



KEMENTERIAN SEKRETARIAT NEGARA RI  
SEKRETARIAT WAKIL PRESIDEN

# **PNPM STRATEGIC DIRECTION AND SUSTAINABILITY OF COMMUNITY EMPOWERMENT PROGRAM**

JAKARTA - APRIL 4, 2014



**TIM NASIONAL PERCEPATAN PENANGGULANGAN KEMISKINAN**

# THE NATIONAL TEAM FOR THE ACCELERATION OF POVERTY REDUCTION

- Institution established to coordinate the acceleration of poverty reduction across sectors and stakeholders at the central level.
- Established by Decree of the President of the Republic of Indonesia No. 15 of 2010 on the Acceleration of Poverty Reduction.

# MAIN TASKS

- Develop poverty reduction policies and programmes.
- Synergise poverty reduction programmes among ministries/agencies through synchronisation, harmonisation and integration.
- Supervise and control the implementation of poverty reduction programmes and activities.

# SHORT TO MEDIUM-TERM PRIORITIES

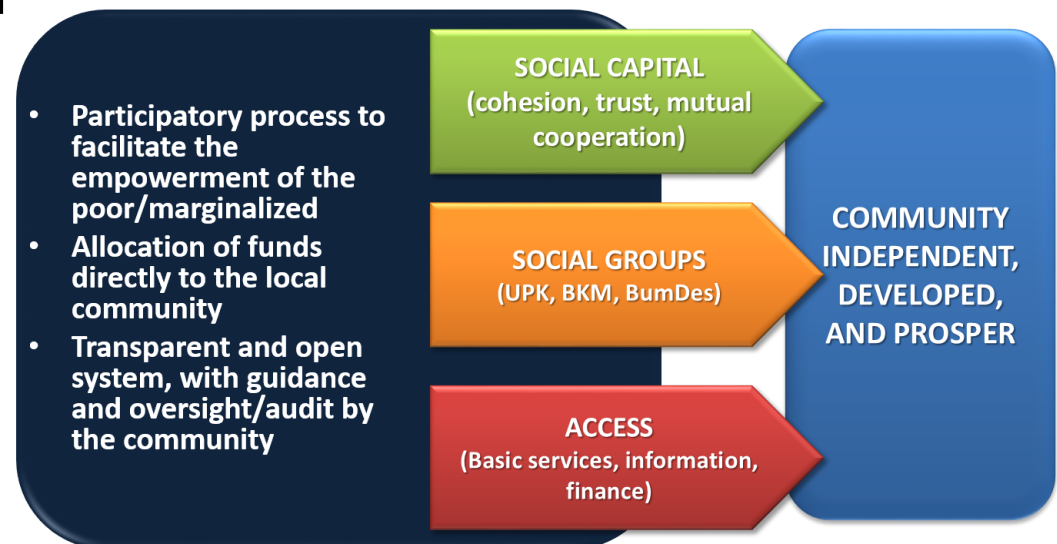
- Unification of National Targeting System.
- Refining the Implementation of Health Social Assistance for Poor Families.
- Refining the Implementation and Broadening the Coverage of *Program Keluarga Harapan*/Family Welfare Programme (PKH).
- Integrating other Community Empowerment Programmes into the National Programme for Community Empowerment (PNPM).
- Inclusive Financial National Programme.

# PNPM AND ITS ROAD MAP

# WHY IS PNPM MANDIRI

PNPM helps to reduce poverty through:

1. Infrastructure development for the improvement of basic services.
2. Creation of economic activities and local employment.
3. Mitigate the impact of disaster/crisis.
4. Increased community participation in governance.



# PNPM MANDIRI PRINCIPLES

1. FACILITATION/COUNTERPARTING
2. COMMUNITY PARTICIPATION
3. COMMUNITY GROUP ORGANIZATION
4. TRANSPARANCY
5. SURVEILLANCE SYSTEM
6. GENDER PERSPECTIVE
7. DIRECT BUDGET ALLOCATION
8. SELF MANAGEMENT

## POLICY DIRECTION

1. **Consolidation** of community development programs in order to reflect the principles of PNPM.
2. **Integration** of PNPM principles into regular development planning system.

# PNPM ROADMAP

Pillars of the Community Empowerment Program for its sustainability:

- Integration Program for Community Empowerment
- Sustainability Assistance (Facilitators)
- Strengthening Communities Institution
- Strengthening the Role of Local Government
- Embodiment of Good Governance

Ensuring the sustainability of Community Empowerment Program by incorporating the PNPM principles into **Village Law** →

By regulating and institutionalizing Community Development activities in the village governance, and no longer have to be a project/activities of the Ministry.

