting field locations to provide specialist capacity building and to troubleshoot to overcome administrative obstacles.

EOs and CSOs have complained that the administrative processes for procurement mandated by the WB have changed throughout the short period during which the program has been implemented, with these changes resulting in an added administrative burden, lack of clarity and complexity. However, there is also a recognition that these changes are the result of the early understanding that EOs own systems would be utilized and of the Peduli team’s ongoing efforts to seek to streamline administrative processes in the interests of good donor practice in relation to CSO financing. These efforts by the Peduli team are highly valued by the partners and will be vital for ensuring that an efficient and effective system for CSO financing is developed. **Ongoing efforts by the team to internally advocate for efficient, effective and accountable administrative processes for procurement and grant making more generally within the WB are to be strongly encouraged.**

Intermediate Recommendation:

WB procurement processes (combined with poor financing timeframes) have had a significant negative impact on program delivery. Ongoing efforts by the team to internally advocate for efficient, effective and accountable administrative processes for procurement and grant making more generally within the WB are to be strongly encouraged.

Reporting Systems: The strategy of using each EO’s established systems for reporting has reduced administrative burdens and transaction costs. EOs familiarity with their own SOPs enables them to be more effective in communicating reporting requirements with partners and branches. In some cases, CSOs are already familiar with the EOs’ systems. In turn, this reduces their administrative burden. Financial reporting is still challenging for some CSOs that have less developed organizational forms and structures or less experience in working with donors and grant making organizations (e.g. *SWARA*, *Our Voice*). It is also challenging for those who draw on a voluntary and loosely associated membership base, such as *Lakpesdam* branches. In such cases, EOs should be careful to ensure that administrative arrangements do not become the prime focus of the relationship and therefore undermine their potency as effective agents of citizen voice.⁷⁸

With regard to narrative reporting, EOs, IPs and CSOs alike expressed the opinion that current Peduli reporting requirements are quantitative by nature. As a result, they provide limited incentive to report qualitatively on program challenges and progress. However, in making this assessment, they appeared not to regard the regular dialogue that they have with Peduli staff through monitoring visits and other exchanges and participation in learning forums as part of the reporting process.

Accountability: Peduli policy stresses the importance of all partners upholding good practice in terms of accountability and transparency.⁷⁹ However, in practice, the orientation of partners is focused much more on upward accountability than on downward accountability. CSOs report exclusively to EOs, whose SOPs do not adequately reflect expectations regarding transparency of funding, activities etc. For example, *Lakpesdam Gunung Kidul* was the only one of the 17 CSOs visited by the Review team that had made its

budget and expenditure publically available. Laudably, this branch make this information available in a manner so that beneficiaries were not only able to discuss the budget but also to influence financing decisions.

“The facilitator made details of the budget available to us and asked us what support we needed to increase our enterprise development. We discussed this amongst our members and decided to allocate a bigger portion to buy sewing machines and a smaller portion to saving activity.”

Sutilah, Gunung Kidul

Of course, downward accountability and transparency is good practice for donors and CSOs alike. It is also a valuable tool for demonstrating the principles of good governance and citizenship in a way that is accessible and relevant to beneficiaries. It builds capacities and enables

beneficiaries to demonstrate empowerment outcomes by participating in programming decisions. **Peduli should strongly encourage downward accountability as a process of development at the levels of both practice and policy.** This could be achieved through a range of strategies, including support policy and learning dialogue, capacity building, M&E systems, policy and procedures reviews and contracting.

Intermediate Recommendation: Peduli should strongly encourage downward accountability as a process of development at the levels of both practice and policy. Clear strategies and management systems need to be put in place to enable this, including proportional attention to the measurement of partner performance and accountability to beneficiaries and other stakeholders.

*Realisasi Keuangan
PNPM Peduli Lakpesdam NU Gunungkidul
(Periode Nov 2011 – Mei 2012)*

No	URAIAN	Pencairan	Pengeluaran	
			Rencana	Realisasi
I	Pemasukan			
a.	Tahap I	22.800.000		
b.	Tahap II	41.450.000		
c.	Tahap III	70.560.000		
d.	Tahap IV	16.350.000		
e.	Tahap V	4.500.000		
II	Pengeluaran			
1.	Honor Staf		31.300.000	31.500.000
2.	Operasional kantor		8.400.000	8.400.000
3.	PPA (1 dan II)		11.200.000	11.400.000
4.	Pelatihan Manajemen		4.800.000	4.800.000
5.	Pelatihan Koperasi		5.300.000	5.300.000
6.	Kurtas Menjajah		18.500.000	18.500.000
7.	Manja Paket I		14.800.000	14.330.000
8.	Belanja Paket 2-5 (2-8)		23.400.000	23.770.000
9.	Monitoring kelompok I		3.200.000	3.200.000
10.	Pelatihan Pupuk organik		6.800.000	6.804.000
11.	Pendampingan 1 & 2		6.100.000	6.100.000
12.	Workshop kewirausahaan		4.800.000	5.923.500
13.	Pelatihan Produk		7.200.000	6.487.500
14.	Monitoring kelompok II		3.200.000	3.200.000
15.	Pendampingan 3		3.100.000	3.100.000
16.	Ceklist Program		3.200.000	3.200.000
	Jumlah Total	155.400.000	155.400.000	155.600.000

**GOOD PRACTICE:
DOWNWARD ACCOUNTABILITY**

Public Financial Report: *Lakpesdam NU Gunung Kidul*

Lakpesdam NU Gunung Kidul published a special edition of their Bulletin, focusing on their PNPM Peduli supported activities, in June 2012.

This special edition contains a range of articles and information about poverty, the outcomes of their economic empowerment workshop, photos, information about program activities and a financial statement which explains financial inflow and outflows for the program.

“Financial transparency is an important part of our approach to civic education and empowerment,” said M. Zainuri Ihsan, Manager of *Lakpesdam Gunung Kidul*



Lakpesdam Cilacap staff provide training to farmers in Cilacap District, Central Java, in organic fertilizer. These farmers now make and sell their own organic fertilizer and are running their own small business for the first time.

4 OVERALL ASSESSMENT AND RECOMMENDATIONS: CONSIDERATIONS FOR THE FUTURE OF PNPM PEDULI

The purpose of this external Review has been to develop a snapshot of PNPM Peduli in its first year of operation. Through this process, the Review describes lessons learnt to enable the PNPM Peduli team and its partners to consider the future direction of Peduli and to move forwards into a new phase of the program.

The intermediate observations and recommendations provided throughout this report will assist , PNPM, the government, PSF and PNPM Peduli teams and their partners to make detailed policy and implementation decisions to support the development of the program. These decisions require considerable reflection and discussion within the context of the emerging lessons from Peduli implementation and the programming standards provided within each of the Learning Area sections of this report. As such, these intermediate recommendations are set out in the relevant Learning Area sections and are not repeated in detail here. (They are reiterated in Annex 11).

This section sets out broader overarching observations and recommendations. If addressed as a package, these recommendations will enable PNPM Peduli to continue to develop good practice approaches to working with marginalized groups in Indonesia.

OVERALL ASSESSMENT

PNPM Peduli has established a set of relationships and business systems that will support its ongoing development and understanding of effective approaches to reaching and empowering marginalized groups in Indonesia into the future.

With the implementation of the program, there have been indications of emerging outcomes in relation to

social inclusion. In a number of cases, beneficiaries have acknowledged changes in terms of increased awareness, confidence, participation, social networks and bargaining power.⁸⁰

While the focus in the pilot phase of the program has been on the establishment of systems and relationships, it is understood by all stakeholders that increased attention to the quality of interventions and design of activities is a priority as Peduli moves to full implementation. We trust that the observations and recommendations made in this report will assist in establishing mechanisms and systems to support this.

OVERARCHING STRATEGIC RECOMMENDATIONS

The program logic and purpose of Peduli is sound and relevant. PNPM Peduli responds to priorities identified by the Indonesian government. The program is positioned to support the inclusion of marginalized groups within government poverty alleviation programs and government services more broadly.

For PNPM Peduli and its partners to be able to focus their efforts more effectively, a clear vision statement that defines what Peduli is about and what it is for is required. The following is an example of such a statement:

*// PEDULI IS ABOUT JUSTICE.....
It exists to support marginalized people to develop bargaining power with their government and within their communities. //*

Sujana Royat



A group of women who have been internally displaced due to religious conflict in Ambon, receive skills training from Lakpesdam Ambon. These women have formed small groups and now make and sell their own cookies locally.

We are confident that this type of statement of vision and intent will emerge through planned processes to define Peduli's own Theory of Change and to articulate the emerging design.

Peduli counterparts, staff and partners are shaping and modelling relationships and behaviours which reflect the values of equality, humanity and justice. Such relationships and behaviours form a vital foundation for the implementation of the program.

Respectful quality relationships are evidenced at all levels of the Peduli chain of influence and are contributing to Peduli's development and the creation of enabling environments within which all stakeholders operate.

The establishment of the architecture for the delivery of PNPM Peduli is a significant achievement. Prior to PNPM Peduli, the WB in Indonesia had limited experience and no mechanisms in place for direct financing to CSOs using their own systems, and limited experience in other

countries from which to draw on. Not only has Peduli established a funding window, it has developed and received approval for a set of SOPs for the program. It has also drafted a CSO Friendly Guide to WB Procurement. It has designed and implemented a process for the selection of EOs. In turn, it has worked with these EOs to develop their own SOPs and Grant Making System (GMS) and their own processes to identify partners and design programs. **Peduli is facilitating internal change within the WB.** The program has been identified as a pilot for the WB to shift from compliance focused procurement to principle focused procurement.⁸¹

Peduli's role in capacity development stems from and supports its role in the development of a network of agents for change to empower marginalized groups and support social inclusion. Effective capacity development is demand driven. Such capacity development provides a range of options to address the different stages of development and learning styles of varying organizations and individuals. Peduli can be differentiated from generalist civil society programs because of its focus on social outcomes for groups who are not reached by other development initiatives. In short, it needs to be focused on practical outcomes rather than being institutionally focused. In this manner, it can support partners working towards the desired *development* outcome.

