Overview

How can a successful community-driven development program in Indonesia be extended to hard-to-reach and remote geographic locations, expand its focus beyond physical infrastructure to address social needs, such as health and education, and be reformed to better serve stigmatized and disenfranchised population segments?

“Indonesia’s Program for Community Empowerment (PNPM) 2007–12: How to Scale Up and Diversify Community-Driven Development for Rural Populations” examines Indonesia’s National Program for Community Empowerment, known as PNPM (Program Nasional Pemberdayaan Masyarakat Mandiri), which provides block grants to rural communities to combat poverty. The communities can use the grants for a wide variety of self-nominated projects, with proposals and planning taking place in a participatory process at the local level. PNPM goes beyond being an antipoverty program and works to empower communities and give poor people voice and agency in the development process. Under the president’s plan, PNPM Rural would expand into every rural village across the nation by 2009. PNPM grew out of the Kecamatan Development Program (KDP), a grassroots empowerment program that had achieved some poverty reduction successes.

The case study focuses on the process of scaling up the program across Indonesia’s large and fragmented territory, with a particular emphasis on how the program was coordinated between different agencies and at different levels of government, and on how the program was extended to remote areas and marginalized groups.

Key contextual conditions were the unreached populations; extending staff to thousands of additional subdistricts, many in remote areas; maintaining the KDP’s sound record on preventing corruption; and deepening the program’s engagement with elected local governments to embrace the PNPM core principles. It was also important to maintain past gains in community empowerment and poverty reduction.

Key stakeholders were the Coordinating Ministry for People’s Welfare, the Ministry of Home Affairs, the government of Indonesia, the PNPM Support Facility, the World Bank, universities, civil society organizations, and local communities. Australia, Denmark, and the Netherlands were early donors, while the European Union, Canada, United States, United Kingdom, and the Millennium Challenge Account–Indonesia subsequently contributed funds.
Lessons Learned

- While PNPM used the same implementation modalities throughout Indonesia, over time, the program’s adaptive implementation process integrated monitoring and evaluation results to modify the program.
- PNPM used evidence-based processes to measure its internal processes to promote the program’s efficacy and eliminate implementation bottlenecks.
- The “barefoot engineers” training program targeted high school graduates to fill the need for civil engineers who would work as technical facilitators; they helped the Ministry of Home Affairs respond to a shortage of skilled staff.
- To expand participation and access to the program benefits, a number of innovations and pilot projects helped PNPM to reach disenfranchised groups and fund new activities in health and education.
- Using civil society organizations (instead of the government) to lead implementation of a pilot PNPM program (PNPM Peduli) moved the focus to marginalized groups and led to the inclusion of stigmatized and disenfranchised segments of the population who faced huge obstacles to community participation.

Development Challenges

- In 2005, Indonesian President Susilo Bambang Yudhoyono asked how the government could halve the national poverty rate, from 16.7 percent to 8 percent, by 2009.
- Development challenges were to scale up KPD—one of the government’s most successful social programs—and other community-based poverty programs into PNPM and reach villages throughout Indonesia, including remote areas and marginalized groups.

Delivery Challenges

- The Ministry of Home Affairs had to build trust with local governments; some districts were more resistant to government overtures partly because of different commitment levels from local governments to the community empowerment principles.
- Coordination among national and local-level implementers was a challenge. The PNPM’s national management structure had to work in partnership with the locally empowered facilitators and elected councils during a 12- to-16-month community-driven development process.
- Extending the PNPM model was not easy in all parts of Indonesia. While there was no regional variation of the model, some provinces made changes to reach remote areas, using intensive local recruitment and training programs. The program developed PNPM Generasi to encourage investment in underprioritized social needs and to respond to the common bias to prioritize infrastructure projects.