



PROJECT IMPLEMENTATION MANUAL (PIM)

TRANSFORMASI EKONOMI KAMPUNG TERPADU INTEGRATED VILLAGE ECONOMIC TRANSFORMATION

REVISED AT PROJECT MID-TERM
OKTOBER-NOVEMBER 2022

FOREWORD

TEKAD (Transformasi Ekonomi Kampung Terpadu), or Integrated Village Economic Development is one of the MoV project with cooperation funding (loan and grant) with IFAD. The objective of the TEKAD's is to enable rural households to develop sustainable livelihoods, taking advantage of strengthened village and district level governance, that empowered village communities contribute to rural transformation and inclusive growth in Eastern Indonesia by leveraging the potential of the Village Law and the Village Fund. TEKAD will assist MoV in developing an evidence-based approach for empowering villages to make a better use of Village Fund and other village resources in support of economic development by: (i) building village and household capacities in planning, implementing and monitoring a significant share of Village Fund resources for inclusive economic initiatives bringing sustainable revenues; (ii) developing an enabling environment, whereby: districts/sub-districts will provide support services and better integrate village needs into district economic development planning; market players will be linked to village-based producers; and financial and non-financial service providers will extend services meeting the needs of villages; and (iii) raising MoV capacities to implement TEKAD's innovative approach and to develop evidence-based replicable models for village economic development in Eastern Indonesia.

TEKAD will cover in twenty-five districts in the five eastern provinces of Indonesia - Papua, West Papua, Maluku, North Maluku, and East Nusa Tenggara. In these districts, TEKAD will target 1,720 villages and around 412,300 households, benefiting approximately 1,855,350 people.

The preparation of these Guidelines is intended as a reference and handbook for stakeholders including facilitators and or beneficiaries involved in TEKAD, therefore the Project could be implemented transparent, effective and efficient.

We hope, this Guidelines will be useful and we also accept feedback for improvements to these Guidelines.

In September/October 2022 was conducted a mid-term review of the TEKAD project. Based on this review, the Program Implementation Manual was revised to increase the project efficiency and effectiveness in its second half of implementation. It is expected that this simplified manual will help expedite the implementation of activities reach the desired objectives by the end of the program.

Jakarta, April 2023

Director of Primary Product Development
As Project Manager TEKAD

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GLOSSARY

A

ADD	Anggaran Dana Desa (Village Funds Budget)
APBD	Anggaran Pendapatan, dan Belanja Daerah (Regional Budget and Expenditure)
APBN	Anggaran Pendapatan dan Belanja Negara (State Budget)
AWPB	Annual Work Plan and Budget
ASBANDA	Asosiasi Bank Pembangunan Daerah (Regional Development Bank Association)

B

BDS	Bussiness Development System
BNI	Bank Negara Indonesia
BPD	Badan Permusyawarahan Desa
BPMD/K	Badan Pemberdayaan Masyarakat dan Kampung (Village Community Empowerment Board)
BAPPEDA	Badan Perencanaan Pembangunan Daerah (Agency for Regional Development)
Bappenas	Kementerian Negara Perencanaan Pembangunan / Badan Perencanaan Pembangunan Nasional (<i>The State Ministry of Development Planning / National Development Planning Board</i>)
BRI	Bank Rakyat Indonesia
BUM Desa	Badan Usaha Milik Kampung (<i>Village Owned Enterprise</i>)
BUM Desa Bersama	Badan Usaha Milik Kampung/Desa Bersama

D

DD	Dana Desa (Village Fund)
Direktorat PSDATTG	Direktorat Pendayagunaan Sumberdaya Alam Dan Teknologi Tepat Guna (Directorate of Natural Resources Utilization and Appropriate Technology)
Dirjen PPMD	Direktur Jenderal Pembangunan dan Pemberdayaan Masyarakat Desa (Director General for Villagers Development and Empowerment)
DNRAT	The Directorate of Natural Resources and Applied Technologies ()
DPIU	District Project Implementation Unit

G

GEGPP	Green Economic growth Programme for Papua
GESI	Gender Equity and Social Inclusion
GPS	

H

HH	House Hold
HIPMI	Himpunan Pengusaha Muda Indonesia
HDI	Human Development Indicator (HDI)

I	
ICR	Implementation Completion Report
IDM	Indeks Desa Membangun (Village Development Index)
IFAD	International Fund for Agricultural Development
IPM	Indeks Pembangunan Manusia (Human Development Index)
K	
KADIN	Kamar Dagang Indonesia
Kemendesa, PDT dan Transmigrasi	Kementerian Desa, Daerah Tertinggal dan Transmigrasi (Ministry of Village, Development of Disadvantaged Regions, and Transmigration)
KKN	Kuliah Kerja Nyata
KOMPAK	Kolaborasi Masyarakat dan Pelayanan Untuk Kesejahteraan
KPI.	Key Performance Indicators
KPMD	Kader Pemberdayaan Masyarakat Desa
KPPN	Kantor Pelayanan Perbendaharaan Negara (State Treasury Office)
M	
M&E	Monitoring and Evaluation
MIS	Management Information System
MOA	Ministry Of Agriculture
MoCI	Ministry of Communication and Information Technology
MOHA	Ministry Of Human Affairs
MOU	Memorandum Of Understanding
MoV	Ministry Of Village
N	
NGO	Non Government Organization
NPMU	National Project Management Unit
O	
OJK	Otoritas Jasa Keuangan
OPD	Organisasi Perangkat Daerah
P	
PA	Pengguna Anggaran (<i>Budget User</i>)
P2P	Peer to peer learning
P3EK	Perencanaan Partisipatif Pembangunan Ekonomi Kampung
P3MD	Program Pembangunan dan Pemberdayaan Masyarakat Desa
P3PD	
PDP	Village Community Empowerment Facilitators
Pendis	Pendamping Distrik (<i>District Assistant</i>)
Penkab	Pendamping Kabupaten (<i>District Supervisor</i>)
PJK	Penanggungjawab Kegiatan (<i>Person In Charge for the Activity</i>)
PDPMD module	Module “Pembangunan dan Pemberdayaan Masyarakat Desa”
PDR	Project Design Report
PED	Village Economic Development

PIU	Project Implementation Unit
PKK	Pemberdayaan Kesejahteraan Keluarga
PLUT	Pusat Layanan Usaha Terpadu
PMD	Pemberdayaan Masyarakat Desa
PMK	Peraturan Menteri Keuangan
PNPM	Program Nasional Pemberdayaan Masyarakat
PNPM Pertanian	Pertanian (<i>National Program for Agricultural Community Empowerment</i>)
POSYANTEK	Pos Pelayanan Teknologi
PPDM	Program Pembangunan Desa Mandiri (<i>Village Development Program</i>)
PPh Ps 21	Pajak Penghasilan Pasal 21 (<i>Income Tax Article 21</i>)
PPIU	Provincial Project Implementation Unit
PPL	Penyuluh Pertanian Lapangan (<i>Agricultural Extension Worker</i>)
PRA	Participatory Rural Appraisal
PRISMA	
PSDATG	Pendayagunaan Sumberdaya Alam Dan Teknologi Tepat Guna (Utilization of Natural Resources and Appropriate Technology)
PUMK	Pemegang Uang Muka Kegiatan (The Holder of Activity Pre-Payment)
PUSLATMAS	Pusat Pelatihan Masyarakat
PY	Project Year
R	
RDKK	Rencana Definitif Kebutuhan Kelompok (The Definitive Plan of the Group Needs)
RKPDes	Rencana Kerja pembangunan Desa (Village Development Work Plan)
RPJMN	Rencana Pembangunan Jangka Menengah Nasional
S	
SAI	Sistem Akutansi Instansi (Indonesian Accounting System)
SK	Surat Keputusan (<i>Letter of Decree</i>)
Satker	Satuan Kerja (<i>Work unit</i>)
SECAP	<i>Social, Environmental and Climate Assessment Procedures</i>
Setjen	Sekretariat Jenderal (<i>General Secretariat</i>)
SKPD	Satuan Kerja Perangkat Daerah (Regional Work Unit/Task Force)
SPM	Surat Perintah Membayar (<i>Pay Order</i>)
SPP-Gaji	Surat Permintaan Pembayaran Gaji (<i>Payment Request Letter – for Salary</i>)
SPP-GU	Surat Permintaan Pembayaran Ganti Uang (Payment Request Letter – for Reimbursement)
SPP-LS,	Surat Permintaan Pembayaran Langsung (Request Letter for Direct Payment)

SPP-TU	Surat Permintaan Tambahan Uang Persediaan (Letter of Request for Additional Money Supplies)
SPP-UP	Surat Permintaan Uang Persediaan (<i>Letter of Request for Money Supplies</i>)
SOLID	Smallholder Livelihood Development Program
T	
TA	Tenaga Ahli (<i>Specialist</i>)
TC	Team Coordination
TEKAD	Transformasi Ekonomi Kampung Terpadu (Integrated Village Economic Transformation)
TKK	Tim koordinasi Kabupaten
TOR	Term of Reference
TOT	Training Of Trainer
TPAKD	Regional Finance Acceleration Team
TTG	Teknologi Tepat Guna
TK-PPDM	Tim Koordinasi Program Pembangunan Desa Mandiri (<i>Coordination Team of Self-sufficient Village Development Program</i>)
U	
UKM	Usaha Kecil Menengah (<i>Small and Medium Enterprises</i>)
V	
VDP	Village Development Program
VIS	Village Information System

CHAPTER I INTRODUCTION

1.1 Background

There are (5) five priority agendas in National Middle Term Development Plan (RPJMN) for 2020-2024 that stipulated in the Presidential Regulation No. 18 Year of 2020 are (i) focus on mental quality of human resources; (ii) utilizing infrastructure which was already built and continuing development; (iii) bureaucracy services quick and accurate; (iv) simplify the regulations and ease of doing investment; (v) economic transformation. The agenda of TEKAD's project will be related with the RPJMN's agenda number (i), (ii) and (v). Beside that, in the Annex 3 of National Middle Term Development Plan (RPJMN) for 2020-2024, already mentioned the indicative targets for the number of villages for each province that will be given facilitation from TEKAD's project.

TEKAD will cover 5 (five) eastern provinces of Indonesia - Papua, West Papua, Maluku, North Maluku, and East Nusa Tenggara with twenty-five districts. In these districts, TEKAD will target 1,720 villages and around 412,300 households, benefiting approximately 1,855,350 people.

The TEKAD design builds on the experience gained from Gol's National Program for Community Empowerment - Program Nasional Pemberdayaan Masyarakat (PNPM), and from IFAD's past programmes supporting PNPM (PNPM Pertanian/Agriculture) and the implementation of the 2014 Village Law (Village Development Programme) in Papua and West Papua.

TEKAD support is conceived as an accelerator of village economic development in underprivileged areas of Indonesia – a temporary intervention that aims at boosting the capacities of existing players, in the villages and in their environment, so they can build on economic opportunities and leverage village resources to generate growth at village level. The programme strategy and activities are therefore driven by the primary concern that, by the end of programme implementation, sustainable mechanisms have been established to ensure sustainable planning and implementation of village resources for economic growth.

TEKAD will be implemented by Ministry of Village (MoV). The Directorate General of Economic Development and Investment in Village, Disadvantaged Regions and Transmigration (DGEDI) will have direct responsibility for programme implementation, under the authority of MoV's Director General of Village Development and Community Empowerment. TEKAD will assist MoV in developing an evidence-based approach for empowering villages to make a better use of Village Fund and other village resources in support of economic development by: (i) building village and household capacities in planning, implementing and monitoring a significant share of Village Fund resources for inclusive economic initiatives bringing sustainable revenues; (ii) developing an enabling environment, whereby: districts/sub-districts will provide support services and better integrate village needs into district economic development planning; market players will be linked to village-based producers; and financial and non-financial service providers will extend services meeting the needs of villages; and (iii) raising MoV capacities to implement TEKAD's innovative approach and to develop evidence-based replicable models for village economic development in Eastern Indonesia. Therefore, this guideline is prepared as a reference for the implementation of TEKAD activities in Papua, West Papua, Maluku, North Maluku and East Nusa Tenggara.

1.2 Project Objectives

TEKAD's **overall goal** is that empowered village communities contribute to rural transformation and inclusive growth in Eastern Indonesia by leveraging the potential of the Village Law and the Village Fund. The programme **development objective** is to enable rural households to develop sustainable livelihoods, taking advantage of strengthened village and district level governance.

1.3 Target Beneficiaries/Target Groups

Target beneficiaries/target groups will consist of:

Primary beneficiaries. Target groups will consist of smallholder farming households, micro-entrepreneurs as well as households in coastal communities involved in fisheries and the production of marine products. It is expected that TEKAD will directly benefit approximately 149,850 households and that 299,700 persons will receive services promoted or supported by the project. Outreach level indicators are summarized in the table below.

Table 1. Total outreach

Outreach indicator	Target at end of project	Assumptions for defining the targets
1.a. Corresponding number of households reached	149,850	Total villages targeted: 1,110 Average number of households/village: 180 Proportion of households in a village reached by the project: 75% $1,110 * 180 * 75\% = 149,850$
1. Persons receiving services promoted or supported by the project	299,700	2 persons per household receive services promoted by the project (e.g. both spouses can receive technical training or financial literacy or join village planning meetings – simultaneously or not).
1.b. Estimated corresponding total number of households members	674,325	4.5 members per household

Women will be a specific target group, because of their disempowerment, lack of access to services and markets as well as elevated gender-based violence, which altogether negatively affect household revenues and well-being. The project will also benefit youth, by creating new economic opportunities in the production and marketing of primary commodities and in agro-tourism, facilitating access to innovation and new technologies and services (including through digital applications), supporting small business growth, and engaging them as agents of change.

Secondary beneficiaries. Secondary beneficiaries include service providers that will extend business development services (including technical services) and financial services to village producers, as well as buyers of target commodities in the target provinces. While secondary beneficiaries are not an indicator in the project logframe, it is recommended for the project's M&E Specialists to keep track on their numbers.

1.4 GESI in TEKAD

Post MTR, TEKAD will implement its Gender Equality and Social Inclusion (GESI) Strategy to ensure that poor target groups, women, young people and indigenous groups in the target villages participate in TEKAD activities and access programme benefits. TEKAD GESI strategy will adopt a two-pronged approach: mainstreaming GESI in all project components and activities and the inclusion of additional activities such as the implementation of the household methodology in Papua.

The draft strategy has defined objectives, a core set of orientations and mechanisms building on the Village Law to : (i) profile target sub-groups; (ii) ensure gender equitable and social inclusion of the target groups and especially of disadvantaged or isolated groups in the village planning and budgeting process and in the development of village economic initiatives; (iii) develop transparent monitoring mechanisms to measure achievements and identify challenges, such as community audits and grievance mechanisms to assess gender equitable and social inclusion in village processes; (iv) prevent elite capture, for which the main strategy will consist on empowering rural communities, including organizations strengthening and capacity building, emphasizing the poorest and more vulnerable segments, for them to participate and make their rights and priorities prevail in villages' decisions on the Village Fund resources allocation; (v) identify capacity building needs assessment of programme staff and key partners and identify capacity building needs assessment of programme staff and key partners; (vi) ensuring that economic organisations and multi-stakeholders' platforms are inclusive of women, poor and indigenous youth, and that GESI issues are addressed as part of their regular agenda; (vii) developed a draft GESI action plan with outcomes and indicators to be updated annually in conjunction with the AWPB. The draft GESI strategy further provide s detailed orientations for ensuring that TEKAD activities foster social inclusiveness and accommodate the needs of women, young people and diverse socio-economic groups, building on the above guidance. The GESI targets and milestones includes the following:

1. An overall gender participation rate of 50% of women amongst programme beneficiaries;
2. An overall gender participation rate of 40% qualified women in the NPMU and DPIUs – while it may be harder to achieve in DPIUs, it should strongly be promoted;
3. An overall 30% of decision-making positions in economic organisations occupied by women/disadvantaged groups;
4. All of the service providers recruited to support the programme will be required to have experience in the principles and practice of gender and social inclusion;
5. The terms of reference of all programme staff will include responsibility for gender and social inclusion objectives and support will be given to the recruitment of women to ensure gender-balanced programme implementer teams

1.5 Project Area

TEKAD will cover five Eastern Indonesian provinces, including: Papua, West Papua, Maluku, North Maluku and East Nusa Tenggara. 4 of the 5 provinces have the country's highest poverty rates, as indicated in Figure 1. Although GoI has been highly focusing its development efforts in improving infrastructure, especially those in remote rural areas, Human Development Indicator (HDI) rates are still among the lowest in the country. Literacy - and numeracy - rates can be as low as 25% in the Papua highlands (especially among women; the provincial average is 68%) and up to almost 100 percent elsewhere – for example in villages close to urban centres in East Nusa Tenggara. Malnutrition is significantly higher in Eastern Indonesia, and stunting of children under 5 years of age is above 40% in East Nusa Tenggara and Maluku.

Within the 5 Provinces, TEKAD will operate in a total of 25 districts, of which 13 are the districts that are part of Village Development Programme (VDP) which was implemented for two years in Papua and West Papua, and 12 districts are 'new districts' in Maluku, North Maluku, and East Nusa Tenggara (Table 3) and some additional districts in Papua. Districts were pre-selected by MoV based on: demographic density; economic potential; accessibility; complementarities with other ongoing or previous development programmes (such as IFAD-financed Smallholder Livelihood Development Project/SOLID, which was recently completed in Maluku and North Maluku); and the Village

Development Index (IDM) scores of their villages. This guarantees that geographic targeting is based on the latest available data on multi-dimensional poverty indicators at village level.

Figure 1. Poverty Level of 34 Provinces in Indonesia



Source: Statistical Agency, 2019

The target provinces are also amongst Indonesia’s areas most vulnerable to climate change. Significant local micro-climatic differences are expected, due to the complex topography and different altitudes, with average temperatures increasing between 1.0-1.5 C° by 2060. Rising sea levels and coastal flooding will particularly affect the Maluku provinces and East Nusa Tenggara. With respect to the impacts of climate change on agriculture, some the biggest losses in per capita terms are to be expected in West Papua¹.

Table 2. TEKAD target districts

Papua	West Papua	Maluku	North Maluku	East Nusa Tenggara
-Boven Digoel	-Fak Fak	-Maluku Tengah	-Halmahera	
-Jayawijaya	-Kaimana	-Seram Bagian Barat	Barat	-Manggarai
-Kepulauan Yapen	-Manokwari	-Seram Bagian Timur	-Halmahera Selatan	-Ngada
-Nabire	Selatan		-Halmahera	-Sumba Timur

¹ Policy brief: Indonesia: costs of climate change 2050, USAID 2016.

Papua	West Papua	Maluku	North Maluku	East Nusa Tenggara
-Sarmi -Yahukimo -Jayapura -Keerom -Dogiyai	-Maybrat -Pegunungan Arfak -Raja Ampat		Tengah	

Within these 25 districts, TEKAD's final target is to reach 1,720 villages which will be added in phases as the project progresses in implementation. During the first half of the project, TEKAD targeted 499 villages. In PY4, an additional 611 villages will be included and supported. At the end of PY4, a performance review will be conducted to assess if the project is in a position to scale-up to 1,720 villages as initially planned. This performance review will mostly rely on the project's disbursement rate, physical progress and evidence of successful village economic planning schemes being implemented and actually benefiting target villages and households.

To ease planning and monitoring of activities in PY4, the PIM, logframe and budget are established on the basis of the first expansion to 1,110 villages. These will be reviewed at the end of PY4 if the expansion to 1,720 villages is agreed.

The following table presents the distribution of villages for the PY4 scaling-up phase.

Table 3. Village distribution per province

Province	Number Of Villages in PY1	Number Of Villages added in PY4	Total
NUSA TENGGARA TIMUR	60	511 to be distributed among 3 provinces/9 districts	691 across 3 provinces
MALUKU	60		
NORTH MALUKU	60		
PAPUA	205	-	205
WEST PAPUA	114	100	214
TOTAL	499	611	1,110

The following approach will be used for selecting villages :

- a. **Out of the 1,110 villages, a first batch of 499 villages were identified in PY1** and start ed activities in PY2. Criteria for the selection of villages include: (i) potential for developing target commodities; (ii) reasonable road access; (iii) levels of social capital (from the IDM database); and (iv) not participating in P3PD to avoid overload for sub-district staff. Priority was given to villages that are priority villages in district plans, that have an active BUMDes or cooperative, and that have access to electricity. Consideration was also given to have a minimum number of villages classified as 'developing' (berkembang) against IDM. In addition, in Papua and West Papua, villages involved in VDP were considered as priority, assuming they fit the other selection

criteria. Similarly, in Maluku and North Maluku, former SOLID villages were considered in the selection.

- b. **Another 611 villages will be identified in PY 3 and start activities in PY 4**. Similar selection criteria will be applied, including additional consideration (but with flexibility, i.e. does not need to apply for all villages) on : (i) being within a reasonable distance of first batch villages or adjacent to each other either first batch villages or other second batch villages; (ii) having potential for developing the same target commodity as the first batch villages to open up the opportunities for agglomeration and cluster-based development; (iii) accessible/have good connectivity to the nearby villages; (iv) have a low risk of social conflict and disaster risk. Consideration was also given to villages having high poverty rates, and villages with opportunities for social forestry program. The participation of villages will hinge on the willingness of their Village Heads to sign an agreement with TEKAD, whereby they will commit to implement Village Law prescriptions with regard to participation, inclusion, transparency and accountability, as well as to allocate an adequate share of the Village Fund to the development of economic activities;

Wherever relevant, TEKAD will support the development of village clusters that will pool production and resources to facilitate the access to larger and better remunerated markets.

Progressive implementation in Papua Province: Implementation in Papua has been particularly slow during the first half of the project and might continue to be hindered in the second half of the project due to the split up of the province. For this reason, TEKAD will adopt a graduated implementation process for Papua that will be better suited to the needs and capacities of the province:

- 2024: In villages where the above points are implemented, the project will support financial literacy education and continue to support production through technical support. For villages that have not demonstrated improvement and not ready to graduate will continue the same activity in 2023.
- 2025: The project will propose to make investments to support villages that have successfully gone through step 1 and 2 above. Access to market and services (sub-component 2.2) will also be facilitated by the project wherever relevant but will focus on close/traditional markets and short value-chains that can support the local economy and food security.

1.6 Project Component of TEKAD

The components of the program to be implemented in TEKAD activities consist of 3 (three) components, as follows:

Component 1 Village Economic Empowerment, will improve villagers' ability to promote inclusive and sustainable local economic development, building on the village potential and using Village Fund and other village revenues. The **expected outcome** is that village communities plan and implement profitable economic initiatives taking advantage of village resources. Main indicators are: (i) 70% of households reporting increase in production; (ii) at least 30% of Village Fund (*Dana Desa/DD*) budgeted for economic development; and (iii) 70 % of households reporting adoption of improved inputs, technologies or practices. Component 1 comprises two sub-components: (i) Village Governance; (ii) Village Economic Initiatives. Activities will focus on the village level, with villages phased in over three years. Emphasis would need to be given to support women headed households, budget support to women groups and youth groups to promote their economic activities under this component.

Component 2 Partnerships For Village Economic Development, will promote an enabling environment for inclusive and sustainable village economic development, by facilitating village connection to services, markets. The **expected outcome** is that village households will have sustainable access to markets and to public and private services in support of village economic initiatives. Main indicators are: (i) 20 districts integrate investment financing for target districts in district plan; and (ii) 80% of households are satisfied with the support services provided by village/sub-districts/districts levels. Component 2 will be implemented at district and provincial level, and will support and complement village-based activities implemented under Component 1. It is comprised of two sub-components: (i) District Support for Village Economic Development; and (ii) Economic Services .

Component 3 Innovation, learning and Policy Development, aims at fostering innovation and at promoting policy development and institution building in support of village economic development in Eastern Indonesia. This will be achieved by: (i) capturing innovative practices and documenting achievements and successful models from TEKAD implementation; (ii) mobilizing village audiences and opening online access to knowledge and resources; (iii) enhancing the policy and regulatory environment in support of village economic development and strengthening MoV capacities. The **expected outcome** is that an enabling policy, institutional and media environment facilitates village economic development that builds on local opportunities and leverages the Village Fund resources. The main indicator is Policy analytical documents prepared and disseminated, and regulatory instruments proposed to policy makers . Component 3 has three sub-components: (i) Innovation, Learning and Inspiration; (ii) Policy Development and Institution Building ; and (iii) Project Management . While it will mainly be implemented at the national level, it will complement and support activities carried out at village and district level, respectively under Component 1 and Component 2.

The detailed of project activities and implementation arrangement of each component will be described in chapter 3.

1.7 Legal Basis

- Law Number 17 of 2003 on the State Finances (State Gazette of the Republic of Indonesia Number 47 of 2003, Supplement to the State Gazette of the Republic of Indonesia Number 4286);
- Law Number 25 of 2004 concerning National Development Planning System (State Gazette of the Republic of Indonesia Number 104 of 2004, Supplement to State Gazette of the Republic of Indonesia Number 4421);
- Law Number 33 of 2004 regarding Financial Balance between the Central Government and Regional Government (State Gazette of the Republic of Indonesia Number 126 of 2004, Supplement to State Gazette of the Republic of Indonesia Number 4438);
- Law Number 6 of 2014 on Villages (State Gazette of the Republic of Indonesia Number 7 of 2014, Supplement to the State Gazette of the Republic of Indonesia Number 5495);
- Law Number 23 of 2014 concerning the Local/Regional Government (State Gazette of the Republic of Indonesia Number 244 of 2014, Supplement to the State Gazette of the Republic of Indonesia Number I-5 as amended by Government Regulation in Lieu of Law Number 2 of 2014 on the Amendment to Law Number Law Number 23 of 2014 on Local/Regional Government (State Gazette of the Republic of Indonesia Number 246 of 2014, Supplement to the State Gazette of the Republic of Indonesia Number 5589);
- Government Regulation Number 43 of 2014 regarding the Implementation of Law Number 6 Year 2014 on Villages;
- Government Regulation Number 60 of 2014 on Village Funds sourced from the APBN (the State Budget);

- Presidential Regulation Number 12 of 2015 on the Ministry of Village, Development of Disadvantaged Regions, and Transmigration;
- Government Regulation Number 22 of 2015 on the Amendment to Government Regulation Number 60 of 2014 concerning Village Funds that are Sourced from APBN (the State Budget);
- Regulation of the Minister of Home Affairs of the Republic of Indonesia Number 111 of 2014 concerning Technical Guidelines on Village Regulations;
- Regulation of the Minister of Home Affairs of the Republic of Indonesia Number 113 of 2014 regarding Village Financial Management;
- Regulation of the Minister of Home Affairs of the Republic of Indonesia No. 114 of 2014 concerning Guidelines for Village Development;
- Regulation of the Minister of Village, Development of Disadvantaged Regions, and Transmigration Number 1 of 2015 on the Guidelines of Authority by virtue of their Rights of Origin and Village Scale Local Authority;
- Regulation of the Minister of Village, Development of Disadvantaged Regions, and Transmigration Number 2 of 2015 concerning the Code of Conduct and the Decision Making Mechanism of Village Deliberations;
- Regulation of the Minister of Village, Development of Disadvantaged Regions, and Transmigration Number 3 of 2015 concerning Village Assistance;
- Regulation of the Minister of Village, Development of Disadvantaged Regions, and Transmigration Number 4 Year 2015 on the Establishment, Management and Administration, as well as the Liquidation of Village Owned Enterprises;
- Regulation of the Minister of Village, Development of Disadvantaged Regions, and Transmigration Number 6 of 2015 on the Organization and Working Procedures of Ministry of Village, Development of Disadvantaged Regions, and Transmigration;
- Regulation of the Minister of Village, Development of Underdeveloped Regions, and Transmigration Number 15 of 2015 on the Strategic Plans of the Ministry of Village, Development of Underdeveloped Regions, and Transmigration for the period of 2015-2019;
- Financing Agreement of TEKAD-Integrated Village Economic Transformation Loan No. 2000003165 and Grant No. 2000003164, signed in Indonesia December 23, 2019;
- Letter to Borrower (LTB) of TEKAD dated February 18, 2020.

CHAPTER II INSTITUTIONAL ARRANGEMENTS AND ORGANIZATIONAL STRUCTURE

2.1. TEKAD organizational framework

Ministry of Village, Disadvantaged Regions and Transmigration (MOV) was selected as the Executing Agency, and will be responsible for the overall Project Management, coordination and oversight. The Ministry of MOV assigns the Director General (DG) of Economic Development and Village Investment (DG of EDVI) which has direct responsibility for project implementation., with the support of a National Project Management Unit (NPMU) established within DG of EDVI.

A. National Level

1. **Project Steering Committee (PSC).** The PSC will be established at the national level to provide overall guidance and oversight, and ensure that TEKAD is aligned to national priorities, offer a venue for sharing TEKAD good practices and channelling policy issues to the appropriate policy making bodies. The detail tasks of PSC includes among others :
 - a) Provide guidance to NPMU on the program implementation, provide inputs aiming at improving the performing of the project implementation;
 - b) Synergy various relevant programs within MoV and other line ministries to support TEKAD activities;
 - c) Provide guidance to NPMU on priority areas for the development of policy studies ;
 - d) Monitor and evaluate the performance and results of the TEKAD Project;
 - e) Review and provide approval toward annual work plan and budget;
 - f) The PSC organize annual meeting at least once a year;
 - g) The PSC is responsible to submit progress report to the Minister of MoV through Secretary General of MoV.

The PSC comprises the following :

Chair person : Secretary General of MoV

Secretary : Director General of Economic Development and Village Investment, MoV

Members : representatives from Ministry of Finance, Bappenas and Ministry of Home Affairs, relevant directorate within MoV.

2. National Project Management Unit (NPMU)

NPMU is led by a Project Director (DG of Economic Development and Village Investment, MoV), and supported by a Project Manager, coordinators of project components, PPK (s), M&E Officer, Procurement Officer , Finance Officer, Gender Focal Point. To provide technical supports to the NPMU, the following consultants will be hired : (I) M&E Specialist, (ii) KM & Policy Expert, (iii) Procurement & contract management Specialist, (iv) Financial Management Specialist, (v) IT Specialist, (vi) MIS/Data analyst, (vii) Village Governance Expert, (viii) GESI Specialist, (ix) SECAP Expert, (x) Project Advisor; (xi) Economic Development Expert.; and (xii) Provincial Coordinators.

The NPMU is responsible in carrying out the day-to-day project management and implementation responsibilities and for the operational coordination with government and non government agencies participating in the Project at national, provincial and district levels.

The tasks of NPMU team are presented in the following Table:

Table 4. Tasks of NPMU team

POSITIONS	TASKS
Project Director	<ol style="list-style-type: none"> 1) Responsible for overall project implementation and achievement; 2) Conduct coordination with various relevant units / directorates of MoV to synergize with TEKAD activities
Project Manager	<ol style="list-style-type: none"> 1) Conduct daily coordination with and supervision toward all NPMU staff, including all consultants and facilitators in implementing the project; 2) Conduct daily coordination on technical and administration related issues including finance and procurement; 3) Build collaboration across programs within MoV and other relevant sectors at national, provincial, and district level;• 4) Provide operational guidance to all NPMU Team in preparing project annual planning and budget, project implementation, and monitoring and evaluation as well as progress reports to be submitted to the Project Director and IFAD; 5) Responsible in providing guidance to District Implementation Team (Tim Pelaksana Kabupaten- TPK) / District Project Implementation Unit (DPIU) on the project implementation, and ensure that the project is implemented on the right track to achieve the project objective; 6) Report to the Project Director regarding the implementation progress of the project
Coordinator of Component 1	<p>In collaboration with the National Consultant of Village Governance Specialist, she / he will perform the following tasks :</p> <ol style="list-style-type: none"> 1) Responsible for coordinating all project activities of component 1; 2) Provide inputs in preparing Annual Work Plan and Budget; 3) Report to the Project Manager on implementation progress of component 1 4) Consolidate inputs from Activity PIC in preparing Annual Work Plan and Budget; 5) Consolidate the Report from Activity PIC to the Project Manager on implementation progress of component 3.
Coordinator of Component 2	<p>In collaboration with the National Consultant of Village Governance Specialist, she / he will perform the following tasks :</p> <ol style="list-style-type: none"> 1) Responsible for coordinating all project activities of component 2; 2) Provide inputs in preparing Annual Work Plan and Budget; 4) Report to the Project Manager on the implementation progress of component 2. 5) Consolidate inputs from Activity PIC in preparing Annual Work Plan and Budget; 6) Consolidate the Report from Activity PIC to the Project Manager on implementation progress of component 3.
Coordinator of Component 3	<p>In collaboration with the National Consultant of Village Governance Specialist, she / he will perform the following tasks :</p> <ol style="list-style-type: none"> 1) Responsible for coordinating all project activities of component 3; 2) Provide inputs in preparing Annual Work Plan and Budget; 4) Consolidate inputs from Activity PIC in preparing Annual Work Plan and Budget;

POSITIONS	TASKS
	5) Consolidate the Report from Activity PIC to the Project Manager on implementation progress of component 3.
PIC I (Dit. PPU)	<ol style="list-style-type: none"> 1) Responsible for certain activities related to directorate job description under direction of Director General PEI as NPD. 2) Provide technical guidance to DPIUs/TPK on the implementation of the activities of 1.1.1; 1.1.3; 1.1.6; 1.2.1.; 1.2.2; 2.1.1.; 2.1.2; 2.1.3.; 2.1.5.; 2.2.1; 3.2.1a,b,d, sub component 3.3. and ensuring the achievement output and outcome of these activities; 3) Provide Monitoring and assistances on the implementation and make sure the activities to achieve the project output and outcome. 4) Report to the related Coordinator Component on the implementation progress. 5) For supporting implementing project activities will require specific specialist, if necessary PIC shall select and hire specific specialist with limited duration and certain duties/output. For this purposed must be approved by project manager.
PIC II (PTPEI)	<ol style="list-style-type: none"> 1) Responsible for certain activities related to directorate job description under direction of Director General PEI as NPD. 2) Provide technical guidance to DPIUs on the implementation of the activities of 1.1.2; 1.1.4; 1.1.5; 2.1.4; 3.1.1. and ensuring the achievement of these activities; 3) Provide Monitoring and assistances on the implementation and make sure the activities to achieve the project output. 4) Report to the related Coordinator Component on the implementation progress. 5) For supporting implementing project activities will require specific specialist, if necessary PIC shall select and hire specific specialist with limited duration and certain duties/output. For this purposed must be approved by project manager.
PIC III (PID)	<ol style="list-style-type: none"> 1. Responsible for certain activities related to directorate job description under direction of Director General PEI as NPD. 2. Provide technical guidance to DPIUs on the implementation of the activities of 1.2.3; 3.2.4. and ensuring the achievement of these activities; 3. Provide Monitoring and assistances on the implementation and make sure the activities to achieve the project output. 4. Report to the related Coordinator Component on the implementation progress. 5. For supporting implementing project activities will require specific specialist, if necessary PIC shall select and hire specific specialist with limited duration and certain duties/output. For this purposed must be approved by project manager. 6.
PIC IV (PKEI)	<ol style="list-style-type: none"> 1. Responsible for certain activities related to directorate job description under direction of Director General PEI as NPD. 2. Provide technical guidance to DPIUs on the implementation of the activities of 1.2.4.; 1.2.5.; 3.2.1e,f and ensuring the achievement of these activities; 3. Provide Monitoring and assistances on the implementation and make sure the activities to achieve the project output. 4. Report to the related Coordinator Component on the implementation progress. 5. For supporting implementing project activities will require specific specialist, if

POSITIONS	TASKS
	<p>necessary PIC shall select and hire specific specialist with limited duration and certain duties/output. For this purposed must be approved by project manager.</p>
PIC V (P3UDT)	<ol style="list-style-type: none"> 1. Responsible for certain activities related to directorate job description under direction of Director General PEI as NPD. 2. Provide technical guidance to DPIUs on the implementation of the activities of 2.2.2.; 3.1.2. and ensuring the achievement of these activities; 3. Provide Monitoring and assistances on the implementation and make sure the activities to achieve the project output. 4. Report to the related Coordinator Component on the implementation progress. 5. For supporting implementing project activities will require specific specialist, if necessary PIC shall select and hire specific specialist with limited duration and certain duties/output. For this purposed must be approved by project manager.
Secretariat of NPMU	<p>She/ he will lead overall administration of the project including project planning, budgeting, procurement, gender mainstreaming as well as monitoring and evaluation.</p> <p>She/ he will provide guidance, supports and supervise the following staff/officers :</p>
	<p>a) <i>Commitment Maker Officer (PPK) :</i> Under guidance of the Project Manager, in collaboration with Coordinator of Component and PIC, and supports from Procurement, FM, M&E, Finance Officer, Planning Officer, he/she will be responsible for :</p> <ol style="list-style-type: none"> (1) PPK 1, 2,3,4 (komponen + manajemen) (2) overall administration issues including AWPB, contract management, and procurement reports; (3) prepare document for Withdrawal Application (WA) (4)
	<p>b) <i>Planning Officer</i>, she/ he perform the following tasks :</p> <ol style="list-style-type: none"> 1) In collaboration with Coordinator of project component, and finance team prepare Annual Work Plan and Budget to be submitted to IFAD; 2) Discuss the AWPB with monitoring and evaluation team to ensure that outputs to be achieved in that particular are aligned with the target; 3) Update the AWPB based on the project needs and feedback from IFAD
	<p>c) <i>M&E Officer</i>, she/ he will perform the following tasks in collaboration with National M&E Consultant, MIS/Data Analyst, and IT Specialist, ;</p> <ol style="list-style-type: none"> 1) Develop Monitoring and Evaluation System (MIS) to be used by all TEKAD implementers at national, district, sub district and village levels; 2) Ensure that MIS is functioning well and used by all TEKAD implementers; 3) Lead on the conduct of regular monitoring and evaluation of the project; 4) Manage and update monitoring data and information regularly to be presented in the project dashboard weekly; <p>Prepare regular overall progress project reports (monthly, quarterly, bi-annual, and annual) to be submitted to the Project Director and IFAD in timely manner ;</p>
	<p>d) <i>Finance Officer</i>, she/he will perform the following tasks, with supports of Financial Management Specialist :</p> <ol style="list-style-type: none"> 1) Assist PPK in preparing AWPB to be submitted to IFAD for review; 2) Prepare interim financial reports in timely manner as requested by IFAD and MoF;

POSITIONS	TASKS
	3) Assist PPK to prepare documents required for withdrawal application; 4) Consolidate overall financial reports (monthly, quarterly, bi annual, and annual) ; 5) Assist PPK to monitor the status of the Special Account; 6) Assist PPK in following up the audit report and recommendations, and take necessary actions as requested by PPK; 7) Validate all invoices and financial transaction ;
	e) <i>Gender Focal Point</i> , she/ he will work with GESI Specialist, to perform the following tasks : 1) Review GESI strategy prepared by the previous GESI Specialist, and make necessary adjustment to ensure the GESI strategy is applicable and mainstreamed in all project activities including project planning, monitoring and project progress reports; 2) Review the household based-approach implemented by other IFAD projects, and make some adjustment to be used by TEKAD; 3) Prepare TOR for NGO to be recruited for the implementation of the household based-approach; 4) Provide guidance to TPKs and District Technical Team on mainstreaming GESI in the project activities; 5) Provide inputs to the project progress reports regarding the implementation of GESI, and provide recommendations on improving the implementation of GESI.
NPMU SPECIALIST TEAM.	
1. Project Management Advisor	She/he will be hired to provide technical supports to the Project Manager in the project implementation, specifically she/he will perform the following tasks : 1) Prepare project road-map up to end of the project; 2) Support the Project Manager in implementing and prioritizing project activities in each year; 3) Lead the preparation of AWPB based on approved prioritized project activities; 4) Lead the national Specialist team to ensure their tasks are aligned with the project outputs and outcome; 5) Lead the M&E Team Specialist in preparing the progress reports regularly in timely manner prior to the submission to the Project Manager; 6) Review all technical manuals (Juklak) prepared by national Specialist prior to be submitted to the Project Manager for approval; 7) Prepare design of exit strategy prior to completion of the project. OUTPUT : <ul style="list-style-type: none"> ● Proposed prioritized project activities of 2023, 2024, and 2025. ● Review reports regarding the technical manuals; ● Design of project exit strategy is ready in 2024.
2. GESI Specialist ²	With supports from GESI Specialist, he / she : 1) Review GESI strategy and action plan prepared by the previous GESI Specialist, and make necessary adjustment to ensure the GESI strategy is applicable and mainstreamed in all project activities including project planning, monitoring and project progress reports; 2) Develop GESI guidelines for each province based on the level of project

² ToR for this position has been drafted by IFAD.