Program level outcomes do not result from a portfolio of discrete and disassociated projects. In order to address marginalization, Peduli and its partners need to shift towards programmatic approaches. Peduli has tested a range of approaches to working with marginalized groups. Some will have positive impacts on the lives of marginalized people. Some will not. Real success for Peduli is most likely to be achieved through the implementation of a smaller portfolio of programs focused on specific issues or communities. The program will achieve success by describing social and rights based outcomes; providing and resourcing opportunities for learning and sharing good practice across programs; and facilitating the ability of partners and beneficiaries to engage as a group with government partners. There is great scope for the development of much wider partnerships and networks to through Peduli. There is also a clear need for the development of such partnerships and networks.

Peduli partnerships should build upon the existing experiences and capacities of known organizations, utilising tested approaches. Peduli needs to actively avoid pushing partners into working outside their areas of institutional competence. It should identify partners who are able to work to achieve the goals of PNPM Peduli and to implement programs based on practical and effective approaches to addressing marginalization at its root cause. This is particularly relevant for the work on livelihoods, the manner in which related activities have been implemented necessitating some serious reflection, if not reconsideration, within the program.

In the immediate future, PNPM Peduli needs to focus on the alignment of emerging good practice for funding to CSOs and working with non-traditional organizations and groups. The manner in which donors finance CSOs directly affects what these CSOs are able to achieve on the ground. While PNPM Peduli has made significant progress in establishing a system to finance NGOs, it must now focus on ensuring the quality of that system so that it is in line with donor good practices. Measures to achieve this may include longer program cycles, the use of user-friendly procurement and reporting systems and ensuring contestability at partner selection and activity design stages.

The quality of partner programs in terms of targeting, relevance and technical quality can be significantly strengthened through the development of higher levels of contestability; the effective resourcing of design processes; and the development of quality tools for assessment and program planning. PNPM Peduli stakeholders are aware that now that systems have been established, attention needs to be paid to strengthening the quality of CSO programming. In part, these improvements will be supported through a review of financing practices and timeframes. Other improvements will require significant support for CSOs to identify the core competencies and behaviours required by their staff and organization as a whole to work effectively towards empowering marginal groups. It will then be necessary to establish meaningful capacity building strategies to develop these core competencies and behaviours.

5 CONCLUDING STATEMENTS



Beneficiaries, CSO and Executing Organization staff together with Kemenko Kesra and the PSF share learning, celebrate achievements and participate in program planning throughout 2012 (PNPM Peduli Learning Forums, PNPM Peduli Retreat, Management Retreat)

This document was created to meet the needs of PNPM Peduli's **primary stakeholders**. These stakeholders include the PNPM Peduli team, its partners within government and civil society, and members of the communities served through the program.

We emphasise that many of the findings presented within this report are not new news. However, the Review creates the opportunity to spend some time to take stock, to examine key issues within a clear analytical framework, to view these issues from a wide range of angles, and to consider which of these have significant positive or negative impact on the ability of the government, EOs, PSF or any of the partners along the Peduli chain of influence to achieve the PNPM Peduli PDO.

The Review team hopes and trusts that the discussion, evidence, lessons, ideas, guidance, reflections, accolades and criticisms contained within this report will contribute to the ongoing development of the program.

None of these options stand alone, nor are they mutually exclusive, nor are they ours!

We hope to inspire J Edwar, Meuthia, Rima, Early Dewi, and Donna Leigh

PNPM Peduli could support national organizations to work with multiple stakeholders in three provinces to test, document and demonstrate sustainable models for enabling landless ethnic minorities to gain access to and manage community forest lands, share lessons at the national level and support the replication of the model by other actors into the future.

PNPM Peduli could support a national membership organization to develop as community of practice promoting pluralism and freedom of religious choice.

Peduli could support quality, targeted research to understand the systems and barriers that excludes certain groups from accessing government services and use this to develop and test practical solutions to overcoming these barriers.

Peduli could support a national organization which provides basic services in education or health to examine and understand its own internal behaviours and barriers which prevent some segments of society from accessing its own services, and use this understanding to implement change management processes fostering inclusive practices so that these groups gain equitable access to services.

PNPM Peduli could become a social movement, based on principles of philanthropy, compassion, and volunteerism which inspires people to act to reduce discrimination and stigmatisation.

Peduli could support anti-bias training within the media and promote broader tolerance and reduction in discrimination and stigmatisation by supporting media organizations to send positive messages and images of marginal and excluded segments of society.

ANNEX 1: SUMMARY OF PEDULI EXECUTING ORGANIZATION (EO) SECTION PROCESS

The following is the timeframe of the Peduli EO Selection Process

Activity	Date
Proposal Initiation Meeting	7 December, 2010
Proposal Writing Clinics	14 & 15 December, 2010
Proposal Submission Deadline	3 January, 2011
Proposal Review & Selection	3–13 January, 2011
Grant Awards announced	17 January, 2011
Launch of PNPM Peduli	23 March, 2011
Financial & Procurement Assessments	February–April, 2011
Initial training on Operational Manual and Grant Agreements held	April–May, 2011
Signing of EO grant agreements	June 2011, 2011

The following is a summary of the outcomes of the EO selection process.

	Model A	Model B	IPs	Total
Mapping of Potential Organizations				23
Invitation to Submit Pre-proposals	10	5		25
Submitted pre-proposals	7	5		23
No. of Shortlisted Organizations	5	4		9
No. of Selected Organizations	2	1	3	6

ANNEX 3: EVALUATION TERMS OF REFERENCE

TERMS OF REFERENCE FOR EVALUATION OF THE PNPM PEDULI PILOT PROGRAM

Background

PNPM Peduli is a Government-led, multi donor trust funded program delivered through the PSF. It was developed in response to a growing awareness by government that certain individuals and groups benefit less than others from poverty reduction programs and public services.⁸² The program objective is to improve the capacities of Indonesian CSOs to reach and empower marginalized groups to improve their socio-economic conditions.

The program provides grants to three Indonesian CSOs referred to as “Executing Organizations” (EOs). Two EOs—ACE and Kemitraan—received funds to strengthen their own management and operational capacity and provide sub-grants and capacity building to local CSOs. At this stage, they also have national intermediary partners who receive funds which are channelled to their own partners; however this structure will not continue into a second phase. The third EO, Lakpesdam, is a faith based organization and it provides funds and support to its sub-national branches. The Program now has partnerships with 72 Indonesian CSOs (3 EOs and their 3 Intermediary Partners, 36 local CSOs and 30 branches of NU).

Progress to date includes:

- Activities are being implemented in 231 villages working on livelihood (90%), access to services (8%) and rights and social justice (2%).
- CSO Partners are working in 91 districts across 24 provinces
- 9,125 direct beneficiaries (63% female, 36% male and 1% transgender).
- 404 community groups have been established or strengthened
- 34 types of marginalized groups are participating in the program including: indigenous people, female micro-entrepreneurs, farmers and fishers, garbage collectors, street children, sex workers, migrant

workers, trafficked women and children, gay and transgender people, domestic violence survivors, children in prison and people with HIV/ AIDs.

Grant agreements were signed on 30 June 2011 and activities began in October 2011. All activities will continue until December 2012. During this period, the PSF Peduli team in collaboration with EOs has established systems and mechanisms for program management including: Standard Operating Procedures, financial and fiduciary systems, M&E system including the Management Information System (in progress) and a draft Capacity Building Plan. All EOs, CSOs and PSF provide quarterly reports and in June 2012 PSF is finalizing a substantial Progress Report (submitted to government end July 2012) that documents emerging changes at community and CSO level, lessons learnt and operational issues.

The pilot phase will finish in December 2012 and the government is considering support for a second phase. This will be informed in part by this evaluation of the pilot program’s contribution to addressing the needs of marginalized groups.

Aims of the Evaluation

The aim of the evaluation is to assess the extent to which the Program is on track to deliver against the key Program results against the four key objectives above. Given nine months of implementation, the evaluation is not expected to assess impacts at the beneficiary level but will however look for evidence of emerging changes in terms of beneficiary awareness, knowledge and skills and organizational development.

The evaluation will look at what has been achieved, the implementation strengths and gap and lessons learnt to inform the second phase. It will explore the performance of CSO activities with marginalized groups, EO performance in grants management, capacity building for their partners, and PSF performance in managing the overall program and compare this with similar CSOs who did not receive support from PNPM Peduli. Key aspects of the evaluation will be on

assessing the current reach of and demand for the program at the community level; how the different EO organizational structures and decision making processes affect program implementation; the positioning of the Program and opportunities for engagement with Gol on emerging policy initiatives such as social protection. The evaluation will also examine the importance of reaching marginalized groups in the context of Indonesia’s policy environment for poverty reduction.

Specifically the Program’s performance will be assessed in relation to the following dimensions⁸³:

Dimension 1: Partnerships between CSOs and marginalized groups for development activities

- Emerging changes for marginalized men, women and transgender in relation to livelihoods, access to services and knowledge of rights and the drivers for those changes that are attributable to PNPM Peduli;
- Through a stock-take of various approaches used by CSOs to work with marginalized groups (awareness raising, capacity/skills building, strengthening livelihoods etc), an assessment of: (a) the extent to which these activities can be carried out in an **efficient** manner; and (b) the extent to which these approaches are **effective** in generating long term improvements in the lives of marginalized individuals
- Strengths and weaknesses of CSO relationships with their constituents.

Dimension 2: Capacities of Indonesian CSOs

- Improvements in CSO operational systems and capacities to engage with marginalized groups as a result of PNPM Peduli;
- Improvements in CSO partner networks with other CSO partners and other stakeholders to promote collaboration and shared learning on issues for marginalized groups as a result of PNPM Peduli;
- Capacities of CSOs to implement activities; and
- Increased capacities of CSO partners for scaling up number of beneficiaries and partners.

Dimension 3: Capacities of Executing Organizations/ Intermediary Partners

- Improvements in EO operational systems and capacities to engage with CSO partners;

- Improvements in EO networks with other CSOs and other stakeholders to promote collaboration and shared learning on issues for marginalized groups;
- Innovations in EO and IP capacity building of CSO partners, particularly in addressing the diversity of thematic areas and geographic locations; and
- Potential for EOs to scale up number of beneficiaries and CSO partners.

Dimension 4: PSF Program Coordination

Effective mechanisms in place for regular coordination with government on Program progress, updates, emerging issues and their leadership on strategic aspects;

Responsiveness of the PSF Peduli team to emerging issues and identified gaps in program management;

EO partner perceptions of: (a) Program mechanisms and systems for Program implementation; (b) responsiveness of the PSF to concerns raised by EOs and the ability of PSF to find suitable solutions; (c) effectiveness of communication; (d) strengthened EO systems as a result of PNPM Peduli.