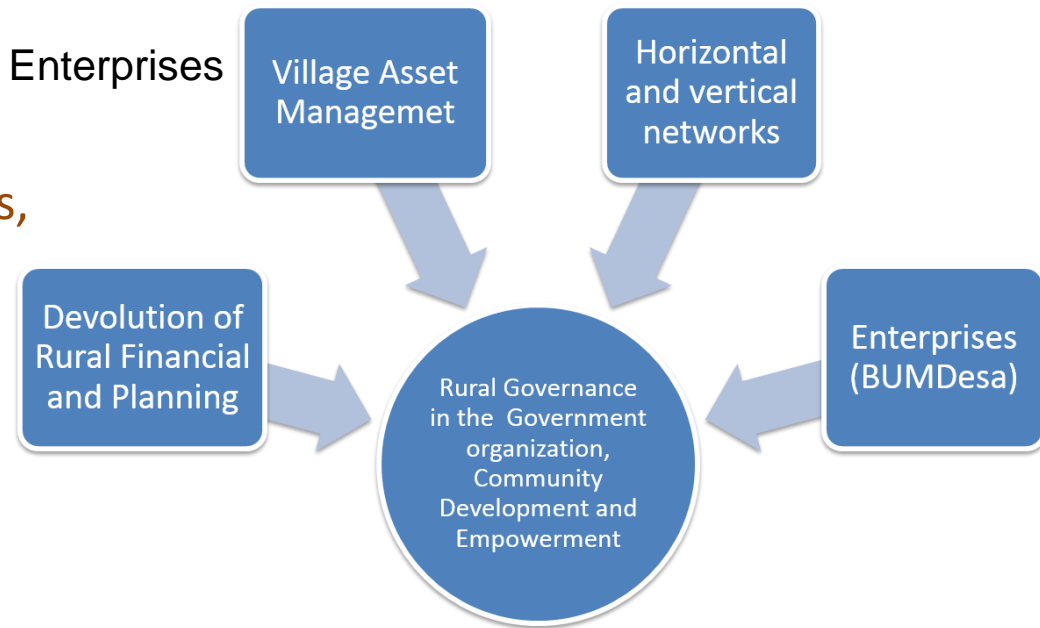




# **STRATEGIC ISSUES OF VILLAGE LAW AND LESSONS LEARNED FROM PNPM**

# THE ESSENCE OF VILLAGE LAW (No. 6/2014)

- Built on two concepts: village development (local scale) and rural areas development (inter village).
- Rural Development Governance arrangements based on the principle of 'one village, one plan' :
  1. Participatory planning
  2. Village information system
  3. Sources of fund and village financial management
  4. Asset management and Village Enterprises (BUMDes)
- Village governance institutions, consist of:
  1. Village Meetings
  2. Village Communities Institution
  3. Village Consultative Body
  4. Head of Village



# VILLAGE FUNDING PRINCIPLES

- ✓ *Money follows function*
- ✓ Village governance adheres to the principle of decentralization and co-administration

## Decentralization principle

Government affairs that becomes the authority of the village (decentralization) are funded from the APBDes expenses

### Article 18:

The village authority includes the authority of village governance, the village development, community development and village communities empowerment:

- authority based on the right of origin;
- village-scale local activities, i.e. mooring boats, markets, public baths, irrigation, sanitation, health posts, and learn, village libraries, village ponds and village roads.