POSITIONS	TASKS
	<p>initiatives;</p> <ol style="list-style-type: none"> 3) Review the household based-approach implemented by other IFAD projects, and make some adjustment to be used by TEKAD; 4) Provide guidance to DPIU and District Technical Team on mainstreaming GESI in the project activities; 5) Provide inputs to the project progress reports regarding the implementation of GESI, and provide recommendations on improving the implementation of GESI.
<p>3. M&E Specialist</p>	<p>She/he will be hired to provide technical supports to the M&E Officer in the following tasks;</p> <ol style="list-style-type: none"> 1) Update the M&E guideline to be used by all project implementers including simple manual to be used by Village Cadres/ KPMD in data collection; 2) In collaboration with the National Consultants Team, , establish the list of data needed from village level to national level and the data flow structure to inform the development of the MIS; 3) Prepare reporting templates to be used at village , sub-district, district, and provincial level; 4) Train M&E teams in implementation of the M&E systems; 5) Provide guidance to the IT Specialist on the development of the MIS (data needed, features needed, etc.) . Ensure the MIS is functioning and used by all project implementer; 6) Supervise the MIS/data analyst in regards to the management/analysis of data; 7) Together with the MIS/data analyst, identify which existing VIS to use, upgrade it as per village needs and ensure facilitators and villages know how to use and access the data; 8) Organize regular meetings with NPMU and national consultants to discuss progress, problems encountered and agree on solutions, next steps; 9) Measure the project achievement as indicated in the project logical framework (regularly update log frame); 10) Supervise the M&E team to conduct regular monitoring of trainings; 11) Provide guidance to Coordinator Component 1 in the conduct of monitoring for village investment; 12) Prepare TOR for Annual Outcome Survey (AOS) and Final Evaluation; Prepare project progress reports regularly as requested by IFAD and the government. <p>OUTPUT :</p> <ul style="list-style-type: none"> ● M&E guideline updated, including reporting templates; ● List of data needed and data flow mechanism; ● Manual to monitor the implementation progress of village investment MIS in place and functioning well in Q 1 - 2023; ● upgraded VIS selected as per village needs; ● TOR for AOS ready in December 2023, 2024 ● TOR for End Project Evaluation ready in January 2025 ● Project dashboard available and updated weekly; ● Overall project progress reports referring to monitoring data including updating the logical framework, procurement and finance are available in timely manner
<p>4. KM & Policy Expert</p>	<p>She/he will be hired to provide technical support to NPMU in the implementation of knowledge management and policy development, specifically :</p>

POSITIONS	TASKS
	<ol style="list-style-type: none"> 1) Assist MoV in setting up Strategic Policy Unit (SPU) including identifying consultants to support SPU operations ; 2) Assist the Coordinator of Component 3 in preparing TORs for the specialist to support SPU; 3) Identify project lessons learned and success to be documented and disseminated to other stakeholders; 4) Identify and propose policies need to be reviewed, 5) Assist the Coordinator of Component 3 in disseminating policy related issues to relevant stakeholders; 6) Provide inputs to the project progress report related to KM and policy issues. <p>OUTPUT :</p> <ul style="list-style-type: none"> ● Design of SPU is ready in early 2023 ● TORs for identified consultants supporting SPU finalised in early 2023; ● Documents of KM ready for dissemination immediately after documented; ● Documents of policy reviews and recommendations to MoV.
<p>5. Procurement contract management Specialist</p>	<p>She/he will be hired to perform the following tasks :</p> <ol style="list-style-type: none"> 1) Assist the PPK in updating procurement plan to be submitted to IFAD in timely manner; 2) Ensure that the procurement of goods and services are implemented following the procurement regulation; 3) Collaborate with Project Manager in preparing TORs for consultants, as well as sub district facilitators and village cadres/ KPMD; 4) Manage contract of services and goods properly. 5) Prepare and update the procurement plan; 6) Monitor the process of procurement; 7) Prepare documentation and filling system of procurement; 8) In collaboration with PPK, assess and review the procurement related documents including invoices; 9) In collaboration with Procurement Working Group, prepare procurement process. 10) Report the progress of the procurement process to PPK(s). <p>OUTPUT :</p> <ul style="list-style-type: none"> ● Updated procurement plan and submitted to IFAD in timely manner; ● Procurement documents are available in timely manner; ● Filling system for procurement document is functioning; ● Procurement progress reports available in timely manner
<p>6. Financial Management Specialist</p>	<p>She/he will be hired to perform the following tasks :</p> <ol style="list-style-type: none"> 1) Work with the Finance Officer to prepare WA documents; 2) liaise with MoF staff to monitor WA status; 3) Provide inputs on preparing AWPB; 4) Assist the Finance Officer in preparing interim financial reports (IFR) to be submitted to IFAD in timely manner; <p>OUTPUT :</p> <ul style="list-style-type: none"> ● WA document ready in timely manner; ● IFR available in timely manner; ● FM manual is ready and used

POSITIONS	TASKS
7. IT Specialist	<p>In collaboration with M&E Specialist, MIS Specialist, and under a leadership of M&E Officer she/he will be hired to perform the following tasks :</p> <ol style="list-style-type: none"> 1) Develop online MIS and user manual, 2) Provide training to M&E staff on using the online MIS; 3) Upgrade the MIS as necessary to ensure it is working well. <p>Output :</p> <ul style="list-style-type: none"> ● Online MIS is functioning and used in Q1 – 2023 ● User manual of the MIS
8. MIS/Data analyst	<p>She/he will be hired to work under the M&E Specialist guidance to perform the following tasks :</p> <ol style="list-style-type: none"> 1) Support in ensuring all the TEKAD team (from village to national) understand the data flow and input data in the MIS as needed; 2) Perform data verification, cleaning and consolidation at national level; 3) Analyze the monitoring data and information collected/ available in the MIS as requested by the M&E specialist. <p>Output :</p> <ul style="list-style-type: none"> ● Regular data analysis dashboards ● Cleaned data sets as requested by M&E Specialist
9. Village Governance Expert,	<p>She/he will be hired to support activities under sub component 1.1, and perform the following tasks :</p> <ol style="list-style-type: none"> 1) Prepare/review technical guidelines on economic base-village planning to be aligned with the existing planning procedures/steps to be used by sub district facilitators and village cadres/ KPMD; 2) In collaborations with Puslatmas’s trainers, review training plans/modules/guideline to be used for capacity building of district technical team, sub district facilitators, village officers, and village cadres/ KPMD; 3) Conduct comprehensive evaluation on the implementation of activities under sub component 1.1., and prepare recommendations for the improvement <p>Output :</p> <ul style="list-style-type: none"> ● PDPMD module on economic base-village planning updated and adapted to different levels of stakeholders (district and village) by early 2023 ; ● Regular updates of the PDPMD module; ● Recommendations to improve the implementation of project activities under sub component 1.1.
10. Economic Development Expert	<p>She/he will be hired to perform the following tasks :</p> <ol style="list-style-type: none"> 1) Update PDPMD module on village economic development strategy and planning to be implemented in TEKAD target; 2) In collaboration with Puslatmas’ trainers, review training modules related to village economic development topics; 3) Prepare technical manual (Juklak) on the implementation of competitive investment including selection criteria and procedures, and monitoring; 4) Train TPKs and District Technical Team on the use of competitive investment technical manual; 5) Provide technical guidance to District Technical Team on the implementation of activities under sub component 1.2 and component 2; 6) Conduct comprehensive evaluation on the implementation of activities under sub component 1.2.and component 2, and prepare recommendations to the

POSITIONS	TASKS
	<p>Project Manager for the improvement of the project implementation.</p> <p>Output :</p> <ul style="list-style-type: none"> • Village economic development strategy is ready in 2023; • Technical guideline on the implementation of activities under sub component 1.2. and component 2 is ready in 2023; • Technical guideline on competitive investment; • Recommendations to improve the implementation of project activities under sub component 1.2 and component 2 is ready in Q1- 2024 • Recommendations to improve the training modules related to economic related issues are ready in 2023
<p>11. SECAP Expert</p>	<p>He/ she will be hired to perform the following tasks :</p> <ol style="list-style-type: none"> 1) Assess the project activities if it has impact toward the social and environment related issues, including FPIC 2) Prepare a guideline on the implementation of environmental and social management plan (ESMP) to be used by all TEKAD implementers including consultants and facilitators; 3) Prepare a mitigation action plan for the project; 4) Prepare a guideline line/ manual to monitor the implementation of SECAP in the project locations; 5) Train project implementers on SECAP implementation. <p>Output :</p> <ul style="list-style-type: none"> • Assessment reports of SECAP issues in the project locations; • Guideline/ manual on the implementation of ESMP; • Mitigation action plan SECAP; • Training manual on SECAP & FPIC
<p>12. Training Sp.</p>	<p>She/he will be hired to perform the following tasks :</p> <ol style="list-style-type: none"> 1) To develop training materials/ module related to TEKAD program; 2) In collaboration with coordinator activities/directorat related and/or other parties in order to review training materials related to TEKAD Program and conduct master of training/MOT, Training of Trainer (TOT) and Training. 3) collaboration with other expertise/ specialist in oder to training need assessment. 4) Provide technical assistance to District Technical Team on training implementation within villages level. <p>Output :</p> <ul style="list-style-type: none"> • Reporting on Training Implementation. • Training Module and other materials for training implementation. • Recommendations to improve and develop specific thematic training. • Recommendations to organize training implementation in all level (Villages, Sub District, Distric, Province/ regional, and national).
<p>13. Provincial Coordinators</p>	<p>Five Provincial Coordinators will be hired to assist NPMU in the following tasks :</p> <ol style="list-style-type: none"> 1) Conduct overall coordination of the target districts within the target provinces in project planning, implementation, and monitoring to ensure the district team (DPIUs and District Technical Team) follow the NPMU guideline; 2) Provide technical supports to the District Technical Team and DPIUs in the project implementation; 3) Lia i se with Provincial Dinas PMD as well as other relevant provincial

POSITIONS	TASKS
	<p>institutions , universities, NGOs, private sectors, and value chain actors to support the target district in implementing the project activities;</p> <p>4) On behalf of PPK, she/he will review all invoices of DPIUs/TPKs expenditures to ensure their expenditures are in line with the project activities;</p> <p>5) Identify issues and proposed action plans to the target district to improve the project implementation and project achievement;</p> <p>6) Under guidance of KM and Policy Development Specialist, Identify success stories from the districts to be shared and disseminated to other project locations;</p> <p>7) Consolidate the implementation progress of the district within the province as input to NPMU - M&E Team in preparing progress reports</p> <p>Output :</p> <ul style="list-style-type: none"> ● Provincial reports that are based on the consolidation of district reports consisting implementation progress, issues and proposed action plan for the improvement of project implementation within the districts; ● Document of success story and lessons learned from districts within the province prepared annually; ● Reports on the provincial supports to the districts within the provinces and impact to the beneficiaries.

B. Provincial Level

Starting from 2023, Provincial Project Implementation Unit (PPIU) will no longer exist. However, Provincial Dinas PMD is expected to provide supports to the project implementation in the target districts including oversight of the target districts, productive and sustainable economic development in villages, Help promote and seek market opportunities and build collaborations with value chain partners to support economic initiatives in targeted villages. Funding support will be provided in organizing meetings, official travel, and organizing activity administration. To liaise with provincial partners, and provide technical and administration guidance to DPIUs/TPKs, NPMU will recruit a Provincial Coordinator. Provincial Dinas PMD is expected to provide supports and collaborate with the Provincial Coordinators hired by NPMU.

C. District level

Each target district will establish District Project Implementation Unit (DPIU) which acts as District Implementation Team (*Tim Pelaksana Kabupaten - TPK*) which is responsible for implementing project activities under Component 1 – Village Economic Empowerment and Component 2 - Partnerships for Village Economic Development as indicated in the approved AWPB. Bupati will issued kabupaten decree for District Project Implementation Unit (DPIU), and responsible for managerial arrangement with consist organizational structure, duties and persons in charge. DPIU/TPK will be established by Head of District PMD Office who also serve as DPIU Manager/ TPK Coordinator. DPIU/TPK consists of PMD officers/ staff who is in charge in monitoring and evaluation, village governance/ village economy development (coordinator of Component 1), and institutional cooperation (coordinator of component 2). DPIU/TPK will be establish district office secretariat
DPIU / TPK will collaborate with District Technical Team consisting of District Coordinator, Economic Development Specialist, Institutional Development Specialist, Marketing Specialist, and M&E Specialist. DPIU/ TPK and District Technical Team will be responsible in the following tasks :

- 1) Implement project activities as indicated in the approved AWPB;

- 2) Establishment of District Coordination Platforms, if the target district has not established it, and facilitate its activities;
- 3) Collaborate with value chain partners to support economic initiatives in the target villages,
- 4) Provide technical guidance to Sub district Facilitators and Village Cadres/ KPMD on the project activities, data collection and reporting;
- 5) Monitoring the project activities conducted at village level;
- 6) Propose project activities to NPMU based on evaluation of the project implementation within district;
- 7) Document Knowledge (KM) in relation to success story;
- 8) Mainstream GESI strategy in the project activities;
- 9) Prepare project progress reports as requested by NPMU and submit it to the Project Manager by Head of District PMD Office.

The composition of DPIU/TPK and their tasks are presented in the following Table:

Table 5. Composition of TPK

POSITIONS	TASKS
DPIU Manager/ TPK Coordinator	<p>In collaboration with District Coordinator, she/he will perform the following tasks :</p> <ol style="list-style-type: none"> 1) Conduct daily coordination with all District Technical Team in planning and implementing activities under Component 1 and Component 2; 2) Conduct daily coordination with DPIU/ TPK members; 3) prepare implementation working plan of project activities to be conducted within the district including schedule and required resources (budget) to be submitted to NPMU - Project Manager for approval; 4) Build synergy within the program under District Community Empowerment Office (Dinas PMD Kabupaten) and with other relevant district program as well as private sector; 5) Identify and propose priority activities to the NPMU - Project Manager annually; 6) Lead the preparation of progress reports to be submitted to the Project Manager of NPMU; 7) Ensure that the project is implemented on the right track to achieve the project objective as indicated in the project design;
Treasurer Assistant (Bendahara Pengeluaran Pembantu)	<p>She/ he will be responsible for the following tasks :</p> <ol style="list-style-type: none"> 1) Under guidance of DPIU Project Manager/ TPK Coordinator, request budget regularly to NPMU PPK based on project activity plan/ schedule prepared by DPIU/TPK; 2) Under guidance of NPMU Treasurer, prepare invoices of expenditures of DPIU/ TPK and submit it to NPMU Treasurer; 3) Manage petty cash following government regulation.
Coordinator of Component 1	<p>In collaboration with District Technical Team (District Coordinator, Village Governance/ Institutional Development Sp) she/ he will perform the following tasks :</p>

POSITIONS	TASKS
	<ol style="list-style-type: none"> 1) prepare implementation working plan of project activities under component 1; 2) provide technical guidance to sub district facilitators and village cadres/ KPMD on the implementation of the activities of component 1, and ensure the achievement of the component 1; 3) Report to the TPK Coordinator on the implementation progress and achievement of component 1;
Coordinator of Component 2	<p>In collaboration with District Technical Team (District Coordinator, Economic Development Sp, Marketing/ Value Chain Sp) she/he will perform the following tasks :</p> <ol style="list-style-type: none"> 1) prepare implementation working plan of project activities under component 2; 2) provide technical guidance to sub district facilitators and village cadres/ KPMD on the implementation of the activities of component 2, and ensure the achievement of the component 2; 3) Report to the TPK Coordinator on the implementation progress and achievement of component 2.
M&E Officer	<p>In collaboration with District M&E Specialist, she/ he will perform the following tasks :</p> <ol style="list-style-type: none"> 1) conduct monitoring and evaluation of component 1 and component 2 using Monitoring and Evaluation System (MIS) developed by NPMU; 2) manage and update monitoring data and information regularly, and reported to NPMU through MIS; 3) prepare regular overall progress project reports (monthly, quarterly, bi-annual, and annual) to be submitted to NPMU Project Manager in timely manner .
District Coordinator	<p>In collaboration with TPK Coordinator / Head of District Dinas PMD, He/She is hired to perform the following tasks :</p> <ol style="list-style-type: none"> 1) conduct daily coordination with Marketing Specialist, Economic Development Sp, Village Governance/ Institutional Development Sp, and M&E Specialist in the implementation of project activities under component 1 and component 2; 2) Prepare overall work plan of the District Technical Team (DTT) to be discussed and agreed by TPK / Head of District Dinas PMD ; 3) in collaboration with other DTT members provide facilitation support / technical to sub district facilitators and village cadres/ KPMD; 4) In Papua and West Papua, coordinate implementation of the HH based approach 5) initiate collaboration with relevant district offices to synergy with TEKAD activities, in particular supports for economic development at villages; 6) Ensure that regular monitoring and evaluation of the project implementation within the district, is conducted regularly, and the monitoring data is inputted in MIS developed by NPMU; 7) Lead overall project progress report regularly to be submitted to NPMU - M&E Team by the TKP Coordinator / Head of District Dinas PMD in timely manner; 8) Ensure that success story and lessons learned are well documented. <p>OUTPUT :</p>

POSITIONS	TASKS
	<ul style="list-style-type: none"> ● Overall working plan of the project implementation of component 1 and component 2; ● Facilitation supports to sub district facilitators and village cadres/ KPMD.
Economic Development Sp	<p>In collaboration with the Coordinator of Component 2, and Marketing Specialist, He/She is hired to perform the following tasks :</p> <ol style="list-style-type: none"> 1) prepare work plan for supporting village economic activities linked to market potentials as identified by Marketing/Value Chain Specialist; 2) provide technical supports to sub district facilitator to facilitate village economic activities for the community in developing their businesses to address market demands; 3) seek supports from relevant technical organizations (government and private) to assist the village community in developing and promoting their products ; 4) consolidate economic activities prepared/proposed in each participating villages, and identify types of supports required to support the villages; 5) identify potential market/buyers as well as input suppliers to assist the village producers in developing their profitable business in sustainable manner; 9) prepare overall project progress report regularly to be submitted to TPK Coordinator/ Head od Dinas PMD in timely manner. <p>OUTPUT :</p> <ul style="list-style-type: none"> ● Agreed work plan to support economic activities at villages; ● Facilitation supports to sub district facilitators and village cadres/ KPMD in providing support to the community businesses; ● Inputs to project progress reports.
Village Governance/ Institutional Development Sp	<p>In collaboration with Coordinator of Component 1, He/She is hired to perform the following tasks :</p> <ol style="list-style-type: none"> 1) prepare work plan for supporting activities under component 1; 2) Identify village economic organizations and assess their capacity/profile/ status, and prepare action plan to develop the identified village economic organizations ; 3) seek supports from relevant technical organizations (government and private) to assist the development of the identified economic organizations ; 4) In collaboration with P3MD facilitators, provide technical guidance (Juknis) to sub district facilitators and village cadres/ KPMD in facilitating villages preparing participatory economic-base village plan as well as better use of Village Fund for economic activities; 5) prepare the progress and results of village base-economic plans and use/ allocation of Village Fund to be submitted to DPIU Project Manager through District Coordinator in timely manner. <p>Output :</p> <ul style="list-style-type: none"> ● work plan to support institutional development activities ; ● technical manual (Juknis) for sub district facilitators and village cadres/ KPMD in providing support to the villages in preparing participatory village plans; ● List of villages allocated Village Fund for economic activities and types of activities supported by Village Fund including the amount and actual expenditures of the Village Fund ;

POSITIONS	TASKS
	<ul style="list-style-type: none"> ● Progress report and results of institutional development activities
Marketing Specialist	<p>In collaboration with Economic Development Specialist, He/She is hired to perform the following tasks :</p> <ol style="list-style-type: none"> 1) Identify potential markets/buyers within the district/ province, and prepare list of products demanded by the markets including the quality, quantity, payment mechanism and and delivery. Disseminate the list to the villages having products demanded by the identified markets. 2) prepare work plan for supporting village economic activities linked to market potentials; 3) seek supports from relevant technical organizations (government and private) to assist the village community in marketing their products ; 4) Provide technical guidance to sub district facilitators in facilitating the village producers in marketing their products; 5) In collaboration with relevant institutions, prepare regular market information consisting the market price of certain products in certain market/buyers to be disseminated to the community using social media and other methods such as village announcement board 6) prepare the marketing progress and results to be submitted to TPK Coordinator in timely manner. <p>Output :</p> <ul style="list-style-type: none"> ● work plan to support marketing activities ; ● technical manual (Juknis) for sub district facilitators and village cadres/ KPMD in providing support to the village producers in marketing their products; ● List of potential market/ buyers; ● Market/Price information updated regularly (daily/weekly) ● Progress report and results of marketing activities
M&E Specialist	<p>She/he will be hired to perform the following tasks :</p> <ol style="list-style-type: none"> 1) In collaboration with the M&E Officer, update monitoring data, and prepare data analysis to be submitted to the Head of District PMD for management decision making to improve the project implementation; 2) Manage and update monitoring data regularly as requested by NPMU; 3) Assist the M&E Officer in measuring the project achievement as indicated in the project logical framework; 4) Assist M&E Officer in preparing project progress reports in timely manner; <p>OUTPUT :</p> <ul style="list-style-type: none"> ● Updated monitoring data; ● Overall project progress reports referring to monitoring data; ● update the logical framework, procurement and finance are available in timely manner

District Coordination Committee (DCC) will be established at each participating district, and will provide a venue for stakeholders involved in the promotion of village economic development to agree on objectives, review progress, ensure coordination and seek measures for addressing challenges.

District platforms will be appointed and stipulated by the District Head, and chaired by Head of District BAPPEDA, with members include Village Heads. Market players, business associations (KADIN), NGOs or other service providers, as well as universities at provincial and or district level, which will be called to participate in working sessions as required.

DCC will meet quarterly. In line with the TEKAD GESI strategy, a minimum of 40% women's participation in the DCC will be ensured.

D. Sub district level

At sub district level, the project will recruit two sub district facilitators namely : Community Empowerment Facilitator, and Economic Initiative Facilitator. It is expected that the number of men and women as sub district facilitators is in balance.

The sub district facilitators will be working under supervision of Head of Sub district Authority (Camat).

The following table presents the task of the sub-district facilitators:

Table 6. Tasks and outputs of the TEKAD sub district facilitators

Position	Tasks and outputs
Community Empowerment Facilitator	<p>He/ she is hired to perform the following tasks :</p> <ol style="list-style-type: none"> 1) In collaboration with P3MD facilitators and the Economic Initiative Facilitator and supervision from Camat, prepare facilitation working plan annually, or as requested, including relevant actions from the GESI action plan; 2) Under supervision of the village authority, assist the village community to identify and appoint one cadres/ KPMD selected among village communities meeting the following criteria : able to read and write, and good communication skills; 3) Improve the capacity of village cadres/ KPMD on : <ul style="list-style-type: none"> ● organizing participatory village meetings, and ensure a balance number of women and youth as well as minority groups are represented ; ● Facilitating participatory village plans, and ensure that the village plans address the needs of the community in developing their businesses to be profitable and sustainable ; ● Facilitating the villages in preparing village budget plans, and ensure that the Village Fund support the village economic activities for short-term as well as long term investment; ● Facilitating village economic organization including farmer groups, BumDes to be profit oriented and sustainable; 4) Provide supports to village cadres/ KPMD in facilitating village community and supporting village officers; 5) Consolidate monitoring data from villages within a sub district to be inputted in MIS 6) In Papua and West Papua, support the implementation of the HH

Position	Tasks and outputs
	<p>based approach.</p> <p>Outputs :</p> <ul style="list-style-type: none"> ● Agreed work plan; ● Progress report on capacity building; ● Facilitation supports for village cadres/ KPMD ; ● Updated and consolidated monitoring data
<p>Economic Initiative Facilitator</p>	<p>He/ she is hired to perform the following tasks :</p> <ol style="list-style-type: none"> 1) In collaboration with Community Empowerment Facilitator and supervision from Camat, prepare work plan annually, including relevant actions from the GESI action plan; 2) In collaboration with P3MD Facilitators improve the capacity of village cadres/ KPMD on and P3MD Village Local Facilitators : <ul style="list-style-type: none"> ● Identifying potential economic activities at village; ● Facilitating participatory village plans to ensure that the village plans cover economic activities to be developed by the village community; ● Facilitating the village community in preparing their business plans, ● Facilitating the village community on financial literacy; 3) Prepare simple technical manuals for village cadres/ KPMD in facilitating households in preparing business plan and budget flow; 4) Consolidate monitoring data regarding the progress and results of economic activities and financial literacy (number of people trained aggregated by gender, number of households get access to financial institutions, types of financial product accessed by the households, etc.) from villages within a sub district to be inputted in MIS <p>Outputs :</p> <ul style="list-style-type: none"> ● Agreed work plan; ● Progress report on capacity building for village cadres/ KPMD; ● Facilitation supports for village cadres/ KPMD; ● Updated and consolidated monitoring data

E. At Village level

The project will recruit one villages cadre (with a gender balance) among the villagers selected by the community to work with the village community and supports village authority in organizing participatory village meetings and village planning. The main criteria of a village cadre among other: able to read and write; having good communication skills with various background of the community as well as the village authority.

The village cadres/ KPMD will perform the following tasks:

- 1) Disseminate information including market information to the village community;
- 2) Mobilize community social and economic groups to participate in village planning/meetings with particular emphasis on women and youth groups;
- 3) Under guidance of sub district facilitators, support village economic development of the community;
- 4) Monitor the implementation of village economic development within a village;
- 5) Collect data on the progress of village plans, allocation plan of Village Fund for economic activities including types of activities financed by Village Fund as well as the actual activities and allocation of Village Fund for supporting the village economic activities, number of households/people get benefit from the Village Fund.
- 6) In Papua and West Papua, support the implementation of the HH based approach.

Output of village cadres/ KPMD :

- Number participants attending village/sub village meetings and village planning (aggregated by gender);
- Data of type of economic activities developed by the community;
- Data on types of activities supported by Village Fund and the amount of Village Fund allocated to support community economic activities;
- Data on production and sales of supreme village products per households updated annually/seasonally

The organizational chart in Figure 2.1 presents the programme institutional structure.-

Figure 2.1. Organizational chart

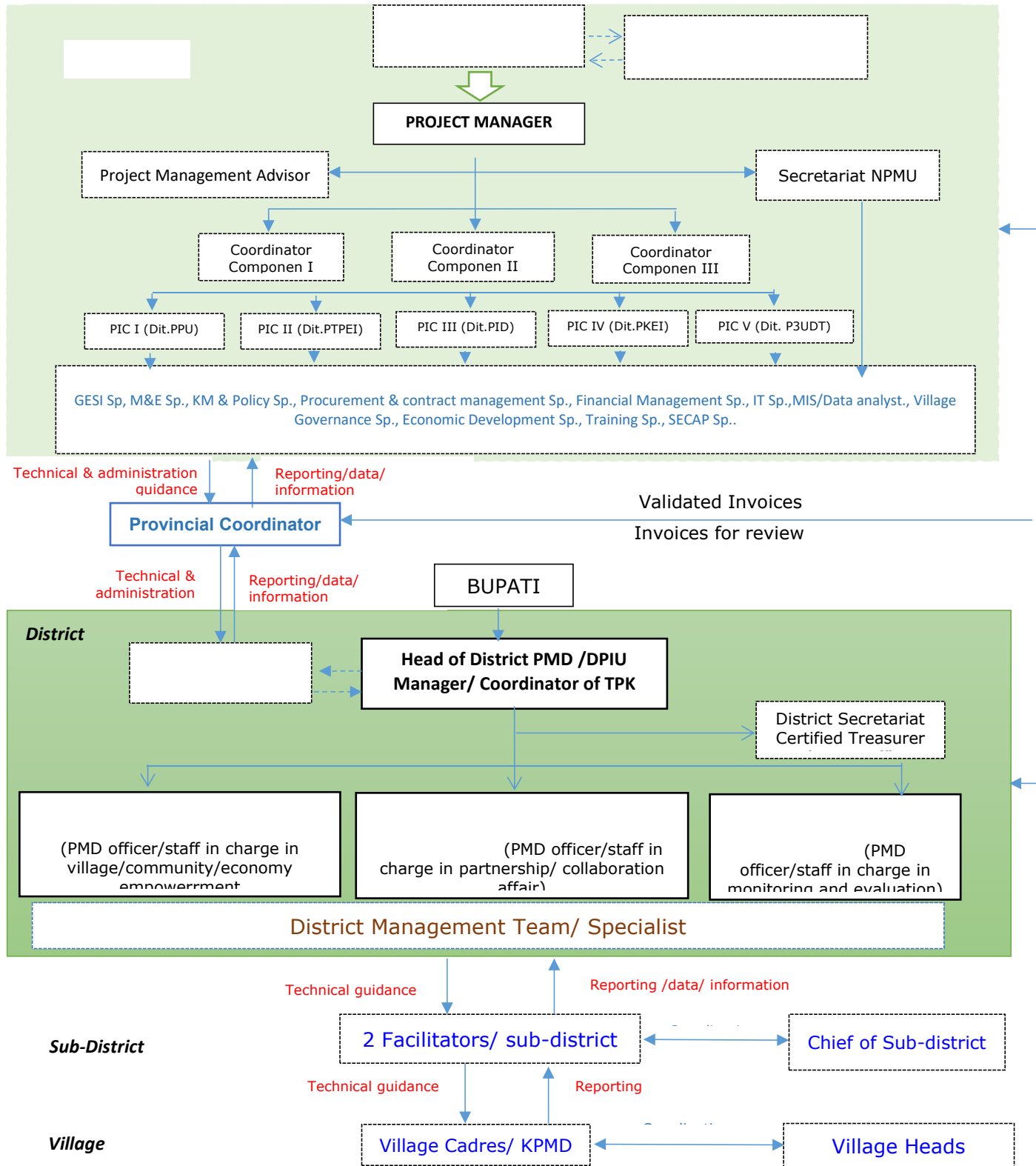
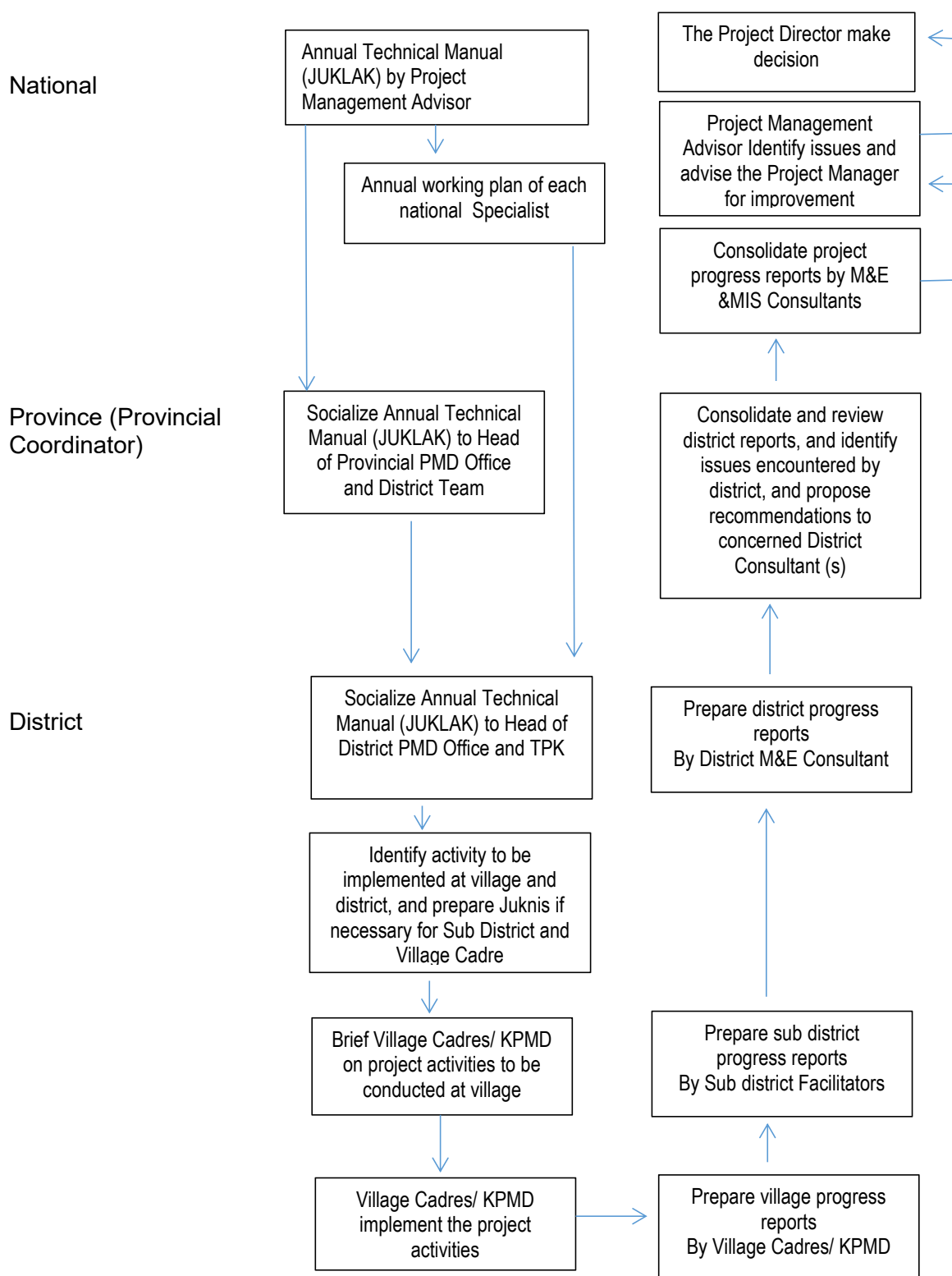


Figure 2.2. Flow of guidance, information/reports

Flow of Guidance

Flow of reports



2.2. Project Working Mechanism

A. National level.

The Project Manager of NPMU will provide guidance to the National Specialist Team regarding the project design, the project activities, and project achievement indicators, as well as roles and

responsibilities of each national Specialist. In performing his/her tasks, the Project Manager will be assisted by a Project Management Advisor.

The Project Manager will be assisted by a Project Management Advisor to coordinate the tasks among the National Project Specialist, and ensure that all the National Specialist Team produce deliverable as indicated in their TORs.

Under guidance the Project Management Advisor, each national Specialist will work closely with Coordinator of Activities I-V, and Secretariat NPMU, as well as other relevant units within MoV for capacity building, and for MIS and VIS

Each year under the leadership of Project Manager, and supports from all National Technical Specialist, the Project Management Advisor will lead in preparing Annual Technical Manual (Petunjuk Pelaksanaan - Juklak) consisting detail operation of activities as described in the approved revised PIM and refers to the approved AWPB. The Juklak will be prepared is expected to be available one month prior to the new annual fiscal year to be briefed the district team (TPKs and District Technical Team).

The National M&E Specialist will prepare a specific technical manual for data collection to be used by District M&E Specialist, Sub District Facilitators and Village Cadres/ KPMD.

Each national Specialist will prepare the report of their activities and outputs as well as assessment and recommendations for the improvement of the project implementation to the Project Manager through the Project Management Advisor.

B. Provincial level.

Under guidance of the National Specialist Team, the hired Provincial Coordinator will work closely with the Head of Provincial Dinas PMD in supervising the target districts as well as facilitation supports from relevant provincial institutions including private sectors and universities.

The hired Provincial Coordinator will coordinate and supervise the district team (TPK Kabupaten and District Technical Team) on the implementation of the project activities. The hired Provincial Coordinator will also consolidate the district progress reports, and prepare recommendations to not performing districts within a province.

C. District level

As the project will be managed directly at national level, the district team will work based on the activities approved and available budget at national level. However, it is expected that the Head of District PMD Office could also provide its own resources to support the project activities which are not financed by the project.

The project activities at district level will be implemented by District Implementation Team or Tim Pelaksana Kegiatan (TPK) Kabupaten serves as District Project Implementation Unit (DPIU) established and led by the Head of District PMD Office. The TPK District/DPIU will work in collaboration with District Technical Team, hired by NPMU, comprising District Coordinator, M&E Specialist, Economic Development Specialist, Marketing Specialist, and Institutional Development Specialist.

In implementing the project activities, the District Technical Team will lead in providing technical supports to TPKs, sub district facilitators, as well as village cadres/ KPMD, while TPK mainly will be responsible in coordination and logistic arrangement (such as formal invitation, meeting venue, etc).

If necessary TPK and District Technical Team could adjust the manual prepared by NPMU and National Specialist to address the local specific culture (Technical Guideline/*Petunjuk Teknis - Juknis*) with approval NPMU. The Juknis should be design simple and user friendly for easy use by sub district facilitators and village cadres/ KPMD.

The District Technical Team will arrange a coordination meeting regularly attended by TPKs, and all sub district facilitators to discuss implementation working plan, identifying issues and follow up actions to improve the project implementation. In addition, under guidance of the Head of District PMD, District Technical Team will collaborate with District P3MD Team in facilitating the target villages preparing and implementing village plans.

The District Technical Team will ensure Sub district facilitators to follow up the agreed action plans discussed in the District Technical Team meeting. Accordingly, the village cadres/ KPMD will be updated by the sub district Facilitators. The District Technical Team should provide in service training to sub District facilitator and Village Cadres/ KPMD as needed.

D. Sub district and village level

Community Empowerment sub district Facilitator will provide facilitation to village cadres/ KPMD on how to organize community meetings at village/ sub village level and ensure all community groups (men, women, youth, indigenous people) are represented in balance in the meetings. In addition, he/she will encourage the community to speak and be heard in the meetings. In addition, she/ he will also organize and or strengthen the community groups to be economic oriented groups. While the Sub district Economic Initiative Facilitators will provide facilitation to Village Cadres/ KPMD on helping the village producers identify priority products based on market information provided by District Marketing Specialist and Economic Development Specialist.

Both Sub district Facilitators will prepare their progress and achievement and submitted to the District Coordinator and TPK Coordinator.

Village Cadres/ KPMD will work at village in collaboration with P3MD Village Local Facilitator, particularly in facilitating village plan process and updating Village Information System. Types of data to be collected will refer to M&E and MIS Guideline prepared by National M&E Specialist and MIS Specialist.

The Village Cadres/ KPMD will prepare their progress and achievement and submitted to Sub District Community Empowerment Facilitators. Template Report will provided by National M&E Specialist and MIS Specialist.

CHAPTER III PROGRAMME IMPLEMENTATION

TEKAD includes three interrelated components:

- *Component 1 – Village Economic Empowerment* will be implemented at village level and will gather activities aimed at improving the abilities of village governments and communities to promote and implement inclusive and sustainable village economic development, leveraging Village Fund and other resources.
- *Component 2 – Partnerships for Village Economic Development* will take place at district and provincial level and will aim at promoting an ecosystem whereby villages will be connected to their environment and will access services and markets;
- *Component 3 – Innovation, Learning and Policy Development* will be implemented at the national level and will promote proof-ready and evidence-based learning, policy development and institutional strengthening in support of village economic development in Eastern Indonesia.

Figure 1 represents the hierarchy of goal, development objectives, outcomes, components, sub-components. And the sequence of activities to be implemented for each component and sub component is described in Table 1.

This revised PIM focuses on the 3 upcoming years of project implementation: PY4 (2023), PY5 (2024) and PY6 (2025).

Figure 2. Program Objectives and Components

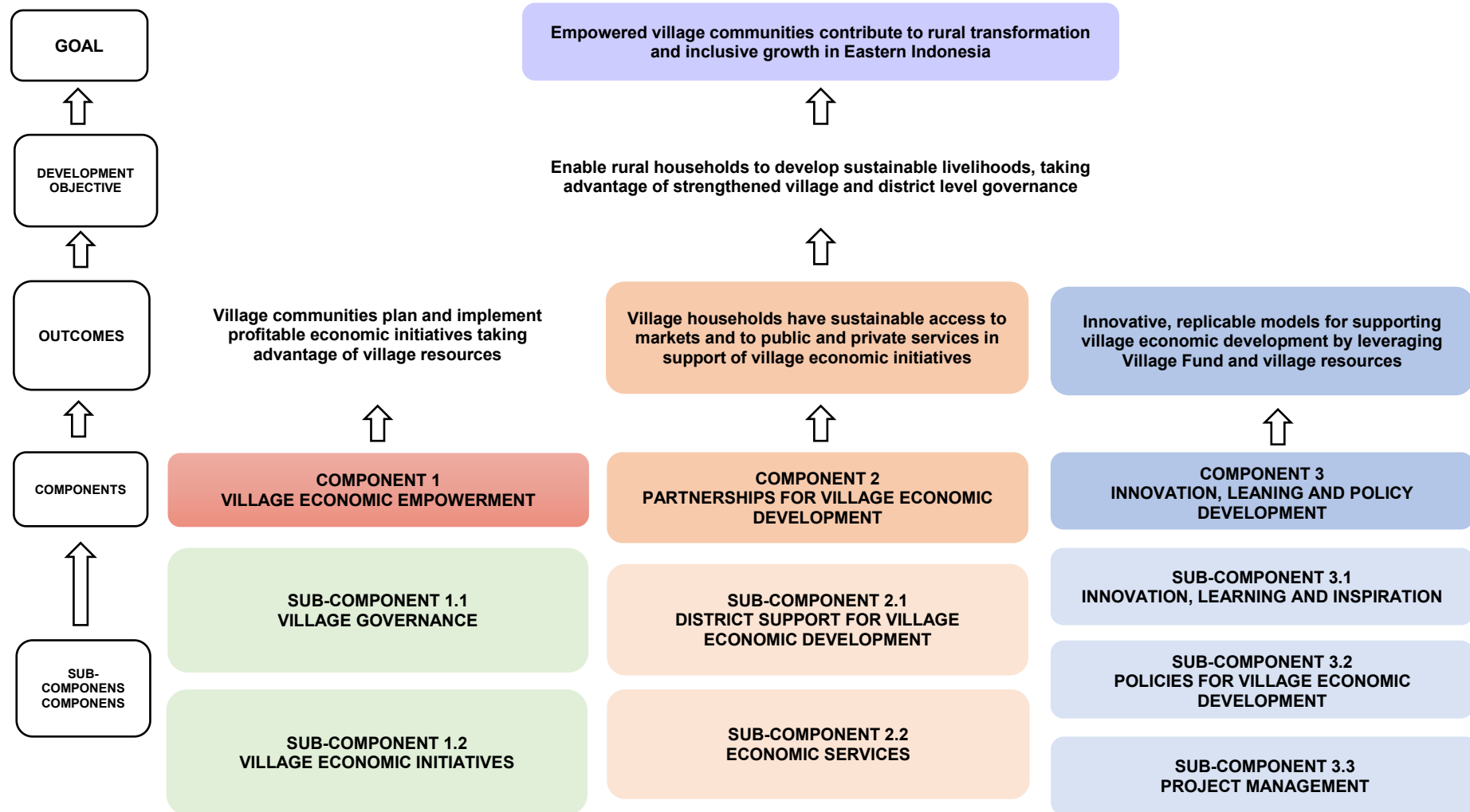


Table 7. Sequence of activities by component and subcomponent

Component, sub-component, activity		2023 (PY4)		2024 (PY5)		2025 (PY6)	
		Q1/2	Q3/4	Q1/2	Q3/4	Q1/2	Q3/4
Component 1 – Village Economic Empowerment							
1.1	Village Governance						
1.1.1	Awareness raising and village commitment						
a.	Awareness raising and village commitment in 611 new villages	x					
b.	Refresher awareness raising to 499 old villages and 611 villages	x		x			
1.1.2	Village mapping						
a.	Complete data from old villages where it is missing	x					
b.	Conduct village mapping in 611 new villages	x					
1.1.3	Village cadres/ KPMD and village level capacity building:	x					
a.	Purchase of tablets for cadres/ KPMD	x					
b.	TOT for training in village economic development						
c.	Training in village economic development planning for new 611 villages (village apparats and cadres/ KPMD)	x					
d.	Refresher training in village economic development planning for old 499 villages	x					
e.	Refresher training in village economic development planning in all 1,110 villages			x			
f.	Cross-learning visits between villages for village apparats		x		x		x
g.	Training in simple VF financial management for village governments		x		x		
1.1.4	Village Inclusive Economic Development Strategy						
a.	Production of a guideline on the clustering approach	x					
b.	In new villages and old villages that have not done P3EK yet in 2021/2022, conduct participatory village economic planning process (includes the preparation of Village Economic Development Strategies for each village).	x					
c.	In villages that have already done the P3EK in 2021/22, prepare a Village Economic Development Strategy/village	x					
d.	Piloting of SIP methodology in 100 villages	x	x				
e.	Evaluation on the SIP pilot			x			
1.1.5	Annual planning and monitoring						
a.	On-going monitoring of implementation of RKPDes and APBDes		x	x	x	x	x
b.	Annual participatory review and preparation of new RKPDes/APBDes			x		x	
1.1.6	Household based approach						
a.	Adaptation of the household methodology (HHM) approach to the Papua context	x					

Component, sub-component, activity		2023 (PY4)		2024 (PY5)		2025 (PY6)	
		Q1/2	Q3/4	Q1/2	Q3/4	Q1/2	Q3/4
b.	Implement the HHM approach in Papua and West Papua		x	x	x		
c.	Document results of the HHM approach for further dissemination					x	x
1.2	Village Economic Initiatives						
1.2.1	Technical training						
a.	Produce district-tailored hands out on climate resilient practices (focus group discussions)	x	x				
b.	Technical training for villagers (on-going, based on needs)	x	x	x	x	x	x
1.2.2	Peer to peer learning						
a.	Update demplot guideline	x					
b.	Implementation of demplots in 499 first villages	x	x				
c.	Implementation of demplots in 611 new villages			x	x		
d.	Village owned training centre guideline reviewed	x					
e.	Establish/strengthen village owned training centre (on-going)		x	x	x		
f.	Farmer to farmer visits (on going)	x	x	x	x		
1.2.3	Competitive provision of investments at village or cluster level						
a.	Guideline completed	x					
b.	Call for draft proposals		x	x		x	
c.	Pre-selection of draft proposals		x	x		x	
d.	Training in preparation of final proposal		x	x		x	
e.	Final selection		x	x		x	
f.	Implementation of investments (on-going)		x	x	x	x	x
g.	Monitoring (on-going)		x	x	x	x	x
1.2.4	Bumdes and other Village Economic Institution						
a.	Identification of trainers for village level trainings		x				
b.	ToT from Master Trainers to Trainers			x			
c.	Refresher training for old villages (499 villages)		x	x			
d.	Training in new villages (611 villages)		x	x			
e.	Refresher training for all villages				x	x	
f.	Follow-up coaching visits (on-going)			x	x	x	x
g.	Study tours (on going)			x	x	x	x
1.2.5	Financial Literacy Education (FLE) and access to finance						
a.	Production of short summaries on access to finance by district	x					
b.	Produce training materials		x				
c.	Identification of trainers for village level trainings		x				

Component, sub-component, activity		2023 (PY4)		2024 (PY5)		2025 (PY6)	
		Q1/2	Q3/4	Q1/2	Q3/4	Q1/2	Q3/4
d.	ToT from OJK Master Trainers to Trainers			X			
e.	Financial Literacy Education trainings (village level)			X	X	X	X
f.	Linkage with financial institutions				X	X	X
g.	On-going coaching			X	X	X	X
Component 2 - Partnerships For Village Economic Development							
2.1	District Support for Village Economic Development						
2.1.1	Awareness building to districts and District commitment						
a.	Refresher workshops	X		X			
2.1.2	District Level Capacity Building						
a.	Training of new sub-district facilitators (if any new are recruited)	X					
b.	Needs assessment for DPIUs, District Technical Team and Sub-district facilitators.	X		X			
c.	Short -targeted refresher trainings for DPIUs, District Technical Teams and Sub-district facilitators (when needed)	X	X	X	X		
d.	Training of PPLs in demplot guideline	X		X			
e.	Exchange visits for TEKAD staffs and DPIUs (when needed)	X	X	X	X		
2.1.3	Village desks						
a.	Identification of persons within each district PMD to become the focal points of Village Desks		X				
b.	Training of Village Desks			X			
c.	Monitoring and coaching of Village Desks			X	X	X	X
2.1.4	Village and District Planning Integration						
a.	Discussion on village proposals in district and sub-district Musrembang	X		X		X	
b.	On-going monitoring of all activities supported by districts for villages	X	X	X	X	X	X
2.1.5	District Coordination Platforms						
a.	Quarterly meetings	X	X	X	X	X	X
b.	On-going support provided by Coordination Platform to villages and on-going monitoring	X	X	X	X	X	X
2.2	Economic Services						
2.2.1	Mapping Studies						
a.	Conducting mapping studies to produce hands-out for sampled districts (end of PY3, early PY4)	X					
b.	Use of hands-out for village planning, project facilitation support, implementation of village economic activities		X	X	X	X	X
2.2.2	Access to markets and services						
	Access to markets						

Component, sub-component, activity		2023 (PY4)		2024 (PY5)		2025 (PY6)	
		Q1/2	Q3/4	Q1/2	Q3/4	Q1/2	Q3/4
a.	Production of value-chain analysis leaflets (interviews with off-takers, etc.)	x					
b.	Bi-annual district information workshops	x	x	x	x	x	x
c.	Participation in trade fairs (on-going, as needed)	x	x	x	x	x	x
d.	On-going facilitation of market linkages including daily market information such as prices etc.	x	x	x	x	x	x
e.	Access to services						
f.	Prepare roster of services providers in each district, including call for EoI	x					
g.	Updating of service provider roster			x		x	
h.	Hiring service providers to support villages when relevant (on-going)	x	x	x	x	x	x
i.	Facilitation of value-chain financing agreements (on-going)	x	x	x	x	x	x
Component 3 – Policy and Institutional Environment							
3.1	Information, Inspiration and Communication						
3.1.1	Digital platforms: MIS, VIS, and Eastern Indonesia Gateway						
	MIS						
a.	Developing MIS	x					
b.	Establishment of the geo-tagging function of the MIS	x	x				
c.	Producing a user manual	x					
d.	Continuous maintenance and upgrade of the MIS		x	x	x	x	x
e.	Training in use of MIS (data input and access to data/dashboards)	x					
f.	Refresher training			x			
	VIS						
a.	Quick assessment of existing systems	x					
b.	Agreement with relevant providers (Pusdatin, TOMAK, else)	x					
c.	Update the existing VIS to cover illage economic development requirements	x	x				
d.	Producing a user manual		x				
e.	Training in use of VIS to district and sub-district level		x				
f.	Training in use of VIS to village level		x				
g.	Continuous maintenance and upgrade of the MIS		x	x	x	x	x
	Eastern Indonesia Gateway						
a.	Establish the website			x			
b.	Communication consultant to design brand identity			x			
c.	Produce user manual			x			

Component, sub-component, activity		2023 (PY4)		2024 (PY5)		2025 (PY6)	
		Q1/2	Q3/4	Q1/2	Q3/4	Q1/2	Q3/4
d.	Train on use of website				x		
e.	Continuous uploading of information in the website					x	x
3.1.2	Learning and Motivation						
	Documenting learnings						
a.	On-going identification of content for information dissemination materials (innovations, success stories, best practices)	x	x	x	x	x	x
b.	Production of dissemination materials together with Communication Specialist	x	x	x	x	x	x
c.	Dissemination (online/digital materials and through printed materials)	x	x	x	x	x	x
d.	Innovation fairs (when needed)	x	x	x	x	x	
	Eastern Indonesia Village Champions and Awards						
	Information sharing to villages about the award scheme to be implemented in PY6		x		x		
e.	Nomination and selection of winners					x	
f.	Awarding events						x
g.	Production of four videos						x
3.2	Policy Development and Institution Building						
3.2.1	Orientation and Capacity Building Packages						
a.	Review PDPMD module (if not yet done in end of 2022) - EARLY 2023	x					
b.	Assessment of results of trainings	x		x			
c.	Review training material for Village Economic Institutions (BUMDES module + entrepreneurship module)	x		x			
d.	Preparation of a 3-years training plan	x					
e.	Preparation of training materials for Financial Literacy Education (FLE)		x				
f.	Review of training materials for FLE				x		
3.2.2	Policy studies						
a.	Establishment of a Strategic Policy Unit	x	x	x	x		
b.	Policy Development Studies (on-going)	x	x	x	x	x	x
c.	Policy workshops (as needed)		x	x	x	x	x
3.2.3	Institution building						
a.	Annual participatory capacity assessments and capacity development plans	x		x		x	
b.	Capacity building events as needed	x	x	x	x	x	x
3.2.4	Potential for upscaling						
a.	Upscaling activities as needed					x	x

Component, sub-component, activity		2023 (PY4)		2024 (PY5)		2025 (PY6)	
		Q1/2	Q3/4	Q1/2	Q3/4	Q1/2	Q3/4
3.3	Project Management						
a.	Capacity building in project management for project staff (as needed)	x	x	x	x	x	x
b.	National level workshop to present revised project design (end of PY3 or early PY4)	x					
c.	Final national workshop						x
d.	Consolidation of baseline report (end of PY3 or early PY4)	x					
e.	Final impact assessment (endline survey)						x
f.	Preparation of AWPB		x		x		

Component 1 – Village Economic Empowerment

Component 1 will improve villagers' ability to promote inclusive and sustainable local economic development, building on the village potential and using Village Fund and other village revenues. The expected outcome is that village communities envision, plan and implement profitable economic initiatives taking advantage of village resources.