Effectiveness of Peduli strategies for capacity building of EOs and IPs;

- Efforts for sharing learning within PSF and with external stakeholders;
- Effectiveness of Peduli M&E system in providing useful data for implementation, results monitoring and learning; and
- Peduli actual or potential contributions to the broader Gol policy agenda for poverty reduction.

Scope of the Evaluation

The evaluation will cover the life of the pilot program. It will draw from Program and partner progress and field reports and undertake a number of field visits to verify data contained therein, identify any issues not yet reported and conduct an assessment based on the four dimensions. It is anticipated that the evaluation team will visit minimum of three districts in different provinces and include at least two CSO partners per EO. The selection of the sites will be determined with the EOs and other stakeholders.

The Final Report will provide an analysis of emerging results, findings, opportunities and gaps and a set of recommendations that cover (but not limited to):

- Improving the technical efficiency and effectiveness of Program management structure and processes;
- Strengthening program approaches for empowerment of marginalized groups and gender/social inclusion;
- Strengthening the capacity building component for EOs and CSO in management and technical areas;
- Improving processes for documenting and sharing learning by PSF, EOs and CSOs.
- Possible areas for policy engagement with local and national government building on current opportunities and Gol priorities; and
- Options for scaling up CSO partnerships and the reach of the program.

Methodology

- Desk review including the following:
 - » EO and CSO proposals
 - » Activity reports including quarterly reports of EOs, CSO partners and PNPM Peduli Progress Report
 - » Standard Operating Procedures used by PSF, CSOs and EO/IPs
 - » Financial and management records of the EOs
 - » Relevant government documentation
 - » International literature on good practices for working with marginalized groups
 - » Any other relevant documentation concerning implementation of the Program
- Conduct planning meeting with EOs, Gol and PSF staff to:
 - » refine and agree on methodology and evaluation questions
 - » identify CSO partners, key informants and locations for field visits
 - » develop preliminary work plan
 - » clarify roles and responsibilities of different parties (PSF, EOs, Gol)
- Develop work plan, tools and logistics for the evaluation
- Consult with the following at national level:
 - » Representatives of Menkokesra and Bappenas
 - » Representatives of PSF and PNPM Peduli team
 - » EO and IP implementing teams

- Consult with the following district and village level stakeholders:
 - » Representatives of CSOs
 - » Representatives of local government (district/kelurahan, village) where CSOs are working
- Conduct community meetings/key informant interviews with representatives of marginalized women, men and transgender involved in the CSO activities and those not in the program and living the locations where CSO is working.
- Prepare and present a summary of preliminary findings to district stakeholders for verification and further inputs
- Prepare and present a summary of preliminary findings for EOs and their national stakeholders for verification and further inputs
- Prepare a draft report for review by PNPM Peduli team and a final Report based on the inputs.
- Make a presentation of the final Report within PSF to Gol, CSO and donor representatives.

Outputs

1. A Work Plan detailing a schedule of tasks/activities to be undertaken during the contractual period
2. Evaluation instruments
3. Field visits reports
4. Presentations of summary of findings for district and national level verification and discussion Draft Report outline with detailed recommendations (this report will not present anything new/different from the presentation of summary of findings discussed between the evaluation team and government/PSF)
5. Final presentation at PSF based on final written report approved by government and PSF
6. Final written Report, based on comments received from government and PSF (this report will not present anything new/different from the Draft Report).

Duration

50 days during period of August–October 2012, comprising:

- 14 days preparation, desk review and Jakarta based meetings
- 24 days field work (3 districts)
- 12 days for draft and final report writing

TEAM COMPOSITION AND QUALIFICATIONS

Evaluation Leader

- At least 10 years experience in working in community empowerment programs in developing countries, preferably with Indonesian experience
- At least 5 years experience working in program management capacity
- Demonstrated experience in designing and conducting program evaluations including experience in developing participatory valuation tools
- High level analytical skills and report writing skills (English)
- Demonstrated experience working with civil society organizations, preferably in Indonesia
- Demonstrated understanding of gender and social inclusion in community development
- Ability to work in Indonesian and English language

Livelihoods Specialist

- At least 10 years experience in working in rural livelihood programs in developing countries, preferably with Indonesian experience
- Demonstrated experience in designing and conducting program evaluations, preferably for donor funded programs
- High level analytical skills and report writing skills (English)
- Demonstrated understanding of CSO sector in Indonesia
- Demonstrated understanding of gender and social inclusion in community development
- Ability to work in Indonesian and English language

Social Inclusion Specialist

- At least 10 years experience in working in community development with a specific focus on issues of social inclusion in the Indonesian context
- Demonstrated experience in conducting program evaluations, preferably for donor funded programs
- High level analytical skills and report writing skills (English)
- Demonstrated understanding of CSO sector in Indonesia
- Ability to work in Indonesian and English language

Assistant Researchers (two positions—at least one with strong background in CSOs)

- At least 5 years experience working in community empowerment programs in Indonesia
- Experience in facilitating focus group discussions and key informant interviews
- Demonstrated understanding of CSO sector in Indonesia (at least one researcher must have a strong CSO background)
- Demonstrated understanding of gender and social inclusion in community development
- Analytical skills and report writing skills (Indonesian)
- English language is desirable but not essential

Administration Assistant

- At least 5 years experience working in an administrative role, preferably in international development agency
- Good communication and organizational skills
- Experience in coordinating logistics at national and district level
- Ability to work with minimal supervision including capacity for problem solving and taking initiative
- English language is desirable but not essential

ANNEX 4: FIELD MEETINGS AND ORGANIZATIONS CONSULTED

BROAD FIELD SCHEDULE

Throughout the Review process various team members attended different groups of meetings in different locations. The following table shows the broad field schedule of the Review.

Table in the following pages show the dates and location of actual meetings.

Dates	Location and Purpose
August 7 th	Attendance at Peduli Quarterly Meeting
August 23 rd –25 th	Team Briefings and Planning–Jakarta
August 26 th –September 8 th	Consultations and Field Visits–Jakarta
September 9 th –12 th	Field Visits–West Kalimantan
September 13 th –16 th	Field Visits–Lombok
September 16 th –19 th	Field Visit–Yogyakarta
September 20 th –23 rd	Attendance at Learning Forum–South Sulawesi
September 20 th –22 nd	Donor Meetings–Jakarta
September 24 th –October 3 rd	Follow up Meetings and Partner Workshops–Jakarta
September 24 th –27 th	Government Meetings WB and PSF Stakeholder Dialogue–Jakarta
Sept 24 th –29 th	Team Analysis Sessions–Jakarta

The following provides a list of external meetings throughout the field visit

Executing Organizations (EO's) and Intermediary Partners (IP's)					
No	Organization	Address	Day/Date	Time	Purpose
1	Association for Community Empowerment (ACE)	Kompleks Depkes Jl H Umaid No 39 Rawa Bambu 2 RT 10/07 Pasar Minggu	Wed, Aug 29, 2012	09–00–13.00	EO's 1 st meeting
			Wed, Sept 26, 2012	14.00–17.30	EO's 2 nd meeting
2	Indonesia untuk Kemanusiaan (IKA)	Jl. Kemandoran 1, no. 97, Kebayoran Lama, Jakarta Selatan	Sat, Sept 1 st , 2012	10.00–12.00	IP's 1 st meeting
			Mon, Oct 1 st , 2012	13.00–15.00	IP's 2 nd meeting
3	Kemitraan	Jl. Wolter Monginsidi No. 3, Kebayoran Baru Jakarta 12110	Tues, Aug 28, 2012	09.00–12.00	EO's 1 st meeting
			Mon, Sept 24, 2012	09.00–12.00	EO's 2 nd meeting
4	Lakpesdam	Jl. Ramli No.20A Menteng Dalam, Tebet, Jakarta	Fri, Aug 31, 2012	13.00–17.00	EO's 1 st meeting
			Fri, Sept 28, 2012	14.00–17.30	EO's 2 nd meeting
5	PKBI	Jl. Hang Jebat 3 No. F3 Kebayoran Baru, Jakarta Selatan	Wed, Aug 29, 2012	14.00–16.30	IP's 1 st meeting
			Mon, Oct 1 st , 2012	10.00–12.00	IP's 2 nd meeting
Civil Society Organizations (CSOs)					
No	Organization	Address	Day/Date	Time	Purpose
6	Hurin	Jl. Jatibaru, Tn Abang, Jakpus	Thurs, Sept 6, 2012	15.00–17.00	CSO's meeting
7	Jangkar	Jalan Haji Nawi No 12, Gandaria–Jakarta Selatan	Thurs, Sept 30, 2012	10.00–13.00	CSO's meeting
			Fri, Sept 7, 2012	10.00–13.00	Field visit
8	Kawal Borneo Community Foundation	Jl. Angrek Merpati 1 No. 60 Komplek Batu Alam Permai, Samarinda,75124 Telp./Fax. +62(0)541–7773762	Fri–Sat 21–22 Sept 2012		Interview on livelihood aspect during livelihood workshop
9	Lakpesdam Bantul	Ploso Wonolelo, Pleret, Bantul, DI Yogyakarta Telp/Fax: 0274–8313454	Tues, Sept 18, 2012	14.00–18.00	CSO's meeting & field visit
10	Lakpesdam Gunung Kidul	Jl. Tentara Pelajar Tegalmulyo, Ds. Kepek, Wonosari, Gunung Kidul, DI Yogyakarta; Telp/Fax: 0274–7022694	Tues, Sept 18, 2012	09.00–18.00	CSO's meeting & field visit
11	Lakpesdam Indramayu	Jl. DI Panjaitan No. 24 Indramayu 45212 T.0234–271802	Thurs, Sept 6, 2012	10.00–18.00	CSO's meeting & field visit
12	Lakpesdam Mataram	Jl. Panji Tilar Negara No.144 Perumnas, Tanjung Karang Permai, Kec.Sekarbela, Kota Mataram. Telp. 0370–637301	Fri, Sept 14, 2012	10.00–16.00	CSO's meeting & field visit
13	Lakpesdam Pontianak	Jl. Selat Bali RT 005 RW 020 Kel. Sinatan Tengah Kec. Pontianak Utara Kota Pontianak Kalimantan Barat	Tues, Sept 11, 2012	10.00–16.00	CSO's meeting & field visit
14	Lembaga Swadaya Kalimantan Membangun	Jl. Karya Baru Komp. Pondok Agung Permai J4, Pontianak 78121 Kalimantan Barat–Indonesia Telp 0561–747559	Fri–Sat 21–22 Sept 2012		Interview on livelihood aspect during livelihood workshop