## Co-administration principle

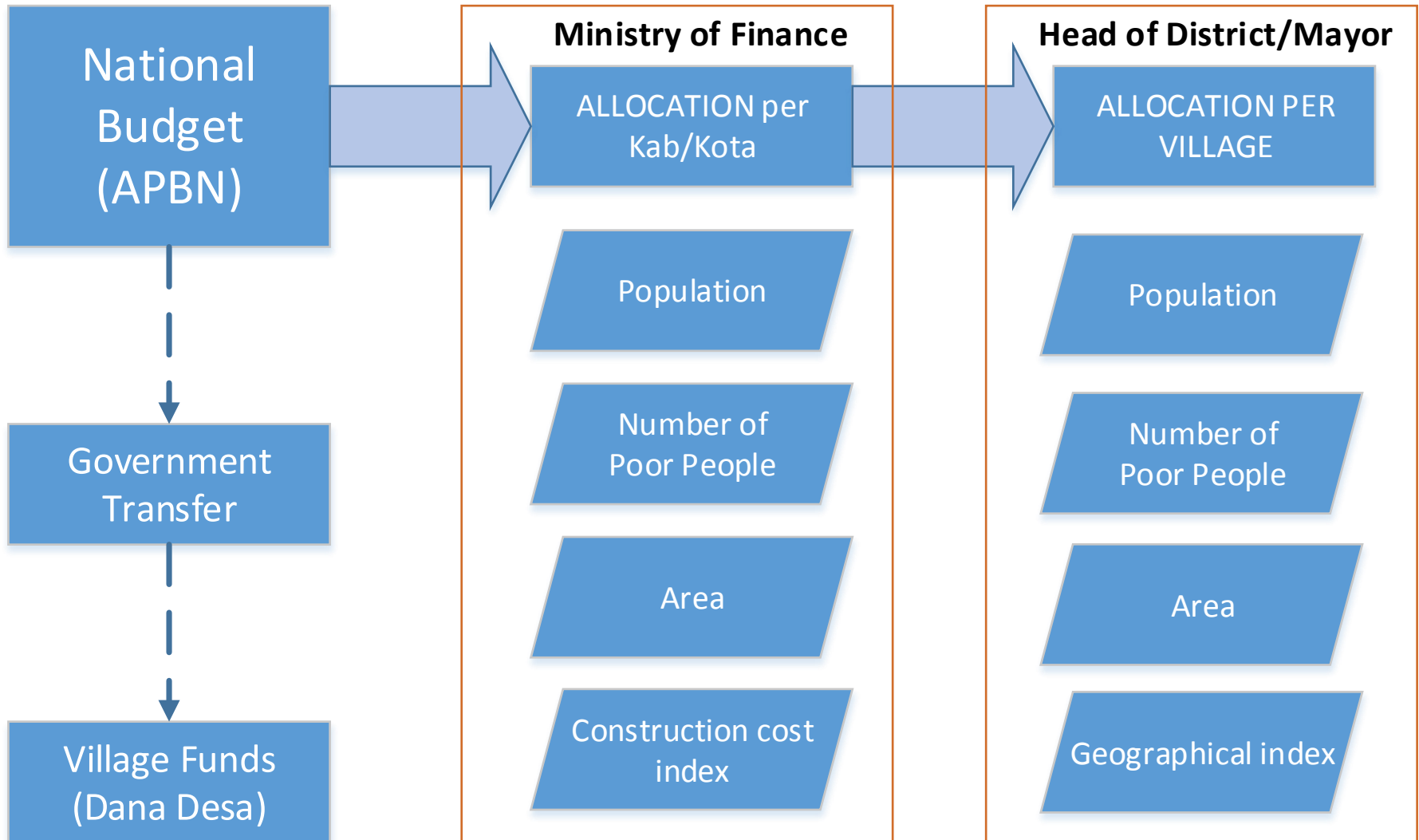
Government affairs within co-administration principle (tasks assigned) are funded by each appropriate assigning levels of government (national budget, provincial budget, and /or district budgets)

### Article 22

Assignment of the central, provincial, district/ city to the Village include:

- Village governance;
- Implementation of Rural Development;
- Development of village community; and
- Empowerment of village communities.

# FLOW OF VILLAGE FUNDS ALLOCATION



# VILLAGE FUNDING SOURCES

To be budgeted/taken from APBN and APBD

ALLOCATION	FORMULA	AMOUNT, 2014
Budget Allocation derived from the Central Gov't expenditure <b>by effecting</b> village-based programs equally and fairly	10% from and outside (on top) LG's Funds Transfer	Rp 59,2T (APBN 2014)
Part of district taxes and retribution	10% of the total tax and retribution	Rp 3,2T (APBD Kab/Kota 2013)
Allocation of village funds (Dana Desa) as part of the balancing budget (dana perimbangan) received by the District	10% of balancing budget received by district APBD, excluding DAK	Rp 37,0T (APBD Kab/Kota 2013)

Other revenue sources include: original village revenue, financial assistance from the Prov/District budget, Grants and non-binding donations.

# THE LEGACY OF PNPM MANDIRI SUCCESSFULLY FACTORS

- Allocation of funds channeled **directly to communities** with a simple and scalable manner.
- **A tiered intensive facilitation** → develop village cadres capacity in planning, implementation and monitoring.
- **Affirmative against women and marginalized/the poor** (giving the opportunity to participate in planning and decision-making).
- **Participatory village deliberation** conducted to determine the priorities, the selection of who manage the activities and results handover.
- **Self-management system** (swakelola) for village scale activities.
- **Job creation** is intended to absorb the local labor (village) with the priorities of poor people, according to the skill and condition of the village.
- **Transparency and accountability** become standard procedure at each stage of activity with clear and strict sanctions.

**NEXT STEPS:  
RELATED TO VILLAGE LAW IMPLEMENTATION**

# NEED FOR TRANSITION

- Still needed time for preparation or translation of the Village Law operationalization (regulations, guidelines, and others).
- It should be a pre-condition for the Villages regarding the implementation of Government Regulations.
- Need to increase the capacity of village head and village officials.
- Need an effort to reduce the risks associated with fund mismanagement that has legal consequences and the possibility failure to achieve the public welfare target.
- Need to formulating assets handover management schemes which generated by PNPM and community institutions that have been established.



# PROPOSED AGENDA

- **Establishes FY 2015 as the transition period** for implementation of village law, using the schemes and component of PNPM Mandiri.
- **Complete the entire Government Regulations** as the implementation of Village Law.
- **Finalising the concept** of community empowerment in special areas and non-village (urban).

**THANK YOU ..**