Strategic orientations for Component 1 include the following:

- (i) activities will be rooted in the Village Law and annual planning will be aligned with the regular annual planning cycle;
- (ii) strategic choices and planning will rest on broad-based participation and agreement of different village social and economic groups with particular emphasis on women and youth;
- (iii) a village medium-term economic strategy, focusing on a limited number of commodities/trades, will be prepared to orient annual planning, building on village potential and features (agro-ecological zone, remoteness, existence of economic organizations, existence of traditional settlements and on information on available market opportunities);
- (iv) in some location, clusters of villages pooling production and resources will be promoted to facilitate the access to larger and better remunerated markets, to ensure the profitability of collective investments for storage and processing, to facilitate village-to-village learning and to increase the efficiency of programme delivery.

Most importantly, the component will be implemented with maximum flexibility to accommodate different potentials, needs (food security and/or market-driven production, with attention to the needs of women and youth groups), distance to markets, initial levels of capacity and learning paces of participating villages.

Component 1 comprises two sub-components: (i) Village Governance; (ii) Village Economic Initiatives. Activities will focus on the village level, with two batches of villages phased in over three years, as explained in activity 1.1.1 below. They will be complemented by activities implemented under Component 2 (especially mapping studies, facilitation of market linkages, and facilitation of access to services) at district and provincial level. Guidelines and tools will be embodied in the Orientation and Capacity Building Packages that will be developed under Component 3.

Sub-component 1.1 - Village Governance

This sub-component aims at building the capacities of village communities to envision, plan and implement village resources in support of economic initiatives bringing sustainable revenues, in accordance with the Village Law and through inclusive community participation, with particular attention to the participation of women and youth. Activities will include the following.

Activity 1.1.1 – Awareness Raising and Village Commitment

Programme information. Awareness raising will be the starting point for engaging the entire village communities in TEKAD activities. Sub-district Community Empowerment Facilitators will have an initial meeting with the Village Head, village government and Village Council to present the project and agree on the best way to ensure inclusiveness during this socialization and village commitment process. Facilitators will then engage with other levels of village leadership, including traditional leaders, sub-village heads, leaders of existing groups (including PKK and other women groups, youth groups, producers' groups), existing economic organisations (including BUMDes and cooperatives) and sub-village communities. This process may take place over a number of days to ensure there is adequate time to absorb and understand the details being presented, and to allocate sufficient time

to discuss and decide within the village community. The process needs to be implemented considering the different socio-economic needs of the community (in terms of accessibility/use of local language/use of pictorial images while dissemination of different information considering the limited literacy and language barriers faced by the most vulnerable sections of the community)

Awareness raising sessions will explain:

1. the Village Law and mechanisms for implementing the Village Fund, including general principles of participation, transparency and accountability of village governments to their constituents, which the Village Law supports to ensure good governance;
2. the TEKAD focus on enhancing village economic development within the wider village development approach already supported by MoV, including the inclusion of economic strategies in the RPJMDes and RKP Desa;
3. the participatory approach that will be used by TEKAD to identify economic activities based on village realities, food security challenges, remoteness and natural resources;
4. the importance for the village to commit " to use an adequate share of the village resources in support of economic development, gender equity and social inclusion objectives;
5. the village cluster approach which will be flexible and applied wherever villages and TEKAD facilitators identify clear benefits for such a strategy (i.e. same commodities produced by villages that are close to each other and which can benefit from aggregation for economy of scale).;
6. the role of the district management teams and how these collaborate with the P3MD facilitators;
7. the roles and responsibilities of the village head and village government – including with regard to broad community participation, transparency, gender and social inclusiveness and accountability towards all their village constituents;
8. the obligations of the village head in regular reporting to the district team, to village cadre and the community, and to other villages that may be part of the same cluster.

Village Commitment. Following the awareness raising meetings, villages willing to participate in TEKAD activities will be requested to sign an agreement, which will outline respective roles and obligations of the signatories – Village, District and Sub-District Heads and TEKAD. Village obligations will cover the following:

1. inclusive community participation; including indigenous community consent (see FPIC);
2. if needed a screening on environment will be included;
3. the regular updating of data in the Village Management Information System;
4. accountability and transparency obligations, including monitoring and reporting;
5. engaging with the villages that are part of the same cluster if a cluster is formed;
6. allocating an adequate share of the Village Fund resources to support economic initiatives identified by the village community through the planning process described below; and allocate VF as counterpart budget for TEKAD competitive investment;
7. facilitating access to land, in particular for young people;
8. support the work of cadres/ KPMD in village.

District, Sub-District Heads and TEKAD obligations will spell out the services that will be provided to the village to support programme implementation.

After a reflection period to allow debate, full ownership and ratification of the agreement by the community (2-4 weeks), each village of the second batch will sign up to participation by not later than the end of Q1 of PY4. Agreements will be signed by the Village Head, representatives of the community, District Head, Sub-District Head and TEKAD District Coordinator. The agreement will be for the duration of TEKAD support, but if required can be reviewed by either party at the time of annual review. Where there are local government elections resulting in changes of personnel,

especially District and Village Heads, the agreement will stand but the TEKAD District Coordinator will ensure all new signatories are fully briefed on TEKAD.

Where a village fails to meet its obligations, the cadre, the District Head and TEKAD District Coordinator will assess reasons and look for solutions that would enable village full participation. If such remedial measures bear no effect and the village still does not comply with its obligations, the issue will be brought to consideration of the TEKAD Provincial Team Leader, first, and then of the National Programme Manager, who will be entitled to terminate the agreement.

Phasing of the activity: Awareness campaigns will be phased as follows.

1. *PY1 and PY2:* the project has already conducted inclusive, accessible and participatory awareness raising and obtained commitment from 499 villages;
2. *PY4:* awareness campaigns followed by village commitment will be implemented in the new 611 villages of West Papua, NTT, Maluku and North Maluku. In the former 499 villages, refresher meetings will be conducted (all five provinces).

Activity 1.1.2 - Village Mapping

Data is necessary to support evidence-based decision making at village level. For this reason, two types of data are collected in each village to inform village planning discussions in the community and orient decisions for economic activities:

- (1) **Quantitative data** is first collected by the village cadre and includes basic information on size and topography of village (including number of women headed households, number of women, men and youth in the village), village development index (IDM), main commodities, connectivity and roads, access to basic infrastructure (water, storage, market, electricity), main employment sectors/occupations, access to finance, existence of BUMDES, etc. With guidance from the sub-district Community Empowerment Facilitators, the village cadres/ KPMD are then responsible to present this summary information during village planning meetings in order to help initiate discussions on priorities for village economic development. Guidance on the use of this data should be included in the PDPMD module used for economic village planning (PDPMD:..Pembangunan dan Pemberdayaan Masyarakat Desa).
- (2) **Qualitative data** is then collected during the PRA exercises conducted in villages as a starting point to identify key economic activities. This is therefore part of activity 1.1.4 ("P3EK" is the step 2 in the phasing of activity 1.1.4). Qualitative data collection may include:
 - a rapid, participatory, gender-sensitive, livelihoods and nutrition status analysis;
 - mapping of natural resources and their suitability for the envisaged commodities;
 - mapping of existing land use;
 - mapping of customary territory if there is indigenous people;
 - mapping the land use changes if the settlement is within or close to a protected, conservation, and producing forest area.
 - mapping of existing market linkages by main commodity;
 - social mapping focusing on both village traditional social structures (including adat), lines of power, village groups (producers', women, youth, religious or others) and businesses and their needs;
 - assessment of available human skills and resources (including of the Village Head and village apparatus, BUMDEs and economic groups), using available P3PD tools.

The village mapping should also include the collection of GESI information as well (existence of women/youth groups that we can work with in each of the villages; their capacity needs assessment + needs etc; their priority for economic activities- crops, input support required, capital support required, trainings required etc, markets, support required etc)

Given that not all of the above topics were included so far in the “Pembangunan dan Pemberdayaan Masyarakat Desa” (PDPMD) process³, it is recommended for the project to revise the existing tool in light of the above suggestions.

Ultimately, key information from this quantitative and qualitative data collections should be included in MoV’s Village Information System as explained in sub-outcome 3.1.

The priority for PY4 will be (1) to complete the village mapping process in the 499 villages of the first batch (e.g. the qualitative data collection using PRA tools was not conducted in most villages of Papua and still need to be done)), and (2) to conduct this village mapping work in the 611 new villages (spread across West Papua, Malulu, Maluku Tengah, NTT).

Activity 1.1.3 – Village cadres/ KPMD and village level capacity Building

Community mobilization. One village cadre is selected by the community among villagers to disseminate information and mobilize community social and economic groups to participate in the planning, implementation and monitoring of village economic development. Village cadres/ KPMD are also responsible for collecting village mapping data (activity 1.1.2). Village cadres/ KPMD will work closely with the Village Head and village leaders, and will be supported by TEKAD’s sub-district Community Empowerment Facilitators and Economic Initiative Facilitators. Women with potential and interest from each of the villages would be given priority for the position of the village cadre.

New village cadres/ KPMD will have to be appointed for the 611 new villages early PY4. Selection criteria will include interest and commitment to the project activities, literacy, communication skills and having a good relation/network with the community. The project will try to reach 50% women among the new village cadres/ KPMD. Village cadres/ KPMD will receive a small fee, mostly covering travel expenditure, and a tablet for VIS data collection and for accessing the Orientation and Capacity Building Packages. This will be complemented by incentive-based rewards, such as public recognition by local governments and programme staff, and participation in training and communication events.

Capacity building. Capacity building will be provided to Village Heads, Village Councils/governments, village cadres/ KPMD, sub-village heads and leaders of village businesses (including BUMDes) and groups (producers’ groups, women groups, youth groups, religious groups, other traditional groups) so they can engage in village planning and monitoring and facilitate broad community mobilisation and participation. An estimated 10 persons per village could be trained in village economic planning. The training will use the **PDPMD module (include P3EK PRA tools) reviewed in late 2022/early 2023** to train all new 611 villages, and a short refresher training will be needed for the 499 old villages. Another round of refresher trainings will be carried out in PY5 for all 1,110 villages. As much as possible, such trainings will gather villages belonging to the same clusters to ensure a common vision and understanding between these villages.

The trainings and follow-up advisory/coaching for village economic planning will be facilitated by PSM and/or other relevant institution in collaboration with P3MD Facilitators and sub-district Community Empowerment Facilitators. The sub-district Facilitators will gradually decrease the intensity of their support to villages, as existing sub-district and district staff build their capacities and gradually take over support.

Among other topics, this training should cover the Village Law, budgeting, reporting, accountability, good and transparent governance and inclusiveness, GESI, use of data (village mapping, PRA, SDGs) to support decision making, as well as leadership and facilitation skills. During the training, P3MD facilitators should make a clear summary of what villages are allowed or not to do with the village fund (as per Ministerial and district regulations/laws) because villages often misunderstand these

³ Module on village economic development planning processes and implementation (includes the P3EK PRA tools).

issues which leads to communities only selecting short-term economic activities (procurement of seeds/fertilizers for example).

To account for the lower rates of literacy and general education standards in Eastern Indonesia, training will be delivered using visual presentation tools wherever possible (e.g. video, flip charts and other graphic handouts). Materials should also include easy to use hands-outs/tools to be used by cadres/ KPMD and village governments during the village planning process

Capacity building will also be through coaching and mentoring during the project life, mostly lead by the sub-district Community Empowerment Facilitators. Moreover, these sub-district Facilitators will facilitate **cross-learnings between villages for village apparatus** to observe what is being done in other villages⁴.

Training in simple VF financial management will also be facilitated for village governments in PY4 to help them manage the use of the VF (and refresher in PY5). This will cover in particular budget discipline, accounting, financial management, procurement, reporting and accountability. Training will be using Siskeudes guidelines and tools. VF training will be arranged by TPK and supported by district technical team.

These capacity building initiatives need to be delivered in a gender sensitive and socially inclusive manner and will also incorporate targeted GESI sessions depending on the training participants.

Activity 1.1.4 – Village Inclusive Economic Development Strategy and cluster development

Once the village level capacity building process is completed, village heads, village apparatus and village cadres/ KPMD will facilitate a participatory and inclusive process aimed at preparing the **villages' inclusive economic development strategy**, which will also include strategies targeting women and youth groups within the village . **This strategy will guide the preparation of legal village planning documents (RPJMDes, RKPDes, APBDes)**. The diagram below summarizes this process.

Joined TEKAD/P3MD secretariat: It is crucial that the steps proposed here are **aligned closely with the steps of the P3MD program**. As such, each district will established a Joint Secretariat composed of the TEKAD district technical team and P3MD facilitators. This secretariat will have access to operational funds from the project and will meet regularly, monitor field activities, agree on common action plans, etc. One of their key responsibility will be to discuss thoroughly the steps of the participatory village economic development planning process described below in order to adapt it depending on local village/district planning habits/procedures, timing of village development planning, etc. More technical guidance on how to go through these steps will be given in the reviewed PDPMD module (to be reviewed in late 2022 or early 2023).

Sub-village and village level meetings will be inclusive, involving a wide variety of community members, especially women, youth, women headed HHs and other minority groups (such as disabled groups).

Beneficiary contribution in village meetings: While village cadres/ KPMD will have access to operational funds to procure snacks/drinks and small equipment for village and sub-village meetings, the community will also be requested to contribute to these gatherings by bringing local food/drinks. These contributions will be recorded by the cadre into a monitoring sheet (prepared by the NPMU and national level consultants) in order to be counted into the category “counterpart contribution” of TEKAD’s financial reports (estimated as 500,000 Rps/village/month).

⁴ Budget is available in sub-component 1.1 for capacity building of village apparatus and also in sub-component 1.2 for farmer to farmer visits. Any of these could be used for cross-village learning activities of village apparatus.

Table 8. Participatory Village Economic Planning Process⁵

Step	Village Planning activities	Facilitators and Participants
<p>Step 1: sub-village level (one meeting per sub-village) Timeline: June-July</p>	<p>Sub-village meetings (Musrenbangdus): participatory identification of economic activities</p> <ol style="list-style-type: none"> 1. Sharing information on SDG, village mapping data collected by cadres/ KPMD and hands out produced with findings of the various mapping studies not sure if this is needed at dusun level 2. Conducting 2-3 PRA exercises (P3EK) 3. Sub-village level short-listing of key commodities/businesses based on simple analysis of their outreach, impact and challenges/issues 	<p>Facilitator: cadre, TEKAD sub-district Community Empowerment Facilitators, P3MD facilitators Participants: sub-village Chief, community representatives</p>
<p>Step 2: village level (discussion spread along several days) Timeline: August-September</p>	<p>Pre-village meetings (Pra-musrenbangdes): final selection of economic activities</p> <ol style="list-style-type: none"> 4. Sharing information on SDG, village mapping data collected by cadres/ KPMD and hands out produced with findings of the various mapping studies 5. Sharing conclusions of the pre-village meetings 6. Village-level shortlisting of key commodities/business 7. For each business/commodity, identify key issues to tackle and key activities that will be required using simple value-chain analysis tools 8. Discuss the possibility to form clusters with other villages (requires inter-village meetings) 9. Discuss integration with district development plan, synergies and support needed from districts 10. Discuss possible investments from the project that could be used to support the economic activities. 11. Writing of a simple economic development strategy (template to be provided in PDPMD module) 	<p>Facilitator: cadre, TEKAD sub-district Community Empowerment Facilitators with support from district Institutional Development Specialist, P3MD facilitators Participants: sub-village Chiefs, village Chief and apparats, community representatives</p>
<p>Step 3: village level (discussion spread along several days) Timeline: September-October</p>	<p>Village meetings (Musrenbangdes): preparation of village planning documents</p> <ol style="list-style-type: none"> 12. With P3MD facilitators, preparation of RPJMDes and/or RKPDes/APBDes (and related documents such as RAB, proposal, etc.) that are in line with the economic strategy document. 	<p>Facilitator: cadre, TEKAD sub-district Community Empowerment Facilitators, P3MD facilitators Participants: village and sub-village Chiefs, community representatives</p>

⁵ This diagram was inspired by the planning process designed in the district of Ngada.

Clustering: TEKAD will provide villages the opportunity to form clusters if the following conditions are met:

- (1) villages produce the same commodity
- (2) villages see a benefit in synergizing part of their economic activities
- (3) villages are easily connected with each other (or there is a plan to do improve accessibility during project life)

However, the project will provide flexibility as villages may decide to form clusters (with no distinction between new and old villages) or remain individuals. As such, the step 8 above will start with a discussion on economic activities and assets of neighbouring villages (key commodity/business, village profile, etc.). If neighbouring villages produce the same key commodity/business and show interest in the clustering approach, sub-district Community Empowerment facilitators will organize inter-village meetings to discuss potential synergies and agree on common actions. In practice, village clusters can decide to: (1) aggregate their production or combine resources to facilitate the access to larger and better remunerated markets, (2) purchase inputs collectively for economy of scale, (3) share larger investments for storage, processing, accessibility, learning activities, etc. The number of villages that are part of the same cluster will vary depending on potentials, connectivity, and villages' willingness (can start from 2 villages). Clusters can decide to request support from the District (Dinas PMD or other District Offices) or TEKAD for investments that support the whole cluster (e.g. road improvement between villages of the same cluster, common production or post-harvest infrastructures shared among villages of the same cluster, etc.). For TEKAD investment, see activity 1.2.3.

A guideline on the clustering approach will be included in the PDPMD module in 2023. The guideline will include information on what are the benefits to form a cluster, the criteria, the flexibility provided to villages, the steps to form a cluster.

Village Economic Development Strategy: Close support will be provided by the sub-district Facilitators to prepare the simple economic development strategy (step 11 above) and a template will be included in the PDPMD module. The strategy will apply for the remaining duration of RPJMDes (6 years for a new RPJMDes or less if the RPJMdes is already on-going) and should include information on:

1. *The target commodities/businesses selected by the village.* The village should focus on a **limited number of commodities/businesses** in order to develop coherent village strategies for these products, with attention to the commodities/businesses proposed by women and youth groups as well.
2. *Expected outcomes that define whether the intended results is rather for improving food security or villagers' revenues.* This choice will vary according to villagers' priorities and key factors such as remoteness, food availability, nutritional status. In Papua where levels of malnutrition and food-insecurity are among the highest, economic development strategies will focus on increasing food crop production for household consumption, with only excess production being sold to local markets (short value-chains).
3. *List of HHs (by gender of head of HH) benefiting from the economic development strategy.* The strategy will explain how they will ensure participation of women, youth and other vulnerable groups.
4. *Target market(s) and their requirements (volume, quality).*
5. *Value adding opportunities, through grading, sorting, packaging, primary processing.*
6. *Overall action plan covering the period remaining in the RPJMDes (maximum 6 years).* This will include actions related to capacity building, linking to markets and services, purchase of goods/inputs, investments, etc.
7. *Responsibilities of the various players - village head and government, village economic institutions, households, cadre.*

8. *Support proposed to be covered by the District Offices or TEKAD competitive investment.*
9. *Whether the village is part of a cluster and what activities are conducted together with the other villages of the cluster.*

This strategy will be attached to the RPJMDes and will then be translated into yearly action plans and budgets (i.e. RKPDes and APBDes). This is described in activity 1.1.5.

The preparation of the village economic strategy is needed only once in each village and should be done the first year of intervening in a village. This process could therefore happen at different times in the village planning cycle. While the overall facilitation work from TEKAD will remain the same in all villages, the expected outputs will vary slightly depending on the stage of the village cycle.

The following years, each village will have to evaluate the progress achieved in regards to their economic development strategy and prepare new annual plans (RKP/APBDes) accordingly (see activity 1.1.5). This is explained below.

Table 9. Expected outputs depending on the stage of village planning cycle

First year of intervention in a village (activity 1.1.4)			Following years (activity 1.1.5)	
Stage of village planning cycle	Facilitation work	Outputs	Facilitation work	Outputs
SITUATION 1: End of previous RPJMDes and time to prepare a new one	Participatory economic development planning (figure 3.2)	<ul style="list-style-type: none"> • 6 years economic strategy • New RPJMDes • RKPDes/APBDes 	Yearly participatory review of progress	RKPDes/ APBDes
SITUATION 2: Middle of an RPJMDes and RKPDes		<ul style="list-style-type: none"> • < 6 years economic strategy • Revised RPJMDes • RKPDes/APBDes 		

Phasing of the activity: In the first half of 2023, the project should:

- (1) Facilitate the complete planning process **in all new villages (611 villages) and in all former villages that have not yet done the P3EK** (i.e. about half of the 499 villages). This includes the preparation of Village Economic Development Strategies.
- (2) Support **former villages that have already done the P3EK in 2021 and 2022** to prepare the Village Economic Development Strategy document. That is because no such strategies were prepared so far. This represents about half of the 499 villages.

Piloting of Social Innovation Platform (SIP) methodology for village consultation and planning process developed by UNDP. The SIP will be piloted in up to 100 villages in TEKAD project area: in 2023, the project will collaborate with UNDP's project SIP to adopt an in-depth community consultation process whereby key directions and actions can be analysed and extracted for inclusion in the village planning documents (RKPDes). SIP will design simple tools to adapt their methodology to the TEKAD project and these will be used in up to 100 villages (to be selected among the 611 new villages). Training and capacity building will be provided to the facilitators (TEKAD & P3MD facilitators), BPDs, and RKPDes formulation team as the key actors at village level.

The KM and Policy Development Specialist will conduct a comparative evaluation in 2024 to assess the results of both methodologies (SIP and TEKAD) and extract lessons learned and best practices to be replicated in other areas.

Activity 1.1.5. Annual Planning and Monitoring

Preparation of RKPDes and APBDes: With support from the village cadre, the sub-district Community Empowerment Facilitator and P3MD facilitators, each village will prepare annual action plans and budgets (RKPDes and APBDes) that are in line with the overall action plan prepared in their Village Economic Development Strategy. Financing will be provided by the Village Fund, district funds, other resources (e.g. relevant technical offices such as Dinas OPD, NGOs), and households. Annual action plans and budgets will be displayed to the community in the village hall year round and will include additional rows to track monitoring of their implementation (1 row for planned vs. 1 row for actual implementation).

Annual participatory review of RKPDes and APBDes (usually around September): The sub-district Community Empowerment Facilitator and Village Cadre will support the village government and community to perform an annual participatory review of the RKPDes and APBDes. Simple templates will be provided in the PDPMD module for these annual reviews. The annual reviews will assess:

- (1) if annual action plans were implemented on time and as planned;
- (2) the reasons why specific action points could not be implemented on time or as planned;
- (3) other difficulties encountered in implementing the village economic strategy;
- (4) emerging opportunities that need to be considered in the coming yearly plan.

Based on this annual review, a new annual action plan and budget (RKPDes and APBDes) will be developed. If there are important changes needed in the Village Economic Development Strategy, the strategy document could be amended.

A side from this annual review, regular monitoring will be ensured by Village Apparats and TEKAD Facilitators. Meetings will be organized whenever needed to decide on measures to be taken to improve performance and raise constraints. Measures could include coaching from the facilitators or the village cadres/ KPMD, or liaising with the district or other key players.

Recording of APBDes data for monitoring of counterpart contribution: The project will record in the MIS the proportion of village fund allocated to economic development and its corresponding amount. The percentage is required for TEKAD's outcome level indicator while the corresponding amount will be counted as part of the counterpart contribution in TEKAD's financial reports. This information will be recorded annually in each of TEKAD's target village at the time village annual budgets (APBDes) are finalized (usually between February and April of each year). Close collaboration with the P3MD team will be needed to access this data and that will be possible through the joined secretariat established in each district.

Activity 1.1.6 –Household-based approach

Household-based approach. The household-based approach will be conducted in Papua and West Papua. It has successfully been tried in Papua New Guinea (and implemented by IFAD in other countries) to propose a more equitable distribution of agricultural and household work done by women, men and youth. Specifically, the Household-based approach will aim at: increasing the capacities of household members to jointly taking advantage of programme benefits to improve family welfare, through family planning and budgeting; empowering women so that they access programme benefits alongside men, within the family unit; raising awareness on good nutrition practices; and engaging the community to create a supportive environment for household level

activities and for broad inclusion. Materials for this approach will be delivered in parallel with the Financial Literacy Education training.

Further guidance on the HH-based approach is provided in Chapter IV on GESI.

Sub-component 1.2 - Village Economic Initiatives

The objective of this sub-component is to enable village households in developing economic initiatives for the production, processing and marketing of target product, in line with the annual plan developed under Sub-component 1.1. Economic initiatives will be supported through the following activities.

Activity 1.2.1 - Technical training and advisory services

Village households will receive capacity building and advisory services to help them develop the target products selected in their Village Economic Development Strategy, so that they can meet market demand in terms of volume and quality, and fetch remunerative prices. Technical trainings and advisory services will be facilitated by relevant technical stakeholders from the districts (such as agriculture office, marine office, industry office, NGOs, PS4Ts, sub-district institutions – Balai Penyuluhan Pertanian, etc.), including specific technical needs of women and youth groups. The District Technical Team will use the district coordination platforms as a channel to identify the right stakeholders that can help facilitate technical trainings. Technical trainers can also be identified using the service provider roster that will be produced for each district and by consulting with the Training Specialist.

The content of the technical trainings will vary depending on the needs of each village and may cover good production practices and technologies, sustainable land management practices, pre- and post-harvest management, primary processing/value adding and business management, in relation to selected target products. They will also reinforce the community awareness at field level on the threat of climate change hazards on agriculture, livestock and fisheries and propose adaptive measures such as alteration in sowing dates, use of new crop varieties, introduction and adoption of irrigation methods/technologies, tillage practices, precision land levelling techniques, and use of technologies such as planters, training for and better use of chemical and insecticide treatment, use of animal dejection to replace chemical fertilizers, etc.

For this, the national SECAP Specialist, with support from the district Economic Development Specialist, will prepare **district-tailored lists of practical recommendations on climate resilient practices for each of the 3 to 5 main commodities (1 page/list)**. Wherever possible, this document should contain pictures/drawings showing examples. A few Focus Group Discussions with women, men and youth farmers on the main target commodities will help identify the key environmental concerns and help draw these conclusions. This process is the continuation of what the climate change mapping study has done in a number of sample districts (activity 2.2.1). However, the methods to collect data is very much simplified (a few FGDs to be facilitated by the District Technical Team) and the outputs produced are very simple and straightforward. These recommendations will serve as guidance for villages and technical trainers to promote better production practices and should be done early PY4.

The cost for technical trainings can be covered either by the Village Fund, the project (budget for technical trainings is available) or third parties (relevant government technical offices, NGOs willing to expand their target areas, private sector as part of embedded services to the village, etc.).

Sub-district Economic Initiative Facilitators and cadres/ KPMD will conduct continuous follow-up after the trainings to ensure villagers are able to apply learnings from the technical trainings. Whenever difficulties are encountered, linkage with the relevant technical stakeholders will be facilitated.

Activity 1.2.2 – Peer to Peer Learning

Peer to peer learning (P2P) is intended to develop the growth of creativity, critical attitude, confidence, and entrepreneurial spirit among village-based producers. The approach involves exchange with and mentoring by respected peers. Different peer-to-peer learning activities will be conducted to facilitate: (i) the exchange of ideas between peers/producers; (ii) the dissemination of information; and (iii) trigger household/producers' engagement. The anticipated result will be a higher rate of adoption of new technologies and trialling of new practices by villagers. P2P activities will include both male and female producers and will involve the following.

Demonstration plots. Demonstration plots will be used to put into practice and demonstrate improved agricultural practices related to the target commodities of the village economic strategy. As such, practices used in those demonstration plots should directly link to the technical trainings farmers receive or to topics taught in RITDs or observed during study tours. The demonstration plots will be established in farmers' plots with technical guidance from the extension workers (PPL) or other relevant technical stakeholders. To ensure commitment of PPL's in this intervention, budget is available to cover travel allowance of the PPL. Farmers where the demonstration plots are established will receive basic inputs and tools as appropriate, along with a sign board to inform villagers about their activity. This support could be provided to individual farmers to apply improved practices on individual plots, or to a group of farmers (common fund) managing a larger demonstration plot together. **Budget is available to cover the cost of inputs to be used in the demplot and also to organize visits/field days which are meant to bring other farmers of the village to visit the demplot and learn from the farmers who established demplots (peer to peer learning).**

A clear selection process will be needed to identify the farmers where demonstration plots will be established. These farmers will sign a partnership agreement defining their obligations to adopt the technology at their farm and share their learnings with others by organizing visits (field days) to their plot for other villagers – within or beyond their home village. TEKAD sub-district Economic Initiative Facilitators and cadres/ KPMD will ensure demonstration plots benefit to a high number of farmers in the village by monitoring the implementation of field days and supporting other farmers in replicating improved practices in their own farms. They will also ensure that women and youth are thoroughly informed about the opportunities lying with demonstration plots and attached obligations.

The demplot guideline which was produced in 2022 will need to be reviewed late 2022 or early 2023. In Papua specifically where agriculture is mostly subsistence farming, demonstration plots will focus on increasing production of food crops for household consumption.

In 2023, demplots will first be implemented in the 499 villages selected at project start. And in PY5, new demplots will be implemented in the 611 new villages.

Village-owned training centres. This will build on the existing network of village owned and operated training centres (POSYANTEK)⁶ and community learning centres planned as part of the World Bank/MoHA P3D Programme. Based on the results of the service mapping study, the project will know where such training centres exist already and where they are missing. Support from the project will either focus on strengthen the existing ones or establishing new ones.

A guideline is existing in MoV on such training centres (RITD) but will need to be review early 2023. TEKAD will finance: (i) related cost of construction; (ii) a small operation allowance to cover transport expenses around villages and a small recognition of their donation of time, which will be gradually phased out and replaced by Village Fund financing; (iii) costs of training of trainers (lead

⁶ Pos Pelayanan Teknologi Desa or Rural Technology Center, as stipulated in PERMENDES (Minister of Village Regulation) No. 23/2017.

producers) in the relevant commodity production/value adding/marketing skills, provided by TEKAD staff; (iv) capacity building for the planning and delivery of training and exchange activities for both existing and new POSYANTEK centres, provided by TEKAD staff.

Production groups located in villages neighbouring the training centre will be rotated through the training centre in “courses” of flexible duration according to village group needs, with trained lead producers and group leaders taking the lead in facilitating learning delivery.

Phasing of the activity: In 2023, village-owned training centres will first be established/strengthened in the 294 villages targeted since project start (excludes Papua where the focus will be on demonstrate plots rather than village-owned training centres). In 2024, they will be established in new villages. One such training centre may cover a total of about 5 villages.

District study tours or farmer to farmer visits. They will enable producers to learn about production, business development, value adding and marketing successes as well as innovations developed within the district. These tours will be organized by the TEKAD District Technical Team and sub-district facilitators from PY3 until PY6 and will ensure equal participation of women, men, youth.

Activity 1.2.3 – Competitive provision of investments to villages or clusters

In order to scale-up village economic activities and encourage village authorities to increase their allocation of VFs to economic development, carefully selected Village Economic Institutions (from 1 village or a cluster of villages) will benefit from additional support from TEKAD to cover investments that cannot be covered with the VF. TEKAD’s investments will complement the economic activities implemented with the VF (matching amounts) and will be used in priority for long-term investments (i.e. exclude procurement of “short-term/consumable inputs” such as seeds, fertilizers, etc.).

As rural infrastructure, including for agriculture, is poor in Eastern Indonesia and as access to quality inputs is limited (seeds, seedlings, quality chicks, piglets, fingerlings, etc.), focusing on leveraging those constraints using TEKAD investment could have a long-term impact on smallholders. Types of possible investments include: irrigation infrastructure, post-harvest facilities, collection/aggregation points to be used by several groups of farmers or even villages, processing units, small vehicles to transport goods, rural roads connecting villages from the same clusters, simple cooling systems for transport/storage of perishable products, storage facilities, agricultural machinery (for UPJAs), village-level production units of quality seedlings (for horticulture, plantations)/quality fingerlings (for aquaculture)/quality piglets/chicks (livestock), fishing boat engines (fish capture), animal pens, biogas units. An attachment is included at the end of chapter 3 to provide an overview of the type of matching investments the project could fund in order to complement some of the most frequent economic activities of TEKAD’s target areas

Specific case of villages with high food-insecurity rates (SDG Desa 2): In such villages, TEKAD investment could be used to procure basic inputs such as seeds/fertilizers as a start-up package for a wider number of farmers than the VF alone could cover. Production activity will focus on HH consumption rather than marketing. In such case, both funding sources (VF and TEKAD investment) will contribute to the procurement of seeds/fertilizers. Villages requiring such support will need to justify this through data on high levels of food insecurity. That will mostly be in Papua and Papua Barat.

The NPMU, with support from the Economic Development Specialist, will prepare a guideline in early 2023 to explain the implementation arrangements for this activity. The recipient of the investment will be the Village Economic Institution (which can be a cooperative, BUMDES, poktan, gapoktan, etc.) with only 1 such institution allowed to submit a proposal in each village.

The competitive process used to select the Village Economic Institutions receiving investments will be as follows:

1. **Call for draft proposals:** Target communities are informed about the possibility to benefit from additional investment from TEKAD and the conditions for it. Based on this, Village Economic Institutions (from 1 village or covering a cluster of villages) will prepare draft proposals including: number of beneficiaries (women, men, youth), commodity/business, targeted market (or for HH consumption only in villages with high food insecurity rates), type/amount of investment requested from the project, total VF and share of VF allocated to what type of economic development.
2. **Quality Base Preselection of the draft proposals.** A District Selection Committee composed of the Head of District PMD Office and the District Technical Team will be established to go through the proposals and select the most relevant ones based on the following criteria⁷:
 - ✓ 20 to 30% of the VF is allocated to economic development;
 - ✓ excludes procurement of seeds, fertilizers, pesticides/herbicides (besides in villages with high food insecurity rates);
 - ✓ same commodity/business as in the village economic development strategy (besides for investments that target women only);
 - ✓ can be accessed by a large number of beneficiaries (that include at least 50% women including women headed households).
 - ✓ Quality proposal determined by :
 - a) Business Sustainability
 - b) Institutionalized in the village development.
 - c) Return on Investment (ROI)
 - d) Multiplier effect for local economic development.
 - e) Existing of BUMDES or Other local economic institution.
3. **One-day training in how to prepare the final proposals for preselected Villages Economic Institutions:** The training will be facilitated by the District Institution Development Specialist and sub-district Economic Initiative Facilitators or others economic entities such as business incubator/ off taker, business institution/ firm, and will mainly focus on how to prepare a simple business development plan.
4. **Preparation of final proposals by villages/ cluster villages.** Following the training, the District Technical Team will support village economic institutions in preparing their proposal. This will include:
 - ✓ Basic information on the economic activity to be developed: reasons for selecting it, list of HHs who will benefit (F/M headed HHs), criteria used to select these persons, status of land to be used, targeted market and average demand volumes (or is it for HH consumption only), average volumes expected to be produced annually to supply this demand, which buyers have been identified (contacts) and other possible partners (input sellers, processors, etc.).
 - ✓ Simple business plan including: initial investments (separate project investment, community investments and village fund investment), operating costs, expected sales and revenue, plan for reinvestment (how revenues will be used, e.g. buy inputs, increase production scale). For villages with high food insecurity rates that focus on HH consumption only, the Village Economic Institution will only present a basic crop budget (no business plan) with expected production and productivity rates.
 - ✓ List of participants involved in the proposal design.

⁷ Additional eligibility criteria aligning with MoV's regulations will be considered in the Guideline.

5. Final decision: The NPMU, with support from the national Economic Development Specialists and SECAP Specialist, will proceed to the final decision of proposals based on the following eligibility criteria:

- ✓ The business plan is economically viable, i.e. a market and potential buyers have clearly been identified, the business is profitable, inputs will be accessible and their cost allows a profit margin, operational costs can be covered. For villages focusing on HH consumption only, the project will verify if the expected production and productivity are sufficient ;
- ✓ The business plan must related with community based economic activities.
- ✓ The business will managed under BUM Desa/ BUM Desma.
- ✓ The number of beneficiaries :
 - HHs who will benefit the investment;
 - Includes women and women headed HHs;
 - Includes poor HHs;
 - includes youth;
- ✓ The village economic development strategy (business plan include ROI, Financial Arrangement, Market Analysis) is attached to the proposal;
- ✓ Productive activities are not located in forest or protected areas.

If too many proposals fulfil the eligibility criteria, proposals that have the lowest ratio volume of investment per beneficiary will be selected in priority in order to ensure investments benefits the highest number of persons.

Scope: The investment activity will be implemented starting from 2023 (and 2024 in Papua and West Papua) with possibilities for clusters of villages to also submit proposals. In total, 500 Village Economic Institution with receive such investments (or slightly less if cluster proposals are also selected). Three rounds of investments will be supported: for 150 villages in PY4, 175 villages in PY5 and 175 villages in PY 6⁸. Amounts invested by TEKAD will be matching the amount villages allocate to economic development (+/- 10%) and are expected to range between 160 to 260 millions per village depending on the proposals. For cluster proposals, amounts will range from 320 to 520 millions. Villages selected for this competitive investment will be required to share a copy of their APBDes to justify that at least 20 to 30% of their VF is allocated to economic development. The amount of VF for economic development will be recorded by the District Technical Team to be part of the counterpart contribution in TEKAD's financial report.

A minimum of 5% contribution from the community will also be required and counted as part of the amount villages allocate to economic activities through the VF. The 5% community contribution can take the form of workforce (villagers taking part of construction work that are part of the competitive investment), food/drinks shared by villages, local materials provided by the village for construction/activities or cash⁹. The contribution will be monitored by the village cadre using a monitoring sheet prepared by the NPMU and national level consultants. The Village Economic Institution will have to open a community based bank account where the investment fund will be transferred and the total amount will be transferred in several tranches (detail available in chapter V on financial management).

Villages or clusters selected in 2023 or 2024 may submit another proposal the coming year. The following proposal will have to demonstrate how the second investment will build on the investment received the previous year and how it will benefit the economic strategy of the village/cluster. An example could be the building of an irrigation scheme the first year to support production and the building of a collection point and post-harvest facility the second year to support marketing.

⁸ If clusters are also selected to receive investments, the number of villages receiving investments will slightly decrease (1 cluster level investment will account for 2 village level investment).

⁹ This beneficiaries' contribution is estimated to be equivalent to about 90,000 Rps/HH in a village where 135 HHs are benefiting the investment and the investment is about 250 million Rps.

Monitoring: District Technical Teams with support from sub-district Economic Initiative Facilitators will monitor the use of the money and the activities planned under this investment (construction, trainings, distribution of inputs/machinery/farming vehicles, etc.). Tools will be included in the implementation guideline on this activity to help monitoring purpose.

A half-day training in financial monitoring and basic procurement steps related to the investment will be facilitated for the selected Village Economic Institutions to allow proper management of the investment fund they receive.

Activity 1.2.4 – BumDes and other Village Economic Institutions

Village Economic Institutions play a key role in the village economic development strategy by facilitating collective action to pool higher volumes of better quality produce, access larger and better remunerated markets and earn better prices. In practice, village Economic Institutions can support farmers by aggregating products for sale (access to market), purchase inputs for groups of farmers (economy of scale), perform quality control/certification, provide shared storage or processing facilities, etc.