15	LPP NU Sleman	Jl. Dr. Rajiman NO. 13, Pangukan, Tridadi, Sleman, DI Yogyakarta, Telp/Fax.: 0274-86735	Tues, Sept 18, 2012	09.30-13.00	CSO's meeting & field visit
16	LPSDM	Jl. RA Kartini No. 16A, Kel. Rakam pancor, Lombok Timur, Telp/FAx: 0376-21491	Sat, Sept 15, 2012	09.00-17.00	CSO's meeting & field visit
17	Muhammadiyah	Jl. Bekasi Timur VI, RT 04/13, CBS Jatinegara, Jaktim	Thurs, Sept 6, 2012	10.00-12.00	CSO's meeting
18	Our Voice	Jl. Kalibata Timur I No. 55, RT 9 RW 1, Kalibata, Jakarta Selatan	Sat, Sept 8, 2012	14.30-18.30	CSO's meeting
19	PPSW Borneo	Jl. H.Rais A. Rahman Gg. Gunung Kerinci II No. 15A-Pontianak-Kalbar	Mon, Sept 10, 2012	10.00-17.00	CSO's meeting & field visit
20	Samanta	Jl. Amir Hamzah No. 96, Karangsukun, Mataram, Telp. 0370-628481	Fri, Sept 14, 2012	09.00-18.00	CSO's meeting & field visit
21	Sanggar Anak Akar	Jl. Inspeksi Kalimalang, Jakarta Timur	Tues, Sept 4, 2012	14.00-16.30	CSO's meeting
22	SWARA	Jl. Pisangan 3, Jatinegara, Jakarta Timur	Tues, Sept 4, 2012 Mon, Sept 24, 2012	11.00-13.00 14.00-18.00	CSO's meeting Field visit
23	Yayasan Alfa Omega	Jl. Tim-Tim Km.13 Tarus PO BOX 98 Kupang, NTT Tlp.: (0380) 827473	Fri-Sat 21-22 Sept 2012		Interview on livelihood aspect during livelihood workshop
24	Yayasan Satunama	Jl. Sambisari 99, Duwet RT 006 RW 34, Sedangadi, Melati, Sleman, Yogya	Mon, Sept 17, 2012	09.00-21.00	CSO's meeting & field visit
25	YLBH-PIK	Jl. Aliyang No, 12 A, Pontianak, Kalimantan Barat	Mon, Sept 10, 2012	10.00-17.00	CSO's meeting & field visit

Government

No	Organization	Address	Day/Date	Time	Purpose
26	Coordinating Ministry for People's Welfare of Indonesia	Deputy VII Room, Menko Kesra, Jl. Medan Merdeka Barat	Fri, Aug 31, 2012	10.00-11.30	Briefing
			Fri, Sept 28, 2012	13.00-15.30	Sharing information from field visit with CSOs and meeting with EOs

Donor

No	Organization	Address	Day/Date	Time	Purpose
27	AusAID	Menteng	Tues, Sept 4, 2012	3.00-4.00	Meeting with Donor
		Cyber Building 2, 8th Floor, Jl. HR Rasuna Said, Kuningan, Jakarta	Fri, Sept 21, 2012	10.30-11.30	Meeting with Donor
28	European Commission	Intiland Building, 16th Floor, Jl. Jend. Sudirman Kav 32, Jakarta 10220	Thurs, Sept 20, 2012	13.00-14.00	Meeting with Donor

ANNEX 5: PERSONS CONSULTED

Beneficiaries: 1-1 Interviews

No	Name	Gender	Address (Village-District)	CSO	Date of Interview
1	Daerah	F	Pabean Udik-Indramayu	Lakpesdam Indramayu	Sept 6, 2012
2	Musni	F			
3	Arief	M	Tanah Abang-Jakarta	Jangkar	Sept 8, 2012
4	Lena Marliyanti	F	Pematang 7-Kubu Raya	YLBH-PIK	Sept 10, 2012
5	Riningsih	F	Bintang Mas-Kubu Raya		
6	Septi Riwanti	F			
7	Fitriyani	F	Selat Bali-Pontianak	Lakpesdam Pontianak	Sept 11, 2012
8	Ita	F			
9	Mama Dede	F			
10	Eli	F	Kampung Bangsal	Lakpesdam Mataram	Sept 14, 2012
11	Sainin Baiq Saynum	F			
12	Hairuni	F			
13	Nurhidayah	F			
14	Weni	F	Batu Jangkik-Central Lombok	Samantha	Sept 14, 2012
15	Sri Astuti	F			
16	Sanipah	F			
17	Sartini	F	Ijo Balit-East Lombok	LPSDM	Sept 15, 2012
18	Sri Marlina	F			
19	Nurhaini	F			
20	Salma	F			
21	Nashul Niwati	F			
22	Azwar	M			
23	Eko Hartanto	M	Tanjung-Gunung Kidul	Satunama	Sept 17, 2012
24	Tri Wahyuni	F	Dengok-Gunung Kidul		
25	Eni	F			
26	Kartini	F			
27	Sumartini	F			
28	Suwarno	M			
29	Widi	M	Jetis-Gunung Kidul		
30	Wasidi	F	Kedung Poh-Gunung Kidul		
31	Sutilah	F	Kepek-Gunung Kidul	Lakpesdam Gunung Kidul	Sept 18, 2012
32	Sujiati	F			
33	Mujilah	F			
34	Triwinardi	F			
35	Mujinah	F			
36	Emi Susanti	F			
37	Muhammad Maruf	M	Argumulyo-Sleman	LPP NU	Sept 18, 2012
38	Soegiono	M			
39	Sugeng	M			

40	Sani	F	Sri Martani–Bantul	Lakpesdam Bantul	Sept 18, 2012
41	Emi	F			
42	Marti	F			
43	Wahyatun	F			
44	Sudarmin	F			
45	Catwati	F			
46	Sarni	F			
47	Anita	F			
48	Shella	TG	Mampang–Jakarta	SWARA	Sept 24, 2012
49	Niara	TG			

Beneficiaries: FGDs⁸⁴

No	Name	Gender	Address (Village–District)	CSO	Date of Interview
1	Sri Lestari	F	Limbung–Kubu Raya	PPSW Borneo	Sept 10, 2012
2	Semini	F			
3	Tuginem	F			
4	Nurun	F			
5	Yuliana	F			
6	Mulyani	F			
7	Patiem	F			
8	Martina	F			
9	Maryati	F			
10	Supratman	M			

Government

Ministry	Person	Position	Process
Coordinating Ministry for People's Welfare of Indonesia	Dr. Sujana Royat	Deputy Minister of the Coordinating Ministry for People's Welfare for Poverty Alleviation and Head of the National Oversight Working Group for PNPM	Sharing information from field visit with CSOs and meeting with EOs
	Ibu Magdalena	Deputy Assistant for Micro Finance and Applied Technology of the Coordinating Ministry for People's Welfare for Poverty Alleviation	Sharing on review team planning and preparation

World Bank/PNPM Support Facility

Unit/ Department	Person	Position	Process
PSF	Jan Weetjens	Head of the PSF, World Bank	Consulted during preparation and planning, implementation and reporting of review process
	Sonja Litz	World Bank senior legal advisor for the Justice for the Poor Program	Consulted during preparation and planning, implementation and reporting of review process
PNPM Peduli	Felicity Pascoe	Coordinator of Peduli Program, World Bank	Consulted during preparation and planning, implementation and reporting of review process
	Vinny Flaviana Hyunanda	Operation Analysis Peduli Program	Consulted during preparation and planning, and implementation of review process
	Nina Shatifan	Monitoring, Evaluation and Learning Adviser	Consulted during preparation and planning, implementation and reporting of review process

	Zoey Breslar	Capacity Building Adviser	Consulted during preparation and planning, implementation and reporting of review process
	Siti Sulami	M&E Analyst	
	Chatarina Widiarti	Team Assistant	Consulted during preparation and planning, implementation of review process
PNPM Mandiri	Sentot Surya Satria	Social Development Specialist	Sharing on PNPM Mandiri experiences and lesson–learned
Fiduciary	Hanggar Irawan	Operations Analyst	Consulted for Peduli's financial management
Procurement	Ahsan Ali	Lead Procurement Specialist	Consulted for procurement management
	Zulfi Novriandi	Operation Analyst	Consulted for procurement management
	Achmad Zacky Wasaraka	Procurement Analyst	Consulted for procurement management

EO's, IP's, CSOs

Executing Organization	Organization	Person	Position	Process		
ACE	ACE	Titik Hartini	Executive Director	• 1 st and 2 nd meeting with EO • Workshop		
		Siti Masriyah	Program Manager	• 1 st and 2 nd meeting with EO • Workshop		
		S. Hartini	HRD & Finance Officer	• 1 st and 2 nd meeting with EO		
		Sukartiningsih	Cashier	• 1 st and 2 nd meeting with EO		
		Ade Gunawan	Program Officer	• 1 st meeting with EO		
		Tursiah	Program Officer	• 1 st meeting with EO		
		Jangkar	Jangkar	Okta	Program Manager	• Meeting with organization
				Yatna	Head of Karang Taruna Kp.Bali	• Meeting with organization
				Adi	Fasilitator Kp. Bali	• Meeting with organization • Field visit Kp.Bali
				Mizi	Fasilitator Kp. Bali	• Meeting with organization • Field visit kp Bali
Jangkar	Jangkar	Elvan	Fasilitator Menteng	• Meeting with organization		
		Bambang	Puskesmas Menteng	• Meeting with organization		