For these reasons, TEKAD will support existing or new Village Economic Institutions, which can range from BUMDES, to cooperatives, or farmer groups (poktan or gapoktan), or women and youth groups. The structures should be in line with the economic development strategy of the village. Support will be provided through training and follow-up coaching aimed at strengthening these structures. **This capacity building will be provided by PSM trainers, together with specialized business trainers (e.g. BDSPs, P4S, NGOs, etc.).**

As much as possible, trainings will be tailored to the needs of each institution after a simple assessment is performed by TEKAD's sub-district Community Empowerment Facilitators. For example, existing BUMDES might not need the same trainings as a new BUMDES or a farmer group. The Village Governance Specialist will provide guidance to the District Technical Team on how to conduct such a rapid assessment¹⁰. If relevant, the methodology used for this assessment can be derived from the work done in the Village Institution Mapping Study (activity 2.2.1).

Depending on the needs identified, topics taught can include developing simple business plans, setting up, managing and financing business organizations, cashflow management, annual budgeting, market development (prospecting for new markets, meeting and negotiating with off-takers, understanding market demand, etc.), team/staff management, etc. Village Economic Institutions will also need to understand who the value-chain actors are and how they can interact and benefit from collaboration with those other actors (e.g value-chain financing).

For BUMDES in particular, trainings will build on MoV's guidelines for BUMDes establishment, operation and management.

Trainees will mostly consist of members of the management committees and can last up to ten days. TEKAD will finance the cost of the training and specialized trainers, who will also be requested to conduct some follow-up coaching sessions, and the community will use the village fund to cover the costs of food/snacks. Follow-up coaching will also be tailored to the needs of each institution and can take the form of meetings to review progress, advice on next steps, strengthen specific missing skills, etc.

Phasing of the activity: In PY4, two levels of trainings will be conducted: (1) refresher trainings will be facilitated in 294 villages which were targeted in the first half of the project (exclude Papua where the priority is on increasing individual production volumes), and (2) trainings will also be facilitated in the new 611 villages. And in PY5, all Village Economic Institutions in West Papua, Maluku, North Maluku and NTT will receive refresher trainings.

¹⁰ This assessment can use data on village economic institutions from village mapping and mapping studies.

Based on existing ranking guidelines to classify BUMDES' development stage ("dasar", "tumbuh", berkembang", "maju"), the National Village Governance Specialist **will develop criteria to measure and rank the progress achieved by Village Economic Institutions**. This ranking will be reported in the District Technical team progress reports.

Lastly, **study tours to successful Village Economic Institutions** will be facilitated to expose villages to best business management practices and foster replication in their own village.

Activity 1.2.5 – Financial Literacy Education (FLE) and access to finance

FLE will aim at introducing simple family and crop financial management to target households, as well as introduce financial products available within districts to beneficiaries. FLE training will involve both husband and wife in order to increase the family's understanding on management of HH income and to increase women's financial literacy. Involving wives is also crucial knowing that women are the main holders of HH money in Indonesia.

For the implementation of FLE trainings, the project will build on OJK's know-how in relation to training materials, logistics such as organization of training of trainers, supervision of trainings, trainers' certification and mobilization.

A first step will be to make use of the various sources of information TEKAD has on farmers' access to finance: (1) village mapping, (2) baseline, (3) mapping study on access to services. As a preliminary activity, this information will be compiled by the district Marketing Specialist and summarized in a 4-pages document for each district. This summary will provide information usable by villages and TEKAD facilitators: contact list of financial services available, products/services proposed, main services used so far and problems faced by villagers to access these services.

In PY4 (Q3/4), a national consultant will be hired to prepare training materials that build on available materials already developed with OJK for other IFAD projects. More detailed information on the preparation and content of the training materials is available in activity 3.2.1. Practical hands-out will be printed and distributed to trainees to help them put into practice simple record-keeping.

Following this, OJK's Master Trainers will use these training materials to facilitate a Training of Trainers at provincial level. **Experience has shown that the success of FLE relies highly on the quality of the trainers that will be in charge of training villages**. Therefore, the project will identify quality trainers in each province/district coming from either banks/MFIs (field agents), PLUTs, etc. If such trainers cannot be identified, TEKAD will rely on extension workers (PPL) or TEKAD's sub-district facilitators.

Trainers will then roll-out the training to villages and OJK's Master Trainers will continue to support by conducting spot-checks visits during the trainings at village level.

To provide time for trainees to understand and put into practice their learnings, the training sessions will be spread along 1 month, with about 8 sessions of half a day each (2 half-day sessions in a week). This will allow flexibility for husbands and wives to join and also give some time for trainees to fill-up basic record-keeping sheets at home as a practical exercise in between sessions. Following the training, Cadres/ KPMD/ KPMD and sub-district Community Empowerment Facilitators will conduct continuous coaching to support villagers in using the record keeping hands-out.

Financial education modules will be made available both through e-learning (MIS and Eastern Indonesia Gateway – see Sub-component 3.1) and in paper copies, especially for poorly connected areas.

Phasing of the activity: While preparation work for FLE will be done in 2023, FLE trainings will be facilitated in all 5 provinces starting from 2024. In Papua and West Papua, financial education will be implemented in coordination with the Household-Based approach (activity 1.1.6).

Access to financial institutions: The FLE is expected to improve basic financial management skills of beneficiaries and therefore, to enable them to apply for financial products proposed by financial institutions. Thus, in PY6, the project will facilitate linkage with relevant financial institutions showing interest in expanding their outreach to TEKAD villages. This can include national banks such as BRI, provincial banks (BPD), MFIs, Credit Unions, etc. The project will first socialize banks with TEKAD and the economic activities of villages and their related needs for financial products. A second step will be to organize encounters/small events to bring bank field agents to villages to meet beneficiaries, present their products, including mobile banking systems that are functioning in the project's target area. Village based organizations in particular may find interest in opening bank accounts to secure group savings/capital or in accessing capital for larger investments such as collective production, processing, marketing, electricity generation, or irrigation infrastructure.

Component 2 - Partnerships For Village Economic Development

Component 2 will promote an enabling environment for inclusive and sustainable village economic development, by facilitating and improving village connections to services, markets and commercial financing. The **expected outcome** is that village households will have sustainable access to markets and to public and private services in support of village economic initiatives.

Strategic orientations for Component 2 include the following: (i) building the capacities of districts and sub-districts relevant departments so they can provide support services to village governments and better integrate village needs into district economic development planning; (ii) complementing public support services by building villagers' access to qualified private service providers extending technical and business development services (BDS), whose services can be paid with Village Fund and other village resources; (iii) phasing out programme facilitators' support and building gradual takeover by public and private service providers; (iv) building the awareness of and facilitating linkages with market players so they source from village-based producers and provide embedded services. Component 2 achievements will therefore have a key role in ensuring that, by the end of the programme, villages keep accessing services to ensure profitable and sustainable economic initiatives.

Component 2 will be implemented at district level, and will support and complement village-based activities implemented under Component 1. It is comprised of two sub-components: (i) District Support for Village Economic Development; and (ii) Economic Services. Guidelines and tools will be embodied in the Orientation and Capacity Building Packages that will be developed under Component 3.

Sub-component 2.1 – District Support for Village Economic Development

The aim of this component is two-fold. On the one hand, it will gradually build capacities at district and sub-district level to provide technical assistance and facilitation support for the village economic development planning and the implementation of village economic activities. On the other hand, it will promote district-level productive investment, which will complement investments financed through village resources by addressing constraints that exceed village financing capacity or that are common to several villages. Activities will include the following.

Activity 2.1.1 – Awareness building to districts and District commitment

Awareness raising at district level has already been conducted in 25 districts of TEKAD and District commitments signed. Early 2023, the NPMU together with DPIUs will conduct refresher awareness workshops specifically focusing on presenting: (1) the reviewed TEKAD design and implementing arrangements, (2) the clustering approach and (3) a reminder on the support district level agencies/partners are expected to provide to villages. These workshops will gather: (i) the District Head; (ii) relevant District Offices (*Dinas*) - Community Empowerment, Agriculture, Forestry,

Fisheries, Planning, Trade and Industry, Cooperatives and Small and Medium Enterprises; and (iii) Heads of Sub-districts.

In 2024, similar information sessions (but shorter) could be reiterated wherever relevant (least advanced districts), especially with relevant district departments (Dinas) to reinforce their engagement in supporting specific components and activities of the project.

Wherever District commitments lack key information, amendments may be proposed and attached to the District Commitments signed in the early phase of the project. This will particularly reinforce the respective roles and obligations of the signatories - District Head and TEKAD - in particular with regard to:

- facilitating Village Heads' adoption of increased Village Fund allocations for economic development;
- promoting village clusters with common economic development strategies;
- district participation in and support to TEKAD activities;
- gradual take-over of facilitation and technical support services by the district departments and other plans to ensure sustainability;
- participation in monitoring and evaluation, including to link district systems with the Village Information System and to hold regular meetings with the TEKAD District Team.

Finally, this should also include the agreement to redeploy the Agriculture extension staff, to ensure that their skills match target commodities/trades as described under Component 1. A District Head regulation (*Peraturan Daerah* – PERDA) will confirm the terms of the agreement as relevant.

Activity 2.1.2 – District level capacity building

In the first half of the project, DPIUs, the District Technical Team and sub-district Facilitators received capacity building on management and on how to provide technical assistance to the village level.

In early 2023, a short-term Training Specialist will be recruited to assess the results of the trainings facilitated so far and identify needs for upcoming trainings. Based on this, short and targeted trainings focusing on weaknesses and issues identified during the first phase of implementation will be delivered to DPIUs (Dinas PMD and TEKAD team) and P3MD facilitators. Trainings will have common sessions where all trainees will be gathered and more technical sessions relevant to the specific tasks of each category of trainees. Examples of specific sessions include:

- a session on the updated PDPMD module (revised early 2023) to be jointly attended by the Component 1 Coordinators (province and district), the District Institutional Development Specialist, the sub-districts Community Empowerment Facilitators and the P3MD facilitators.
- a session for District Institutional Development Specialist and sub-district Community Empowerment Facilitators on simple VF financial management for village governments which will have to be taught to villages in PY4 (activity 1.1.3).
- a session on how to facilitate market linkages, how to establish buying agreements between producers and buyers, and how to identify and promote value-chain financing schemes. This session will be targeted to Component 2 Coordinators (province and district), District Marketing Specialists and Economic Development Specialists and sub-district Economic Initiative Facilitators

Additionally, all selected trainings need to be reviewed by the GESI specialist to ensure gender sensitivity and social inclusion in its delivery.

A simple training needs assessment will be conducted in 2024 and if needed, specific refresher trainings may be reiterated based on needs in 2024.

These trainings will be facilitated by PSM trainers (after having received a short targeted ToT carried out by Puslatmas, ensuring gender parity in the number of trainers), complemented with

specialists trainers for some of the more technical skills such as business mentoring for village economic institutions, value-chain strengthening, facilitation of market linkages. The Training Specialist will provide assistance in identifying those specialized trainers and agreeing with NPMU and national level consultants on training materials they should deliver.

If new sub-district facilitators are recruited in PY4, a more comprehensive training will need to be provided to these new staffs and this will be organized at district level.

Training for PPL: TEKAD's guideline on demplot implementation will be socialized to PPLs as they will be the main implementers for this intervention. PPLs will be provided with practical hands-out to help in establishment and monitoring of demplots.

Exchange visits: A side from these short and targeted trainings, exchange visits will be organized for TEKAD district teams and DPIUs to visit TEKAD in districts that have proven successful implementation during the first half of the project. This will foster replication of good practices and will speed up implementation in districts that are encountering difficulties. The NPMU will set criteria to select which staffs are joining such exchange visits.

Under the joint leadership of the TEKAD District Coordinator and of the District Head, TEKAD Annual Work Plan and Budgeting will describe how facilitation, technical assistance and coaching activities will be implemented by TEKAD team in districts down to Village Cadres/ KPMD.

Activity 2.1.3 - Village Desk

The Village Desk is the continuation of the role played by TEKAD facilitators after the project has ended. In other words, it is one of TEKAD's exist strategy. The Village Desk will support village governments seeking support on village economic development at the district administration.

The Village Desk will be operated by a focal point person within the District PMD (could be under the division in charge of economic development) and will therefore not involve any additional costs for the district administration.

This person will provide easy access to:

- information on how villages can facilitate participatory economic development planning
- economic information (such as market opportunities and specifications, technologies, roster of service providers, linkages with banks), which will be developed as part of TEKAD activities;
- information about technical and financial assistance available within the district administration.

The project will focus on establishing Village Desks in 2024 and 2025. In 2024, the NPMU will first identify qualified persons within the District PMD to become the Village Desks focal points. These should be persons with good communication skills, familiarity with website updates, wide network with other District Offices, and good understanding of village economic development needs. Selected focal points will receive a training facilitated by the NPMU and District Technical Assistance team to ensure they understand (1) their role and responsibilities, (2) TEKAD's approach and methodology to village economic development planning, (3) economic information which could be useful to villages (market opportunities, access to technologies, roster of service providers, linkages with banks, etc.), (4) village and district data management (how to input data/content into SID and MIS, how villages can access those digital platforms).

Village Desks will also provide information to market players about villages' products and facilitate their linkages with these villages when relevant

Activity 2.1.4 – Village and District Planning integration

Village resources will finance economic equipment and infrastructure that are economically justified at village level (such as storage or dryers). It is expected that districts will make financing available for bigger investments exceeding village financing capacity or economically justified at a higher scale

than the village, such as cold storage or large processing facilities, or capital investment into inter-village BumDes (*BumDes Bersama*).

To this effect, TEKAD will support district administrations in integrating village needs into district planning and budgeting by: (i) ensuring that village planning is aligned with the national planning cycle; (ii) promoting clusters of villages involved in the production and marketing of the same commodity (see Sub-component 2.2); (iii) making available updated village data through the Village Information System; and (iv) setting up District Coordination Platforms.

Key periods for this integration process to happen are the sub-district and district meetings (i.e. “Musrenbang kecamatan” and “Musrenbang kabupaten”) which are forums where village level proposals are discussed and considered for receiving district support. These usually happen in March and April of every year to discuss the proposals made by villages in September/October of the previous year. The District Technical Team and District PMD Office play a key role in these events to support the villages’ proposals to be considered and integrated into district plans. Indeed, villages and facilitators will have to demonstrate how district support will be beneficial to villages and complementary to the district strategic objectives and policies.

The District Technical Teams will be responsible to properly record all the activities supported by districts for the villages.

Activity 2.1.5 - District Coordination Platforms

TEKAD has established District Coordination Platforms during its first phase of implementation. These platforms are meant to support information exchange and coordination of activities related to the promotion of village economic development and identify sources of technical support for villages. For this reason, the Coordination Platforms will be chaired by the District Head and its secretariat will be ensured by the District Planning Department (Bappeda) with TEKAD support. It will be composed of relevant district departments (Community Empowerment, Agriculture, Forestry, Fisheries, Planning, Trade and Industry, Cooperatives and Small and Medium Enterprises) and Village Heads

In PY4, these platforms will need further strengthening to be fully operational. This will be done by (1) providing clear information to each platform on the project (revised design) and on what is expected from these platforms, (2) ensuring DPIUs can access funds to facilitate quarterly Coordination Platform meetings. Under leadership of the District Coordinator, the Economic Development Specialist and Marketing Specialist will be the persons in charge of this activity.

Whenever required, TEKAD may organize transport for relevant district offices to visit target villages. Market players, development projects, NGOs or other service providers will be called to participate in working sessions of the Coordination Platforms as required.

District Technical Teams will be responsible to properly record all the activities supported by District Coordination Platforms for the villages.

Sub-component 2.2 – Economic Services

The objective of the subcomponent is to facilitate the access of village-based producers to markets and services through remunerative market linkages and sustainable service delivery systems. In Papua, access to markets and services will be facilitated in 2025 for districts that have been able to significantly increase production volumes and have successfully implemented the FLE trainings.

Activity 2.2.1 – Mapping studies

In 2022, four mapping studies were conducted in sample districts only. Findings of these mapping studies will need to be readily available for districts and villages early PY4 in order to inform the preparation of Village Economic Development Strategies and to provide District Technical Teams with valuable information to support the implementation of these strategies.

The four mapping studies cover the following areas: (1) market opportunities and value-chain analysis, (2) access to services, (3) Village Institution mapping, and (4) Climate Change mapping.

Consulting firms implementing these studies will extract key findings of the studies and summarize them into handy documents such as training materials, brochures, leaflets, contact lists/rosters, to be used by villages and district teams. If that is not done by the consulting firms themselves, the national level consultants (Technical Assistance) will have to do this work. As the mapping studies conducted in PY3 only covered a few districts only, other districts will be tasked to produce similar (but simplified) handy/short guiding documents relevant to their respective locations. The production of these documents in other districts is included in activity 2.2.2 for the value-chain/marketing hands out and service provider roster, and in activity 1.2.1 for climate change mapping.

For each study, here are useful outputs to be produced:

- **Value Chain Analysis:** “Value-chain analysis leaflets” for each of the 3-5 key commodities (3 pages maximum) to be used by villages during village planning meetings and by sub-district Economic Initiative Facilitators. For each commodity, the summaries will highlight (1) the main markets that can be targeted by villages with their technical requirements and volumes demanded, (2) possible strategies to access these markets through collection points, BUMDES, contract farming, etc., (3) a contact list of off-takers (including BUMDES, BUMDESMA, cooperatives), (4) value-added opportunities (e.g. for processing, labelling, packaging, etc.), (5) a list of quality inputs needed for the production and where to find them (contact list of suppliers), (6) main constraints to be tackled along the value-chain and tips/possible solutions.
- **Services mapping:** “District roster of service providers” relevant to most frequent village commodities/businesses (name, address, contact person, services offered, cost of service, etc.). Service providers could include (1) PLUTs, P4S, NGOs, consultants, chamber of commerce etc. for training/coaching in production, marketing, business management, (2) market players, input dealers or other value chain stakeholders extending or interested in extending services to small producers as embedded services. If the work done in the mapping study is incomplete, it could be complemented with information gathered through: (i) the PLUT networks; (ii) existing rosters (e.g. BDS Association of Indonesia, FOKUS, KADIN etc.); (iii) organizations operating in the target districts (e.g. producers’ organizations and cooperatives, KADIN members). This list will then be used by villages to see which service provider they can work with to implement their economic development plan.
- **Village Institution mapping:** A leaflet compiling the top 10 constraints faced by village economic institutions, with recommendations for each. This leaflet will be used as a hands-out during the training of cadres/ KPMD and Community Empowerment Facilitators and during the training of Village Economic Institutions.
- **Climate Change mapping:** District-tailored lists of practical recommendations on climate resilient practices for each of the 3 to 5 main commodities (1 page/list). Farmer groups and technical trainers will use these lists to guide producers in adopting sustainable production practices.

The Knowledge Management Specialist will work with the district Technical Teams to streamline the content and layout of these hands out (small leaflets).

Activity 2.2.2 - Access to markets and services

A. Access to markets

Building on the mapping studies and other sources of information, District Marketing Specialists will facilitate formal and informal marketing arrangements with different types of buyers (such as

middlemen, larger collectors, traders, processors, exporters or distributors) and for different types of markets (local markets, main commodities export markets, niche markets). This will be achieved through the following activities.

Value-chain analysis leaflets. In each district where the value-chain mapping study is not conducted, the District Marketing Specialists will be in charge of preparing Value-Chain Analysis leaflets (simplified versions of what is described in activity 2.2.1). There will be 1 leaflet for each of the 3 to 5 main commodities of the district (3 pages per leaflet maximum). The National Economic Development Specialist will prepare simple questionnaires to collect the necessary data (mostly interviews with off-takers, KADIN, and input suppliers).

Information workshops at district level to initiate marketing arrangements between producers and buyers. These workshops will bring together producers (representatives from BUMDes, cooperatives and other village-based economic organisations) and potential buyers (local market agents, traders, processors, wholesalers and retailers). Production and supply potential from TEKAD villages will be presented, and potential buyers will explain what their requirements in terms of quality and quantity are. District technical departments (Dinas) and other stakeholders involved in technical trainings of farmers will also be invited to tailor the support they provide to villages to the market requirements. While most of the opportunities and agreements may relate to farm agribusinesses, agritourism and substituting import products should be addressed and eventually help integrate the TEKAD villages into the related value/supply chains.

These information workshops will be organized by the District Marketing Specialist and sub-district Economic Initiative Facilitators starting from the 3rd quarter of PY4. TEKAD will collaborate with the Chamber of Commerce (KADIN) to prepare and facilitate these events.

Trade fairs: Budget will also be made available for TEKAD villages to participate in trade fairs organized by provincial or district level departments, development projects and other stakeholders. This will provide further opportunities for villages to link with buyers

Continuous facilitation work: Information workshops should be followed by continuous facilitation from the sub-district Economic Initiative Facilitators and district Marketing Specialists: contacting buyers, inviting them to target villages, facilitating meetings where buying agreements are made, etc. TEKAD facilitators will facilitate the negotiation of fair and transparent arrangements between buyers and village-based economic organisations. Buying agreements (formal/written or informal/oral) should express (1) how producers agree to provide agreed quantities and quality of a specific product at a certain time, and (2) how the buyer commits to purchase the product and, in some cases, to support production through services that are embedded in the arrangement. Such embedded services could include the supply of production inputs, support for land preparation or the provision of technical advice. Collaborative arrangements, especially formal ones, will spell out a clear distribution of responsibilities and a balanced share of risks and benefits. Where relevant, contract farming agreements may be agreed between farmers and buyers. Such contracts usually establish a very close engagement of producers towards their buyers with control by the buyer of the inputs used, production practices used and exclusive sale to the buyer.

B. Access to services

TEKAD will facilitate producers' access to services provided by a range of formal and informal business development services providers. Such services include for example technical and management skills development, technology development and transfer, product development and branding, marketing, certification, enterprise registration training, marketing assistance, business promotion, technical services provided by input suppliers.

District roster of service providers. In each district where the services mapping study was not conducted, the district Marketing Specialist will establish such a roster for services available in their area and for commodities/businesses relevant to the target villages (see activity 2.2.1 for further detail on the content of these rosters). The rosters will be printed as leaflets disseminated to sub-district facilitators early PY4.

To prepare this roster, a call for expression of interest at district level will be organized to gather information on available services. Interested service providers will submit a standard application including basic information about areas of expertise, the type and cost of services and their experience (with references). District rosters will seek to enlist: (i) **conventional service providers**, or entities providing services as a business or as part of their mandate (such as firms and consultants, PLUTs¹¹, P4S, KADIN); and (ii) **unconventional service providers**, or entities that are successful in operating a business in a target value chain and that are interested in providing training services or on-the-job exposure to village producers (such as cooperatives, lead farmers, KADIN members...). The roster will be updated on an annual basis.

Hiring service providers: While it is expected that villages will use part of the VF to pay for services they find relevant to their economic development strategy, budget is also available from the project to hire service providers. The project may in particular focus on services related to village institution strengthening which might not be prioritized by villages for allocation of their VF.

C. Value-chain financing

In the context of TEKAD, value-chain financing refers to agreements made between farmers and other value-chain actors (mostly buyers and input suppliers) to support producers in accessing capital (but also services or inputs) at a time they are not able to afford these (i.e. during production, when they have not sold their harvests yet).

While the project facilitates linkages between villages and market players, service providers, input suppliers, TEKAD facilitators (in particular the district Economic Development Specialists, Marketing Specialists and sub-districts Facilitators) will identify possible schemes and facilitate such agreements which are especially relevant for Village Economic Institutions. In practice, this could take the form of:

- *Advanced financing*, whereby a buyer will advance either inputs in kind to the producers, or funds to cover working capital needs, and will be repaid in kind (usually) or in cash at harvest time along pre-agreed terms and conditions. Advanced financing can be provided either directly by the buyer/input supplier or through a bank loan. This has been popular in Eastern Indonesia for export markets in particular, usually under contract farming arrangements;
- *Input supplier credit* is a similar arrangement implemented with input suppliers, whereby inputs in kind are provided to producers on loan, either directly or through a buyer, and paid back at harvest time.

¹¹ PLUT - Center for Integrated Business Services (CIBS- SMEsCo). Part of a programme of the Ministry of Cooperatives in assisting cooperatives of small and medium micro businesses to accelerate the increase in competitiveness, productivity, value added and quality of work.

Component 3 – Policy And Institutional Environment

The **expected outcome of this third component** is that an enabling policy, institutional and media environment facilitates village economic development that builds on local opportunities and leverages the Village Fund resources.

Component 3 has two sub-components: (i) Information, Inspiration and Communication; and (ii) Policy Development and Institution Building. While it will mainly be implemented at the national level, it will complement and support activities carried out at village and district level, respectively under Component 1 and Component 2

Sub-component 3.1 – Information, Inspiration and Communication

This sub-component will mostly be implemented at the national level and will aim at: (i) setting up an open Management Information System (MIS); (ii) promoting digital solutions (online platform and applications) and the use of social networks for enhanced transparency and accountability and for facilitating wide access to information and knowledge; (iii) documenting innovation, good practices and successful models; and (iv) inspiring and motivating village stakeholders, and in particular youth, by showcasing innovations and successful achievements.

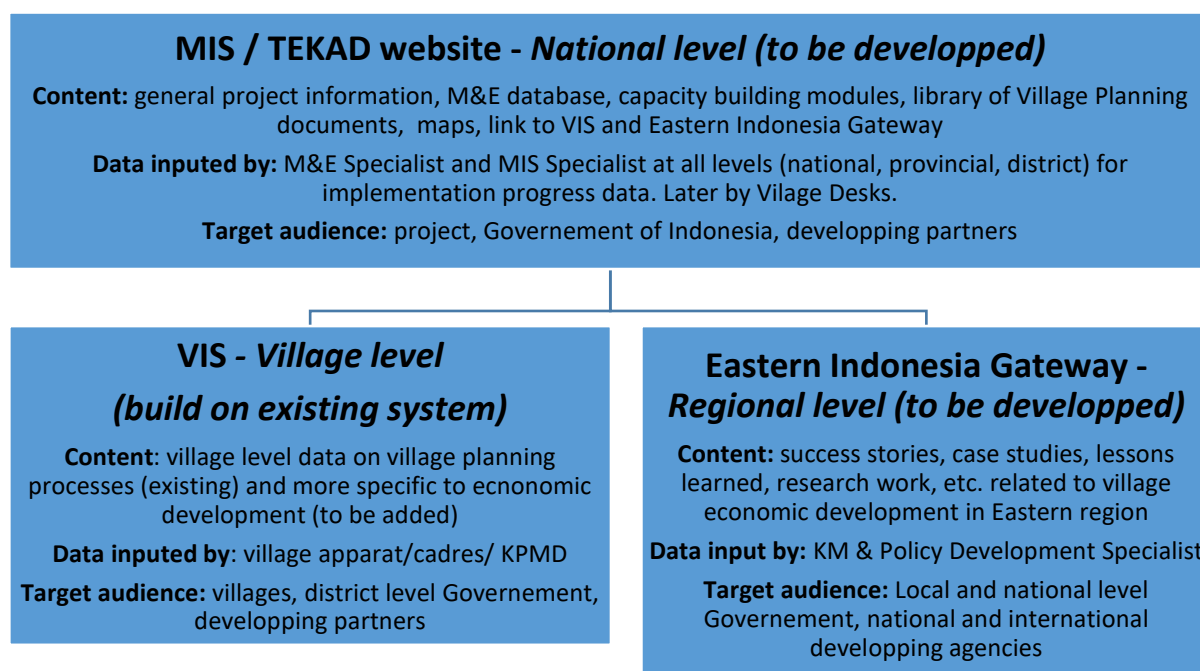
Activity 3.1.1 – Digital platforms: MIS, VIS, and Eastern Indonesia Gateway

Several digital platforms are of interest for the implementation of TEKAD and village economic empowerment in general. These include:

- **A Management and Information System (MIS)** that will be the project’s main portal at national level and will serve for M&E. This platform is to be established.
- **A Village Information System** that will compile village level data to be used to inform decision making for village economic development and monitoring of village development status.
- **The Eastern Indonesia Gateway** which will be an online platform to engage with a large target audience on success stories, lessons learned, innovations implemented as part of TEKAD and which can serve as inspirations for other Eastern Indonesia territories.

This is summarized in the diagram below.

Figure 3. Digital platforms



Web-links between websites

A. Management Information System (MIS)

The Project MIS will be compatible with MoV's systems and will have several functions:

- (1) Serve as the main project portal to provide general information on the project to external audience (approach, main activities, news on upcoming events, updates, etc.);
- (2) Serve as the main M&E database and dashboard of the project to report on their logframe as well as physical and financial progress against AWPB;
- (3) Provide public access to online access to capacity building modules developed by TEKAD. Non-TEKAD provinces and districts will be able to use these resources to foster village economic development planning in their areas;
- (4) Provide public access to Village Economic Development Strategies, RKPs and RPJMDes facilitated under TEKAD;
- (5) Provide public access to maps localizing key infrastructures, village economic institutions and other activities supported by the project;
- (6) Link to the VIS and the Eastern Indonesia Gateway website.

In terms of M&E (point 2 above), the MIS will track project implementation progress such as financial and physical data on programme outputs and outcomes, including logframe indicators. Beneficiaries' related data will be gender and Indigenous People (IPs) disaggregated. Dashboards will be available at different stages of project implementation to allow profiling of the performance of the different levels and to allow TEKAD staffs to monitor progress and make decisions accordingly. This function will allow TEKAD stakeholders to achieve better results and, especially for the programme implementation team, to be held accountable.

The link to the VIS (point 6 above) may be complemented with a dashboard accessible from the MIS showing key data extracted from the VIS website (mostly related to village economic development). In complement to the VIS and to further support planning, monitoring and programme transparency, a geo-tagging system will be developed to map village collective infrastructure financed through village resources and their status of achievement (point 5 above). Geo-tagging will assign specific, infrastructure-related data (such as infrastructure sub-project latitude, longitude, place name, cost, progress) to a web-based mapping application such as Google Maps, using a phone or tablet built-in Global Positioning System (GPS).

The development of the MIS will be a priority early PY4 and will have to be operational in the first quarter. In order to expedite the development of the MIS, the project will consider contracting service providers having developed successful MIS for other development projects. This service provider will also develop a user manual to provide guidance on the use of the MIS. The establishment of the MIS will be followed by trainings to all relevant TEKAD staffs and PMD staffs in the use of the MIS (data entry and access to data/dashboards). The IT Specialist will conduct regular maintenance work and upgrades of the MIS along the project life.

Due to limited connectivity in TEKAD target areas, it is suggested that the MIS is designed for low-band connection. There are growing numbers of internet mobile phone users¹², for that reason the website is recommended to be mobile-friendly. Due to affordability factor, Android-based gadgets and mobile phone are considerably popular in Indonesia¹³. Therefore it is recommended that mobile applications only use the Android operating system. Both website and mobile app should embrace appealing User Interface design and intuitive to navigate. The mobile M&E application will be very important to accommodate sub-district facilitators and cadres/ KPMD. In areas without internet connectivity, this app will be able to save the newly inputted data into the local storage first and will continue to sync the data to the cloud server in the background process whenever internet networks are detected available (enabling asynchronous process). Regarding data validation, the data

¹² From Statista (2019). Link <https://www.statista.com/statistics/309017/indonesia-mobile-phone-internet-user-penetration/>

¹³ Android OS dominating with 93.5% according to Statcounter (2019). Link: <http://gs.statcounter.com/os-market-share/mobile/indonesia>

submitted by the TEKAD facilitators will first need verification from higher authority (DPIU or NPMU), after which it will be displayed in the M&E system.

Furthermore, the use of mobile applications like WhatsApp, Facebook and Instagram will facilitate the exchange of information throughout wide programme target areas and will foster team building.

B. Village Information System (VIS)

In PY4, TEKAD will build on existing systems to set up a Village Information System (VIS) covering economic data, which will be used to orient village planning and district integration. The VIS can also contribute to establish the programme baseline and support monitoring of results.

Two main systems (described briefly below) are likely to be considered: the VIS under Pusdatin and the KOMPAK VIS. Other relevant systems might also be explored if they meet the project expectations.

VIS under Pusdatin Directorate (SID): During the first half of the project, a VIS has been established under MoV (Pusdatin Directorate) and may be considered for TEKAD. This VIS compiles a wide range of information from SDG Desa indicators, to village planning processes, security issues, geography, HH's access to basic needs, to finance, to health services, rural roads, house conditions, etc. It however lacks information on economic potentials of villages and related factors. And its coverage in Eastern Indonesia and accessibility by villages is still uncertain so far.

The MIS and IT Specialists will coordinate with TEKAD's Technical Assistance team at national and district level to define the type of information to be stored in the VIS and the type of dashboard functionalities needed. The Gender Focal Points will also provide recommendations on what type of gender-disaggregated data is needed. In general, the scope of information which could be covered by the VIS could include the following data:

- *Main sources of livelihoods and revenues*, including agriculture crops (with cultivated surface/crop), livestock breeding (with average herd size), fisheries, aquaculture, collection and marketing of non-timber forest resources
- *Production/marketing data* per crop: productivity, production volumes, sale
- *Economic infrastructure* (markets, post-harvest facilities, storage, aggregation points, etc.)
- *Village Economic Institutions*: existence of Village BUMDes or other Village Economic Institution with average number of male/female members, development status of the institution
- *Availability of PPLs, Posyantek, KBU, other training centres*
- *Connectivity*: type and quality of roads/time needed to sub-district and district capital/to main marketing centres in the province; number of households holding a mobile phone;
- *Food security*: insecure households based on number of weeks without capacity to provide food;
- *Land use*: arable land (total arable and currently cultivated), forest land (different types), protected areas,

Note that some of the above data are already being recorded in the existing systems mentioned above.

The Village Information System will be developed as follows:

The national level MIS Specialist and IT Specialist will work with either Pusdatin or KOMPAK to upgrade the existing system (adding more variables, improving dashboard functionalities, designing an Android Application, etc.). If considered relevant, the project could use the same service provider having developed the MIS to also work on the VIS. The system will enable easy data collection by village cadres/ KPMD using tablets and will generate different types of dashboards suiting the needs of Village Heads and communities, district governments and the TEKAD project itself.

A short and practical user manual will then be developed to explain how to enter data, access and use dashboards, download data. Short trainings will be facilitated by the national IT and MIS Specialists to District Technical Teams and sub-district facilitators. The latest will then socialize the VIS to cadres/ KPMD, village heads and apparatus. Cadres/ KPMD will be tasked to regularly update the VIS through their tablets (quarterly or semi-annually).

If relevant, the VIS could be rolled-out in stages, focusing first on a limited number of more advanced/active districts and later covering all TEKAD's target area.

Regular upgrade and maintenance of the VIS will be needed along the project life and will be performed by the service provider having designed the VIS.

C. Eastern Indonesia Gateway

An online platform will be developed in 2024 to engage with large target audiences, including TEKAD stakeholders in the nine provinces and interested village and other players nation-wide. It will connect village players to knowledge and innovation. The website will give access to TEKAD-generated material and information that would be of interest for the planning and promotion of village economic development in Eastern Indonesia. News on events organized by TEKAD or other developing partners in Eastern Indonesia will also be shared in this portal.

The project will first contract a website designer to establish the Eastern Indonesia Gateway platform. A brand identity & visual communication guidance will be provided by a communication consultant. Following this, training will be provided to users of the website (IT Specialist, M&E/KM Specialist at national level and provincial level and future village desks). This training will focus on how to maintain and update content of the website.

Links to other Government services available online can also be included in the platform. Some potential links are GoDesa and Akademi Desa 4.0. GoDesa, is an online platform currently being developed by MoV with support from World-Bank financed P3PD, and that integrate nine village related services, including: village facilitators performance monitoring, marketplace for TA provider, chatroom for villages, payment gateway for services, online courses (Akademi Desa 4.0), peer to peer village innovation learnings, and other features¹⁴. Akademi Desa 4.0, is an online course for capacity building targeting MoV's facilitators. Links to marketplaces, in particular those with which MoV already has an agreement, will also be proposed.

The Eastern Indonesia Gateway will be under the responsibility of the KM/Policy Development Specialist.

Website visitors should be offered to stay in touch with the programme updates, either through web notifications or newsletter subscriptions.

According to the latest data (2018), averagely, Indonesian people spend 3 hours 36 minutes daily on social media and instant messenger¹⁵. In response to that, TEKAD will also expand its presence on popular social media, specifically on Youtube, Facebook and Instagram. Those social networks are the top social media among Indonesia netizen. This action hopefully will widen the reach of the programme awareness. The social media accounts are suggested to be created and updated by the M&E specialist.

Activity 3.1.2 – Learning and Motivation

Documenting innovations, best practices, success stories: TEKAD will facilitate the identification, documentation and dissemination of innovative practices developed in the target areas in relation to products and activities supported by the programme. Dissemination of these information materials will support villages to learn from what is being successfully implemented in other villages. Audience will also include GoI and developing partners.

The KM/Policy Development Specialist will be the main person in charge of producing these materials and may build on the World Bank-financed Village Innovation Programme methodology which collected more than 200 stories of inspiring village innovation nationwide¹⁶. A communication

¹⁴ From ESMF P3PD (2019). Link: <https://lumbangfile.kemendesa.go.id/index.php/s/dw8sJy99QApxQeX>.

¹⁵ From Digital 2019 Indonesia by We Are Social. Link: <https://www.slideshare.net/DataReportal/digital-2019-indonesia-january-2019-v01>.

¹⁶ See Inovasi Desa. Link: <https://inovasidesa.kemendesa.go.id/>

consultant will be recruited on a short term basis to improve the layout of these materials¹⁷. These may use various formats including infographics, leaflets, brochures, photos, videos.

To identify content, the KM/Policy Development Specialist will work closely with TEKAD's district and sub-district teams to identify success stories/lessons learned from villages. Information materials will be disseminated online through *The Eastern Indonesia Gateway* and during events using printed materials.

Innovation fairs: this activity builds on the good achievements from the previous VIP, particularly the Bursa Inovasi Desa (Village Innovation Exchange Forum). Under TEKAD, it will emphasize on innovations that could contribute to village economic outcomes. The innovation fair will be conducted at district level, inviting representatives of each participating TEKAD village in that district, as well as TEKAD facilitators. There will be display of replicable innovations, the participants then choose what kind of innovation that will try to be adopted in their village, after that consulting it with the TEKAD facilitator in site. The TEKAD facilitator will document this commitment, and will help to assist the implementation in the village.

Eastern Indonesia Village Champions and Awards. To appreciate innovative individual and collective economic initiative efforts of villages, BUMDes or cooperatives, TEKAD will organize a distribution of awards in 2025. This also as a mean to motivate and inspire action for the other stakeholder involved. The awards will try to recognize the finest achievement in the form of these categories: (i) Village producers who implemented innovative approach on agriculture or aquaculture (individuals); (ii) Village Economic Institutions that contribute significant economic revenue to their village in sustainable manner; (iii) Village best collective efforts to make inclusive village economic transformation happen, i.e. showing impact on village households, women and youth; and (iv) village sub-district facilitators and village cadres/ KPMD with innovative facilitation approaches and highest adoption rates by both women and men. Information sharing on this upcoming event will start in PY4 but the actual selection and awarding event will be in PY6.

This will be achieved through the following steps:

- **Nomination:** Nominations will come from TEKAD district level staffs who will suggest which village or Village Economic Institution or sub-district facilitators or cadre should receive an award. Nominations will be submitted through an online form available at the Eastern Indonesia Gateway platform or through a Google Form. The nomination form will include information on: the adoption of innovative technologies, generated benefits, social and environmental impact, other positive outcomes which should be considered in the selection of winners.
- **Selection of awardees:** The NPMU will prepare a simple guideline on the selection process (eligibility criteria). Nominations entries will first be reviewed by the DPIU (District Coordinator and Head of Dinas PMD) and then by the national level for the final selection. There will be one winner/awardee per category for each district, and it will be announced in the national awarding event.
- **Awarding:** awarding events will be organized at national level by the NPMU. All the awardees as well as media will be invited. This event and winner will be communicated through the Eastern Indonesia Gateway. The event will also stand as provincial closure event for TEKAD where the project will present a summary of its main outcomes and continuation through Village Desks and digital platforms. From each awarding event, the expected output is 3 media coverages (including online media outlet) and 30 social media posts.
- **Video publication:** to inspire wider target groups, there will be four short videos produced by a service provider. The national M&E specialist will pick one of the best awardees from each category to be part of these videos. The videos will be around 3 minutes long, highlighting the effort, the innovative approach and the inspiring results of each category. The video service provider will also be responsible to drive the total 4 published videos to have at least 25,000 viewers (0.2% of the total population of TEKAD provinces) at the first month after published.

¹⁷ Budget for this is available as part of the cost for production of any communication material.

Sub-component 3.2 – Policy Development and Institution Building

The Village Law represents the core policy at the root of GoI efforts to support village-based economic development. Therefore, TEKAD efforts with regard to policy development will focus on making the implementation of the Village Law and of the Village Fund more effective and impactful in promoting village economic development. TEKAD strategy with regard to policy development is therefore to: (i) develop approaches and tools to assist village governments and communities in leveraging the Village Fund to promote economic development in different agro-ecological and social contexts in Eastern Indonesia, and potentially throughout the country; (ii) pilot their implementation and monitor results; (iii) share outcomes with stakeholders at village, district, province and national level, including with institution; and (iv) institutionalise them under the responsibility of four main partners: MoV, Bappenas, provincial and district governments. In this respect, one of the key programme outcomes will be the Orientation and Capacity Building Packages, a set of evidence-based and replicable models for improving the use of village resources and for developing village partnerships with public and private players in support of inclusive and sustainable village economic development.

Activity 3.2.1 – Orientation and Capacity Building Packages

An initial set of Orientation and Capacity Building Packages has been developed in PY2 to guide activities and support capacity building of programme staff, district and provincial departments and village stakeholders in the following areas (see table below).

Note that while the packages below are the core modules for TEKAD, **additional key trainings are needed and include general facilitation skills (for cadres/ KPMD and sub-district facilitators especially), how to facilitate access to market (for district Marketing Specialist and sub-district Economic Initiative Facilitators), GESI (for all categories).**

Table 10. List of capacity building packages

Capacity Building package and content	Status	Activities using the package
1. Village Governance for Economic Development. This package builds on models and tools developed through World Bank-financed P3PD ¹⁸ . Materials are adapted to match the specificities of economic development in the primary sector as well as specific features of the target provinces. Guidelines, tools and outlines for developing, monitoring and reviewing the village economic development strategy, annual planning and budgeting, regular monitoring annual reviews and setting up and running the Village Information System are included	<ul style="list-style-type: none"> ✓ Developed in PY2 ✓ To be reviewed late PY3 / early PY4 ✓ And later in PY5 and PY6 as needed 	Activity 1.1.3 – Village cadres/ KPMD and village level capacity Building Activity 1.1.4 – Village Inclusive Economic Development Strategy and cluster development Activity 1.1.5 –Annual Planning and Monitoring Activity 2.1.2 – District level capacity building
2. Strengthening of BUMDES and other Village Economic	✓ Developed in PY2	Activity 1.2.4 – BUMDES

¹⁸ Expected to be available end of 2019.

<p>Institutions. This package focuses on the creation and expansion of economic organisations (primarily BUMDEs and cooperatives, but possibly also other groups such as women or youth groups, or individual businesses such as a lead farmer aggregating and marketing produce), and the benefits and returns they can provide to villagers. It also provides guidance in developing simple business plans, in setting up, managing and financing business development, and in carrying out annual capacity assessment to measure progress and gaps, and orient consolidation efforts.</p>	<ul style="list-style-type: none"> ✓ To be reviewed in PY4 ✓ And later in PY5 and PY6 as needed 	<p>and other Village Economic Institutions</p>
<p>3. Access to financial services. These materials will be adapted to suit the needs of TEKAD target groups as revealed by the data collected on farmers’ access to finance. Topics will broadly cover: overall household budget planning, savings and loan products, debt management and responsibilities as a borrower; use of digital banking; knowledge of other financial products and services such as money transfer or remittances; basic financial management /book-keeping for agricultural activities. This package will cover financial and digital education modules, guidance for linking to financial service providers and accessing financing, as well as a range of financial products and services, including innovations promoted by TEKAD with partnering financial institutions</p>	<ul style="list-style-type: none"> ✓ To be developed in PY4 ✓ To be reviewed in PY5 and PY6 as needed 	<p>Activity 1.2.5 – Financial Literacy Education (FLE) and access to finance</p>

Orientation and Capacity Building Packages will be **reviewed by the national level Experts recruited by the project together with the Training Specialist and MoV’s Puslatmas**. More specifically, the Village Governance Specialist and Economic Development Specialist will be in charge of leading the review of the package 1 on village governance and 2 on Village Economic Institutions. The Economic Development Expert will guide a National Consultant to work on package 3 on access to finance. Specific sections of the trainings may also be delivered directly by specialized trainers having their own materials. The Training Specialist will be in charge of identifying qualified trainers for these specific sections. P3MD facilitators will be invited to deliver certain materials/chapters of the Village Governance for Economic Development module (PDPMD).

Rapid assessment: To inform the review of the modules, the Training Specialist will first implement a rapid assessment of the results of the trainings implemented during the first half of the project. Budget to hire this Specialist is available in the assessment package budget line. The assessment will be done jointly with Puslatmas and use results pre/posts tests along with additional interviews and focus groups with trainees. It will also review the extent to which training have been able to equally increase the capacity of women and women trainees. The objective of the assessment will be to help identify gaps, key chapters to improve in the modules and identify what are the specific training needs among trainees at all levels (from district to village). Based on this, materials will be reviewed and adapted and an overall training plan will be prepared by the Training Specialist for the second half of the project (2023 to 2025). For refresher trainings which are meant to build on trainees existing knowledge, only certain key chapters will be used, depending on the needs of the trainees. Such an assessment will be repeated in 2023 and 2024 and modules reviewed accordingly on a yearly basis too.

While reviewing modules prepared in the first half of the project, TEKAD should consider the following aspects:

- **Tailored to the level of trainees:** As training modules will be used for different levels of audience (first for national level ToTs, then for training of district and sub-district teams and lastly for village level), their content and learning methods should be adapted accordingly. Especially for village level trainings where literacy rates are lower, materials will adopt visual learning tools including video tutorials, photos, videos, infographics.
- **Simple/accessible step-by-step methods:** Each Orientation and Capacity Building Package will be broken down into smaller sub-chapters to make lessons easier to digest. They will include a guide with step-by-step explanations, which will be linked to practical tools designed in adaptation to different audiences. For example, in the PDPMD module, a simple template will be proposed to allow community to jointly monitor implementation of annual action plans and budgets (additional rows will be added to track actual implementation vs. planned).
- **Monitoring of training efficiency:** All modules will also include pre and post-tests that will help monitor the effectiveness of these trainings.
- **Adapting to locations:** Wherever relevant, modules may be adapted to each province to reflect the local socio-cultural context. For example, the package 3 on access to finance in Papua and West Papua will be delivered alongside with the Family Team approach materials (activity 1.1.6). Feedback from TEKAD provincial and district teams will help to tailor training materials to each region (where relevant).
- **Inclusive:** Orientation and Capacity Building Packages will be sensitive to gender and other specific groups' constraints in operationalizing their content, and will provide solutions for supporting women's inclusion (including labour- and time-saving technologies) and that of marginalised groups, including remote villages. The PDPMD module in particular will include a section on how village planning processes need to be inclusive of women and other vulnerable groups in the village.

The Training Specialist will also be in charge of ensuring quality trainings are delivered following standard implementation procedures (gender and age disaggregate attendance lists, systematic use of pre and post-tests, sufficient training time, use of energizers, etc.).

To facilitate wide access to support, Orientation and Capacity Building Packages will be available both online (Eastern Indonesia Gateway) and offline (printing manuals). Economic Development Specialists will be equipped with digital tablets to enable multi-media presentations using the product-based capacity-building packages.

Activity 3.2.2 – Policy studies

TEKAD will support a demand-driven policy process whereby policy studies will address two objectives:

- contribute to translating innovative approaches and tools developed under the programme into legal and policy instruments, under different forms such as MoV regulations, ministerial instructions, technical guidelines or Puslatmas training programmes; or Papua Desk-sponsored regulations;
- address policy gaps identified through the provincial mapping studies, TEKAD programme operations and recommendations made by District and Provincial Coordination Teams.

A Strategy Policy Unit will be established in 2023 and 2024 under Minister of Village ~~Directorate~~ General of Economic Development and Investment (Ditjen PEI) to be the central point for activities implemented under this activity. A team of consultants will be recruited by NPMU to be part of this Unit and to facilitate strategic activities interm of (i) Village Development and Community

Empowerment, (ii) Village Economic Development, (iii) Analytical Data, (iv) Strategic communication, and (v) legal and public policy.

KM and policy development Specialist will be responsible in the following activities:

- *identification of policy needs/gaps to support the institutionalisation of evidence-based innovative instruments or to improve village-based planning, financing and implementation of economic development*: this will largely rest on the initial mapping studies (Sub-Component 2.2, Activity 2.2.1) and their updates, TEKAD operations and recommendations made by District and Provincial Programme Implementation Units. But it could also derive from a specific study on a specific issue brought forward by MoV or by the Papua Desk;
- *policy studies* and support for publication and production of related outreach materials;
- *policy consultations and workshops* to support the preparation of policy studies or to present and discuss the results of such studies;
- *dissemination* of results and lessons learned.

KM and Policy Specialist will be report and make recommendation base on these Task to Project Manager and Pusat Pengembangan Kebijakan Pembangunan Desa PDT dan Transmigrasi.

Areas for policy development identified during programme design include the following: (i) an expenditure/performance review of the Village Fund and of MoV, district and village performance for the promotion of village economic development in Eastern Indonesia; (ii) revised guidelines and legal framework for BUMDes to become an inclusive village economic development-supporting organization; and (iii) a survey on participation and accountability in Village Law implementation, building on the model of the Sentinel Villages Study, under the Local Solutions to Poverty programme implemented by the World Bank. Gender equity and Social Inclusion considerations will be mainstreamed in all of the policy development activities.

Activity 3.2.3 – Institution building

TEKAD will contribute in strengthening the capacities of MoV, and especially (but not exclusively) of the Directorate General of Rural and Village Development, in:

- implementing the programme in an accountable and transparent manner, in line with Gol and IFAD procedures, and in delivering programme outcomes and outputs according to plans;
- promoting inclusive and profitable village economic development;
- tracking achievements and capitalising on good results to improve related performance;
- mainstreaming successfully tested TEKAD innovative tools through MoV's relevant structures.

Capacity building will be provided on the basis of annual participatory capacity assessments and capacity development plans facilitated by the Training Specialist.

This set of activities should also benefit the Association of Indonesian Village Governments¹⁹, at national and provincial level.

Activity 3.2.4 – Potential for upscaling

Where successful models and innovative tools are identified, potential for upscaling will be considered, also as part of TEKAD's exit strategy.

Upscaling activities could include (non-exclusive): expand programme operations to additional villages (for example to participate in cluster); scale up specific activities in target districts (for example trainings); finance study tours or other peer-to-peer instruments to disseminate programme knowledge and experience to villages not included in target areas; face increased costs in relation to planned activities in this PDR.

¹⁹ *Asiosasi Pemerintah Desa Seluruh Indonesia (APDESI).*

Sub Component 3.3. Project Management

This sub component 3.3. aims at providing supports to NPMU and DPIUs in managing TEKAD Projects including : (i) recruitment of consultant; (ii) operating cost for NPMU and DPIUs; (iii) capacity building for NPMU on fiduciary and managerial skills, (iv) project planning and oversight, (v) project evaluation, (vi) office equipment and vehicle, and (vii) project staff

(1) Recruitment of Specialist

NPMU will recruit Specialist to support TEKAD in the following aspects :

- a) Assist NPMU in Managing the TEKAD Project;
- b) Preparing project planning, monitoring and evaluation overall project activities consistently in line with the government and IFAD guideline as well as transfer of knowledge and skills to the government staff in managing the project;
- c) The Procurement and Contract Management Specialist will assist NPMU in preparing and updating procurement plan, required bidding documents, monitoring the progress of procurement, as well as consistently in line with the government regulations and IFAD guideline;
- d) Financial Management Specialist will assist the NPMU in preparing financial management manual, financial reports , withdrawal application documents and correspondences related to financial issues in line with the government regulations and IFAD guideline.

The list of indicative Specialist to be recruited by NPMU is presented in Chapter II on implementation arrangement. However, the types of expertise might be changed as required by the project.

Term of Reference (TOR) for the Specialist will be prepared by the NPMU, and the process of the recruitment will be conducted by Procurement Working Group within MoV in collaboration with NPMU.

(2) Operating cost includes expenditures for communication, office supplies for NPMU and DPIUs, meeting/ workshops, and travel cost for project staff (NPMU and DPIUs) related to project activities. The detail activities and budget of operating cost will be presented in the AWPB.

(3) Capacity building for project staff aims at improving their capacity (NPMU and DPIUs) in managing the project. This includes training for financial officer, procurement officer, monitoring and evaluation officer, and planning officer, as well as GESI training for all staffs. The capacity building will be carried out by the NPMU Specialist as part of their tasks.

(4) Project planning and oversight includes expenditures for Project Steering Committee regular meetings at national and district levels, national start-up workshop, and final national workshop which will be conducted by the end of the project life :

- The Project Steering Committee will organize meetings at least twice a year to review the annual project planning and results; A priority at the end of PY3 or early PY4 will be to facilitate a national level workshop to present the revised design (component, sub-component, and activities) and implementation arrangements (summarized in the revised PDR and PIM) to all DPIUs and project staffs. This will be keo ensure a common understanding of the project at the higher level.
- Final national workshop will be organized to present final results, lessons learned of the project, and follow up actions upon the project ends. This final workshop will be attended by project

staff, all relevant stakeholders within MoV as well as other line ministries. Other districts and or provinces are recommended to be invited to the workshop;

- Other meetings and workshop include regular coordination meetings of the project implementation units (NPMU and DPIUs) to discuss project planning, progress, and reporting.

(5) Project evaluation includes:

- Baseline survey: This activity should produce comprehensive information and data to measure the achievement of the project as indicated in the TEKAD logical framework. The M&E Specialist and a local Specialist will assist the NPMU in extracting the information and data from the baseline;
- Annual Outcome Survey (AOS) - this activity will be conducted annually started in the second year of project implementation to measure the annual results (outcome) of the project, and identify issues and recommendations to improve the project implementation. AOS will be conducted by an external service provider. The M&E Specialist will assist the NPMU in preparing the TOR for AOS
- Final impact assessment and outcome survey - this activity will be conducted in the last year of the project by an external service provider. This survey will assess the final project results and the achievement of the project development objective. The report of this survey will be used as an input to the project completion report. The M&E Specialist will assist the NPMU in preparing the TOR for the final survey;

(6) Office equipment and vehicles - NPMU and DPIUs will be provided sufficient office equipment (computer, laptops, projector, etc) to support the daily operations of the project activities.

(7) Project staff salaries - the Government of Indonesia is required to provide sufficient number of qualified Government staff to manage the project in a proper manner (NPMU and DPIUs). The salaries of the appointed project staff will be paid by the recurrent government budget (APBN) which will be calculated as the government's contribution to the project cost as indicated in the Financing Agreement.

Attachment 1 to Chapter 3: List of Technical Manual to be prepared by NPMU and or District Technical Team

Titles of manuals (Petunjuk Pelaksanaan- JUKLAK)	USERS	Scope of manuals
1. Facilitation support for Awareness Campaign in new villages : signed village commitment (see PIM)	District Technical Team Sub district Facilitators Village Cadres/ KPMD	When it should be conducted (indicated the timing, for how long); Who will organize it Who are expected to be invited Who will facilitate What information need to be
a) Facilitation of village economic development planning (i.e. PDPMD module) : b) List of priority village products to be promoted;	District Technical Team Sub district Facilitators Village Cadres/ KPMD	delivered/ what data/ information to be collected What methods/ steps and media to be used What to report : activities, agreement, follow up actions,

Titles of manuals (Petunjuk Pelaksanaan- JUKLAK)	USERS	Scope of manuals
c) Issues/ problem encountered by village producers d) Supports needed (technical advice and budget) to develop and promote the products including marketing and input suppliers		number of participants / beneficiaries (aggregated by sex, and age) For the PDPMD module, the manual will include (among other items): (1) the template to write up a simple economic development strategy, (2) template for annual action plan and budget to be displayed in community hall with additional rows for monitoring, (3) template to support participatory annual reviews of RKPDes and APBDes.
2. Facilitation support for Promoting village products Expected outputs : a) Types of village products promoted; b) Number of beneficiaries participated / get benefits; c) Volume (in kgs or tons) and value (in rupiah) of sales	District Technical Team Sub district Facilitators Village Cadres/ KPMD	
3. Strengthening of BUMDES and other village economic institutions	District Technical Team Sub district Facilitators Village Cadres/ KPMD	Menu of topics needed by village economic institutions (see activity 3.2.1)
4. Financial Literacy Education training and linkage to financial institutions	District Technical Team Sub district Facilitators Specialized FLE trainers	FLE training material (see activity 3.2.1) and guideline on how to facilitate linkage with financial institutions
5. Demplot guideline (produced in 2022 and reviewed in 2023)	PPL	Criteria to select farmers, process to establish a budget and technical conditions for implementation of the demplots, responsibility of farmers implementing demplots, implementation of field days, etc.

Titles of manuals (Petunjuk Pelaksanaan- JUKLAK)	USERS	Scope of manuals
6. Competitive investment	District Technical Team Sub district Facilitators Village Cadres/ KPMD	Selection criteria for villages, clusters, steps for selection process, guidance/templates for monitoring of investment, template for preliminary proposals and final proposals, training materials for the 1-day proposal writing training.
7. Monitoring of counterpart contribution	NPMU Village Cadres/ KPMD	Monitoring sheets to track all types of contributions from beneficiaries, from village fund and from Gol
8. User manual for the MIS User manual for the VIS To be prepared by the IT service provider	MIS: all project staffs, NPMU, DPIU VIS: Village Cadres/ KPMD, village apparats	Guidance on how to input data, verify/validate data, extract data, consult the dashboards, download data, etc.
9. Eastern Indonesia Village Champions and Awards	DPIUs and Provincial Coordinators	Selection criteria for the selection of winners for the 4 categories of nominees

Attachment 2 to chapter 3: Examples of relevant matching investment for economic activities that are frequent in TEKAD target areas

Sector	TEKAD Competitive investment	Village Fund investment
Marketing of products	<ul style="list-style-type: none"> ● Simple transport vehicles ● rural roads between cluster villages ● simple cooling systems for transport of perishable products (vegetables, fruits, fish, meat) ● simple collection points for aggregating products and doing basic sorting packaging ● Warehouse 	<ul style="list-style-type: none"> ● Production inputs ● Trainings in improved production practices
Processing	<ul style="list-style-type: none"> ● Setting up “Rumah Produksi”: processing equipment, training in processing, construction of processing unit. 	<ul style="list-style-type: none"> ● Production inputs to produce the raw material ● Trainings in improved production practices
Small businesses (arak, weaving, etc.)	<ul style="list-style-type: none"> ● Machines/ larger equipment (e.g weaving machines) ● Access to electricity (battery, solar panels, generator, connecting to public grip) ● Access to water (solar pumps, pumps, wells, etc.) ● Construction of small units 	<ul style="list-style-type: none"> ● Raw materials for production ● Training
Crops	<ul style="list-style-type: none"> ● Irrigation infrastructure, simple micro-irrigation schemes, solar pumps ● Silos/air-tight containers for long term storage of food and seeds (to reduce post-harvest loss and keeping seeds stock) 	<ul style="list-style-type: none"> ● Training/coaching in production practices, post-harvest storage, seed selection ● Seeds ● Fertilizers
Input start-up packages for villages with high level of food-insecurity	<ul style="list-style-type: none"> ● Start-up packages (depending on the commodity, can be: seeds/seedlings, fertilizers, chicks, piglets, etc.) 	<ul style="list-style-type: none"> ● Start-up packages (depending on the commodity, can be: seeds/seedlings, fertilizers, chicks, piglets, etc.) ● Technical training
Livestock in general (goat, sheep, cattle)	<ul style="list-style-type: none"> ● Animal pens ● Fodder tree plantations ● Grinders/mixers for animal feed 	<ul style="list-style-type: none"> ● Young animals to distribute to farmers ● Vaccines ● Training in good practices

	<ul style="list-style-type: none"> ● Setting up/training animal health workers 	
Chicken raising	<ul style="list-style-type: none"> ● Setting up of a quality chick production unit to supply quality chicks to farmers: construction of adapted pens, incubator, lamps, feeding equipment, chick house, vaccination gun (but not purchase of operational costs later to run the business) 	<ul style="list-style-type: none"> ● Chicken wire for building cage ● Quality drinkers ● Vaccines ● Trainings in proper feeding and health practices
Pig raising	<ul style="list-style-type: none"> ● Setting up of a unit to produce hybrid / quality piglets: training of a potential breeder, purchase of an improved hog and a group swines, building of adapted pig pens, vaccines, etc. (but not purchase of operational costs later to run the business) ● Biogas units for production of methane to be used for electricity/cooking 	<ul style="list-style-type: none"> ● Construction of pig pens ● Training in proper feeding and health practices, purchase of fodder crops/seeds ● Pig feed grinder and mixer ● vaccines
Aquaculture	<ul style="list-style-type: none"> ● Setting up of a fish nursery for freshwater fishes that supplies other villagers: training for the breeder, construction of nursery facilities (breeding/hatching tanks, fry feed production (but not purchase of operational costs later to run the business)) 	<ul style="list-style-type: none"> ● Aerator ● Solar pumps ● Nets ● Coolboxes
Fishing	<ul style="list-style-type: none"> ● Fishing boats engines 	<ul style="list-style-type: none"> ● Boat repairing ● Nets ● Cooling boxes
Plantation (fruits trees, cocoa, coffee)	<ul style="list-style-type: none"> ● Setting up of advanced nurseries: training in grafting, purchase of quality mother plants from other provinces, construction of nursery, seedling trays (but not purchase of operational costs later to run the business) 	<ul style="list-style-type: none"> ● Subsidy for land ripping before ploughing (if necessary) ● Training in production practices ● Subsidy for grafted plants, drip irrigation, solar pump
Mushroom	<ul style="list-style-type: none"> ● Setting up mushroom mycelium/seed nursery: construction of small unit production, access to water, training in mycelium multiplication, raw material (starting mycelium) 	<ul style="list-style-type: none"> ● Small production units (shelves) ● Watering cans

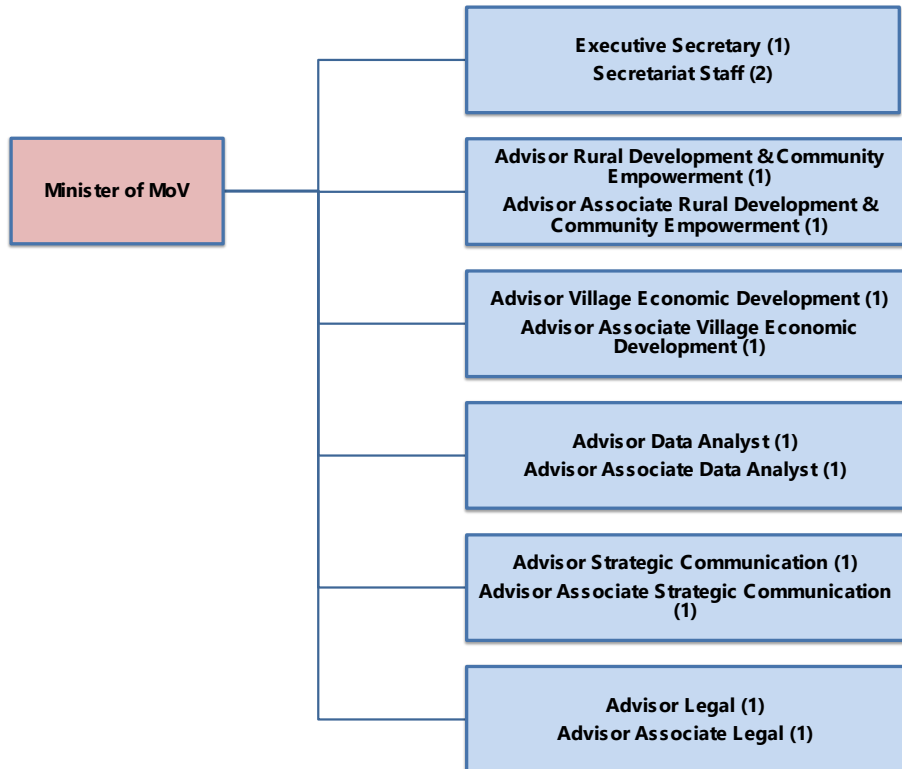
Attachment 3 to Chapter 3: The duties and functions of each personnel of the SPU's Advisor Team

The duties and functions of each personnel of the SPU's Advisor Team are as follows:

1. **Executive Secretary**
 - a) Developing and coordinating plans, programs, and budgets for SPU activities
 - b) Providing administrative support which includes administration, staffing, finance, correspondence, archives, and SPU documentation
 - c) Organizing procurement and management of goods in SPU programs and activities
 - d) Organizing coordination and synchronization in the evaluation, preparation, and submission of team reports periodically and or at any time as needed
2. **Advisor of Rural Development & Community Empowerment**
 - a) Conducting research and studies on rural development and community empowerment
 - b) Conducting research and studies on village current issues, trends, and problems
 - c) Providing input regarding design models in the development of easy-to-apply village data
 - d) Providing input regarding digital-based village development models
 - e) Designing the operationalization of the ministry's strategic policies related to digital-based village development
 - f) Assisting the minister in institutional relations, both government and private institutions related to village development
3. **Advisor of Village Economic Development**
 - a) Conducting research and studies on village economic development
 - b) Conducting research and studies on village economic issues, trends, and problems
 - c) Conducting research and studies on village economic potentials
 - d) Designing key concept and strategy in village economic development
 - e) Providing input and recommendation in policy-making regarding village economic development
 - f) Mapping analysis on obstacles and challenges in the implementation of village economic development
 - g) Preparing incidental and periodic reports regarding village economic development
4. **Advisor of Data Analyst**
 - a) Conducting research, mapping and analysis of the MoV's policies regarding to village information system.
 - b) Evaluating current policies of the MoV regarding implementation and data collection Village SDGs.
 - c) Providing analysis and recommendations on the results of the Village SDGs data collection.
 - d) Coordinate with Ministry Units related to data synchronization and analysis, especially with Data and Information Center (Pusdatin).
5. **Advisor of Strategic Communication**
 - a) Coordinating MoV's key policies and programs with other ministries and stakeholders
 - b) Coordinating MoV's units in following up on input and recommendation given by the SPU team
 - c) Developing strategic communication in creating public opinion about the ministry's policies and programs
 - d) Preparing materials for public outreach and effective media communication in delivering performance and flagship programs of the MoV
 - e) Providing technical support to the team regarding the development of media communication
 - f) Delivering the performance and flagship programs of the MoV to the media and public by improving the quality of information and communication
6. **Advisor of Legal**
 - a) Providing guidance and legal advice for the MoV

Structure of Proposed Strategic Policy Unit

Indonesia
Integrated Village Economic Transformation (TEKAD)



CHAPTER IV GENDER EQUITY AND SOCIAL INCLUSION STRATEGY (GESI)

TEKAD GESI strategy will adopt a two-pronged approach – mainstreaming GESI in all components and activities; and the adoption of the household methodology approach in Papua, based on the PNG experience.

The draft GESI strategy that has been prepared by the GESI Specialist as part of the PNMC pre-MTR will need to be reviewed by the PMU and the implementation units at the district levels through a write shop. The write shop is expected to validate the various GESI objectives, activities under the different components mentioned in the GESI strategy and finalisation of the GESI action plan in line with the TEKAD priorities post-MTR. The individual GESI Specialist that needs to be hired at the PMU level will lead this write shop and the finalisation of the GESI strategy and the implementation of the GESI action plan.

Lessons learned from PNPM Agriculture, VDP and other initiatives on targeting and GESI that need to be still considered for TEKAD going forth, include the following:

- field staff were not sufficiently trained on basic facilitation skills and community empowerment;
- the community empowerment objectives of the Village Law and the procedures for using the Village Fund are still unknown by the wider public;
- broad community ownership and Village Head buy-in of targeting and GESI activities are important;
- the village apparatus should play a role in targeting and GESI activities;
- where and how village meetings are called for are essential considerations that will determine the extent of participation and inclusion;
- given that literacy levels can be low, that Bahasa Indonesia is not understood everywhere, and that oral communication is frequently the most important form of communication, supplementary non-written communication (videos, pictorials, etc.) is important;
- in Papua especially, women only groups can be “the surest way to include women in group decision-making roles, and the groups serve to build women’s self-confidence as well as their skills; most importantly, in a women’s only group, they will not be talked down to, allocated extra work by men who will benefit from their labour, be taken advantage of, or otherwise be treated as chattel by male members”.

The above lessons on the successful implementation of the GESI initiatives need to be considered when finalising the TEKAD GESI strategy and GESI action including during the implementation of the household methodology approach in Papua.

4.1 Gender Equity and Social Inclusion Strategy (GESI)

Post-MTR TEKAD will finalise its draft Gender Equality and Social Inclusion (GESI) Strategy and accompanying draft GESI action plan to ensure that poor and marginalized target groups, women, disabilities, young people and indigenous groups in the target villages participate (decision process), access, and benefited in TEKAD activities. Given the socio-cultural diversity, while the GESI Strategy will build on core principles, it can be adapted to the specific features of each of the five target provinces.

Guidelines will define objectives, a core set of orientations and mechanisms building on the Village Law to : (i) profile target sub-groups; (ii) ensure gender equitable and social inclusion of the target groups and especially of disadvantaged or isolated groups in the village planning and budgeting process and in the development of village economic initiatives; (iii) develop transparent monitoring mechanisms to measure achievements and identify challenges, such as community reviews and grievance mechanisms to assess gender equitable and social inclusion in village processes; (iv) prevent elite capture, for which the main strategy will consist on empowering rural communities, including organizations strengthening and capacity building, emphasizing the poorest and more vulnerable segments, for them to participate and make their rights and priorities prevail in villages' decisions on the Village Fund resources allocation; (v) identify capacity building needs assessment of programme staff and key partners and identify capacity building needs assessment of programme staff and key partners; (vi) ensuring that economic organisations and multi-stakeholders' platforms are inclusive of women, disabilities, poor and indigenous youth, and that GESI issues are addressed as part of their regular agenda; (vii) develop an implementation plan with outcomes and indicators to be updated annually in conjunction with the AWPB. They will also provide detailed orientations for ensuring that TEKAD activities ensure social inclusiveness and accommodate the needs of women, young people and diverse socio-economic groups, building on the above guidance.

Expected outcomes, with targets and milestones that are already laid out in the draft strategy and will be monitored as part of TEKAD M&E system. Targets include the following:

- An overall gender participation rate of 50% of women amongst programme beneficiaries;
- An overall gender participation rate of 40% qualified women in the NPMU, PPIUs and DPIUs – while it may be harder to achieve in DPIUs, it should strongly be promoted;
- An overall 30% of decision-making positions in economic organisations occupied by women/disadvantaged groups;
- All of the service providers recruited to support the programme will be required to have experience in the principles and practice of gender and social inclusion.
- The terms of reference of all programme staff will include responsibility for gender and social inclusion objectives and support will be given to the recruitment of women to ensure gender-balanced programme implementer teams.

A GESI consultant will be hired immediately to finalise the GESI strategy and the GESI action plan by leading the GESI strategy and action plan finalisation write shop. There will need to be GESI focal points (preferably the M&E officers at the district levels) at the district levels to ensure the proper implementation of GESI activities in the districts. These district GESI focal points need to be appointed before the GESI write shop.

P rovince specific GESI guidelines need to be developed with detailed activities and mechanisms designed to mainstream GESI into all TEKAD activities within the province.

Adaptation to local specificities. Key steps in adapting GESI guidelines will be as follows:

- Once the GESI guidelines are finalised, capacity building workshops will be organised in every province to familiarise TEKAD staff and their colleagues in the relevant agencies, along a format that will be designed by the: GESI Specialist, that will be tested in one province with the expert participation, and will then be rolled out under the leadership of the district GESI Focal Point/Specialist;
- Village data will be collected to set up the Village Information System and village mapping will be undertaken in the core villages as described above under Sub-component 1.1 – Village Governance;
- Under the overall guidance of the National GESI Specialist, GESI guidelines will be reviewed and adapted in every district by the district M&E, TEKAD District Coordinator and the team of Village Governance Facilitators and of Economic Initiatives Advisors to take into account the local

specificities, building on the outcomes of the village data collection and mapping. Specificities could regard modalities for organising community consultation and participation; modalities for reaching out to women or youth; ways to reach out to remote areas; priority labour- and time-saving investments to ensure women participation; modalities to facilitate the recruitment of young women as village cadres/ KPMD etc.

- The revised guidelines will be reflected into the annual plans of activities of the TEKAD district team, and into the individual annual plans of activity of every member of the team, and in particular of the Village Governance Facilitators and of Economic Initiatives Advisors. These plans will be updated annually based on progress, which will be measured through the M&E system, Village Information System and annual reviews held as part of the preparation of AWPBs;
- Plans will be reviewed by the TEKAD Provincial Coordinators for their respective provinces and approved by GESI Specialist.

Implementation responsibilities. The five Provincial Coordinators will bear direct responsibility for ensuring that the programme meets both economic targeting and social inclusion objectives. The National GESI Specialist and the District GESI Focal Points (The following district level staff's ToRs include specific GESI responsibilities as well, as added already: M&E Specialist, District Coordinator, Village Governance/ Institutional Development Specialist, Economic Development Specialist) , each within their district , will have overall responsibility for guiding programme stakeholders in implementing the GESI Strategy, providing technical assistance, ensuring monitoring and promoting knowledge management.

All agreements (village agreements, district agreements), strategies (economic development strategies, district access to market strategies, district access to services strategies) and contracts (especially service contracts) will specifically promote gender equity and social inclusiveness objectives. Facilitators will be held accountable for achieving the results they have specified for themselves on targeting and GESI in their activity plans.

Targeting and inclusion mechanisms and activities have been mainstreamed throughout TEKAD design and activities composing the three programme components are outlined below.

Gender equity will be mainstreamed into all activities. Specific measures to support gender mainstreaming and achievement of the gender targets outlined above to be included in the GESI Strategy include: (i) support for women's groups where appropriate; (ii) training and extension tailored to women's needs; (iii) supporting women to be leaders and decision-makers; (iv) promoting gender sensitive career guidance services; and (v) promoting labour-saving and time-saving investments for women. These measures will be sensitive to differences in economic potential and capacity as well as age specific needs.

The design provides for a comprehensive M&E, learning and knowledge management framework to guide programme implementation, support economic decisions and policy-making, share knowledge and upscale good practices. GESI specialists will work closely with the Senior M&E Expert and the KM and Policy Development Expert to ensure that GESI objectives are integrated in the M&E and KM system. The GESI specialists, in close consultation with other technical specialists, will support the integration of GESI objectives into the M&E Annual Implementation Plans and in the Annual Model Development, Innovation and Communication as well as their practical operationalisation.

The baseline and completion survey, as well as the Village Information System, will disaggregate data by sex and age. A web-based Management Information System (MIS) which will track and regularly update gender-disaggregated financial and technical data on programme outputs and outcomes, lessons learnt and good practices. The GESI specialist will work closely with the Senior

M&E Specialist and the KM and Policy Development Expert to ensure that information dissemination is inclusive and accessible to all youth target groups.

4.2 Targeting and Inclusion Mechanisms

Based on the above, and on a review of other development partners' experiences in the programme areas, the design provides for a range of targeting and inclusion mechanisms that are built-into programme components. GESI specific features applicable to programme activities are outlined below and will be further developed in the GESI Strategy during the proposed write shop to finalise the strategy and GESI action plan and GESI guidelines to be prepared by Q1/2 (2023).

The GESI objective will be explained by awareness campaign in every targeted district. The entry point into the community will be the Village Head and the Village Council, which will agree, with support from the facilitators, on the best ways to organise the awareness activities and the village mapping so that they broadly reach out to women and men and to the various social segments in the community. This will include the mobilisation of community groups (including women and youth groups present in most of the villages), as well as organising inclusive community meetings at sub-village level.

Further to the awareness campaign, villages willing to participate in TEKAD activities will be requested to sign an agreement, which will specifically spell out village obligations in ensuring inclusive community participation in programme-supported activities and benefits and in facilitating access to land, in particular for young people, and make Village Heads accountable for it.

TEKAD will set up a Village Information System (VIS), which will be used to orient village planning and monitor progress. Data will be disaggregated by gender and age where appropriate and the questionnaire will ensure that men, women and young people have an opportunity to provide distinct answers.

One village cadres/KPMD per village will be responsible for supporting programme activities within the community (and in particular for the initial collection and regular update of VIS data) and will be trained accordingly. Village cadres/ KPMD will be young volunteers, possibly one woman and a man. It is important that every effort is made to identify young women to become village cadres/ KPMD because of the message this would give to the entire community: that women have the skills to exert such a qualified job, are not to be confined to household chores and low-skill activities, and can contribute to the welfare of the whole community. Community Empowerment Facilitators should propose modalities that would facilitate young women's participation, in line with the GESI strategy and under the guidance of the relevant District GESI focal point.

Each village will undertake an assessment of existing potential and constraints to village-led economic development, which will build on the Village Information System. The village mapping will be carried out with separate groups of villagers (men/women, different ages and social groups), building on the agreed with the Village Head and Village Council at the beginning of the awareness campaign. Village mapping will be conducted in PY 2, and will be updated annually by village groups. Village mapping will include:

- a rapid, participatory, age and gender-sensitive livelihoods and nutrition status analysis, which will differentiate between main socio-economic groups, as well as gender differences in roles and responsibilities, assets, access to resources, capacity and availability. The assessment will take into account different age/social categories of women (married in monogamous and polygamous unions, widowed, household heads) and will also review the potential for labour-saving and time-saving technologies for women;

- an assessment of the best ways of reaching out to women and youth. The women outreach assessment will point out locality-specific issues to consider in order to increase positive impact on community women and on community youth. In case the facilitator in question is a man, he will need to enrol the help of a female facilitator, who will meet women separately as part of the assessment exercise (where possible and appropriate in collaboration with local PKK groups). A first step will be to find out about how to create a safe environment for women/youth - if no such space exists. The assessments will provide analytical descriptions of all types of village groups (PKK but also, for example, religious groups, youth groups, savings and credit associations, parent-teacher associations, labour-pooling groups, etc.) in which women/youth participate and under which terms and conditions they do (or fail/choose not to do) so. Age, educational levels, ethnic group and clan affiliation, social and familial status will also be outlined in this section, as well as the presence of any opinion leaders among them. The potential and pros and cons of creating new groups, both women-only and mixed, will also be assessed. A similar approach will be conducted for the youth outreach assessments, which will address youth opportunities and constraints, aspirations and fears, and will identify potential youth opinion leaders, resource persons and role models.
- an age and gender-sensitive identification of existing land use and a characterisation of the different groups of users;
- a social issues focusing on both village traditional social structures (including adat), lines of power, village groups (producers', women, youth, religious or others) and businesses, and aiming at an in-depth understanding of:
 - local power dynamics and governance (statutory and traditional decision-making): one of the core elements of the traditional dimensions assessment will be an outline of proposals of how to better bridge the divide (especially in Papua) between statutory and traditional governance; this has been a major weakness of past interventions, which have often reinforced village élites who have not always taken the broader public interest into account. The Village Law provides for considerable flexibility (whether or not the village in question has opted to become a 'traditional village/desa adat, or not) in terms of accommodating 'informal' local governance arrangements where these may be conducive to extensive community ownership and strong buy-in as well as good target group participation.
 - local organizing practices for collective action and socio-cultural factors that could influence local economic development, including traditional forms of collectivism and redistribution that generate both economic and non-economic benefits and that hold potential for evolving into forms of social or indigenous entrepreneurship.

The village mapping methodology will draw on the 'indigenous food systems appraisal' developed by Aman²⁰, which starts with the mapping of customary land holdings and tenure regimes and assessment of natural resource tenure arrangements (access and use rights, i.e., land tenure/landlessness; forest tenure; hunting, gathering, and grazing rights; sea tenure; access to inland fisheries, etc.) including of both customary regimes and of the de facto application of village regulations. It also maps natural resources/'traditional' products' such as non-timber forest products, their use and production and marketing potential.

Social issues will provide orientations to ensure that the Village Economic Development Strategy and Annual Economic Development Plan are inclusive and will promote the welfare of the different groups that compose the community. It will also be used by village facilitators to establish their own work plan to promote gender equity and inclusion in all of their activities, with guidance from the National GESI specialist and relevant District GESI focal point.

²⁰ [Aliansi Masyarakat Adat Nusantara](#) or Indigenous Peoples Alliance of the Archipelago (AMAN) is the largest indigenous people's organization, representing 2,332 communities and 17,000 individuals.

Capacity building will be provided to Village Heads and village government, sub-village heads and leaders of village businesses (including BUMDes) and groups (producers' groups, women groups, youth groups, religious groups, other traditional groups) so they can engage in village planning and monitoring and facilitate broad community mobilization and participation. Capacity building will be delivered using visual presentation tools wherever possible to account for lower rates of literacy. The two village cadres/ KPMD, a young woman and a young man (see Village mapping and VIS), will mobilize broad-based community participation. They will particularly seek to mobilize young people, with a view to promote a network of village activists to ensure broad-based village participation.

Building on the Village Information System and on the village mapping, villages will be supported in developing a simple medium-term economic development strategy, which will specifically outline how the community intends to promote measures aiming at inclusiveness, i.e. ensuring the participation of women, youth and other special groups identified through the village mapping in activities and benefits. Facilitation and advisory services provided by TEKAD-financed facilitators will be tasked with ensuring broad and inclusive community participation in the planning, which may require organizing diverse types of meetings, for example broad community meetings, with representatives of sub-villages and of the main groups, and separate meetings with women or producers' groups.

Capacity building will be provided to District/Sub-District Heads and staff of the relevant departments to strengthen their abilities to provide technical assistance to district/sub-district facilitators and village governments. This will cover capacity building to foster gender equitable and socially inclusive village economic development and to contribute to implementing TEKAD GESI strategy.

Services mapping studies will provide information that will support villagers in planning economic development strategies and investments that build on local productive resources and have the highest potential for bringing back returns to households. The market opportunities and value chains analyses will lead to the selection of a limited number of inclusive value chains and a review of opportunities for growth and of challenges for different profiles of villagers. The services mapping will be carried out by service provider, in PY 1, and will be updated and or evaluated in PY3.

Economic inclusion, or the potential to bring different socio-economic profiles villagers into productive or value adding activities, will be one of the central objectives of the priority selection. Inclusive value chains will respond to the following features:

- build on local natural resources and activities known to villagers with potential for upgrading and improved commercialisation;
- have low entry costs for small producers, i.e. low asset requirements to start participation in the value chain;
- have potential to involve large numbers of villagers with different socio-economic profiles, including women, young people, indigenous groups or other marginalised groups;
- have potential for growth and open to replication of 'first mover technology' uptake and demonstration;
- have potential for gradual development of activities, from production of raw material to increased value adding, to enable villagers to gradually intensify and upgrade activities and investment in line with their resources and risk profile;
- have potential for the participation of remote villages and isolated communities (this criterion however would not need to be applicable to all of the selected value chains).

A preliminary review of market opportunities and main commodities to be considered will lead to the pre-selection of a basket of value chains to be further analysed, based on criteria that will have

been preliminarily agreed upon with the Value Chain Analysis Reference Group (see sub chapter 3.1.2 for details). One of the key criteria will be the potential for integrating women, youth and indigenous groups, and to reach out to remote villages.

Thorough value chain analysis will then be conducted, including to assess: (i) factors of socio-economic differentiation amongst producers (such as gender, generation gaps, clan networks) that could affect opportunities to benefit from the programme and provide orientations to secure broad inclusion; (ii) prerequisites for producers to integrate production, processing or marketing along the value chain; and (iii) opportunities for special groups - poorer households, women and youth, indigenous groups and remote villages.

Building on the services mapping studies, TEKAD will ensure that market facilitation services and other business development services are delivered along delivery modalities that are gender-sensitive (for example with regard to timing and organisation) and adapted to the profiles of specific groups. Resources will be available for building the capacities of service providers to ensure that service delivery is adapted to the needs of the target audiences, and in particular to women.

Formal and informal financial services will be mapped with a view to understanding needs and constraints related to proposed programme investments, as well as risks, vulnerabilities and capacity gaps in the financial access and literacy of different target sub-groups. This will include mapping target group access to the documents and certificates that will be required to access financing, such as land certificates, lease agreements, pro-forma invoices for machines, contract farming contracts etc. and advise on implications for financial inclusion. One of the key objectives in developing new financial products jointly with partnering financial institutions will be to offer alternatives to collateral-based loans to circumvent villagers' low assets base.

Targeting incentives are built into the design of inspiration activities under Sub-component 3.1: (i) Eastern Youth Ambassadors will help reach out to, and involve, village youths, and their selection will ensure gender balance; (ii) awards will reward village best collective efforts to make inclusive village economic transformation happen, i.e. showing impact on village households, women and youth; (iii) awards will also reward facilitators/extensionists and village cadres/ KPMD that use innovative facilitation approaches and obtain the highest adoption rates by both women and men in their villages.

Capacity Building and Orientation Packages will be sensitive to gender and other specific groups' constraints, and will provide solutions for supporting women's access (including labour- and time-saving technologies) and that of marginalised groups, including remote villages.

Gender equity and social inclusion considerations will be mainstreamed in all of the policy development activities. Areas for policy development identified during programme design include: (i) revised guidelines and legal framework for BUMDes to become an inclusive village economic development-supporting organization; and (iii) a survey on participation and accountability in Village Law implementation, building on the model of the Sentinel Villages Study, under the Local Solutions to Poverty programme implemented by the World Bank.

One of the key areas for strengthening the capacities of MoV and especially of the Community Empowerment and Development General Directorate will be the promotion of inclusive and profitable village economic development.

4.3 Household Methodologies

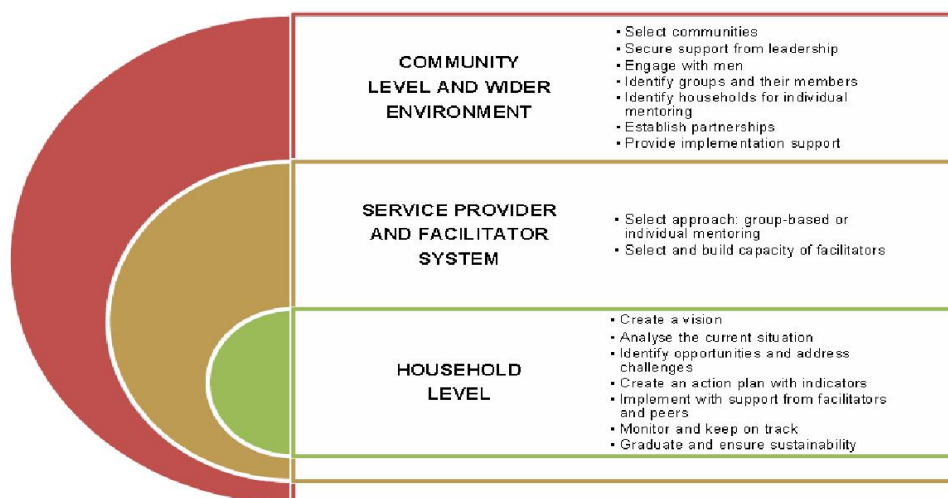
In Papua and West Papua, a cornerstone of the GESI strategy will be the implementation of a household-based approach. It has successfully been tried in Papua New Guinea under the name of Family Team approach (and implemented by IFAD in other countries) to propose a more equitable distribution of agricultural and household work done by women, men and youth. “[The Family Team approach] addresses the fact that households are not cohesive units with shared needs and resources and that different members pursue different goals and are responsible for different production and consumption activities. The family-based approach helps families to look at the work done by women, men and youth to work towards a more equitable distribution of agricultural and household work and to create a joint vision and an action plan for working towards this vision. It has been successful because it works through traditional leadership structures and explicitly includes men, seeking to build a consensus and demonstrate that social inclusion and gender empowerment will bring social and economic benefits to the entire family”²¹.