Our Voice	Hartoyo	General Secretary/Program Coordinator	• Meeting with organization
	Yatna	Staff	• Meeting with organization
	Ricky	Person in Charge (PIC) Audio Visual	• Meeting with organization
	Imam	PIC Graphic Design	• Meeting with organization
	Lutfi	Volunteer	• Meeting with organization
	Johan	Volunteer	• Meeting with organization
	Wiwid	Volunteer	• Meeting with organization
	Teguh	Volunteer	• Meeting with organization
	Faisal Reza	Volunteer	• Meeting with organization
	Dee	Volunteer	• Meeting with organization
PPSW Borneo	Rosmaniar	Program Manager	• Meeting with organization • Field visit Kubu Raya
	Reny Hidjazi	Director	• Meeting with organization
	Sri Wahyu Ningsih	Community Organiser	• Meeting with organization • Field visit Kubu Raya
	Dayang Marniawarsih	Community Organiser	• Meeting with organization • Field visit Kubu Raya
	Lenny M Sofyan	Finance Officer	• Meeting with organization
Satunama	Boedi Susilo	Director	• Meeting with organization
	Deni Tarigan	Community Organiser	• Meeting with organization
	Sri Purwani	Human Resources	• Meeting with organization
	Wiwid	Finance Officer	• Meeting with organization
	Bima Adimoelya	Program Coordinator	• Meeting with organization • Field visit Gunung Kidul
	Shanti	Community Organiser Jerami	• Field visit Gunung Kidul
	Rino	Community Organiser Jerami	• Field visit Gunung Kidul

LPSPDM	Ali Hamzah	Director	• Meeting with organization • Field visit Ijo Balit Daya	
	Ririn Hadiyuna	Program Manager	• Meeting with organization	
	Ismail	Community Organiser	• Meeting with organization • Field visit Ijo Balit Daya	
	Hussein	Community Organiser	• Meeting with organization • Field visit Ijo Balit Daya	
	Nasrudin	Finance Officer	• Meeting with organization	
	Muslihatun	Finance Officer	• Meeting with organization • Field visit Ijo Balit Daya	
	Farid	Staff Program micro economic development	• Meeting with organization	
	PKBI	Ine Silviane	Executive Director	• 1 st meeting with organization
		Harry Kurniawan	Program Manager	• 1 st & 2 nd meeting with organization • Workshop
		Milawati Rahayu	Finance Officer	• 2 nd meeting
Yayasan Alfa Omega	Robert Kore	Community Organiser	• Interview during livelihood workshop	
Lembaga Swadaya Kalimantan Membangun	Marcelus Uthan	Director	• Interview during livelihood workshop	
Kemitraan	Sita Supomo	Program Director	• 1 st meeting with EO • Workshop	
	Ade Siti Barokah	Program Manager	• 1 st & 2 nd meeting with EO • Workshop	
	Efrizal Zein	Finance/Grant Officer	• 1 st & 2 nd meeting with EO • Workshop	
	Muhammad Bustom	Project Officer	• Field Visit Muhammadiyah • Workshop	
Muhammadiyah	Ibnu Tsani	Program Manager	• Meeting with Organization	
	Endang	Program Coordinator	• Meeting with Organization	

YLBH PIK	Tini	Program Coordinator	<ul style="list-style-type: none"> • Meeting with Organization
	Ratna	Advocate	<ul style="list-style-type: none"> • Meeting with Organization
	Yudit	Community Organiser	<ul style="list-style-type: none"> • Meeting with organization • Field visit Kubu Raya
	Anna	Finance Officer	<ul style="list-style-type: none"> • Meeting with Organization
Samantha	Dwi S	Director	<ul style="list-style-type: none"> • Meeting with Organization • Field visit Batu Jangkik
	Erik	Community Organiser Lesa	<ul style="list-style-type: none"> • Field visit Batu Jangkiki
IKA	Anik Wusari	Executive Director	<ul style="list-style-type: none"> • 1st & 2nd meeting • Workshop
	Ratna Fitriani	Program Director	<ul style="list-style-type: none"> • 1st & 2nd meeting • Workshop
	Lina Sari	Finance Coordinator	<ul style="list-style-type: none"> • 1st & 2nd meeting
	Nur Komalasari	Community Organiser	<ul style="list-style-type: none"> • 1st meeting • Field Visit to Hurin
	Martin	Management Information System Officer	<ul style="list-style-type: none"> • 1st meeting with organization
HURIN	Badruzaman	Teacher	<ul style="list-style-type: none"> • Meeting with organization
	Jamilah	Teacher	<ul style="list-style-type: none"> • Meeting with organization
	Siti Muflihat	Teacher	<ul style="list-style-type: none"> • Meeting with organization
	Rahman	Student	<ul style="list-style-type: none"> • Meeting with organization
	Jurfauzi	Student	<ul style="list-style-type: none"> • Meeting with organization
	Rahmat	Student	<ul style="list-style-type: none"> • Meeting with organization
	Dondi Yongki Yana	Student	<ul style="list-style-type: none"> • Meeting with organization
	Tono	Student	<ul style="list-style-type: none"> • Meeting with organization
	Jihan Fahira Ananda	Student	<ul style="list-style-type: none"> • Meeting with organization
SAA	Agustinus Andi Prasetio	Finance Officer	<ul style="list-style-type: none"> • Meeting with organization
	Ibe Karyanto	Program Manager	<ul style="list-style-type: none"> • Meeting with organization
	Hairun Nisa	Program Secretary	<ul style="list-style-type: none"> • Meeting with organization

SWARA	Luluk	Program Coordinator	<ul style="list-style-type: none"> • Meeting with Organization • Training event observation 	
	Yola	Field Officer	<ul style="list-style-type: none"> • Meeting with Organization 	
	Riza	Field Officer	<ul style="list-style-type: none"> • Meeting with organization 	
	Shanti	Field Officer	<ul style="list-style-type: none"> • Meeting with organization 	
	Kamel	Finance Officer	<ul style="list-style-type: none"> • Meeting with organization 	
Kawal Borneo Community Foundation	Saparudin	Program Manager	<ul style="list-style-type: none"> • Interview during livelihood workshop 	
Lakpesdam	Lakpesdam	Edi Hidayat	Program Manager	<ul style="list-style-type: none"> • 1st & 2nd meeting with organization
		Ufi Ulfiah	Asst. Program Manager	<ul style="list-style-type: none"> • 1st meeting with organization • Workshop • Meeting during Lakpesdam CO training
L.Indramayu		Kamelia Mustika	Finance/Grant Officer	<ul style="list-style-type: none"> • 1st and 2nd meeting with organization • Workshop
		Siti Khoiriah	Program Officer	<ul style="list-style-type: none"> • 1st meeting
		Imam Ma'ruf	Program Officer	<ul style="list-style-type: none"> • Workshop
		lim Rohimin	Program Coordinator/Head of L.Indramayu	<ul style="list-style-type: none"> • Meeting with organization • Field visit Pabean Udik
		Wini	Community Organiser	<ul style="list-style-type: none"> • Meeting with organization • Field visit Pabean Udik
		Nukman	Field Officer	<ul style="list-style-type: none"> • Meeting with organization • Field visit Pabean Udik
		Muhammad Amrin	Community Organiser	<ul style="list-style-type: none"> • Meeting with organization • Field visit Pabean Udik
	Samsul Huda	Community Organiser	<ul style="list-style-type: none"> • Meeting with organization • Field visit Pabean Udik 	
	Ahmad	Community Organiser	<ul style="list-style-type: none"> • Meeting with organization • Field visit Pabean Udik 	

L.Pontianak	Muhammad	Program Coordinator/Head of L.Pontianak	<ul style="list-style-type: none"> • Meeting with organization • Field visit Selat Bali
	M. Dardiri	Community Organiser	<ul style="list-style-type: none"> • Meeting with organization • Field visit Selat Bali
	Syapiudin	Finance Officer	<ul style="list-style-type: none"> • Meeting with organization
	Luluk	Community Organiser	<ul style="list-style-type: none"> • Meeting with organization • Field visit Selat Bali
L.Mataram	Eli Mahmudah	Program Coordinator	<ul style="list-style-type: none"> • Meeting with organization • Field visit Kampung Bangsal
	Yusuf Tantowi	Community Organiser Kp. Bangsal	<ul style="list-style-type: none"> • Meeting with organization • Field visit Kampung Bangsal
	Jayadi	Community Organiser Buntur	<ul style="list-style-type: none"> • Meeting with organization
	Siti Raihanun Yuliana	Finance Officer	<ul style="list-style-type: none"> • Meeting with organization
LPP Sleman	Arianto	Program Officer	<ul style="list-style-type: none"> • Meeting with organization
	Wiratno	Financial Officer	<ul style="list-style-type: none"> • Meeting with organization • Field visit Jetis–Sleman
	Nurus	LPP NU Secretary	<ul style="list-style-type: none"> • Meeting with organization • Field visit Jetis–Sleman

L.Bantul	Muhyidin	Head of Branch L.Bantul	<ul style="list-style-type: none"> • Meeting with organization • Field visit Piyungan
	Ahmad Muhsin	Community Organiser	<ul style="list-style-type: none"> • Meeting with organization • Field visit Piyungan
	Dasar Wilodo	Staff at advocacy unit	<ul style="list-style-type: none"> • Meeting with organization
	Abu Sabikis	Staff at advocacy unit	<ul style="list-style-type: none"> • Meeting with organization
	Amat Yani	Secretary	<ul style="list-style-type: none"> • Meeting with organization
	Aris Wibowo	Finance Officer	<ul style="list-style-type: none"> • Meeting with organization
	Siti Ngadawi Yah	Volunteer	<ul style="list-style-type: none"> • Meeting with organization
	Suciati	Volunteer	<ul style="list-style-type: none"> • Meeting with organization
	Atik Susilawati	Volunteer	<ul style="list-style-type: none"> • Meeting with organization • Field visit Piyungan
	Bisri Mustofa	Staff	<ul style="list-style-type: none"> • Meeting with organization
	Sumiatun	Volunteer	<ul style="list-style-type: none"> • Meeting with organization
	Muhelasyah	Volunteer	<ul style="list-style-type: none"> • Meeting with organization
	Sumiatun	Volunteer	<ul style="list-style-type: none"> • Meeting with organization
L.Gunung Kidul	Ikhsan	Manager Program	<ul style="list-style-type: none"> • Meeting with organization • Field visit Dengok
	Helmi	Finance Officer	<ul style="list-style-type: none"> • Meeting with organization • Field visit Dengok
	Hanafi	Community Organiser	<ul style="list-style-type: none"> • Meeting with organization • Field visit Dengok
	Lathun	Volunteer	<ul style="list-style-type: none"> • Meeting with organization • Field visit Dengok

DONORS

Donor	Person	Position	Process
AUSAID	Scott Guggenheim	Social Policy Adviser	1–1 Meeting
	Kate Shanahan	Manager Women in Leadership Section	Donor meeting
	Arief Sugito	Unit Manager-PNPM	Donor Meeting
European Commission	Nur Isravivani (Iva)	Program Officer–Economic Cooperation	1–1 Meeting

ANNEX 6: LINES OF INQUIRY–INTERVIEW TOOLS

The following tables show the key lines of inquiry for interviews for initial EO, CSO and beneficiary interviews.