Specifically, the household-based approach will aim at: increasing the capacities of household members to jointly taking advantage of programme benefits to improve family welfare, through family planning and budgeting; empowering women so that they access programme benefits alongside men, within the family unit; raising awareness on good nutrition practices; and engaging the community to create a supportive environment for household level activities and for broad inclusion.

An important part of the household-based approach is the household situational analysis of gender roles and relations, nutrition and livelihood vulnerabilities, which often marks the starting point of a journey of self-discovery and emancipation. Target households, with the regular support of the facilitators, will carry out this analysis themselves. Another important feature is the setting of long-term household objectives, understanding the family budget and looking at gendered roles and responsibilities, creating a basic vision and road map for achieving the family dream by working together as a family and by knowing where to source non-technical and technical assistance.

The figure below provides a quick summary of the key elements of household-based methodologies (IFAD 2014).

Figure 4. Key Element of Household Methodologies



²¹ IFAD, Market for Village Farmers, Project Design Report, 2017.

In Papua and West Papua, the household-based approach will form the foundation through which TEKAD will promote village economic development plans, as well as support services such as extension, financial literacy and business education. The following key elements could be envisaged to prepare and implement a household-based approach.

Table 11. Envisaged activities in the household-based approach

Activity	Description
Creating and achieving a family vision	Setting family long-term objectives, understanding the family budget and looking at household gendered roles and responsibilities, creating a basic plan for achieving the family dream by working together as a family
Financial education	Planning and monitoring the family budget (one module) and saving to meet family goals (one module)
Healthy families	Enhancing the health of family members through good nutrition and hygiene practices
Follow-up	Discussing specific challenges and opportunities and providing targeted support and advice

A local consultant with experience in IFAD-supported household-based approach will assist TEKAD in developing a suitable methodology and manual for Papuan training the district team, which will then be tasked with providing training of trainers and coaching in target villages.

An enabling environment for the acceptance and successful deployment of the household-based approach will need to be created as part of TEKAD's awareness campaigns. The fact that facilitators will be using this methodology will be included in the agreement which Village Heads will sign with TEKAD if they want their village to participate in the programme.

Village Facilitators will have the responsibility to facilitate a balanced access of men and women, young people and other special groups in all types of peer-to-peer learning activities.

Building on the village mapping and on guidance from the GESI strategy, ways to adapt organizational models (such as, for example, cooperatives and microenterprises) to better match socio-cultural specificities will be sought at village level, with support from the national GESI consultant and the district GESI focal points. Facilitators will also support women and youth groups with potential for running economic activities, as well as gender/age-balanced group decision-making structures.

CHAPTER V FINANCIAL MANAGEMENT AND DISBURSEMENT ARRANGEMENTS

5.1 Implementing And Participating Organizations With Fiduciary Responsibilities

The NPMU will be operated under the authority of MoV's Directorate General of Economic Development and Investment in Village, Disadvantaged Regions and Transmigration, which will be delegated to the Director of Primary Product Development for Village, Disadvantaged Regions and Transmigration. They will have the overall accountability for the programme, including fiduciary aspects. The TEKAD Programme had applied a provincial deconcentration scheme for managing budget from the year of 2020 to 2022. In 2023, this scheme shifts to centralised one which is managed by four PPKs in Satker Directorate General Economic and Investment Development. These PPKs have their own responsibilities for three programme components and the sub component 3.3 Programme Management in TEKAD. The PPKs will arrange "Swakelola" Type II agreements with TPKs in each district accommodating district to village levels. This agreement is referred to Peraturan Presiden Nomor 12 Tahun 2021 tentang Perubahan atas Peraturan Presiden Nomor 16 Tahun 2018 tentang Pengadaan Barang /Jasa Pemerintah.

5.2 Financial management Risk Assessment

5.2.1. Inherent Risks: Country Issues, Entity Risks

Based on the Public Expenditure and Financial Accountability (PEFA) 2017 report, Indonesia has established a strong legal and regulatory framework aligned with most international standards on public finance management (PFM). Main PFM standards have been adopted on accounting, budget classification, internal control as well as internal audit. The Treasury Single Account is in place and constitutes the backbone of the expenditure management and control. Strong fiscal discipline is achieved through a budget formulation and execution processes guided by a strong macro fiscal framework and clear fiscal rules. The transparent and participatory budget formulation process is noteworthy; budget documentation and classification are comprehensive, and the scrutiny by the parliament is more effective. The Indonesian Corruption Perception Index (CPI) score for 2018 according to Transparency International website is 38 (2017: 37; 2016: 37; 2015: 36; 2014: 34; 2013: 32), scale 0-high and 100-low risk).

The inherent risk for Indonesia is medium. The programme design has taken this medium risk into consideration with the proposed financial management arrangement to ensure that an adequate system is in place at all level including a qualified set of financial management team.

5.2.2. Risks Linked to Programme Financial Management

Table 5.1. shows a summary of financial management risks and mitigation actions.

Table 5.1. - Financial management risks and mitigation actions

Risk Category	Risk Rating (H/M/L)	Proposed Risk Mitigation Measures	Residual Risk Rating (H/M/L)
A. Inherent Risks			
Country Level <ul style="list-style-type: none"> Poor TI index of 38/100. However, PEFA 2017 shows that Indonesia has been adopted main PFM standards including accounting, budget classification, internal control as well as internal audit 	M	-	M
Entity and programme design <ul style="list-style-type: none"> MOV is a new ministry with capacity issue; LPA has experience in implementing internal funding programmes, including VDP; Programme location: Papua and Papua Barat are the most challenging provinces in the country. 	M	Use VDP lesson learned to improve financial management system and provide better and clearer guideline for TEKAD	M
B. Programme Control Risks			
1. Organization & Staffing <ul style="list-style-type: none"> Inadequate dedicated government official to implement the programme, in financial management aspect in particular; Remoteness might create issue in coordination and communication. 	H	Government commitment to have a stronger and dedicated team to manage the programme. Financial Management consultants will be hired at national, provincial and district level to support FM function FM consultants will be hired individually. Not through service provider/company	M
2. Budgeting <ul style="list-style-type: none"> Delay in issue of budget documents 	M	Budget preparation is well defined, but there are frequent delays in execution. Decree on budget execution should be issued right after budget documents are issued	M
3. Funds Flow & Disbursements <ul style="list-style-type: none"> Delay from the date of entry into 	H	The extent possible, new financing should build on existing structures and mechanisms, and early and continuous	M

Risk Category	Risk Rating (H/M/L)	Proposed Risk Mitigation Measures	Residual Risk Rating (H/M/L)
<p>force to the date of first disbursement, resulting in slow start-up;</p> <ul style="list-style-type: none"> Delay in disbursement due to delay in submitting withdrawal application 		<p>consultation with Government is essential to mitigate delays.</p> <p>To ensure a smooth start-up of the programme including early recruitment of service providers and implementation of construction activities in PY1, preparatory planning, establishment of the PSU, recruitment of staff and procurement of service will take place at earlier stage.</p> <p>Financial management consultants recruited to assist day today programme financial management at national and district level</p> <p>IFAD to provide training on financial management procedures, including disbursement requirements</p> <p>First year implementation will be funded by IFAD and GOI only</p>	
<p>4. Internal Control</p> <ul style="list-style-type: none"> Staff turnover especially of government staffs can lead to poor management of programme financial documents 	H	<p>Internal control including financial document management and storage are documented in the programme manual</p>	M
<p>5. Accounting Systems, Policies & Procedures</p> <ul style="list-style-type: none"> Reliability of government accounting system for IFAD and programme monitoring purposes; No component identity in the government financial system. 	M	<p>The programme will develop an automation financial reporting system. Meanwhile a spreadsheet-based reporting system will be use to process the data derived from the government accounting system into programme financial reports for monitoring and reporting purposes</p>	M
<p>6. Reporting & Monitoring</p> <ul style="list-style-type: none"> The programme might not be able to produce reliable and timely financial report; Unclear system to capture GOI & community contribution in the programme financial report 	H	<p>Automation financial reporting system will be developed</p> <p>Provide guidance on how to capture GOI and community contribution in the programme financial report</p> <p>IFAD to conduct additional fiduciary supervision mission for the first 2 years to ensure that FM systems are in place</p>	M
<p>7. Internal Audit</p> <ul style="list-style-type: none"> The programme not included in to Itjen internal audit program; VDP internal audit was weak. 	H	<p>The programme to include the internal auditor (Itjen) in designing the internal audit framework for the programme</p> <p>To propose to MOF to include BPK as external audit for the programme</p>	M

Risk Category	Risk Rating (H/M/L)	Proposed Risk Mitigation Measures	Residual Risk Rating (H/M/L)
Itjen involved in budgeting process only			
8. Auditing <ul style="list-style-type: none"> Integrity of the Auditor; BPK is relatively new for IFAD programme. They have not yet familiar with IFAD procedure and/or system Poor follow up of auditor findings 	M	BPK will be assigned for the audit. The programme to create a tool to monitor follow up progress and status of auditor findings, and included in the PIM Public discloser will be included in the Auditor TOR	M
Programme Fiduciary Risk at Design	M		M
OVERALL FM RISK	M		M
* H=High, M=Medium, L=Low			

5.3 Cost and Financing

5.3.1. Cost

Total TEKAD cost inclusive of taxes and duties is estimated at EUR 78.42 million over a six-year implementation period. Programme investments are organized into three components: Component 1 – Village Economic Empowerment (61.81% of the costs); Component 2 – Partnerships for Village Economic Development (28.07%); and Component 3 – Innovation, Learning and Policy Development (10.12%). Table below presents the summary of project costs by component.

Table 5.3.2 – The Summary of Project Costs by Component

	IFAD Loan		IFAD Grant		Financing Gap		The Government		Beneficiary		Village Fund		Total 2020-2025	Duties & Taxes 2020-2025
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	
REALLOCATION 2020-2025 (EUR)														
A. Village Economic Empowerment														
1. Village Governance	5,418,284		651,741		5,128,570		29,851		1,270,263		-		7,370,139	
2. Village Economic Initiatives	2,309,485		-		32,573,412		100,885		397,354		38,292,249		41,099,974	
Subtotal Village Economic Empowerment	7,727,769		651,741		37,701,983		130,735		1,667,617		38,292,249		48,470,112	
B. Partnerships for Village Economic Development														
1. District Support for Village Economic Developme	14,875,973		-		7,782,916		99,525		-		-		20,527,987	
2. Economic Services	1,051,198		71,252		359,777		4,101		-		-		1,486,327	
3. Financial Services	2,499,937		-		-2,499,937		-		-		-		-	
Subtotal Partnerships for Village Economic Development	18,427,108		71,252		5,642,756		103,625		-		-		22,014,314	
C. Innovation, Learning and Policy Development														
1. Innovation, Learning and Inspiration	631,979		-		686,799		4,644		-		-		1,323,422	
2. Policy Development and Institution Building	347,528		618,104		487,594		13,491		-		-		1,193,723	
3. Programme Management	2,665,615		18,903		-4,791,689		10,834,788		-		-		5,418,433	
Subtotal Innovation, Learning and Policy Development	3,645,123		637,007		-3,617,297		10,852,922		-		-		7,935,578	
Total PROJECT COSTS (EUR)	29,800,000		1,360,000		39,727,442		11,087,283		1,667,617		38,292,249		78,420,004	

1 EUR=1.0035USD

5.3.2. Financing

TEKAD will be financed from an IFAD loan of EUR 29.80 million, an IFAD grant of EUR 1.36 million, beneficiary contribution estimated at EUR 1.66 million (cash and in-kind), Gol contribution under the Village Fund estimated at EUR 38.29 million, and Gol contribution in taxes and staff salaries of EUR 11.08 million. A financing gap of EUR 39.72 million has been identified from project year 3, which will be financed by IFAD with resources from its next funding cycle (2022-2024) or by a co-financier willing to partner and acceptable to the Gol; the current IFAD financing is adequate to cover the first

3 years of implementation. Table below presents the structure of components by financier, and table shows the distribution of expenditure accounts by financier.

Table 5.3.2 – The Structure of Components by financier

	IFAD Loan		IFAD Grant		Financing Gap		The Government		Beneficiary		Village Fund		Total 2020-2025
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount
REALLOCATION 2020-2025 (EUR)													
A. Village Economic Empowerment													
1. Village Governance	5,418,284		651,741		5,128,570		29,851		1,270,263		-		7,370,139
2. Village Economic Initiatives	2,309,485		-		32,573,412		100,885		397,354		38,292,249		41,099,974
Subtotal Village Economic Empowerment	7,727,769		651,741		37,701,983		130,735		1,667,617		38,292,249		48,470,112
B. Partnerships for Village Economic Development													
1. District Support for Village Economic Development	14,875,973		-		7,782,916		99,525		-		-		20,527,987
2. Economic Services	1,051,198		71,252		359,777		4,101		-		-		1,486,327
3. Financial Services	2,499,937		-		-2,499,937		-		-		-		-
Subtotal Partnerships for Village Economic Development	18,427,108		71,252		5,642,756		103,625		-		-		22,014,314
C. Innovation, Learning and Policy Development													
1. Innovation, Learning and Inspiration	631,979		-		686,799		4,644		-		-		1,323,422
2. Policy Development and Institution Building	347,528		618,104		487,594		13,491		-		-		1,193,723
3. Programme Management	2,665,615		18,903		-4,791,689		10,834,788		-		-		5,418,433
Subtotal Innovation, Learning and Policy Development	3,645,123		637,007		-3,617,297		10,852,922		-		-		7,935,578
Total PROJECT COSTS (EUR)	29,800,000		1,360,000		39,727,442		11,087,283		1,667,617		38,292,249		78,420,004

1 EUR=1.0035USD

Table 5.3.2 – The distribution of expenditure accounts by financier

PROPOSED RECALCULATION in EUR	Total project cost (EUR)	IFAD funds				Counterpart funds			
		IFAD loan	IFAD grant	Financing gap	Total	Government	Beneficiary	Village Fund	Total
I. Works (*)	5,645,560	719,352	-	3,989,080	4,708,433	937,128	-	-	937,128
II. Goods, Services and Inputs (*)	16,338,273	4,705,944	-	10,015,076	14,721,019	1,617,253	-	-	1,617,253
III. Consultancies (*)	15,360,384	14,119,872	-	-	14,119,872	1,240,512	-	-	1,240,512
V. Training (*)	19,624,265	4,963,654	-	12,821,171	17,784,824	1,839,441	-	-	1,839,441
VI. Operating Costs (*)	20,554,250	5,291,179	-	12,902,115	18,193,293	2,360,957	-	-	2,360,957
IV. Consultancies (IFAD grant) (*)	1,360,000	-	1,360,000	-	1,360,000	-	-	-	-
6. Grants (Village Fund) (**)	38,292,249	-	-	-	-	-	-	38,292,249	38,292,249
7. Beneficiary Contribution (**)	1,667,617	-	-	-	-	-	1,667,617	-	1,667,617
8. Recurrent Costs (**)	3,091,993	-	-	-	-	3,091,993	-	-	3,091,993
TOTAL proposed reallocation (EUR)	121,934,591	29,800,000	1,360,000	39,727,442	70,887,442	11,087,283	1,667,617	38,292,249	51,047,149

1 EUR=1.0035USD

5.4 Financial Management and Disbursement Arrangements

5.4.1. Financial Management Organization and Staffing

Overall, the programme financial management will be the responsibility of the Finance Officer within the NPMU secretariat. The NPMU will be supported by a hired Finance Specialist at national level (1 person) and district level (1 person per district).

The financial management staffing at national and subnational level can be seen in Table 5.2. All staff will be hired under individual contracts by the NPMU.

Table 5.2. – TEKAD Financial Management Staff

Position	Number	Remark
National Level		
Financial Management Specialist	1	Consultant
KPA	1	Government Staff
PP-SPM	1	Government Staff
Treasurer	1	Government Staff
PPK	4	Government Staff
Provincial Level		
PPK	1 per Province	Government Staff
Treasurer Assistant (Bendahara Pengeluaran Pembantu)	1 per Province	Government Staff
District Level		
PPK	1 per district	Government Staff
Treasurer Assistant (Bendahara	1 per district	Government Staff

Pengeluaran Pembantu)		
-----------------------	--	--

5.4.2. Withdrawal Plan per Year

Overall, the programme TEKAD will be planning disbursement for Loan, Grant and Gol per Year (2020 -2025). With detail disbursement can be seen in table 10 for Loan, table 5.3 for Grant and Table 12 for Gol.

Table 5.3. – TEKAD Loan Withdrawal Plan

CATEGORY	IFAD LOAN [1] (EUR)						Total
	2020	2021	2022	2023	2024	2025	
I. Works	-	-	-	1,543,453	2,675,253	489,727	4,708,433
II. Goods, Services and Inputs	-	230,182	231,248	5,636,115	6,144,163	2,479,311	14,721,019
III. Consultancies Loan	210,755	1,780,532	2,131,837	3,500,790	3,357,710	3,138,248	14,119,872
IV. Consultancies Grant	-	-	-	-	-	-	-
V. Training	-	1,391,909	30,880	3,686,401	7,960,096	4,715,538	17,784,824
VI. Operating Costs	43,154	1,454,685	1,063,890	5,141,944	5,462,776	5,026,844	18,193,293
Total	253,909	4,857,307	3,457,855	19,508,703	25,599,999	15,849,668	69,527,442

[1] including the committed IFAD loan under the existing Financial Agreement and Financing Gap.

Table 5.4. – TEKAD Grant Withdrawal Plan

CATEGORY	IFAD GRANT (EUR)						Total
	2020	2021	2022	2023	2024	2025	
I. Works	-	-	-	-	-	-	-
II. Goods, Services and Inputs	-	-	-	-	-	-	-
III. Consultancies Loan	-	-	-	-	-	-	-
IV. Consultancies Grant	11,985	5,717	84,438	667,728	425,548	164,585	1,360,000
V. Training	-	-	-	-	-	-	-
VI. Operating Costs	-	-	-	-	-	-	-
Total	11,985	5,717	84,438	667,728	425,548	164,585	1,360,000

Table 5.5. – TEKAD Gol Withdrawal Plan

CATEGORY	GOI (EUR)						Total
	2020	2021	2022	2023	2024	2025	
I. Works	-	-	-	173,687	301,050	462,390	937,128
II. Goods, Services and Inputs	-	-	25,808	629,020	685,721	276,704	1,617,253
III. Consultancies Loan	-	-	218,044	358,061	343,427	320,980	1,240,512
IV. Consultancies Grant	-	-	-	-	-	-	-
V. Training	-	-	3,465	413,649	893,198	529,128	1,839,441

VI. Operating Costs	24,544	464,058	119,313	576,656	612,637	563,748	2,360,957
8. Recurrent Costs (*)	4,090	617,947	228,020	747,312	747,312	747,312	3,091,993
Total	28,634	1,082,005	594,650	2,898,386	3,583,345	2,900,263	11,087,283

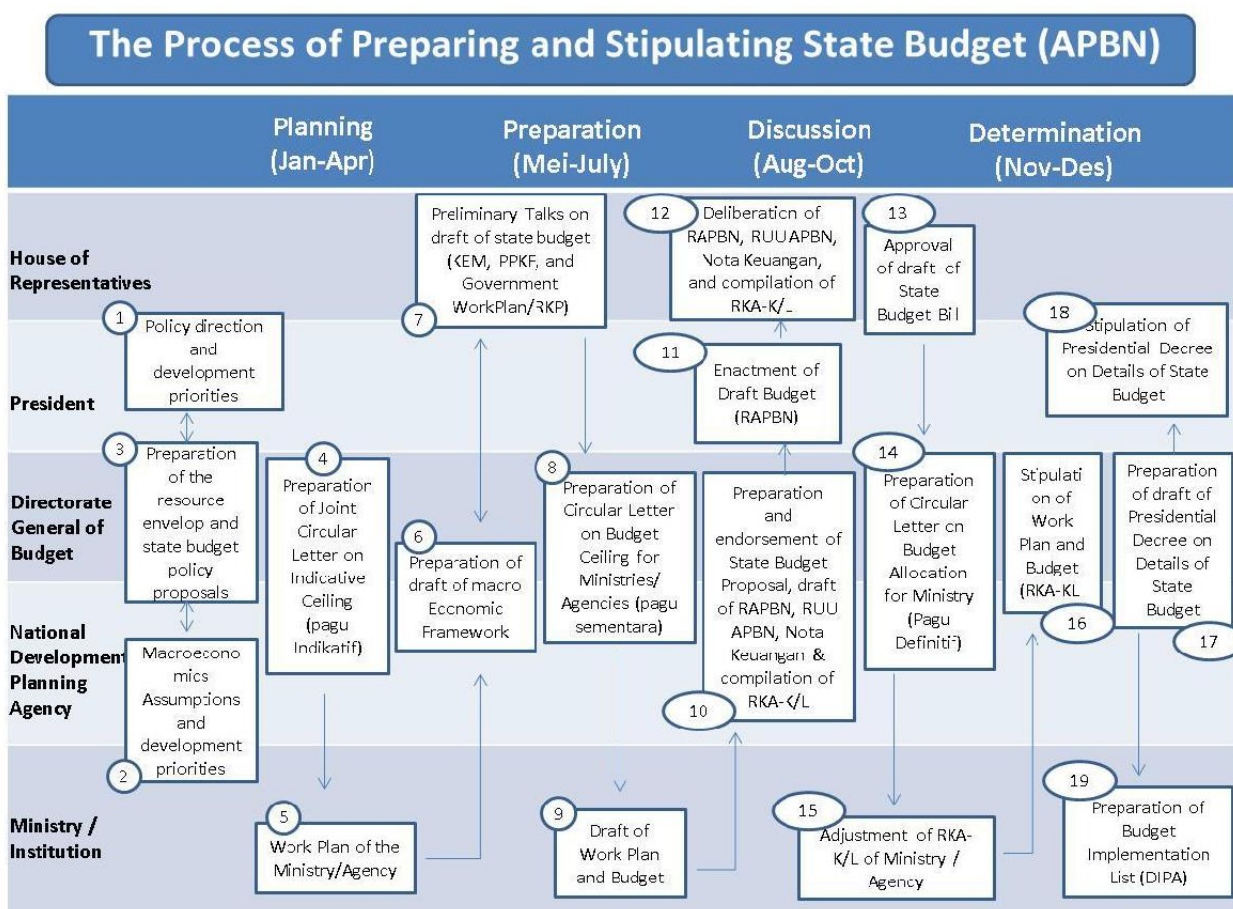
(*) Number not exist in FA, following original PDR categories

5.4.3. Budgeting

The NPMU will prepare Annual Work Plans and Budgets (AWPB), to be submitted to IFAD for review and no objection. The AWPB shall include the activities, respective costs, source of funds, schedules, and also procurement plan. The annual budget (DIPA) preparation will follow the annual government budget processing procedures as described in Figure 1. Under TEKAD, the DIPA budget documents are being arranged as follows:

- Central DIPA budget to be executed by central Satker would cover NPMU operation, monitoring, coordination and other consultant services at central level, and will cover district operations, facilitator's salaries and allowances and programme activities at district level. The district Satker will execute payments, administer and report on programme activities in respective district.

Figure 5. Process of Preparing and Stipulating State Budget (APBN)



5.4.4. Disbursement Arrangements and Flow of Funds

Designated Account. The programme will have two Designated Accounts in EURO, in the name of the Ministry of Finance (MoF) at Bank Indonesia (BI): one account for the IFAD loan funds and one for the IFAD grant. Funds in these accounts will be used to pay eligible programme expenditures incurred by NPMU. The modalities of the designated account for the IFAD resources will be detailed in the Letter to the Borrower (LTB), which will be issued by IFAD. Documentation evidencing the opening of the Designated Account, with details of the names and titles of the persons authorized to operate this account, must reach IFAD before withdrawal from the loan and the grant accounts can begin. A sample form is provided in the LTB.

Authorized allocation. The maximum authorized allocation to the IFAD's Designated Accounts will be EUR 3,000,000 for the Loan, and EUR 250,000 for the grant. One or more advances may be withdrawn within this authorized allocation. The authorized allocation to the Designated Accounts may be amended during the course of programme implementation based on the Interim Financial Reporting cleared by IFAD.

In general, there will be three types of disbursement mechanisms for the programme: (i) Advance Withdrawal; (ii) Direct Payment; (iii) Reimbursement. The IFAD loan will be disbursed in accordance with IFAD Financial Management and Financial Control Handbook (before July 2022 known as a Loan Disbursement Handbook²²). Considering the activities, the programme will adapt impress account arrangement, with advance payment and then followed by replenishment to the DA.

Withdrawal application. The NPMU is responsible to prepare the documentation and reporting required to submit withdrawal application. The forms and explanatory notes on their preparation are provided in the LDH (Section 3, Annexes 2 and 3) and in the LTB. The forms provided in the LTB, Annex 3 supersede the corresponding ones provided in the LDH.

Eligibility of expenditure will require the following:

- The expenditure shall meet the reasonable cost of goods, works and services required for the programme and veered by the relevant AWPB and procured in conformity with the procurement guidelines;
- The expenditure shall be incurred during the programme implementation period, except expenditures to meet the costs of winding up the programme that may be incurred after the programme completion date and before the closing date;
- The expenditure shall be incurred by a programme party;
- If the Financing Agreement allocates the amount of the financing to categories of eligible expenditures and specifies the percentages of such eligible expenditures to be financed, the expenditure must relate to a category whose allocation has not been depleted, and shall be eligible only up to the percentage applicable to such category;
- The expenditure shall be otherwise eligible in accordance with the terms of the Financing Agreement (FA).

Start-up costs. The programme may request an advance withdrawal up to EUR 300,000 from the Loan and EUR 100,000 for the Grant, to incur programme start-up expenditures before the satisfaction of the additional (general/specific) conditions precedent to withdrawal, in accordance with FA, General Conditions, Section 4.02(b) and FA, Schedule 2. Any unused balance of the start-up advance will be treated as part of the initial advance under the authorized allocation.

Withdrawal Applications for Advance Withdrawal and Reimbursements may be submitted once ninety (90) days have lapsed from the submission of the previous withdrawal application. If, however, the requested withdrawal amount is at least thirty per cent (30%) of the advance

²² <https://www.ifad.org/en/document-detail/asset/39635782>

described in LTB, paragraph 16, a withdrawal application may be submitted even if ninety (90) days have not lapsed.

The Direct Payment procedure should be used only for payments of more than USD 200,000 equivalent. Programme expenditures below this threshold should be paid from the programme's Designated Account. Withdrawal applications will be processed by the Financial Control Division (FCD) of IFAD. An application for withdrawal, accompanied by a summary of expenditure by category and by relevant forms and supporting documents, should be sent in original to IFAD.

Refund of Withdrawals. Any amount withdrawn from the programme loan to finance any expenditure other than the eligible expenditure or will not be needed thereafter to finance the eligible expenditures, shall be promptly refunded to IFAD. The refund shall be made in the currency used to disburse such withdrawal.

5.4.5. Supporting Documents, Statement of Expenditure (SOE) and SOE Thresholds

LDH, Section 4 provides details regarding the use of the Statements of Expenditure (SOE) to justify advances or seek reimbursement. The format for the SOE to be used for financing is attached as Annex 1. The applicable SOE threshold for withdrawal application, under procedure (i) "Advance Withdrawal", and under procedure (iv) "Reimbursement", is USD 50,000 for all expenditure categories. SOE thresholds can be changed by IFAD during the programme implementation period by notification to the Borrower and Programme Management.

Withdrawal applications for contracts or invoices with amounts higher than these SOE thresholds must be accompanied by copies of relevant supporting documents evidencing eligible expenditure (Refer to LDH, Section 3). The SOE and other documentation shall state amounts requested for withdrawal after excluding amounts financed from other financing sources or counterpart funds.

Withdrawal applications for Direct Payments must be accompanied by a signed copy of the contract and relevant supporting documents evidencing eligible expenditure (e.g. invoices, receipts, documentary evidence of completion of contracted goods and services, payee's bank identity certificate).

Since July 2022 the WAs for "Advance / Initial deposit" are submitted on a quarterly basis as per the IFR's cash forecast for the correspondent quarter, the WAs for "Justification" are submitted on a quarterly basis as per the expenditures for the previous quarter reported in the quarterly IFRs.

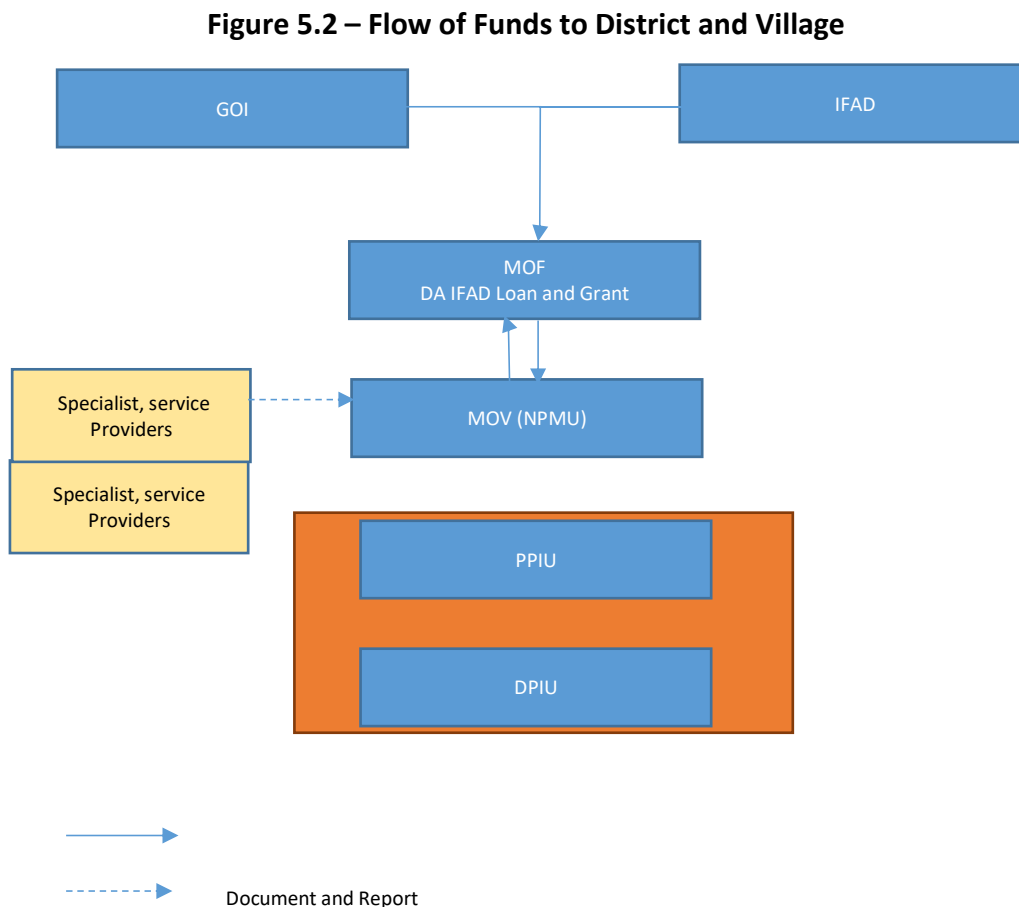
5.4.6. Flow of Funds

The programme funds will be channelled through two sets of fund flow mechanism:

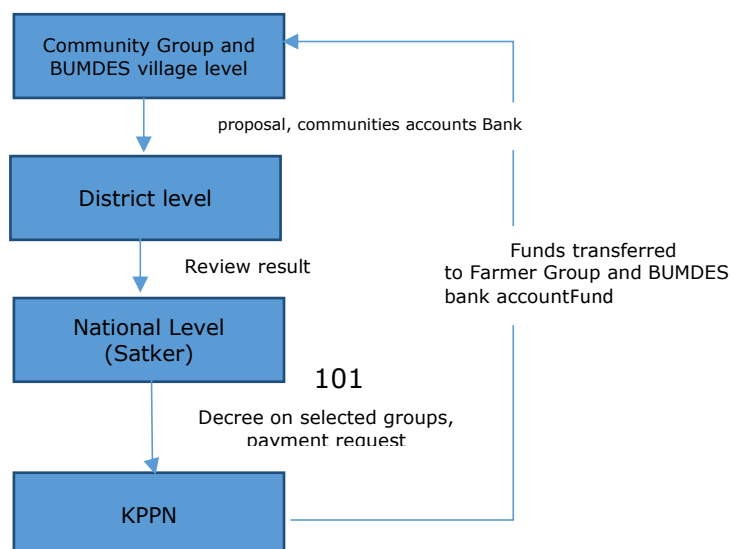
- **Technical assistance and financial support** to local government follows central government regulation.
- **Investment support at village level.** Financial support to communities follows GoI regulations on government grant to communities (PMK 168/2015, PMK 173/2016 and 132/PMK.05/2021) and the principles of CDD, including participatory governance, local empowerment, and accountability. The fund will be budgeted at the central level and the transfer to community at village level will be made based on the decree issued by Ministry of Village. The locations and allocation per village will be based on criteria set by NPM. The community is required to open a group bank account for fund channelling and the fund will be disbursed in two tranches (flexibility 70:30). The community group will be required to prepare simple accounting and financial reports for the investment they receive. The financial report and complete payment supporting documents from the previous tranche will be one of the requirements for the disbursement of next tranches to the community. The community group should keep all financial documents for audit and review. In order to minimize accounting risks, facilitators will assist the community groups in administering the investment grants and in certifying the report prior to submission to national satker. A separate community grant technical guidelines should be prepared prior to the disbursement to community.

- Technical Assistance and Support** to project management unit will be budgeted and executed by satker at central level. This mechanism will also cover capacity building at central and provincial level. The satker team will verify payment documents before processing the payment to contractors/service providers.

The flow of funds and reporting mechanisms are shown in Figure 5.2.



5.4.7. Accounting Systems, Policies and Procedures



Financial transactions at national and subnational level will be recorded in the government accounting system (SAI) and included in the government accountability reports. The FM team will manage the accounting requirements of the programme, as well as the overall accounting system. The finance team will also be responsible for ensuring adequate records and verification of programme expenditures.

Under the current government accounting system, the payment vouchers (SPM and SP2D) do include information on the programme categories but not for component/subcomponent. Report modification will be conducted accordingly through an automated reporting system that will be developed in PY1. The project needs to ensure the establishment of financial reporting application will be completed immediately after the mid-term review.

5.4.8. Internal Control

In general, for expenditures of the TEKAD program will follow the government internal control mechanism where segregation of identified duties including:

- Authorization is conducted by the Commitment Making Officer (PPK)
- Authorization and Approved by KPA and PPSPM
- Recording is conducted by the Treasurer; and
- Custody of assets is conducted by the Commitment Making Officer (PPK).

The dedicated verification team for the project should ensure all payments are properly supported by adequate supporting documents and necessary reporting. A verification checklist to list all required documents and personnel conducting review process needs to be established and is used by verification personnel for each incoming invoice submission from vendors. Compliance to internal controls will be part of the audit by Inspectorate General and fiduciary review conducted on supervision mission.

For the DEMPLOT Grant and Competitive Investment, facilitators will be required to support in facilitation and reviewing the financial report prepared by the Grantee and BUMDES., before submission to Satker (administration and payment taskforce). The Satker team will also conduct further review on documents submission from community before payment is made to the farmer group and BUMDES bank account.

5.4.9. Financial Reporting

All financial transactions for the programme will be recorded in the government accounting system as well as included in the government accountability reports. In addition, the programme will prepare a separate set of programme financial reports that are suitable for programme monitoring purposes. This will be facilitated through an automation system which will be developed in PY1.

Interim Financial Reports. The NPMU will be responsible to prepare aggregate Interim Financial Reports with an agreed format and submit them to IFAD quarterly within 30 days after the period end.

The programme will also submit annual financial statement for each fiscal year that states all programme operation, resources and expenditures. All financing resources (IFAD, counterpart contribution, beneficiary contribution, co financier funds) shall be accounted in the report after the result reviewed Itjen . The unaudited financial statements should be submitted three months after end of fiscal year. Attachment 2 gives an example for a programme Financial Statement format.

Counterpart Contribution. The counterpart contribution under TEKAD project is divided into three types: GOI, beneficiaries, and village funds. The GOI counterpart contribution may include tax

contribution and salary of project staff (both central, district, and village level) that is financed by government-owned fund (*Rupiah Murni*, RM). The office space and supporting cost that are financed by RM can also be included in this type of contribution. As for beneficiaries' contribution, the project may include meals for village meeting, labour cost from manpower provided, and related material and equipment that are used to support the implementation of the project. In addition, for village fund (VF) contribution, the actual contribution will be obtained from VF portion that is spent for economic development with TEKAD facilitation.

For these three types of expenditures, the project will prepare a reporting format that is included in the Financial Management Manual (FMM) of the project. The reporting format of each contribution will be different, matching the needs of different types of contribution (GOI, beneficiaries, and VF) and this report should be filled by village cadre on a regular basis (quarterly). This report needs to be further verified by facilitators and personnel at the central level, before being claimed on the financial statement of the project. The adequate supporting documents to back up recorded contribution should also be available, for further review and verification.

During IFAD review/supervision missions, NPMU should prepare consolidated financial reports for IFAD review which should include information on the: (i) annual approved/agreed AWPB; (ii) approved annual budget; (iii) annual budget expenditures; (iv) cumulative AWPB; (v) cumulative approved budget to date; and other information required for the mission.

5.4.10. Audit

Internal audit. TEKAD internal audit will be conducted by the Inspectorate General (Itjen) who is reporting to the Minister. Itjen will conduct internal monitoring of the Programme performance, financial management and administration through audit, review, evaluation and supervision. However, the capacity of Itjen is limited to cover all audit components.

External audit. The programme annual financial statement will be audited by the independent auditor, BPK in accordance with International Standards on Auditing. The audited programme financial statements will be submitted in English to IFAD within 6 (six) months of the end of the fiscal year by the Executing Agency. The annual audit report will include required financial statements that is stipulated in IFAD Handbook for Financial Reporting and Auditing. The government has been made aware of IFAD's policy on delayed submission, and the requirements for satisfactory and acceptable quality of the audited programme financial statements. IFAD reserves the right to verify the programme's financial statements to confirm that the share of IFAD's financing is used in accordance with IFAD's policies and procedures. After review, IFAD will disclose the Programme financial statements and the opinion of the auditors on the financial statements. The draft term of reference for the auditor is in Attachment 3.

5.5 Financial Management Supervision Plan

The programme will be jointly supervised by GoI and IFAD. Formal joint supervision missions will be conducted at least once per financial year with additional implementation support missions mobilized as necessary. At least one additional implementation support mission will be mobilized within the first 6 months of programme implementation and at least one additional implementation support mission during the second year.

During joint supervision missions and implementation support mission, the main topics to be reviewed and discussed will include, among others: (i) comparison of programme progress against AWPB; (ii) cumulative programme expenditures based on the source of funds, per component/sub-component and per category; (iii) loan and/or grant disbursements; (iv) financial data filing system; (v) check a sample SOE to verify their accuracy against IFAD records and adequacy of supporting documents; (vi) asset register; (vii) latest audit report and its follow up action progress; (viii) procurement; and (ix) compliance with the loan covenants.

Two interim reviews will be jointly organized by IFAD and GoI, one at the end of PY3 and the other one in PY5. Interim reviews are a means to improve programme performance and relevance, as well as to identify re-orientation to the programming that may be needed to ensure the achievement of the original objectives. Loan and/or grant fund re-allocation may be necessary to adjust the changes.

Attachment 1 - Evidence of Authority to Sign Withdrawal Applications

(Sample letter – to be submitted on letterhead) [to include full street address, city, country]

International Fund for Agricultural Development (IFAD) Date: _____ Via Paolo di
Dono, 44
00142 Rome,
Italy

Attention: Finance Administration Services
Accounting and Controller's Division

Subject: IFAD Loan/Grant/Financing No.:
Programme Name:

Dear
Sirs/Madams:

I refer to the Financing Agreement between IFAD and [Name of Borrower/Recipient], dated [----]. In accordance with the provisions of Section 4.04(b) of IFAD's General Conditions for Agricultural Development Financing dated 29 April 2009 as may be amended from time to time, I hereby designate the following person (or persons) whose authenticated specimen signature(s) appear(s) below as authorized, on behalf of the Borrower/Recipient, to sign Applications for Withdrawal under the above-referenced IFAD Loan/Grant/Financing. This notification enters into effect as of [---- date].

(Optional) The following is the official email address which will be used by the Borrower/Recipient to submit Applications for Withdrawal and other official communications to IFAD:

_____ . Any communication not originating from this address should be disregarded.

_____	Specimen signature	_____
(Name(s) and Title(s))		(Name(s) and
_____	Specimen signature	_____
Title(s))		(Name(s) and Title(s))
_____	Specimen signature	_____
Specimen signature		

(Indicate if the authorization to sign is jointly with another person(s)).

Signed by:

Title of the Borrower/Recipient's
Designated Representative
(as provided in the Financing Agreement)

Attachment 2 - Example of Programme Financial Statement

Programme Name.....

Implementing Agency.....

IFAD Loan/Grant Number.....

PROGRAMME FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 200X

Prepared in accordance with The Cash Basis of Accounting Method of the International Public Sector
Accounting Standards (IPSAS)

**PROGRAMME NAME AND NUMBER
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 200X**

CONTENTS	PAGE
Programme Information and performance	1
Statement of programme management responsibilities	2
Report of the independent auditor	3
Statement of cash receipts and payments (by category)	4
Statement of cash receipts and payments (by component)	5
Statement of comparative budget and actual amount	6
Statement of Special Account movements	7
Statement of Special Account Reconciliations	8
SOE-Withdrawal Application Statement	9
Notes to the Financial Statements	10-11

PROGRAMME NAME AND NUMBER
PROGRAMME INFORMATION AND PERFORMANCE
PROGRAMME NAME AND NUMBER

- Institutional Details/Information: Implementing agency, status, location, names, account numbers and address of bankers (Special and Programme accounts) name and address of independent auditors
- Members of the Programme Coordinating Unit: Names and roles
- Background Information on the Programme: Source of financing: size of Loan/Grant(s), effective and closing date(s)
- Programme Objectives: As per Design Completion/Appraisal Report
- Programme Costs: By component and category of expenditures as per Financing Agreement and Design Completion/Appraisal Report
- Summary of Performance: Physical progresses as per Progress/Supervision Reports

PROGRAMME NAME AND NUMBER

STATEMENT OF ACCOUNTING OFFICER AND PROGRAMME COORDINATOR'S RESPONSIBILITIES

(INDEPENDENT AUDITOR'S LETTERHEAD)

REPORT OF THE INDEPENDENT AUDITORS

(Consolidated auditors report on the Programme Financial Statements, the Special Account and the SOEs
Opinion)

PROGRAMME NAME AND NUMBER
STATEMENT OF RECEIPTS AND PAYMENTS (BY CATEGORY OF EXPENDITURES)
FOR THE YEAR ENDED DECEMBER 31, 200X

		Notes	200X	200X-1	Cumulative to date
			Local currency	Local currency	Local currency
	Balance B/F	4	XXX	XXX	
FINANCING					
IFAD Credit					
	Initial Deposit				XXX
	Replenishments to SA		XXX	XXX	XXX
	IFAD Direct Payments	5	XXX	XXX	XXX
	Government Funds	6	XXX	XXX	XXX
	Other Donors	7			
	Other Receipts	8			
	TOTAL FINANCING		XXX	XXX	XXX
PROGRAMME EXPENDITURES:					
(BY CATEGORY OF EXPENDITURES)					
Cat	IFAD CREDIT				
1	AAA	9	XXX	XXX	XXX
2	BBB	9	XXX	XXX	XXX
3	CCC		XXX	XXX	XXX
4	DDD		XXX	XXX	XXX
5	EEE		XXX	XXX	XXX
6	GGG		XXX	XXX	XXX
7	HHH		XXX	XXX	XXX
8	LLL		XXX	XXX	XXX
			XXX	XXX	XXX
	Government Funds				
1	AAA		XXX	XXX	XXX
2	BBB		XXX	XXX	XXX
	TOTAL		XXX	XXX	XXX
	TOTAL PROGRAMME EXPENDITURES		XXX	XXX	XXX
	BALANCE C/F	4	XXX	XXX	XXX

PROGRAMME NAME AND NUMBER
STATEMENT OF RECEIPTS AND PAYMENTS (BY COMPONENT)
FOR THE YEAR ENDED DECEMBER 31, 200X

		Notes	200X	200X-1	Cumulative to date
			Local currency	Local currency	Local currency
	Balance B/F	4	XXX	XXX	
	FINANCING				
	IFAD Credit				
	Initial Deposit				XXX
	Replenishments to SA		XXX	XXX	XXX
	IFAD Direct Payments	5	XXX	XXX	XXX
	Government Funds	6	XXX	XXX	XXX
	Other Donors	7			
	Other Receipts	8			
	TOTAL FINANCING		XXX	XXX	XXX
	PROGRAMME EXPENDITURES:				
	(BY COMPONENT)				
Comp	IFAD CREDIT				
A	AAA		XXX	XXX	XXX
B	BBB		XXX	XXX	XXX
C	CCC		XXX	XXX	XXX
			XXX	XXX	XXX
	Government Funds				
A	AAA		XXX	XXX	XXX
B	BBB		XXX	XXX	XXX
	TOTAL		XXX	XXX	XXX
	TOTAL PROGRAMME EXPENDITURES		XXX	XXX	XXX
	BALANCE C/F	4	XXX	XXX	XXX

PROGRAMME NAME AND NUMBER
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
FOR THE YEAR ENDED DECEMBER 31, 200X

		200X Budget	200X Actual	Variance
		Local currency XXX	Local currency XXX	Local currency XXX
	Notes			
FINANCING				
IFAD Credit				
	Replenishments to SA	XXX	XXX	XXX
	IFAD Direct Payments	XXX	XXX	XXX
	Government Funds	XXX	XXX	XXX
TOTAL FINANCING		XXX	XXX	XXX
PROGRAMME EXPENDITURES: (BY CATEGORY OF EXPENDITURES)				
Cat	IFAD CREDIT			
1	AAA	XXX	XXX	XXX
2	BBB	XXX	XXX	XXX
3	CCC	XXX	XXX	XXX
4	DDD	XXX	XXX	XXX
5	EEE	XXX	XXX	XXX
6	GGG	XXX	XXX	XXX
7	HHH	XXX	XXX	XXX
8	LLL	XXX	XXX	XXX
		XXX	XXX	XXX
Government Funds				
1	AAA	XXX	XXX	XXX
2	BBB	XXX	XXX	XXX
TOTAL		XXX	XXX	XXX
TOTAL PROGRAMME EXPENDITURES		XXX	XXX	XXX
Surplus/Deficit for the period		XXX	XXX	XXX

The excess/deficit of actual expenditures over the Budget of X% was due to....