EO INTERVIEWS–INTERVIEW 1 FORMAT: INTERVIEW 2 FOLLOWED TAILORED FORMAT BASED UPON SPECIFIC ORGANIZATIONAL SYSTEMS.

Overview

- **Why did your organization decide to become part of the Peduli program?** *What are we looking for: strengths, assets/resources, perception about social change (and the potentials of this program can make), vision/mission of the organization*
- **What do you think is the special contribution of civil society in working on the issue of Marginalization?** *(What are we looking for: rights, livelihoods, ability to reach/access marginal groups, flexibility)*
- **What do you think the strategic values of this program?**

Economic and Social Inclusion

- **Given in the retreat last April there is a consensus about the meaning of Marginalization, how far and in what ways do you think the Indonesian NGOs can take part in alleviating Marginalization?**
- **If your program to improve the capacity of CSOs to reach and work with marginalized groups, what needs to do?** *(What are we looking for: among other, on the aspects of “Soft skills”: identify target groups)*
- **What is the particular expertises that your organization can offer to improve NGOs Capacity Building to work with marginalized group?** *(What are we looking for: is it about social/ economic inclusion, poverty, something else, link to CB)*
- **What would you need to continue to develop your own expertise to support CSOs working with marginalized groups?**

- **Where can you look to fulfil your organizations needs?** *(What are we looking for: is the EO inward or outward looking, linkages to PSF, to others etc)?*

Government–Policy

- **What do you think the role of government in addressing Marginalization?**
- **What can this Program help the government to create policy and system to address of Marginalization?**
- **How can CSOs encourage government (national and local) to address/be more responsive to the needs of marginalized groups?** *(What we are looking for: examples which describe experiences and challenges)*

Capacity Building

- **What is the role of your organization in Capacity Building?**
- **What capacities need to be built in Peduli Program?** *(We are looking for: broad approaches, strategies, methods—strategies for EO’s, NGO’s communities)*
- **What role does learning play in your program?**
- **What do you do to learn from your experience in implementing Peduli and how do you use this learning?**

Networking

- **What do you think is the importance of network/networking in achieving the objectives in Peduli Program?** *(What are the issues/problems/ challenges for NGOs in networking)*
- **Does your organization play in helping the CSOs in strengthen/broaden their network? How do you do this?** *(What we are looking for: examples, the types of networks and outcomes from these).*
- **Can you describe some examples of emerging good practice where networking can address Marginalization?**

Innovation and Sustainability

- **There seems to be a strong focus on livelihoods and economic development in Peduli at the present time. Why do you think this focus exists and do you think it will change in the future?**
- **Where is there innovation in your program? In the programs undertaken by your partners?**
- **Where can you see the sustainability in your own program** *(Can you provide examples of this?) What are we looking for understanding of sustainability on a range of levels—individual, community, organizational, institutional)*
- **Where do you see the sustainability in Peduli? In your program or the partners programs**
- **What challenges did you have in getting your program up and running? Did you have sufficient support from PSF to do this? From the TRG etc.**
- **Do you think there are particular characteristics that make Peduli unique? What are they?**

CSO INTERVIEWS

Program Approach

- **Why did your organization decide to become part of the Peduli program?** *What are we looking for: strengths, assets/resources, perception about social change (and the potentials of this program can make), vision/mission of the organization*
- **What do you think the strategic values of this program?** *(looking for the significance for their organizations as well as the marginalized groups)*

Economic and Social Inclusion

- **Why do you work with the XXX group?** *(Note: we want to know the definition of marginalized group, reasonability selecting the groups. To see the relevancy the activities they choose and the definition of Marginalization)*
- **How does your organization assess and identify the main needs of the target group before supporting? How do you identify and select the required interventions?** *Are the target groups involved in this? Who is making decisions and why?*

- **How long have you been working with this group and in what kind of program?** *Is this new or are they building on existing expertise?*
- **What is the particular expertises that your organization can offer to improve the target groups?** *(What are we looking for: is it about social or economic inclusion, about poverty, something else, link to CB)*
- **What would you need to continue to develop your own expertise to support the marginalized groups?**
- **What results and outcomes are you seeing as a result of your program?**

Connection with EO

- **What is your assessment on the supports from EO? What should be improved in order that your organization can work better in Marginalization?** *(Empowerment, M&E, Grant management, specific knowledge on the programs)*
- **Where can you look to fulfil your organizations needs?** *(What are we looking for: is the EO inward or outward looking, linkages to PSF, to others etc)?*

Government Relationships

- **In what ways do you think government can cooperate with NGOs to improve the social economic condition of this group?** *What is happening now, what could happen in the future, what are the enablers for this cooperation and what stops it from happening?*

Networking

- **What benefits have come out from cooperation with other organizations?** *What potential do you see for such cooperation?*
- **Do you think that other organizations need to be engaged? If so why has this not happened?**

GMS

- **As a grantee, how do you experience using the current GMS?** *(looking for bottleneck, advantage, good practices, flexibility, capacity)*
- **How does the GMS help you or hinder you from achieving the objectives of your program?**
- **What should be improved to be more effective in working with marginalized groups?**

Learning and Knowledge Management

- **What are the emerging lessons from your program?**
- **How do you get this information, document, share and use it?**
- **What roles do you think the EOs should take in helping your organization to generate knowledge and learning in the next phase? Should other supports be available for this?**

Sustainability and Innovation

- **Where do you see the sustainability of your program?** (Note: on what level) **Can you provide examples of these?** What we are looking for is the understanding of sustainability of range of level (individual, community, organizational, institutional).
- **What needs to be done in the future to support you to implement the program?**

type and direction of activities, consultation processes for involvement in decision-making—actors in decision making)

- **What do you know about the kind of support given by CSOs?** (length, budget, aspects, plan/trajectory)

Benefit and Changes

- **Do you feel this program has resulted in changes in your life? If so what are they and how did they make a difference?** (Aspects: skill, access to information, economic benefit, social inclusion e.g. group support, self confidence, better access to services, certification etc)
- **In your opinion, how could this program bring more benefits to your needs?** (We need to look for the “difficulties” in engaging in the program as well as the positives, relevance of the program to their needs)

BENEFICIARY INTERVIEWS

- **Name of beneficiary:**
Gender : a. Male b. Female c. Transgender
- **Village, Subdistrict, District, Province, Phone:**
- **Supporting CSO:**
Name of Program
- **Interviewer and date:**

Respondent Characteristics

- **How old are you?** _____ years
- **How many years of formal education did you have?** _____ years
- **What is your main job?** _____

- **Have you ever been involved in government programs before?** Y/N
- **Please describe which program do you involve?**

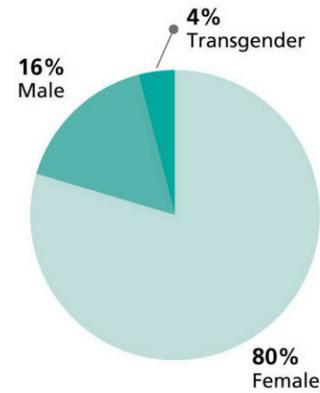
Program Understanding

- **How did you find out about the program?**
- **How did you come to be involved in this program?**
(Source of information about the program, motivation, alignment with target group)
- **What kind of activities are you involved in?**
- **Who determined the activities? Were you involved in the determination of the activities?** (Participation,

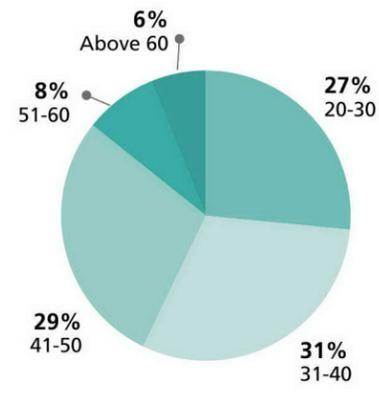
ANNEX 7: OUTCOMES OF BENEFICIARY INTERVIEWS

The following are the tables of the raw beneficiary data from interviews, these have been considered alongside qualitative interview outcomes in the preparation of the report analysis and as such are not included in the text.

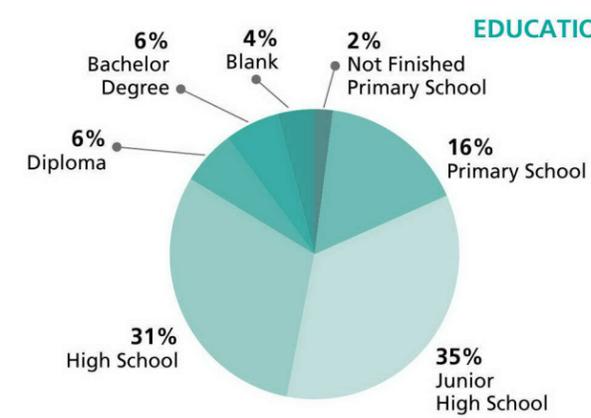
GENDER



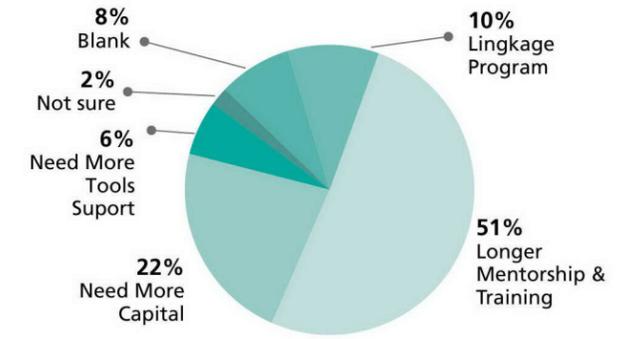
AGE



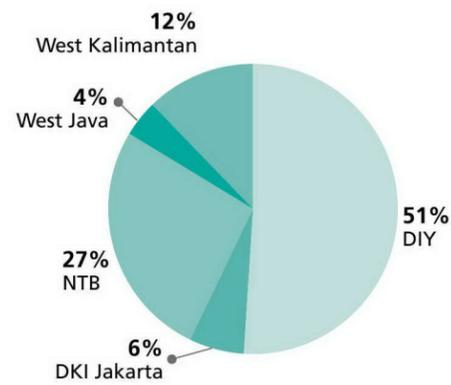
EDUCATION



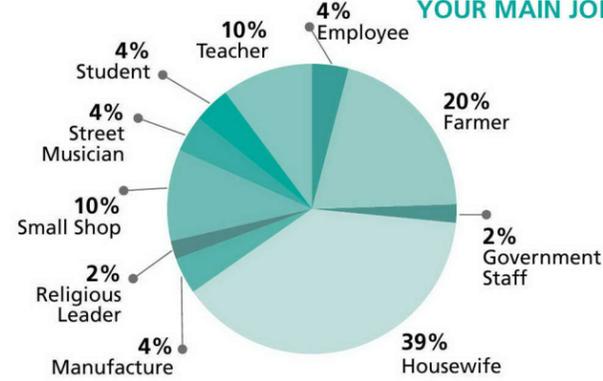
IN YOUR OPINION, HOW TO MAKE THIS PROGRAM BRING MORE BENEFIT TO YOUR NEEDS?