PROGRAMME NAME AND NUMBER
 STATEMENT OF SPECIAL ACCOUNT ACTIVITIES
 FOR THE YEAR ENDED DECEMBER 31, 200X

Account No: _____
 Bank: _____
 Address: _____

			USD (or as otherwise denominated)	Local Currency
Opening Balance	Notes		XXX	XXX
Add:				
IFAD Replenishments:				
Date	WA No	XXX		
Date	WA No	XXX		
		XXX	XXX	XXX
Bank Interests			XXX	XXX
Total			XXX	XXX
Deduct:				
Transfers to Operating Accounts:				
Date		XXX		
Date		XXX		
		XXX	XXX	XXX
Bank Charges			XXX	XXX
Exchange Rate Difference			XXX	XXX
Closing Balance as at 31/12/200X (as per Bank Statement)			XXX	XXX

Include reconciliation with IFAD records

PROGRAMME NAME AND NUMBER
 STATEMENT OF SPECIAL ACCOUNT RECONCILIATION
 FOR THE YEAR ENDED DECEMBER 31, 200X

Account No: _____
 Bank: _____
 Address: _____

USD (or as otherwise denominated)	Local Currency
-----------------------------------	----------------

Notes

1 Initial Deposit	XXXX	XXXX
2 Less amount(s) recovered:	XXXX	XXXX
3 Outstanding Amount advanced	XXXX	XXXX

Represented by:

4 Special Account Balance as at 31/12/200X	XXXX	XXXX
Plus amounts claimed but not yet credited as at 31/12/200X:		
WA	XXX	Date
WA	XXX	Date
	XXX	XXXX
	XXXX	XXXX

Plus amounts withdrawn not yet claimed, composed of:

Was Prepared not yet submitted:

WA	XXX	
WA	XXX	
	XXX	

Was not yet prepared: XXX

6 Total amount withdrawn not yet claimed	XXXX	XXXX
Less Interest earned and/or plus Bank charges (if included in the Special Account)		
7	XXXX	XXXX
8 Total Special Account Advance as at 31/12/200X	XXXX	XXXX
Difference between Line 3 and line 8	XXXX	XXXX

Notes:

a Explain any difference between lines 3 and line 8

b Indicate if amount in line 6 is eligible for financing by IFAD and provide reasons for not claiming

PROGRAMME NAME AND NUMBER
 SOEs-WITHDRAWAL APPLICATION STATEMENT
 FOR THE YEAR ENDED DECEMBER 31, 200X
 by Category of Expenditures in Local Currency

Notes	Category description	Category description	Total	In USD Equivalent	Rejected from IFAD	Net Reimbursed
Cat No	1	2				
WA No:						
	XXX	XXX	XXX	XXX	XXX	XXX
	XXX	XXX	XXX	XXX	XXX	XXX
	XXX	XXX	XXX	XXX	XXX	XXX
	XXX	XXX	XXX	XXX	XXX	XXX
Total						XXX
WA Pending for Submission:						
WA No:	XXX	XXX	XXX	XXX	XXX	XXX
	XXX	XXX	XXX	XXX	XXX	XXX
						XXX
TOTAL	XXX	XXX	XXX	XXX	XXX	XXX

Withdrawal Applications are submitted for reimbursement to IFAD using the historical exchange rate of the transfers to the Operating Account
 Expenditures rejected by IFAD (if any) should be detailed here.
 This statement should be reconciled with the Statement of Receipts and Payments and include reconciliation with IFAD records

PROGRAMME NAME AND NUMBER

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 200X**

1. FINANCIAL REPORTING UNDER INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS (IPSAS)

In accordance with International Public Sector Accounting Standards (IPSAS), notes to the financial statements of an entity should:

- Present any information about the basis of preparation of the financial statements and the specific accounting policies selected and applied for significant transactions and other events, and
- Provide additional information which is not presented on the face of the financial statements but is necessary for a fair presentation of the entity's cash receipts, cash payments, cash balances and other statements as statement of financial position.

2 SIGNIFICANT ACCOUNTING POLICIES

The principle accounting policies adopted in the preparation of these financial statements are set out below:

A Basis of Preparation

The financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting

B Cash Basis of Accounting

The cash basis of accounting recognizes transactions and events only when cash is received or paid by the entity.

C Foreign Currency Transactions

Cash receipts and payments arising from transactions in a foreign currency are recorded in the financial statements using the average rate of exchange. Cash balances held in foreign currency are reported using the closing rate. Gains/Losses on foreign currency transactions/balances are dealt within the Statement of Special Account Activities.

3 BUDGET

The budget is developed on the same accounting basis (cash basis), same classification and for the same period as the financial statements. Material variances (above XXX) have been explained as notes to the financial statements

4 CASH/FUND BALANCES

Reconciliation

	200X Loc currency	200X-1 Loc currency
Cash Accounts	XXX	XXX
Advances	XXX	XXX
	XXX	XXX

4-a CASH DETAILS

	200X Loc currency	200X-1 Loc currency
A/c No _____ Programme Operating Account	XXX	XXX
A/c No _____ IFAD Special Account (as per SA Statement)	XXX	XXX
Petty cash	XXX	XXX
	XXX	XXX

5 DIRECT PAYMENTS

These payments were made directly by IFAD from the Loan/Grant account to the specified supplier/service provider in accordance with the terms and conditions of the financing Agreement

Include here details of direct payments WA, Date, currency and amount received, amount in local currency

6 GOVERNMENT COUNTERPART FUNDS

Details here. Cumulative contributions, yearly contributions (compared to budget). Include details of counterpart contributions as tax exemption.

Include details of tax treatment

7 OTHER DONOR FUNDS

	200X Loc currency	200X-1 Loc currency
List of Donors	XXX	XXX
	XXX	XXX
	XXX	XXX
	XXX	XXX

Add details of cumulative and expected contributions

8 OTHER RECEIPTS

	200X Loc currency	200X-1 Loc currency
Interest Income	XXX	XXX
other income (specify)	XXX	XXX
	XXX	XXX
	XXX	XXX

9 NON-CURRENT ASSETS

Financial Statement Currency

	Cat 1 -Infrastructure		Cat 2 Vehicles		Cat 3-Equipment	
	200X	200X-1	200X	200X-1	200X	200X-1
Opening Balance	XXX	XXX	XXX	XXX	XXX	XXX
Additions (Statement of Receipts and Payments)	XXX	XXX	XXX	XXX	XXX	XXX
Disposals	XXX	XXX	XXX	XXX	XXX	XXX
Closing Balance	XXX	XXX	XXX	XXX	XXX	XXX

This schedule includes all assets acquired from the commencement of the Programme. These assets are stated at cost. Existence and beneficial ownership to be verified by the auditors. Apart of the summary schedule, details schedules for yearly changes to be included.

10 YEARLY PROCUREMENTS

Include here a list of the yearly procurements including methods

Attachment 3: Audit Term of Reference

1. Background

The International Fund for Agricultural Development (IFAD) is aiding Government of Indonesia (GOI) in the form of loan and grant for this programme. The financing agreement has been signed between IFAD and GOI on IFAD requires the GOI to appoint an independent auditor to audit the accounts related to the programme, in accordance with IFAD Handbook on Financial Reporting and Auditing. The reporting entity is TEKAD Programme. TEKAD programme prepares its financial statements in accordance with IFSAS.

2. Objective

The objective of this audit is to enable the auditor to express an opinion on whether the financial statements (including additional disclosures as outlined in section 5) present fairly, in all material respects, the financial position of the reporting entity as at [insert year-end date], and/or the results of its operations and its cash flows for the years then ended, in conformity with the IFSAS.

3. Responsibilities of the programme

General	<ul style="list-style-type: none"> ● Provide financial statements for the activities financed by the loan and grant that are reconcilable to its records and accounts. ● Provide the auditor with access to all legal documents and correspondence with consultants, contractors and other persons or firms engaged by the programme, and any other information associated with the programme and deemed necessary by the auditor. ● Ensure that the accounting policies are consistently applied and disclosed. ● Ensure that appropriate internal controls are implemented to prevent misstatements and susceptibility to fraud. ● Ensure compliance with all relevant laws and regulations that pertain to the entity, as well as with the financing agreement between the [borrower/recipient] and IFAD. ● Provide the financial statements to the auditor within a reasonable time and be available for any queries that the auditor may have.
Financial Statement	<p>The programme shall:</p> <ul style="list-style-type: none"> ● Prepare financial statements covering the reporting period [date] to [date], in accordance with [IPSAS/IPSAS “Financial Reporting under the Cash Basis of Accounting” standards]. In addition, the following specific disclosures will be included in the financial statements: ● Withdrawal application statement– appendix 1 to the IFAD Handbook on Financial Reporting and Auditing of IFAD-financed Programmes; ● Sources and uses of funds statement – appendix 2 to the IFAD Handbook on Financial Reporting and Auditing of IFAD-financed Programmes; ● Designated Account statement and reconciliation – appendix 3 to

	<p>the IFAD Handbook on Financial Reporting and Auditing of IFAD-financed Programmes;</p> <ul style="list-style-type: none"> • [Statement of Expenditure – appendix 5 to the IFAD Handbook on Financial Reporting and Auditing of IFAD-financed Programmes] – applicable to grants; • [Expenditure transaction list – appendix 6 to the IFAD Handbook on Financial Reporting and Auditing of IFAD-financed Programmes] – applicable to grants.
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4. Responsibilities of the Auditor

Auditing Standard	<ul style="list-style-type: none"> • The auditor is responsible for the formulation of an opinion on the financial statements in accordance with [ISA/ISSAI/national auditing standards];
General Principle	<p>By agreeing to these terms, the auditor confirms that:</p> <ul style="list-style-type: none"> • BPK is a member of the International Organization of Supreme Audit Institutions (INTOSAI).] • BPK is able to conduct the audit in line with auditing standards acceptable to IFAD, pursuant to paragraph 4.1. • BPK can assign an audit team to the audit that has the necessary competence and skills. • BPK has a proven track record in conducting audits of a similar nature and complexity.
Management Letter	<p>The management letter is an integral part of the audit package that documents accounting and internal control issues identified by the auditors. The management letter should:</p> <ul style="list-style-type: none"> • Outline the auditor’s recommendations to improve identified accounting and internal control issues; • Include the responses of programme management to the identified control issues, and its proposal to address the issues identified within a specific time period. • Where applicable, follow up on the issues identified in the previous year’s management letter.
Reporting	<p>The Auditor is required to deliver an audit package that includes:</p> <ul style="list-style-type: none"> • The audited financial statements, including additional disclosures as outlined in paragraph 3.2; • An audit opinion on the financial statements, within the scope as outlined in paragraph 5; • A report on factual findings, within the scope of agreed-upon procedures as outlined in paragraph 6. Any ineligible expenditure identified should be clearly mentioned. • A management letter, including the information outlined in paragraph 4.3; <p>The audit report should provide sufficient detail as to the nature and extent of the procedures performed by the auditor. The auditor is required to provide the audit package by no later than [insert date]. Reports are to be delivered in English.</p>

5. Scope of the financial audit

In performing the audit, at a minimum the auditor shall:

1. Obtain an understanding of the internal controls related to the financial reporting process, to identify and assess any weakness in internal control that might result in misstatements, whether due to fraud or to error;
2. Design and conduct audit procedures in response to any weaknesses identified in the internal controls relating to the financial reporting process, to obtain audit evidence that the financial statements are fairly presented and free from material misstatements, in accordance with the applicable accounting framework;
3. Verify whether expenditure that was incurred in the name of the programme is in line with the terms of the financing agreement(s) (appendix xx) and incurred for the purposes intended in this agreement. All funding should be taken into consideration;
4. Verify that the inventory and fixed assets held by the entity exist, are complete, are properly accounted and are used for the programme purposes;
5. Note any weaknesses in the internal control environment and in the financial reporting process, and communicate those in the management letter.
6. [List others].

6. Scope of the agreed-upon procedures

The auditor is required to perform the following specific procedures and report on factual findings as required in paragraph 4.4.

<p>Withdrawal Application Statement</p>	<p>The auditor is requested to obtain the individual withdrawal applications (WAs) submitted to IFAD, as summarized in the withdrawal application statement, and develop test procedures to:</p> <ol style="list-style-type: none"> a. Determine whether the Designated Account currency equivalent was determined using the historical exchange rate of transfers to the operating account; b. Determine whether goods and services have been purchased through the SOE mechanism in line with the stipulated SOE threshold; c. Determine whether the expenditures claimed through SOE procedures were properly and appropriately authorized, classified⁴⁷ and supported by audit documentation; d. Identify any ineligible expenditure; e. [List additional procedures, if applicable].²³
<p>Designated Account Statement and Reconciliation</p>	<p>The auditor is requested to review the activities of the designated account(s) associated with the programme, including the initial advance, replenishments, interest that may accrue on the outstanding balances, and the year-end balances. The auditor is requested develop test procedures to:</p> <ol style="list-style-type: none"> f. Check the accuracy of the Designated Account reconciliation(s); g. Confirm that the Designated Account(s) have been maintained in accordance with the provisions of the financing agreement; h. [List additional procedures if applicable].

²³ Procedures may include enquiry/analysis/recalculation/comparison/observation/inspection

7. Public Disclosure

IFAD promotes public disclosure of programme financial information to enhance the level of transparency and accountability. IFAD will disclose programme audit reports, as appropriate, in line with the Fund's disclosure policy. Management Letters issued by auditors are not subject to public disclosure by IFAD. In agreeing to the terms of reference, the auditor explicitly acknowledges IFAD's right to publicly disclose audit reports (audited financial statements and audit opinion) and will issue reports without a limitation of use clause.

To facilitate the public disclosure process, the auditor is requested to submit two separate files as follows:

- Audited financial statements and audit opinion; and
- Management Letter.

8. Appendices

[list as applicable]

Appendix: Financing/grant agreement(s)

Appendix: Letter to the Borrower

Appendix: IFAD Handbook on Financial Reporting and Auditing of IFAD-financed Programmes

Signed

by/date:

CHAPTER VI PROCUREMENT

Section 7.05 of the General Conditions (Financing Agreement) provides that procurement of goods, works and services shall be carried out in accordance with the provisions of the **borrower/recipient's procurement regulations, to the extent such are consistent with the IFAD Project Procurement Guidelines**²⁴. Each AWPB must contain a Procurement Plan, which shall identify procedures that must be implemented by the borrower/recipient in order to ensure consistency with the IFAD Project Procurement Guidelines.

6.1 Procurement Principles and Ethics

Principles of procurement for goods/services.

Procurement of goods/services should apply the following principles:

- a. Efficiency - Procurement of goods/services must be conducted by utilizing the minimum amount of funds and effort to meet the expected quality within the specified time frame or by using the specified amount of funds to achieve the procurement target and outcome at maximum quality;
- b. Effectiveness - Procurement of goods/services must be conducted in consistence with the specified requirements and targets and must result in benefits to the maximum extent possible;
- c. Transparency - All terms and conditions as well as information on Procurement of Goods/Services are clearly stated and accessible to the public and interested goods/service providers;
- d. Openness - Procurement of goods/services is open to all goods/service providers meeting the conditions/criteria as clearly set out in the terms and procedure;
- e. Competitiveness - Procurement of goods/services must be conducted through healthy competition among equal and qualified goods/service providers as many as possible in order to obtain competitive bids/proposals of goods/service without any intervention disrupting the market mechanism;
- f. Fairness - Giving equal treatment to all prospective goods/service providers not having any tendency which may favour a certain party, and maintaining national interest;
- g. Accountability - Must be conducted in accordance with the relevant rules and regulations on Procurement of Goods/Services in order to ensure accountability.

Ethics of procurement for goods/ services.

All stakeholders involved in the process of procurement for goods/ services should follow the following ethics:

- a. Conduct the tasks with discipline and responsibility to achieve targets, smoothness and accuracy in achieving the goal of procurement for goods/ services;
- b. Work professionally and independently, keep secrecy of documents for procurement for goods/services, which nature should be kept in secret to avoid deviation in procuring goods/services;
- c. Not influence each other, directly or indirectly, leading to unfair competition;
- d. Accept and responsible on any decision made as agreed by all concerned parties;
- e. Avoid and prevent a conflict of interest among parties involved in the procurement process of goods/services, directly or indirectly;

²⁴ Any reference to IFAD Project Procurement Guidelines also includes the IFAD Procurement Handbook. Ensuring that applicable procurement rules are consistent with IFAD's Project Procurement Guidelines is mandatory; the Handbook is used as a guidance document for the borrower/recipient. For both the Guidelines and the Handbook, the latest version shall always apply."

- f. Avoid and prevent state financial waste and leaks in the procurement of goods/services;
- g. Avoid and prevent misconduct of authority and / or collusion for benefits of certain individual, groups or other parties, which will harm the state, directly and indirectly; and
- h. Not receive, not offer, or not promise to give or receive a gift, remuneration, commissions, rebates and in any form whatsoever from or to anyone known or reasonably suspected to be related to the Procurement of Goods / Services.
- i. staff and other individuals holding a work contract with IFAD are expected to adhere to the highest ethical standards, both in their professional and personal dealings, and to abide by the core values of the Fund: integrity, respect, professionalism and focus on results. This includes an obligation not to sexually harass, exploit or abuse others. In furtherance of that, IFAD staff and individuals holding a work contract with IFAD have the following responsibilities:
 - 1. Abstain from engaging in any acts of sexual harassment and/or SEA.
 - 2. Acts of sexual harassment and/or SEA are considered serious
 - 3. misconduct, which may lead to summary dismissal, termination of
 - 4. contract and/or referral to national authorities.
- j. Abstain from encouraging or condoning acts of sexual harassment and/or SEA committed by others in connection with an IFAD-funded or -managed activity or operation. Encouraging or condoning acts of sexual harassment and/or SEA is considered misconduct, which may lead to disciplinary measures.
- k. Abstain from any sexual activities with beneficiaries, as such relationships are marked by inherently unequal power dynamics, and may undermine the credibility and integrity of the work of the Fund.
- l. Contribute to a work environment that prevents sexual harassment and SEA from occurring in the first place. In particular, managers and supervisors are expected to clearly communicate IFAD's no-tolerance policy towards sexual harassment and SEA, behave in an exemplary manner and encourage timely reporting of sexual harassment and SEA allegations. IFAD staff and individuals holding a work contract with IFAD are required to participate in anti-harassment and SEA trainings and support the Ethics Office in awareness-raising campaigns involving third parties, in particular project staff and local communities.

Conflicting interests of related parties as referred to the above paragraph, in the case of:

- a. Directors, board of commissioners, or core personnel on a business entity, concurrently serving as a Board of Directors, The Board of Commissioners, or core personnel in the other business entities that participate in the same tender or selection;
- b. Consultant planner or supervisor in the construction acts as the executor that he/she planned or supervised, except in the implementation of integrated procurement;
- c. Construction management consultant has a role as planning consultant;
- d. Manager / manager of the cooperative and concurrently as procurement commitment officer (PPK)/ working group/ procurement Officer at implementation of the procurement of goods / services at Ministry / Institution / Local Government work units;
- e. Procurement commitment officer / working groups / procurement Officers are directly or indirectly controlling or running a business entity; and / or
- 2. Several business entities that follow the same tenders / selection, controlled directly or indirectly by parties who same, and / or share ownership is more than 50% (fifty percent) that is controlled by the same shareholder.

6.2 Procurement Process

The Public Procurement called Government Procurement of Goods / Services is an activity that is undertaken by Regional Ministries / Institutions / Local government work unit which has been

processed since identification needs, up to the final handover of work results. In general, the procurement process consists of planning, preparation and implementation of procurement.

6.3 Procurement plan of goods and services.

The initial step of the procurement process of goods and services is procurement planning. According to Presidential Regulation Number 12 Year 2021 and its amendment from time to time, it involves identifying needs, determination of goods / services, methods, schedules, budgets and procurement plan. The identification of supply (supply) of goods / services will have to pay attention to several things, consisting of:

- a. ease of getting goods on the Indonesian market with sufficient amount to meet the needs;
- b. level of Domestic Components and Small Medium enterprise product;;
- c. number of producers and / or number of business entities; and / or
- d. goods needed are domestic products or imported goods, manufacturers or can be done by hand / manually.

Procurement planning consists of:

- a. Procurement planning through self-management; and / or
- b. Procurement planning through Service Providers.

Procurement planning through Self-Management includes:

- a. Self-management type determination;
- b. Preparation of technical specifications / ToR;
- c. Self-manage committee structure and
- d. Preparation of cost estimates / Budget Plans Cost.

Self-management constitutes the activity of Procurement of Goods/Services that is planned, exercised and supervised Regional Ministries / Institutions / Local government work unit itself as the budget responsibility holder (type 1), other government agencies (type 2), community organization (type 3) and/or community groups (type 4). Self-management is carried out when goods / services are needed cannot be provided or is not sought after by Providers. Self-management can also be used in order to optimize utilization of resources / technical capabilities possessed government, goods and services that are confidential and capable implemented by the Ministry / Institutions / Local government work unit concerned, as well as in order to increase the role and / empowerment of community organization and community groups with regards to:

- a. In order to optimize the use of technical resources / capability owned by the government, implementation must be adjusted to the main tasks and functions according to responsibility of the implementing Ministry / Institution / Local government work units.
- b. In order to increase the participation / empowerment of community organization, the implementation must be adjusted to the objectives of the establishment of the community organization (vision and mission) and competencies of community organization.
- c. In order to increase group participation / empowerment Society, implementation must be adjusted to the needs and community group competencies.

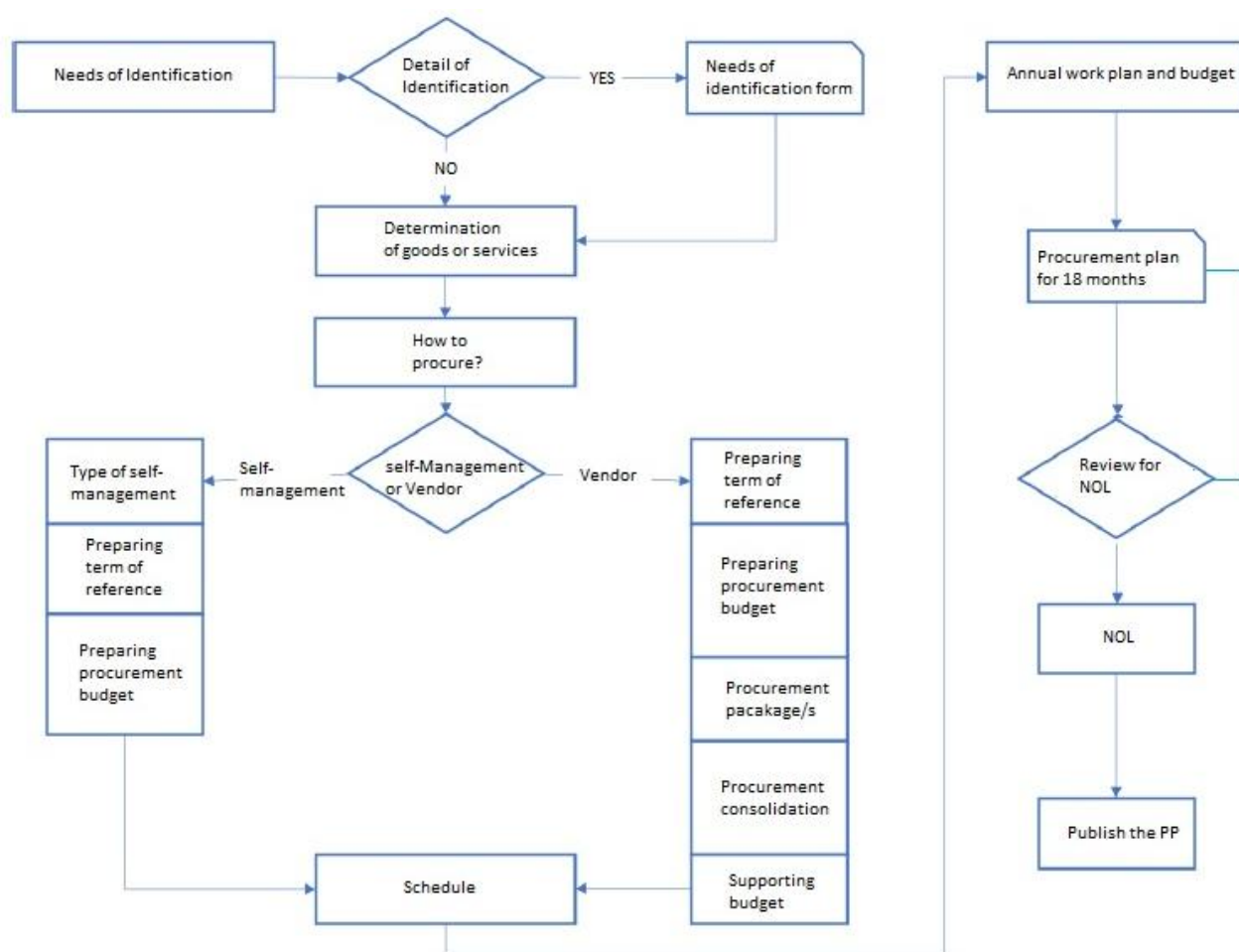
Procurement planning through service providers includes:

- a. Preparation of technical specifications / KAK/ToR;
- b. Preparation of cost estimates / RAB;
- c. Procurement package of goods / services;
- d. Consolidation of procurement; and
- e. Preparation of supporting costs.

One of the procurement objectives is to ensure the availability of goods / services based on value for money that is measured by right quality, quantity, time, cost, place and provider. Presidential regulation encourages the value for money to be achieved by improving the quality of procurement planning. Referring to the explanation, Based on Indonesian National Public Procurement Agency (LKPP) Regulation Number 11 of 2021 concerning Government Goods/Services Procurement Planning, Procurement actors in the Procurement Planning stage consist of Budget Users (PA) and Commitment Making Officers (PPK) is used as a reference for Ministries / Institutions / by the Ministry / Institutions / Local government work unit.

Procurement specialists to be hired by TEKAD will be responsible for preparing procurement planning at the national and provincial level or consolidating procurement of goods/ services at the provincial level which is then ready to be announced through a general procurement plan information system (<https://sirup.lkpp.go.id/sirup>). The procurement plan should be developed in a participatory manner with all Project Implementers in Province. The consolidated procurement plan will be submitted to IFAD for review and "no-objection". The first year of the procurement plan should include procurement of goods and services for 18 (eighteen) months and the following years is minimum 12 (Twelve) months, then to be updated any time as required. The mechanism of procurement plan is shown in Figure 6.1 below. A draft procurement plan is attached to the PIM

Figure 6.1. Mechanism of Procurement Plan Preparation



Any amendments to the Procurement Plan shall be subject to the IFAD 'No Objection'. Example of Procurement Plan format are in Table 6.1 and Table 6.2. The Procurement Plan is an annex of AWPB which shall include as a minimum:

1. A brief description of each procurement activity to be undertaken during the period by each and every Project Party;
2. The estimated value of each procurement activity;
3. Only recurrent operational expenditures such as fuel, water and electricity bills, expenses for DHL express, per diem/top-up payments etc should not be included in the PP since these may fall under the miscellaneous expenditure line/s of the project budget and are usually at fixed prices or not subject to competition.
4. The method of procurement or selection to be adopted for each activity; and
5. An indication as to whether shall carry out prior or post review by IFAD in respect of each and every procurement activity.

Methods for procurement and IFAD review. The method of procurement of goods and services to be used should be consistent with the Presidential Regulations Number 12 Year 2021. IFAD will review the procurement of goods and services to ensure that procurement process is carried out in conformity with IFAD's Procurement Guildelines and LTB. The following procurement decisions shall be subject to prior review by IFAD for the award of any contract for goods, equipment, works, materials, consultancy and services under the TEKAD :

1. Procurement of goods, works and other services :
 - a. Prequalification documents and shortlist when Expression of Interest (EOI) is undertaken;
 - b. Bid documents/ Proposal;
 - c. Evaluation report and recommendation for awarding contract; and
 - d. Contract and amendments.

To ease tracking of procurement package for goods, TEKAD participating provinces should indicate a unique reference / lot number for each package, for instance as follows:

Table 6.1. Format of Reference Number code

No	Provinces	Ref Number Code
1	Maluku/xx/yyy/MAL
2	Maluku Utara/xx/yyy/MUT
3	Nusa Tenggara Timur/xx/yyy/NTT
4	Papua/xx/yyy/PPA
5	Papua Barat/xx/yyy/PPB

Table 6.2 Format of Procurement Plan for Goods/ Works

AWPB/Component Ref	No	Description*	Basic Data						Bidding Process for Post Qualification				Bid Evaluation				Contract Award & Signature		
			Funding	Package/ Lot Number	Prior or Post Review	Plan vs. Actual	Procurement Method	Amount (EUR)	Plan vs. Actual	Prep of BD	No-objection Date	Bid Invitation Date	Bid Closing-Opening	Submission Tech Eval Rpt	No-objection Date	Submission Combined Eval Rpt*	No-objection Date	Plan vs. Actual	Date Contract Award
							Plan												
							Actual												
							Plan												
							Actual												
							Plan												
							Actual												

Table 6.3 Format of Procurement Plan for Services

Component Ref	No	Description*	Basic Data						Shortlist					Proposal Process				Evaluation				Contract Award & Signature						
			Funding	Shortlist (Yes No)	Prior or Post Review	Plan vs. Actual	Procurement Method	Amount (EUR)	Plan vs. Actual	Prep of REOI	No Objection Date	REOI Launch Date	EOI Submission Deadline	Submission of Shortlist Report	No Objection Date	Prep of RFP/RCQ/RFQ	No-objection Date	RFP/RCQ/RFQ Launch Date	Proposal submission deadline	Submission of TER	No-objection Date	Submission of CER	No-objection Date	Plan vs. Actual	Negotiations completed	Submission of Draft Contract and MoN	No-objection Date	Date Contract Signature

2. Procurement of consulting services and services:
 - a. Prequalification documents and shortlist when prequalification is undertaken;
 - b. Request for Proposal;
 - c. Technical evaluation report;
 - d. Combined (technical and financial) evaluation report and the recommendation for award;
and
 - e. Contract and amendments.
3. Procurement of individuals consultants
 - a. The terms of reference of the assignment
 - b. The evaluation report and recommendation for selection
 - c. Contract and amendments.as

The following procurement methods²⁵ shall be used²⁶:

a. Works and works-related Non-Consulting Services

- i. International Competitive Bidding (ICB): It is the preferred procurement method and is mandatory for contracts estimated to cost three million United States dollars [US\$ 3 000 000] or more (equivalent to IDR 42 000 000 000 or more). Under ICB, the borrower/recipient may apply a margin of domestic preference to local contractors of 7.5%;
- ii. National Competitive Bidding (NCB): might be applied to contracts estimated to cost less than three million United States dollars [US\$ 3 000 000] (equivalent to less than IDR 42 000 000 000) and more than fifteen thousand United States dollars [US\$ 15 000] (equivalent to more than IDR 200 000 000);
- iii. Shopping: might be applied to contracts estimated to cost fifteen thousand United States dollars [US\$ 15 000] or less (equivalent to IDR 200 000 000 or less); and
- iv. Direct Contracting: applies to the indicated contracts in the Procurement Plan and all direct contracts shall be subject to IFAD's NO under prior review²⁷.

b. Goods and goods-related Non-Consulting Services

- i. International Competitive Bidding (ICB): It is the preferred method and is mandatory for contracts estimated to cost two million United States dollars [US\$ 2 000 000] or more (equivalent to IDR 28 500 000 000 or more). Under ICB, the borrower/recipient may apply a margin of domestic preference of 15%;
- ii. National Competitive Bidding (NCB): might be applied to contracts estimated to cost less than two million United States dollars [US\$ 2 000 000] (equivalent to less than IDR 28 500 000 000) and more than fifteen thousand United States dollars [US\$ 15 000] (equivalent to more than IDR 200 000 000);

²⁵ In case National Procurement Regulations apply and as far as they do not contradict with IFAD's Project Procurement Guidelines, the equivalent terminology for procurement methods may be used; for example, ICB is the method for a publicly advertised competition at the international level. The Project Implementation Manual will map the procurement methods that should be applied in accordance with this Letter."

²⁶ To know the applicable procurement method, the cost estimate shall be for the entire procurement activity whether it is divided into lots or not; in case of lots, the sum of the cost estimates of all lots shall be used for identifying the applicable procurement method for the procurement activity."

²⁷ A sufficiently detailed justification shall be submitted to IFAD to obtain its NO and shall include the rationale for the choice of direct contracting instead of competitive procurement and the basis for recommending a particular contractor/service provider in all such cases. Direct contracting could be justified under any of the circumstances listed in section 6, Module F1: Procurement Methods for Goods, Works and Non-consulting Services of the IFAD Procurement Handbook

- iii. Shopping: might be applied to contracts estimated to cost fifteen thousand United States dollars [US\$ 15 000] or less (equivalent to IDR 200 000 000 or less); and
- iv. Direct Contracting: applies to the indicated contracts in the Procurement Plan and all direct contracts shall be subject to IFAD's NO under prior review²⁸.

c. Consulting Services and related Non-Consulting Services

- i. Quality and Cost Based Selection (QCBS): Is the standard (or "default") method for the selection of consulting services and is mandatory for contracts with firms estimated to cost two hundred thousand United States dollars [US\$ 200 000] or more (equivalent to IDR 2 850 000 000 or more)
- ii. Quality and Cost Based Selection (QCBS), Quality Based Selection (QBS); Fixed Budget Selection (FBS), or Least Cost Selection (LCS)²⁹: might be applied to contracts with firms estimated to cost less than two hundred thousand United States dollars [US\$ 200 000] or more (equivalent to IDR 2 850 000 000)
- iii. Individual Consultants Selection (ICS): will be undertaken in accordance with the GoI Procurement regulation which adopts QBS as the default method for the contracts with individuals regardless of the value;
- iv. Shortlisting following a Request for Expression of Interest is mandatory for all QCBS, FBS and LCS procedures; Shortlisting is mandatory for all consulting services (firms) contracts;
- v. Sole/Single Source Selection (SSS): applies to the indicated contracts (with firms) in the Procurement Plan and all SSS contracts shall be subject to IFAD's NO under prior review³⁰; and
- vi. Sole/Single Source Selection (SSS): applies to the indicated contracts (with individuals) in the Procurement Plan or with a contract duration of three months or less and all SSS contracts shall be subject to IFAD's NO under prior review³¹

d. Other Procurement Methods or Arrangements:

- i. The use of Force Account is allowed. As defined by the National Procurement Law and Regulations in reference to Swakelola for goods and consultancies services (Type I, II, III and IV).
- ii. Extensions of contracts funded by IFAD for Goods, Works or related Non-Consulting Services may not exceed 10% of the contract value and shall be subject to IFAD's NO.
- iii. Procurement with Community Participation is allowed.
- iv. The borrower/recipient shall adopt and use the Standard Procurement Documents issued by either IFAD or National Authorities as long as the latter are supplemented/adapted to meet

²⁸ A sufficiently detailed justification shall be submitted to IFAD to obtain its NO and shall include the rationale for the choice of direct contracting instead of competitive procurement and the basis for recommending a particular supplier/service provider in all such cases. Direct contracting could be justified under any of the circumstances listed in section 6, Module F1: Procurement Methods for Goods, Works and Non-consulting Services of the IFAD Procurement Handbook.

²⁹ The choice among QBS, FBS and LCS shall be made by the borrower/recipient in the Procurement Plan based on the nature and circumstances of the relevant procurement activity following the guidance of the IFAD Procurement Handbook.

³⁰ Any request for SSS by a borrower/recipient must be accompanied by a detailed justification, which will be carefully examined by IFAD to ensure that no alternative selection methods can be used. To receive IFAD's NO, it must be demonstrated that there is a clear advantage to SSS over competitive selection. Examples of such circumstances are listed in Section 6, Module F2: Selection Methods for Consulting Services of the IFAD Procurement Handbook.

³¹ Any request for SSS by a borrower/recipient must be accompanied by a detailed justification, which will be carefully examined by IFAD to ensure that no alternative selection methods can be used. To receive IFAD's NO, it must be demonstrated that there is a clear advantage to SSS over competitive selection. Examples of such circumstances are listed in Section 7, Module F2: Selection Methods for Consulting Services of the IFAD Procurement Handbook.

IFAD's SECAP standards and grievance mechanisms and the IFAD's Project Procurement Guidelines and IFAD Procurement Handbook.³²

- v. E-purchasing using e-catalogue for goods and non-consulting services could be used for any contracts regardless of the value.
- vi. E-purchasing using on-line shop (Bela Pengadaan) for goods and non-consulting services could be used for any procurement costing fifty million Indonesian Rupiah (IDR 50 000 000) and below.

In accordance with paragraphs 49, 66 and 67 of the IFAD Project Procurement Guidelines and in accordance with IFAD's Procurement Handbook, the following will be subject to prior review by IFAD:

- i. Procurement Plans submitted as part of Annual Work Plans and Budget and any subsequent upgrade of these plans;
- ii. General Procurement Notices
- iii. Award of any contract for goods and goods-related non-consulting services estimated to cost one hundred thousand United States dollars [100 000] or more (equivalent to IDR 1 400 000 000 or more);
- iv. Award of any contract for works and works-related non-consulting services estimated to cost one hundred fifty thousand United States dollars [US\$ 150,000] or more (equivalent to IDR 2 000 000 000 or more);
- v. Award of any contract for consulting services and related non-consulting services and / or Memorandums of Understanding/Agreement estimated to cost seventy thousand United States dollars [US\$ 70,000] or more (equivalent to IDR 100 000 000 or more);
- vi. Award of any contract for an Individual Consultant estimated to cost thirty thousand United States dollars [US\$ 30,000] or more (equivalent to IDR 400 000 000 or more);
- vii. Award of any Direct Contracting or Sole/Single Source Selection;
- viii. Any use of Force Account (Swakelola Type II valued above two hundred million Indonesian Rupiah (IDR 200 000 000) and all Swakelola Type III;

Decisions concerning Abnormally Low Bids shall be subject to the No Objection of IFAD only for procurement activities subject to prior review.

- ix. The adoption of shortlists with fewer than three shortlisted entities;
- x. The adoption of "prior lists" for shortlisting; and
- xi. The rejection of all bids and/or the cancellation of a bidding process.
- xii. The hiring of any staff responsible for carrying out or administering procurement processes as part of the project.

Please note that:

1. The aforementioned thresholds may be modified by IFAD during the course of Project implementation.
2. Award-related Protests and Appeals: For prior-review procurements, all protests, submitted by bidders to the borrower/recipient as a result of a Notice of Intention to Award, must be communicated to IFAD before a decision is issued. IFAD reserves the right to provide inputs or comments to the borrower/recipient to help it reach the decision. A copy of the decision must

³² Further detail is available in Annex 4 to Volume 1 of IFAD's Social Environmental Climate Assessment Procedure (SECAP) 2020.

also be provided to IFAD. For post-review procurements, the borrower/recipient may - at its discretion – inform IFAD about the protest. The borrower/recipient shall inform IFAD of any related Appeal filed to competent national authorities immediately upon becoming aware of such an appeal.

3. Requests for IFAD prior review and no objection, should be routed through NOTUS ("No Objection Tracking Utility System (NOTUS)". The No Objection Utility System (NOTUS) as an integrated system in ICP enforces a step-by-step documentation of the workflow for the process for the entire procurement process (expression of interest, IFAD No-Objection, to contract signature) according to the type (e.g. national competitive bidding, international competitive bidding) and object of procurement (e.g. civil works, goods, services). NOTUS also has function as tracking system for non-procurement workflow (e.g. Project Implementation Manual – PIM).
4. All contracts including Memorandum of Agreements must be listed in the IFAD Client Portal - Contract Monitoring Tool (ICP-CMT). The contract register shall be downloaded regularly from the Portal.
5. All the above-outlined procurement terms and conditions shall also apply to project implementing partners and implementing agents approved by IFAD. The aforementioned terms and conditions may be modified by IFAD during the course of Project implementation.

6.4 The implementation of the Procurement of Goods/ Services

It takes place by means of Self-Management; and/or the selection of a Providers of Goods/ Services

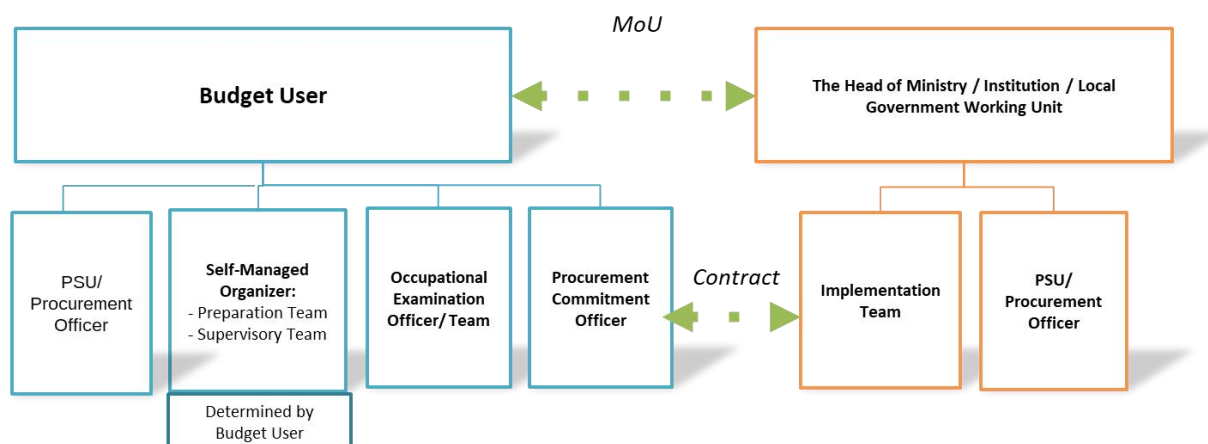
Self Management Procurement.

At the implementation level, Self Management Procurement is technically guided by Institutional Regulation of NPPA (National Public Procurement Agency) No. 12 Year 2021. There are four types of self management procurement, as follows: Type I, namely Self-Management planned, prepared, implemented, and supervised by the Ministry / Institution/ Local Government Working Unit in charge of the budget.