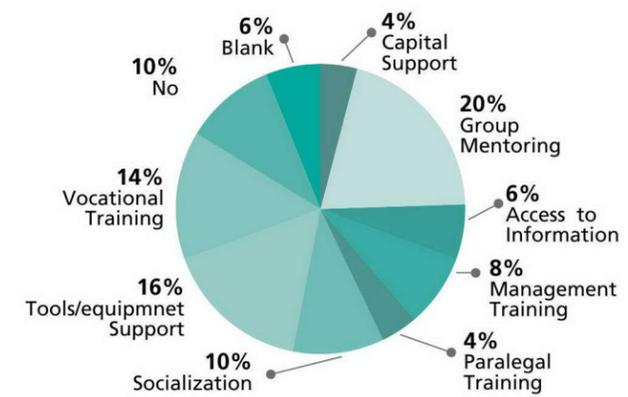
PROVINCE



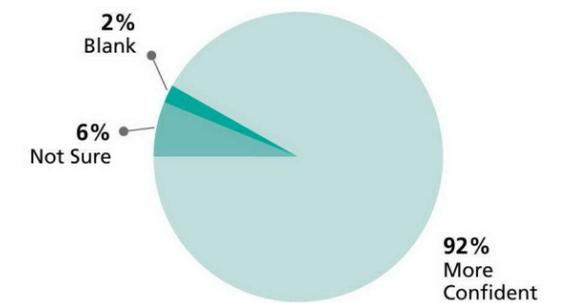
WHAT IS YOUR MAIN JOB



WHAT KIND OF ACTIVITY ARE YOU IN



DO YOU FEEL THIS PROGRAM MAKE CHANGES IN YOUR LIFE?



ANNEX 8: DEFINING INDONESIAN CIVIL SOCIETY

The following outcomes of the Civil Society index work undertaken in Indonesia in 2006 and 2011 can assist us to understand the generally accepted definition and landscape of civil society in Indonesia.

Civicus definition of Civil Society 2003

CIVICUS mendefinisikan masyarakat sipil sebagai *sebuah arena, di luar keluarga, negara, dan pasar, di mana orang-orang berkelompok untuk mendorong kepentingan bersama.*

CIVICUS defines civil society as an arena, outside of the family, state and market where people associate to advance their common interests.

Source: Indeks Masyarakat Sipil Indonesia, 2006

Daftar Organisasi Masyarakat Sipil	List of Indonesian CSOs
Kelompok/organisasi petani dan nelayan	Farmer and Fisherman organizations/associations
Organisasi kaum pengusaha	Entrepreneurs' Association
Organisasi profesi (seperti dokter, guru, insinyur, akuntan, dan lain-lain)	Professional Associations (teacher, engineer, medical doctor, accountant etc)
Serikat pekerja/serikat buruh	Labour Unions
Pengurus RT/RW/Badan Perwakilan Desa/Dewan Kelurahan	RT/RW/Village Consultative Body/Village Council
Kelompok-kelompok pengajian, majelis taklim, paroki, dsb	Islamic study group, Taklim Assembly, Parish, etc
Organisasi seni dan budaya (seni, musik, teater, film, dan sebagainya)	Arts and Culture Organizations (art, music, theater, film etc)
Koperasi, KUD, kelompok usaha bersama, kelompok simpan-pinjam, dan sebagainya	Cooperative, village unit cooperative, joint enterprise group, saving and credit group etc
Yayasan yang bergerak dalam bidang kesehatan-yayasan yatim piatu, anak cacat, panti asuhan, dsb	Foundations engaged in health sectors (orphanages and disability organizations)
Kelompok-kelompok pendidikan seperti Komite Sekolah, POMG, dll	Education groups such as School Committees, Parent Teacher Association etc
Organisasi olahraga	Sporting Associations
Organisasi pemuda/mahasiswa	Youth and Student's organizations
Organisasi/kelompok-kelompok perempuan	Women's groups, organizations, movement
Ornop Advokasi (HAM, demokrasi, <i>watchdog organizations</i> , dll)	Advocacy Organizations (Human rights, democracy, watchdogs etc)
LSM pembangunan bergerak dalam pelayanan dan pengembangan masyarakat	Development NGOs engaged in service delivery and community development
Organisasi berdasarkan kesukuan, etnis, masyarakat adat	Ethnic, tribal, indigenous peoples' organizations

Organisasi yang bergerak dalam perlindungan hidup atau konservasi	Environmental and Conservation Organizations
Organisasi sosial keagamaan (NU, Muhammadiyah, Hizbut Tahrir, organisasi yang bernaung di bawah gereja dan agama-agama lain)	Social-Religious Organizations (NU, Muhammadiyah, Hizbut Tahrir, organizations under church and other religions)
Organisasi hobi (klub pendaki gunung, pengumpul perangko, dsb)	Hobbyist Clubs (mountain climber club, stamp collector club etc)

Sumber: Pertemuan NAG Pertama, Desember 2005.

ANNEX 9: LIST OF RESOURCES AND SOURCES

The following is list of source materials used in the preparation of this report, as such is not an exhaustive list of all documents accessed throughout the Review process.

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ANNEX 10: THE REVIEW TEAM



AUTHORS

Donna Leigh Holden is a development practitioner with 18 years experience working in Asia and Australia. Donna currently specialises in the design and evaluation of civil society, community development and capacity building programs.

Donna's lifelong experience in living and working with marginalized communities provides her with a strong interest and commitment to social justice as well as the establishment of multi-stakeholder partnerships for development.



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Early Dewi Nuriana is a psychologist graduated from Gadjah Mada University, Yogyakarta who specialises in social inclusion and working with marginal groups. She started her career working in reproductive health and HIV issues in PKBI Yogyakarta, and capacity building for NGOs before joining the ILO where she has managed HIV and migrant worker programs for the past 6 years. Dewi is currently an Independent Consultant.



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ANNEX 11: SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

GENERAL OBSERVATIONS AND RECOMMENDATIONS

The following general observations inform key recommendations and intermediate recommendations provided below. These are discussed in detail in the Executive Summary and within the relevant sections of the full report.

The program logic and purpose of Peduli is sound and relevant.

PNPM Peduli and its partners will be able to more effectively focus their efforts in the context of a clear statement of vision of what Peduli is about and what success would look like.

Peduli counterparts, staff and partners are shaping and modelling relationships and behaviours which reflect the values of equality, humanity and justice required for a program of PNPM Peduli's nature and vision.

The achievements of the PNPM Peduli team and its partners in establishing the architecture for the delivery of PNPM Peduli are significant.

Peduli's role in capacity development should stem from and support its positioning as a network of agents for change, in empowering marginalized groups and supporting social inclusion.

Program level outcomes do not spontaneously manifest from a portfolio of discrete and disassociated projects. In order to break the cycle of marginalization, Peduli and its partners need to shift towards programmatic approaches.

Peduli partnerships should build upon existing experience and capacities of known organizations and known approaches.

The focus for the WB approach to CSO financing

being tested through PNPM Peduli, needs to focus in the immediate future on how to align with emerging good practice for funding to CSOs and working with non-traditional organizations and groups.

The quality of partner programs (targeting, relevance and technical quality) can be significantly strengthened through the development of higher levels of contestability, effective resourcing of design processes, development of quality tools for assessment and program planning.

INTERMEDIATE RECOMMENDATIONS

Learning Area 1

Intermediate Recommendation: PNPM Peduli should continue in its efforts to establish and strengthen CSO networks as a key strategy for both advocacy and capacity building.

Intermediate Recommendation: Peduli's own programming strategy needs to include efforts to support the legitimacy of CSOs. This legitimacy needs to be developed by promoting downward and upward accountability of CSOs; by supporting them to deliver on their commitments; by promoting the establishment of networks and communities of practice; and by enabling CSOs to develop skills in effective advocacy and alliance building.

Intermediate Recommendation: The development of partnerships within Peduli should be based on a realistic assessment of programming capacity (practice). It should enable partners to build on existing skills and capacities and to develop new capacities that will add value to the core business of the agency.

Learning Area 2

Intermediate Recommendation: CB is a discipline. Where EOs and CSOs are expected to be able to deliver CB

activities, it is important to ensure that they have the skills and capacities to do this in a planned and systematic way. This will ensure better learning outcomes for participants. A future PNPM Peduli CB Strategy needs to consider strategies for building the capacity to build capacity.

Intermediate Recommendation: PNPM Peduli should continue its efforts to explore alternate models for the sourcing of CB activities for its partners.

Learning Area 3

Intermediate Recommendation: Prior to entering into the next stage of program development, PNPM Peduli and its partners should take time to reflect and develop a clear Theory of Change to enable more effective targeting of beneficiaries and activities.⁸⁵

Intermediate recommendation: The establishment of clear mechanisms for external contestability of intended project interventions against clear quality standards for activity design and targeting is strongly recommended at all levels of the Peduli chain of influence.

Learning Area 4

Intermediate Recommendation: There is an urgent need to reassess Peduli's current focus on work on economic empowerment and livelihoods. It is essential to determine the conditions under which this form of engagement can be supported. It is also necessary to determine what capacity building and monitoring efforts are necessary to ensure that associated interventions provide an appropriate return on investment and do not result in harm.

Learning Area 5

Intermediate Recommendation: Engagement with ALL partners in Peduli, including EOs, should be based on **shared strategic programmatic interests**, as opposed to their intention to position themselves as GMOs. This should also be the case for sub-national organizations acting as local GMOs.

Intermediate Recommendation: The IP Model should not continue. Given that this model has not worked to facilitate the expected capacity building and skills transfer for IPs, PNPM Peduli needs to consider the mechanism by which it will assesses the capacity and suitability of IPs to become EOs in the future. This mechanism may include

opportunities for new actors to be engaged.

Intermediate Recommendation: In the interests of quality programming and downward accountability, there is a need for increased contestability in the selection of CSO partners and programs. While restricted and targeted selection process are acceptable, a higher level of transparency and accountability could be achieved if EOs and IPs facilitated a higher degree of contestability within selection processes. This could be achieved through the establishment of clear program and performance criteria, based on intended development outcomes, proportionate criteria to select on the basis of these and external appraisal and peer review controls.

Intermediary Recommendation: The development of systems to ensure the more effective provision of financial and technical resources to CSOs and EOs to design interventions should be given high priority in the next phase of Peduli and its associated programming activities.

Intermediate Recommendation: WB procurement processes (combined with poor financing timeframes) have had a significant negative impact on program delivery. Ongoing efforts by the team to internally advocate for efficient, effective and accountable administrative processes for procurement and grant making more generally are to be strongly encouraged.

Intermediate Recommendation: Peduli should strongly encouraged downward accountability as a process of development at the levels of both practice and policy. Clear strategies and management systems need to be put in place to enable this, including proportional attention to the measurement of partner performance and accountability to beneficiaries and other stakeholders.

NOTES

1. The London School of Economics: Centre for Civil Society; sourced on March 28th, 2011 at <http://www.answers.com/topic/civil-society>
2. International Consultative Forum on Education for All (EFA Forum), UNESCO, *Status and Trends, 2000*, in the Backgrounder *Thinking About Marginalization, 2000* <http://www.cprn.org>
3. Bradford, Burke, Seashore, Worley, Tannenbaum, 2001
4. Hughes, M; Social Inclusion Definitions and Measures, 2011 p.9
5. Improving Access to Natural Resources for the Rural Poor—A Critical Analysis; FAO Corporate Document Repository, <http://www.fao.org/docrep/006/ad683e/ad683e02.htm>
6. For example, *Marginalized Groups in PNPM Rural*, Akatiga, Jakarta, 2010.
7. Kemitraan, Lakpesdam NU and ACE are EO's while Bina Swadaya, IKA and PKBI are Intermediary Partners (IP), which have limited grant-making responsibilities as described in the full report.
8. PNPM Peduli Draft Monitoring Evaluation and Learning (MEL) Plan, June 2012
9. The Preparation Phase commenced with finalisation of the design, development of SoP, identification of potential partners etc. The select tender was run after this stage. Following the selection of EO partners, the designs of project portfolios were undertaken. Peduli was launched in March 2011 and EO Project Portfolios approved in July 2011.
10. PNPM Peduli Launch Opening Speech, 23rd March, 2011
11. Interview Transcript, 27th September, 2012
12. PNPM Peduli MEL Plan, June 2012 p 20
13. *ibid* p.21
14. Note: Such changes are not demonstrated at the economic level due to the combined issues discussed within the relevant section of this report.
15. Note: Further intermediate recommendations, that is those that focus on specific details of programming are provided within the full report and at Annex 11.
16. Enzo de Laurentiis, Manager Regional Procurement (LCR), documented discussion between PSF & Washington.
17. For example, *Marginalized Groups in PNPM Rural*, Akatiga, Jakarta, 2010.
18. 3 EOs were selected from a field of 9 solicited proposals. 3 organizations were offered IP Grants.
19. PNPM Peduli Draft Monitoring Evaluation and Learning (MEL) Plan, June 2012
20. The Preparation Phase commenced with finalisation of the design, development of SoP, identification of potential partners etc. The select tender was run after this stage. Following the selection of EO partners, the designs of project portfolios were undertaken. Peduli was launched in March 2011 and EO Project Portfolios approved in July 2011.
21. PNPM Peduli Launch Opening Speech, 23rd March, 2011
22. Interview Transcript, 27th September, 2012
23. PNPM Peduli MEL Plan, June 2012 p 20
24. *ibid* p.21
25. It should be highlighted that this Review both informs and fits within the context of a wider work being undertaken by PNPM Peduli as it builds on emerging lessons regarding its approach, and articulating its design. Further work on the MEL Plan, definition of a ToC, development of CB Strategy etc are currently underway or commencing in the near future.
26. 88% of current PNPM Peduli activities focus on livelihoods
27. CSOs were the primary organizers of field visits, under direction from the PSF administration support staff, however in some cases these may also be working through intermediaries or other community groups and which lead to some inconsistency in format as visits were arranged within their usual format.
28. Aka Tiga
29. These are contained within the Peduli Operations Manual (POM)
30. In this content uncluttered refers to the absence of other actors working on the issue of marginalization and inclusion more broadly. It recognizes that while other actors work with marginalized groups these efforts tend to address the needs of specific target groups based on thematic issues and do not see to address the systemic and root causes of marginalization.
31. Antlov, Ibrahim, van Tuijl (2006)
32. For example NU and Muhammadiyah
33. Meuthia Rochman
34. Ganie–Rochman and Achwan (2005)
35. KDP, Sadie, Antara, LGSP etc
36. Otho Hadi (2010).
37. With a number of exceptions perhaps for AusAID ACCESS and civil society strengthening programs by organizations such as TAF,(The Asia Foundation), etc.
38. Rochman Achwan and Meuthia Ganie–Rochman (2009).
39. YAPPIKA Civil Society Index 2006 and 2011
40. Ganie–Rochman, M; *Jurnal Masyarakat*, No. 10, 2002
41. Bradford, Burke, Seashore, Worley, Tannenbaum, 2001
42. Rothwell and Sullivan, 2005
43. Senge, P; 1990
44. PSF mentoring and training support has largely focused on legal and contracting issues, financial management and procurement, while PSF support has focused on these as well as technical support for program implementation.
45. This is a temporary measure while capacities of EOs are being developed and the Peduli design formally articulated. These roles are advisory and consideration of the placement of advisors within Menko Kesra and or partner organizations as opposed to positioning within PSF is bring undertaken at the time of writing.
46. One training that the team attended had one facilitator to over 60 participants. While the process was interactive, and the facilitator did have some support, it is not possible that the facilitator can be supporting the learning process of individual participants as would be expected in a professional development context.
47. Evidence of limited capacities for program design, economic development/livelihoods programming etc is provided in discussions for learning areas 3 and 4.
48. *Thinking About Marginalization, 2000*, p1
49. *Backgrounder: Thinking About Marginalization, 2000* p2
50. The Concept of Marginalization p.13
51. Hughes, M; Social Inclusion Definitions and Measures, 2011 p.9
52. Backgrounder p 4
53. The Review uses the terms 'livelihoods' loosely and warns Peduli and its partners against promoting the use of this term amongst its partners, as the shape and form of current interventions in this area are solely focused on group incoming generation and skills training activities and are not based on a holistic analysis of livelihoods and opportunities for economic development. This matter is discussed in detail in Learning Area 3.
54. This example is a shame in that the expansion of paralegal support into the area could most likely be justified on factors of the exclusion of other segments of the community.
55. The PNPM Peduli team is cognizant of this need and at the time of writing had put concrete plans in place to undertake a ToC process to inform its next stage of programming.
56. Peduli Project Operations Manual; p15
57. <http://www.ifad.org/sla/index.htm>
58. *ibid*
59. Improving Access to Natural Resources for the Rural Poor—A Critical Analysis; FAO Corporate Document Repository, <http://www.fao.org/docrep/006/ad683e/ad683e02.htm>
60. As a result of the recommendations of this has been planned for Nov 2012.
61. Tembo etc al "Multi-donor Support to Civil Society and Engaging with 'non-traditional' civil society" (2007:29)
62. Hall and Howell (Ausaid ODE, 2011) and Intract, 2010: 17:18
63. *ibid*
64. *ibid* p.20
65. 6.
66. Fowler, 1997, p.129
67. Scanteam 2008 p40; Transparency International, 2011; and Hall & Howell p.18
68. Intract 2010, p.17.
69. Such mechanisms for partners reviews are in place for most donors provided block grants—e.g. AusAID, Norad, SIDA, CIDA, DFID
70. Thebo etc al P32
71. Quoted from consultation notes: "Kemitraan's core business is grant-making" (Ade Siti Barokah; ACE is a grant making organization (Titik, ACE Director).
72. For example YSIK and Satunama
73. There has been on case of misuse of funds within Peduli to date and this was with a CSO working under an IP.
74. LPP and LP are affiliates of NU
75. PNPM Peduli POM p. 12 clearly states that the next contract between the program and EOs would be separately negotiated to the Pilot Phase.

76. With the exception of Kemitraan who has ability to prefinance
77. Felicity Pascoe, interview
78. For example, the case of Our Voice, which while unable to meet reporting requirements of the EO, had strong programming and advocacy capacity and high degree of legitimacy with its beneficiary's, constituents and represented a valuable civil society voice in advocacy efforts for LGBT groups.
79. PNPM Peduli Project Operational Manual, 2011 p. 15
80. Note: Such changes are not demonstrated at the economic level due to the combined issues discussed within the relevant section of this report.
81. Enzo de Laurentiis, Manager Regional Procurement (LCR), documented discussion between PSF & Washington.
82. For example, *Marginalized Groups in PNPM Rural*, Akatiga, Jakarta, 2010.
83. These dimensions will be refined by the evaluation team in discussion with relevant stakeholders at the beginning of the assignment.
84. Two sets of data remaining for inclusion—Jangkar and Samanta
85. The PNPM Peduli team is cognizant of this need and at the time of writing had put concrete plans in place to undertake a ToC process to inform its next stage of programming.

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