Type II, namely Self-Management planned, prepared and supervised by the Ministries / Institutions / Local Government Working Unit and implemented by other Ministries / Institutions / Local Government Working Unit. The procedures of type II should follow the existing government regulation as detailed below:

- (1) Budget user/ budget user proxy sets the Type II Self-Management output goals as stipulated in the performance / budget document.
- (2) Budget user/ budget user proxy establishes a Self-Management Organization consisting of a preparation team and supervisory team as proposed by Procurement Commitment Officer (PPK).
- (3) Budget user/ budget user proxy carries out a Memorandum of Understanding with the Head of Ministry / Institution / Local Government Working Unit that implement type II Self-Management and as a basis for the Self-Management Contract between PPK and the Implementation Team.
- (4) The Preparation team consists of Ministry / Project that responsible for the budget and can double its role as Supervision Team.

Figure 6.2 Implementation of self-management procurement type 2.

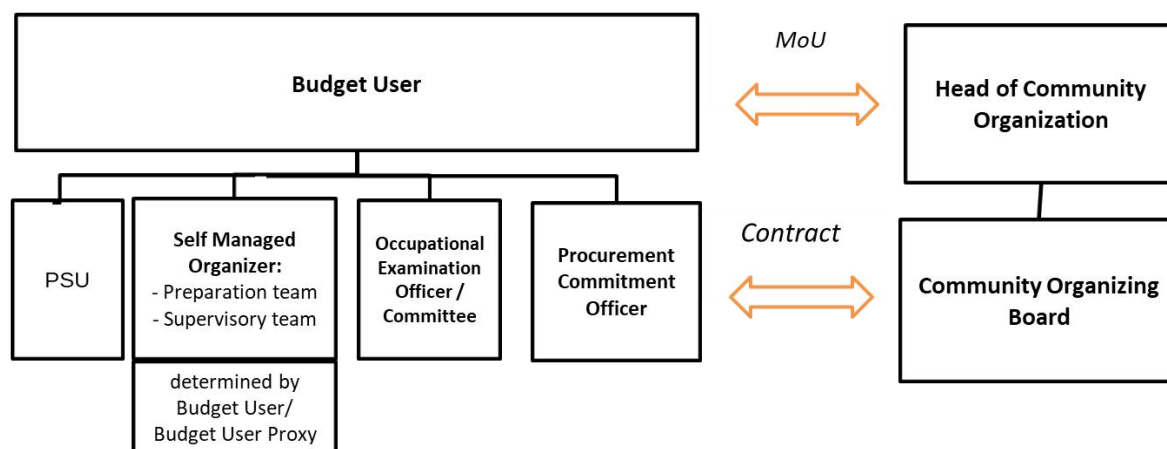


Type III, namely Self-Management planned and supervised by the Ministry / Institution / Local Government Working Unit in charge of the budget and carried out by the Self-organizing Organizations. The procedures involving the community organization (self management procurement - type III) should follow the existing government regulation as detailed below:

- (1) Budget User/ Budget User Proxy responsible for budgeting survey of capable and closest any community organizations with the location of communities;
- (2) If the one who meets the requirements there is only 1 (one) community organization, the budget user/ budget user proxy submits an invitation to CSOs as executors of self-management;
- (3) The community organization submits a letter statement of interest;
- (4) In the event that there are several social organizations that fulfill condition, Budget User can carry out the Competition using contest, to determine which Community Organization can implement the activity.;
- (5) Budget user/ budget user proxy signed a Memorandum of Understanding (MoU) with person in charge of community organization.

- 6.6 After the Memorandum of understanding for self-management signed by community organization and project management, the person in charge of community organization submits a proposal that include budget and cost plan to Budget User/Budget User Proxy; and
- (6) Procurement commitment officer compiles the Procurement Planning under Self-management modality. It's as the basis to develop Work Plan and Budget of the project both at national and/or sub-national level.

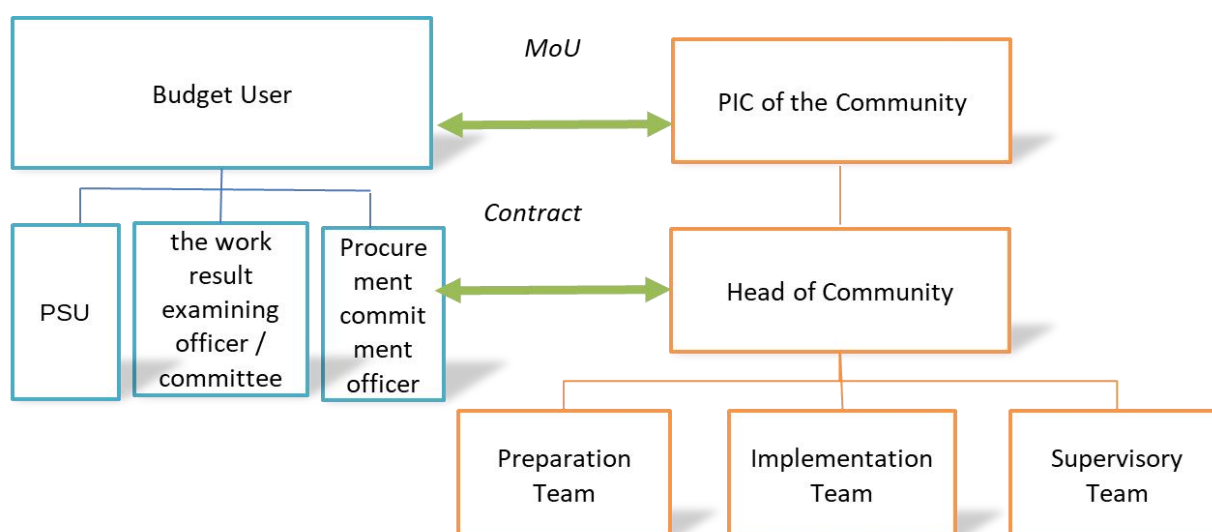
Figure 6.3. Implementation of self-management procurement type 3.



- In the event that tools, materials & materials are needed through the Provider, the procurement is carried out according to the provisions
- In the event that type III implementers are not capable to undertake the whole activities, a separate contract can be made by Procurement Commitment Officer.

Type IV, namely Self-Management planned by the Ministry / Institution / Local Government Working Unit and / or based on the proposals of the Community Groups, and prepared, implemented and supervised by the Community Implementing Groups. The activity planned and carried out by the budget user or the activity carried out based on a proposal from the community and undertaken by the community itself. Based on the proposal from community, the Budget User arrange a Memorandum of Understanding with the Head of Community to implement the work with self-management modality. Further, the project management prepares technical specifications / ToR and the community organization shall submit the working plan and budget to project.

Figure 6.4. Implementation of self-management procurement type IV



Procurement of Goods / Services by Providers

At the implementation level, this method is technically guided by Institutional Regulation of NPPA No. 9 Year 2018 : Providers. The methods of selecting goods/ services consist of:

1. Electronic Catalog (e-catalog)

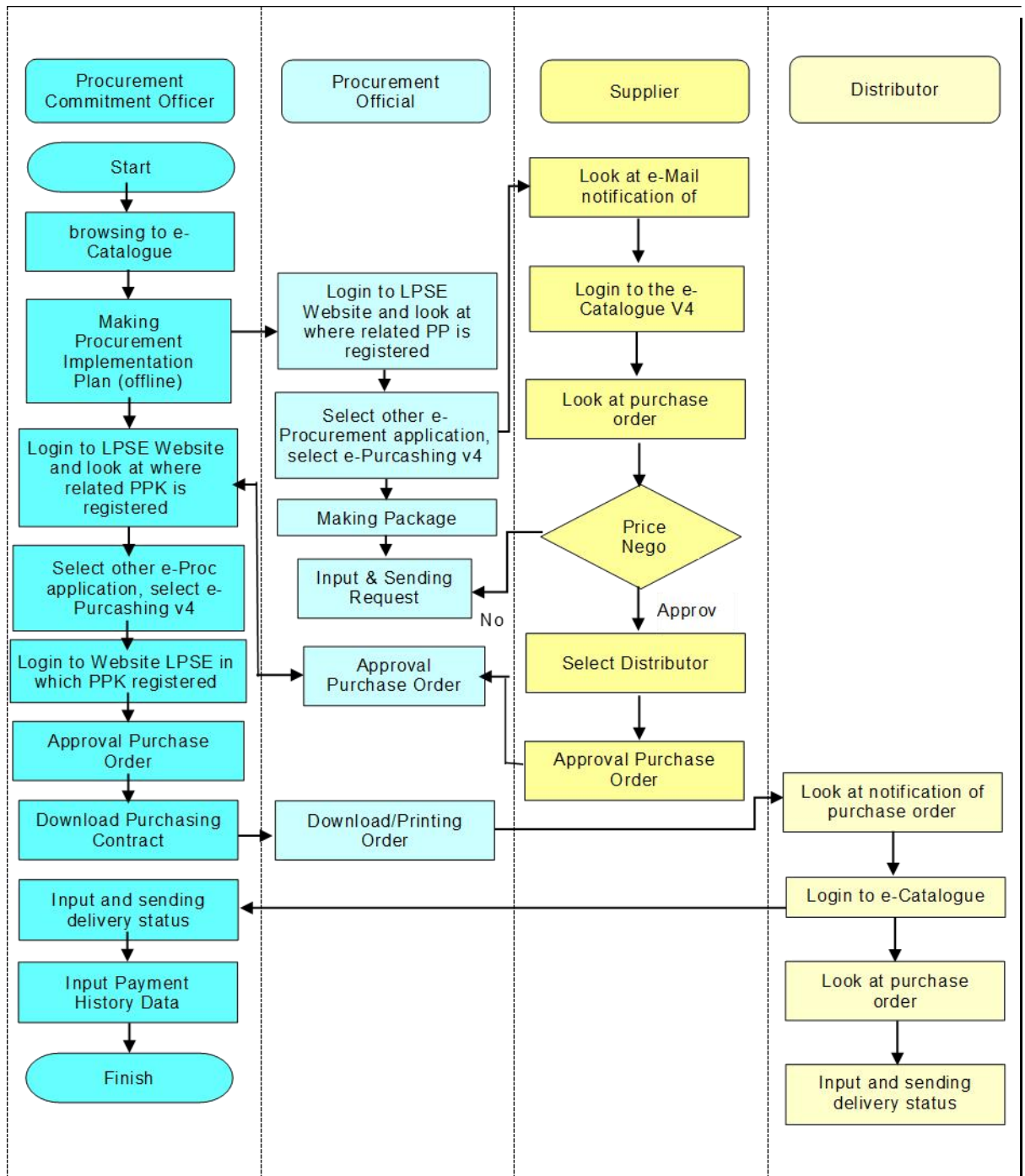
E-catalog is electronic information comprising information related to price, types, technical specifications, unit cost, and suppliers of goods. The price listed in e-Catalog is the smallest level of unit cost which usually includes tax and distribution cost. To confirm the price listed in e-catalog, it should be checked to the concerned supplier. The Procurement of goods through e-Catalog should be conducted under the e-Purchasing mechanism by the concerned Working Unit.

The implementation of Procurement for Government's Goods/Services using electronic purchasing is mentioned as method of selecting at Chapter 38 Article (1) Presidential Regulation No 12 Year 2021. At the implementation level, this method will be executed by Electronic Procurement Service as was technically guided by Institutional Regulation of NPPA No. 7 Year 2020 : Electronics Procurement System.

To seek goods listed in e-Catalogue, the following URL could be accessed: <https://e-katalog.lkpp.go.id/>.

The technical guideline of e-Purchasing is available in the following URL : https://e-katalog.lkpp.go.id/backend/konten_statis/view/5. The summary procedur of E-Purchasing is described as Figure 6.5.

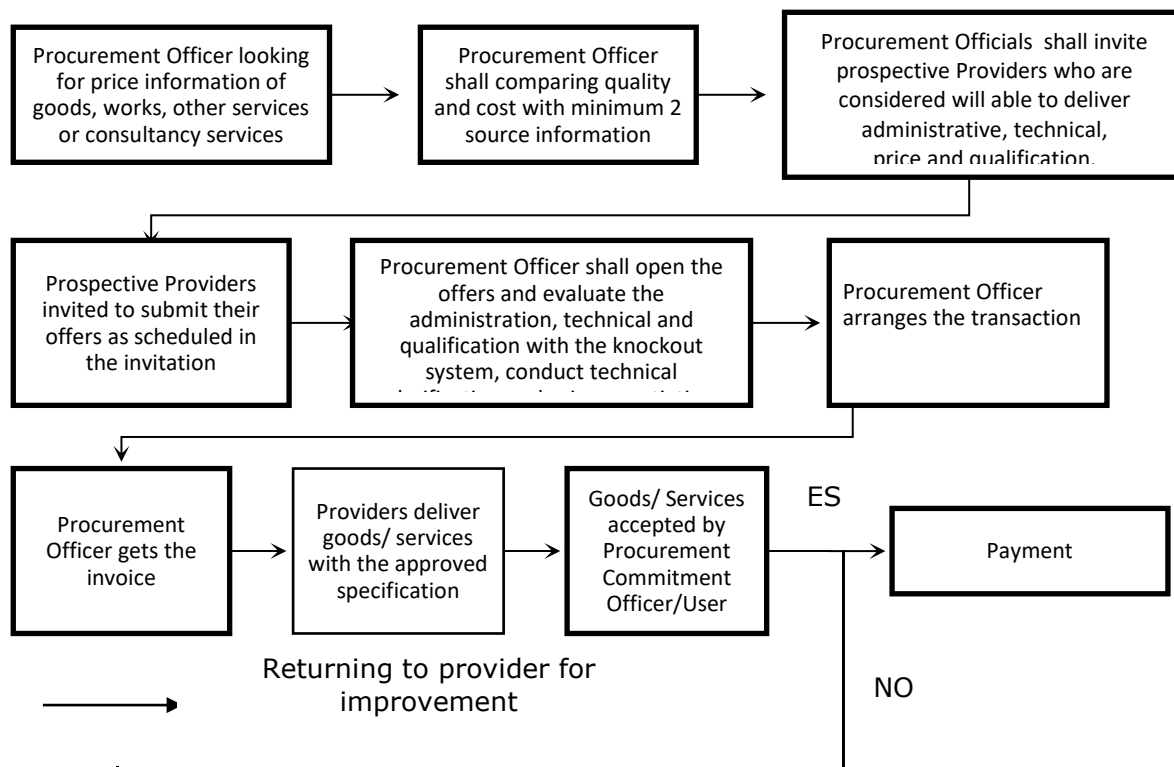
Figure 6.5. Mechanism of E-Purchasing



Shopping (Direct procurement)

Direct Procurement for Other Goods / Services whose prices are certain with a maximum value of IDR [US\$ 15 000] or less (equivalent to IDR 200 000 000 or less); carried out with the following stages:

Figure 6.6. Mechanism of direct procurement.



Procurement commitment officer in carrying out the stages of Direct Procurement can be assisted by a supporting team. Direct Procurement for:

- a. Consultancy Services with a maximum value of IDR 100,000,000 (one hundred million rupiah);
- b. Other goods/ services with a value up to the most value IDR 200,000,000.00 (two hundred million rupiah); and
- c. Construction work with the most value IDR 200,000,000.00 (two hundred million rupiah);

1. **Direct Contracting**

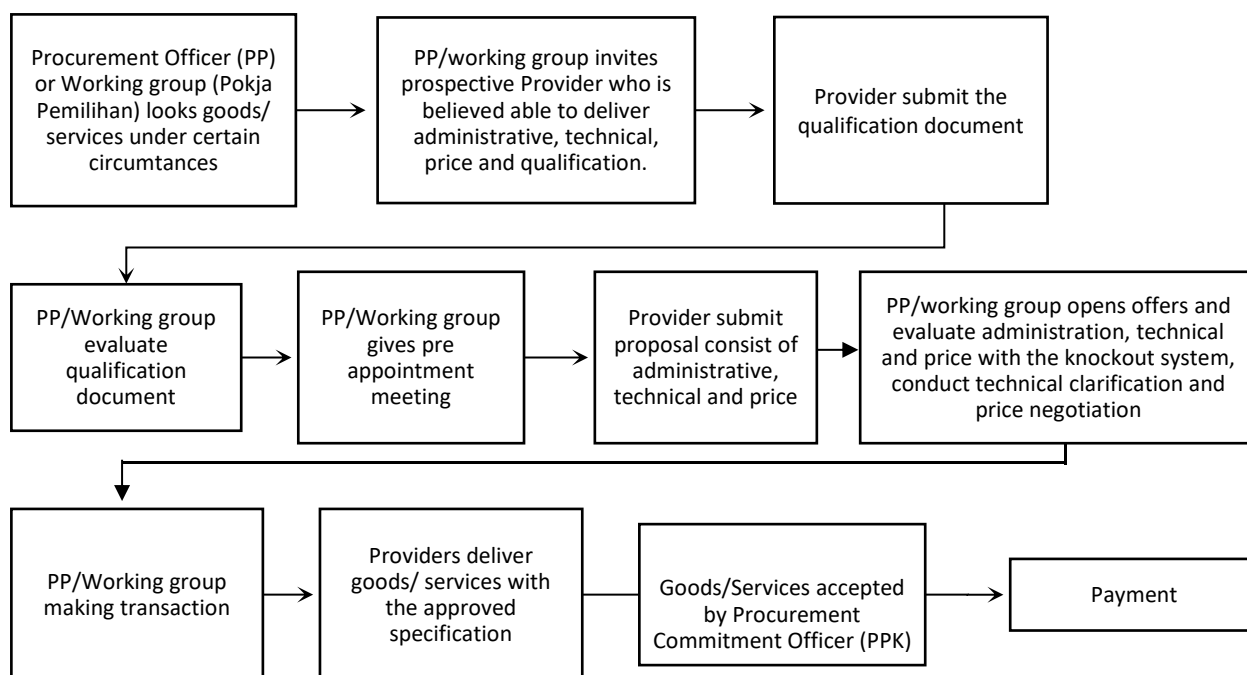
It is also used for procurement of Goods / services as procurement method and carried out for goods / works/ other services / consultancy services under certain circumstances.

- (2) Direct contracting is made by the Procurement Officer for procurement of goods / works / other service that are valued at a maximum of Rp. 200,000,000.00 (two hundred million

rupiahs) and for procurement of consultancy services that are worth at most Rp. 100,000,000.00 (one hundred million rupiah).

- (3) Direct contracting is made by the Working Group for procurement of Other Construction / Services Work / Goods with a value of at least more than Rp. 200,000,000.00 (two hundred million rupiahs) and for the procurement of Consultancy Services worth at least above Rp. 100,000,000 (one hundred million rupiah).

Figure 6.7. Mechanism of direct contracting.

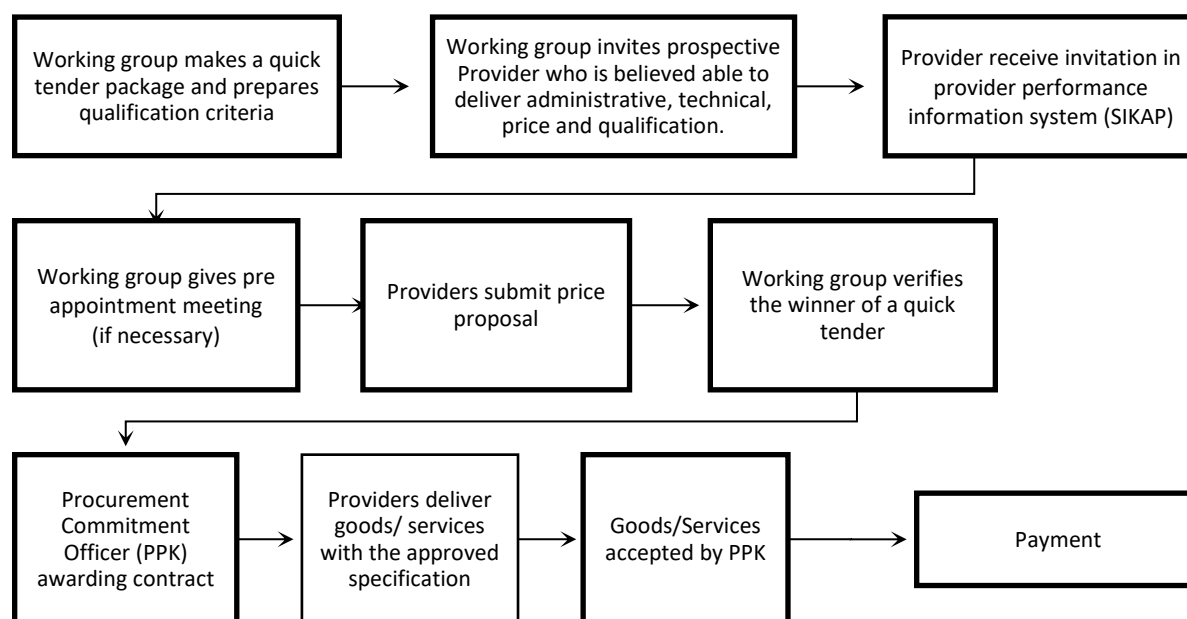


2. Quick Tender

Presidential Regulation 12/2021 introduces quick tender as a new method of selection for the procurement of goods/construction work/other services, which may be conducted if the specification and work volume has been determined in detail and the contractor is qualified under the vendor performance information system (sistem informasi kinerja penyedia). It does not require qualification assessment, evaluation of administrative offers, evaluation of technical offers, objections and objections. Quick Tender can be done for Procurement of Goods / Works / Other Services with criteria:

- a. Technical / ToR specifications and work volume have been determined in detail so that technical requirements are not competed;
 - b. It is possible to mention the brand in the technical specifications / ToR as Presidential Regulation Number 12 of 2021 concerning Procurement of Goods / Services
 - c. Participants have been qualified in SIKaP
- Methods for submitting bids in Quick Tender using submission of repeated price offers (E-reverse Auction).

Figure 6.8. Mechanism of quick tender.



3. Tender/ Selection.

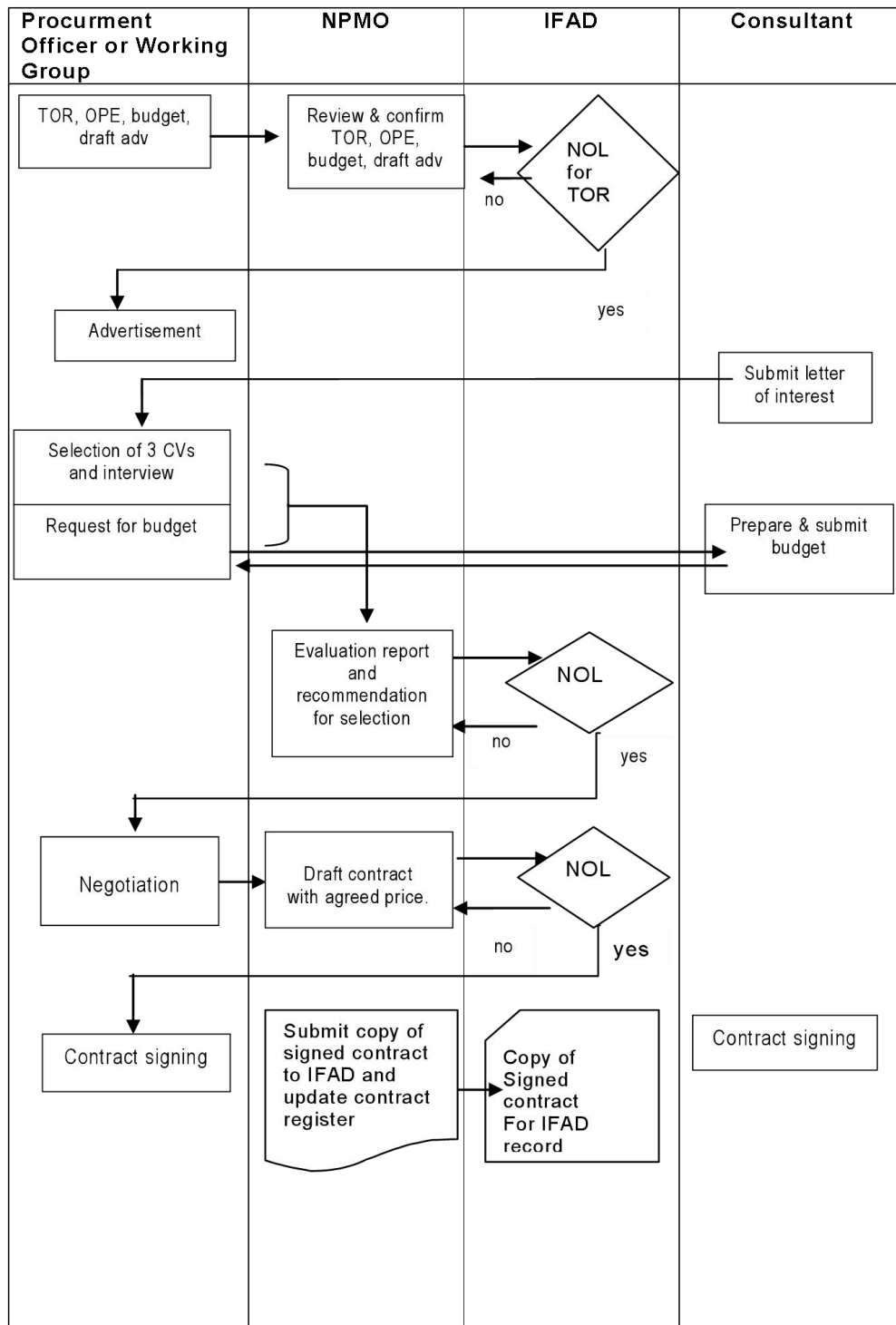
Each contract for the selection of consultancy services shall be selected in accordance with any one of the selection methods as per IFAD Procurement Guidelines and Procurement Handbook. TEKAD will procure consulting services through consulting firm and individual consultant. The procurement method for procuring consulting firm services, TEKAD will use QCBS as explained below :

Selection of individual consultants.

Individual consultants are selected on the basis of their qualifications for the assignment of at least three (3) candidates among those who have expressed interest in the competitive selection process. Individuals employed by the NPMO and PPIUs shall meet all relevant qualifications and shall be fully capable of carrying out the assignment. Capability is judged on the basis of academic background, experience and, as appropriate, knowledge of the local conditions, such as local language, culture, administrative system, and government organization.

Individual consultants or consultancy firms may be selected on a sole-source basis with due justification in exceptional cases such as: (a) tasks that are a continuation of previous work that the consultant has carried out and for which the consultant was selected competitively; (b) assignments lasting less than six months; (c) emergency situations resulting from natural disasters; and (d) when the individual consultant is the only consultant qualified for the assignment. Procedures for individual consultant selection is indicated in the figure below.

Figure 6.9. Procedure of Individual Consultant Selection

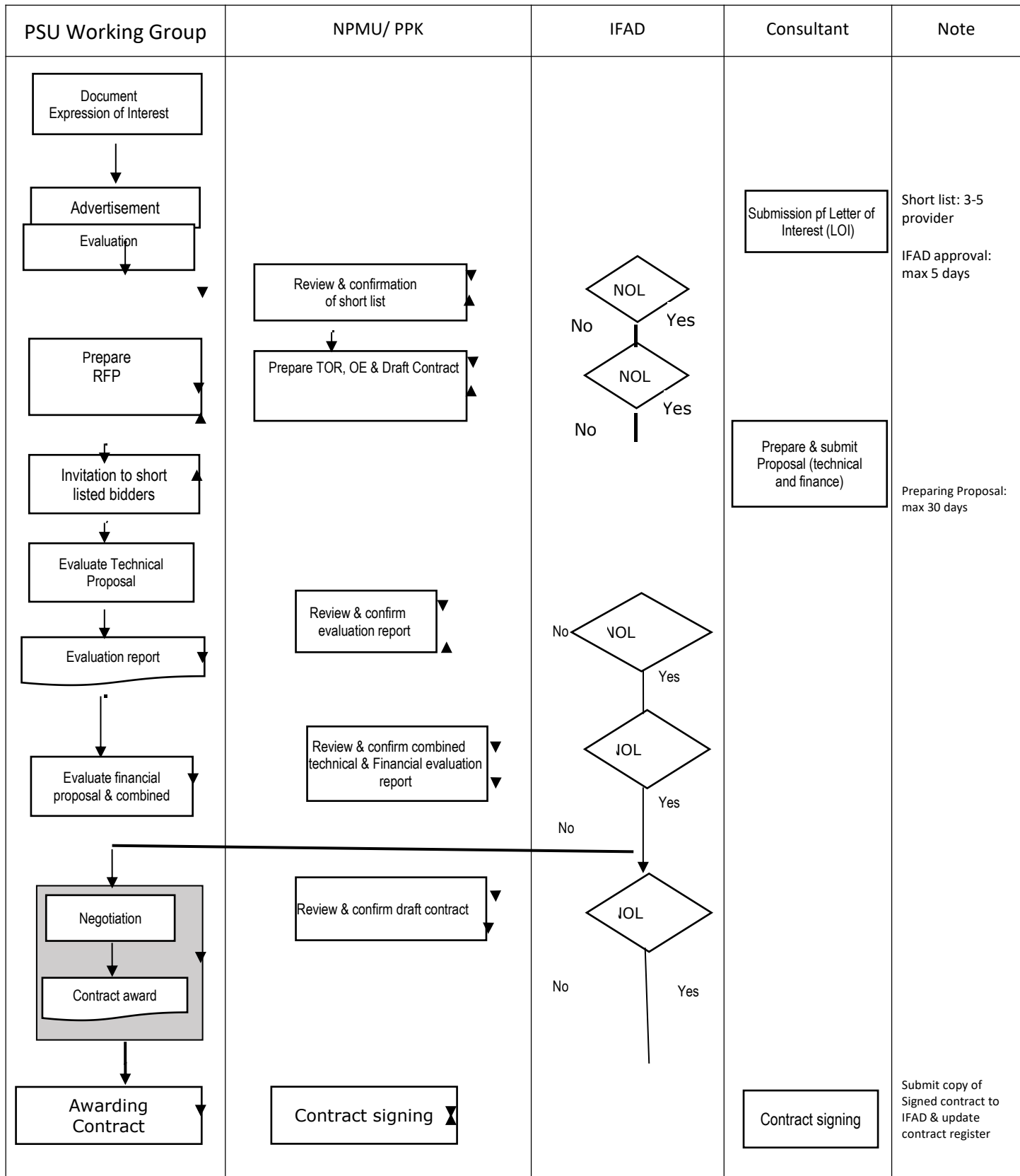


- b. Quality and Cost Based Selection (QCBS) should specify in introduction that this is for consulting firms
- i. Request for Proposal (RFP) and Terms of Reference (TOR). Procurement commitment officer (PPK) is responsible in preparing RFP and TOR. The TOR should define clearly the following aspects: objective, targets/ deliverable, and scope of works including background of the concerned tasks (including relevant studies and baseline data) to assist consultants in preparing a proposal. If transfer of knowledge or training is the objective of the task, this should be specifically explained in detail including number of staff to be trainees, etc. as reference for the bidder estimate number of resources to be mobilized. Technical assistance, survey, expected outputs (such as reports, maps, data, etc.) should be clearly defined in a TOR. The responsibilities of the employers and consultants should be clearly defined in a TOR. The draft of Request for Proposal (including ToR) should be reviewed by IFAD for no objection.
 - ii. Budget estimates. Budget is estimated based on an estimate of required resources to perform the assigned task, including staff, times, logistics and other physical inputs (vehicles, equipment). The Budget should be divided into two categories: (i) remuneration (based on type of contract used); and (ii) *reimbursable*. If necessary, this cost could be split as local cost and *foreign costs*. Presidential Regulation 12/2021 can be a reference to setting up estimate budget (HPS.)
 - iii. Long list of consultants. PSU Working Group or Procurement Agent is responsible to prepare a short list of the consultants, and identify the consulting firms which have submitted their interest and having required qualification. The short list should consist of three up to six consulting firms from different regions. IFAD could request to add or reduce the list. For procurement above the threshold of prior review, the short list is subject for IFAD review and no objection. The Project is not allowed to add or remove a consultant from the short list which has been cleared by IFAD.
 - iv. The shortlist could consist of national consultants only (a consulting firm which main holder is registered in Indonesia) if the following occurs : (1) the estimated budget is below the threshold as stated in a Financing Agreement / Letter to the Borrower; (2) at least three consulting firms meet the requirement and competitive Price offered; and (3) competition with foreign consulting firm is not possible. Nevertheless, foreign consulting firms have been submitted an interest needs to be considered. Expression of interest and shortlist evaluation is subject to IFAD Prior Review as stipulated in the LTB.
 - v. Technical evaluation. PSU Working Group or Procurement Agent shall evaluate technical proposals for the following criteria: (i) relevance experience with the assigned tasks; (ii) quality of methodology; (iii) qualification of key staff; (iv) transfer of knowledge; and (v) involvement of key staff in the assigned tasks. Each criterion should be given a proper and rational value weight. The value weight should be indicated in RFP and to be used in the process of technical evaluation.
 - vi. PSU Working Group or Procurement Agent shall evaluate each proposal responding to TOR. A proposal is considered not appropriate or rejected if a proposal does not respond properly to the critical aspects of TOR or not able to address minimum technical score as defined in RFP.
 - vii. At the end of the process, PSU Working Group or Procurement Agent should prepare a Technical Evaluation Report (TER) and submit it to IFAD for review and clearance (for procurement with IFAD prior review). The TER should explain the results of evaluation

including strength and weakness of each proposal. Overall note related to evaluation should be documented and kept up to end of the project for audit purpose.

- viii. Financial evaluation. Upon approval of technical evaluation by IFAD, Working Group or Procurement Agent will inform to all participating consulting firms which proposals failed to meet the minimum score or not responsive to RFP and TOR. Their financial proposal will be returned without opened until the procurement process is completed. Simultaneously, the PSU Working Group or Procurement Agent informs the participated consulting firms which their proposals meet the minimum score regarding the dates and venue for the opening of financial proposal. The date of the opening for financial proposal should allow the consulting firms present. The opening of financial proposal is open to representatives of consulting firms who are willing to attend. Name of consulting firms, scores of technical and financial proposals should be announced in the meeting or submitted *online* and recorded. The PSU Working Group or Procurement Agent prepare a minute of a meeting, and submit it to PPK or Project Director. If the combined evaluation accepted by PPK or Project Director, Project shall propose IFAD review and no objection with enclosing the minute of evaluation
- ix. If Working Group or Procurement Agent finds an arithmetic error in evaluation financial proposal, then it should be corrected. To compare each proposal, the budget should be converted to the same currency (local currency or foreign currency) as indicated in RFP. Working Group or Procurement Agent will convert the currency using an exchange rate released by the Indonesia Central Bank. RFP should explain the source of exchange rate to be used, and the dates of exchange rate released should not be earlier than four weeks of the submission of financial proposal or after the expired date of proposal validity.
- x. "Budget" should not include with taxes, but may include reimbursable expenditures such as travel cost, translation, printing of reports or administrative cost. Financial proposal with the lowest price should be scored 100, and other proposals should be scored in proportion manner. Other methods could be used, and should be defined in RFP.
- xi. Final Evaluation. A total score is calculated by providing a weight score for quality and finance, and add-up both score. Weight value for "budget" is 20 point of the total score 100. This weight value should be indicated in RFP. A consulting firm with highest score is invited for a negotiation and determine the winner. Draft contract should be prepared and submitted to IFAD for no objection. The procedure of QCBS is described as Figure 6.9.

Figure 6.9. Mechanism QCBS Method



6.5 Contract Management

Effective contract administration is critical to successful contract implementation and meeting the objectives of the procurement requirement. Contract administration procedures are designed

to ensure that:

- a. the supplier performs the contract in accordance with the terms and conditions specified in the
- b. contract;
- c. the procuring entity fulfils its obligations and duties under the contract; and
- d. swift remedial or preventive action is taken when problems arise or are foreseen.

The NPMU (through its PKK officer and Finance Officer) has the overall responsibility for contract management. The NPMU will also be supported by a hired Procurement & contract management Specialist (consultant), however will remain responsible for monitoring the performance of the consultant and ensuring that his/her activities, in relation to the contracts, are completed on timely manner and in compliance with procurement regulation and guidelines. The mechanism of day-to-day contract management/administration will be supported to the Procurement and contract management Specialist. All contracts should be recorded and systematically manner. The record of procurement process from the advertisement until the contract award must available in place. It is including what is planned and its implementation, payment phase, issues and solutions during the contract period and also any amendment made.

All contracts will be listed in the Register of Contracts (Annex 6 to IFAD Loan Disbursement Handbook) by NPMU as required by IFAD. PPSUs should update annually, and NPMU will consolidate and submit it to the IFAD Country Director every trimester.

6.6 Contract Amendment

Ideally, a contract that has been placed should not need any amendment, but sometimes it is necessary to make changes to the terms and conditions of a contract or the description of requirements. Contract amendments provide a formal, legal way of amending a contract and of ensuring that both parties have agreed to the changes. The procuring entity is responsible for preparing all contract amendments and obtaining the approval of the appropriate approvals authority and, in the case of prior review, IFAD.

6.7 Contract Completion

It is important that contracts are formally reviewed and the procurement file closed, once all contract activities and obligations have been completed. It is necessary to ensure that the contract has, in fact, been completed and that no outstanding deliverables, claims, payments, retentions or warranties are overlooked.

For the complete of IFAD Client Portal- Contract Monitoring (ICP-CM) Please See the attachement of Procurement

The NPMO is required to retain all records relating to a contract for purposes of audit for the period defined in the IFAD General Conditions for

Agricultural Development Financing. The following table 6.5 shows what procurement files, folders or dossiers should contain:

Table 6.5. Correspondence and Record Management

No.	Document	Preferred format
(i)	Copy of the IFAD – approved Procurement Plan and its updates	Hard copy and soft Copy
(ii)	Signed requisition/Memo request from Project to UKPBJ	Hard copy and soft Copy
(iii)	Short list report in case of Consultancy services including the No Objection	Hard copy and soft Copy
(iv)	Bidding Document (including any clarification and amendment	Hard copy and soft Copy
(v)	No objection to Bidding Document (usually recorded in the IFAD online procurement planning)	Hard copy and soft Copy
(vi)	A copy of the published advertisement in case of ICB or NCB or shortlist (if applicable)*	Hard copy and soft Copy
(vii)	A copy of the published pre-qualification and invitation documents and any amendments, extensions or clarifications that were requested and issued*	Hard copy and soft Copy
(viii)	A record of tender opening signed by all present	Hard copy and soft Copy
(ix)	Appointment of evaluation committee members	Hard copy and soft Copy
(x)	A full copy of each bid received and evaluated, plus clarifications requested and responses received	Hard copy and soft Copy
(xi)	A copy of the evaluation report*	Hard copy and soft Copy
(xii)	Signed minutes of all meetings relating to the procurement, including pre-bid and negotiation meetings where these were held	Hard copy and soft Copy
(xiii)	Resolution of bidders complains proceeding	Hard copy and soft Copy
(xiv)	A contract award notice*	Hard copy and soft Copy
(xv)	Minutes of negotiations (if applicable)	Hard copy and soft Copy
(xvi)	Any letter of tender acceptance to the supplier, contractor or consultant*	Hard copy and soft Copy
(xvii)	The signed contract document and contract acceptance*	Hard copy and soft Copy
(xviii)	Any contract amendments*	Hard copy and soft Copy

(xix)	All contractual correspondence between the procuring entity and a supplier, contractor or consultant*	Hard copy and soft Copy
(xx)	Post-contract documents relating to the fulfilment of contract obligations, in particular photocopies of bank guarantees or payment guarantees	Hard copy and soft Copy
(xxi)	Signed minutes of any meetings related to contract management, including contract progress or review meetings	Hard copy and soft Copy
(xxii)	Signed delivery documents evidencing delivery of supplies or signed completion certificates in relation to a contract for services or works under the contract, including any contract delivery records	Hard copy and soft Copy
(xxiii)	A copy of all invoices for works, services or supplies, including work papers verifying the accuracy of payments claimed and details of the actual payment authorized	Hard copy and soft Copy
(xxiv)	A copy of cumulative payment worksheets/records evidencing management of all payments made	Hard copy and soft Copy
(xxv)	A copy of all submissions to and all decisions of the appropriate approval authority related to the procurement, including the approval of the invitation documents, approval of the evaluation report(s), contract award, approval of contract documents and contract amendments and any decision to suspend or cancel procurement proceedings	Hard copy and soft Copy
(xxvi)	A copy of any claims made by the procuring entity with respect to any warranty, non-warranty, short supply, damage and other claims upon the provider or upon the procuring entity	Hard copy and soft Copy
(xxvii)	In the case of IFAD prior review, all submissions and correspondence in relation to the seeking of IFAD's no-objection	Hard copy and soft Copy
(xxviii)	Any other communications relating to the procurement in questions, including internal entity correspondence	Hard copy and soft Copy
(xxix)	All documents related to contract disputes and dispute resolution;	Hard copy and soft Copy
(xxx)	Any other relevant documents including copy of bank guarantees and insurance policies (if applicable).	Hard copy and soft Copy

6.8 Contract Termination

As a general rule, contracts should not be terminated unless it cannot be avoided. Termination should be seen as a last resort, although sometimes it is necessary and unavoidable:

- to avoid or minimize further loss to the procuring entity or poor performance by the supplier;
- where contract performance has become impossible; or
- where a supplier is no longer qualified or has engaged in corrupt practices.

The NPMO is responsible for terminating contracts, subject to the approval to terminate by the appropriate approval authority.

Termination for force majeure referred to Institutional Regulation of NPPA No. 9 Year 2018. The state of force majeure is a condition that occurs outside of will the parties to the Contract and cannot be foreseen, so the obligations specified in the Contract cannot be fulfilled. Excluding force majeure are adverse matters caused by the actions or negligence of the parties. In the event of a force majeure, the Contract Signing Officer or Provider notifies about the occurrence of Force Majeure to one of the parties in writing no later than 14 (four twelve) calendar days since realized or should have been aware of the above events or circumstances which are force majeure. In the event of force majeure, the implementation of the Contract may be terminated or resumed after the force had ended.

Attachment 1: Summary of Appropriate Procurement Methods

I. Procurement of goods and works (adapt as required)

Method	Description	Applicability/Characteristics	Advertising	Remarks
International Competitive Bidding (ICB)	Procedure for procurement of goods and works on the international market with open competition	<ul style="list-style-type: none"> ▪ High value procurement ▪ Interest for international business community ▪ Equal opportunity to bid 	General Procurement Notices (GPN) Open ITB or invitation to pre-qualify UNDB/dgMarket International press	- Margin of preference for domestic goods and works may be applied
Limited International Bidding (LIB)	ICB by direct invitation (no open advertisement)	<ul style="list-style-type: none"> ▪ Smaller value ▪ Limited number of suppliers 	Restricted ITB	- Domestic preference not applicable
National Competitive Bidding (NCB)	Procedure for public procurement in Borrower Country	<ul style="list-style-type: none"> ▪ Small value contracts ▪ Geographically scattered, labour-intensive or time-spread works ▪ Local prices below international market ▪ No or limited interest from international business community ▪ ICB advantages outweighed by financial and administrative costs 	Local press Internet Open ITB	- IFAD to establish acceptability of national procedures - Foreign suppliers allowed to bid
International Shopping	Comparison of price quotations from at least 3 suppliers in 2 different countries	<ul style="list-style-type: none"> ▪ Small value procurement ▪ Off-the-shelf goods, standard specification commodities, simple civil works 	Request for quotation (restricted)	- Purchase order or brief contract
National Shopping	Comparison of price quotations from at least 3 suppliers	<ul style="list-style-type: none"> ▪ Same as International Shopping ▪ Goods available locally from several sources at competitive prices 	Request for quotation (restricted)	- Purchase order or brief contract
Direct Contracting	Single or sole-source selection	<ul style="list-style-type: none"> ▪ Extension of existing contract ▪ Standardization for vehicles, equipment ▪ Proprietary equipment obtainable from one source only ▪ Condition of performance guarantee ▪ Emergency procurement 	No advertising No competition	
Procurement from Commodity Markets	Procurement of goods from commodity markets	<ul style="list-style-type: none"> ▪ Grains, animal feed, cooking oil, fuel, fertilizers, pesticides, metals ▪ Multiple award for partial quantities to secure supply and prices 	Pre-qualified bidders Issuance of periodic invitations	Short bid validity Single (market) currency for bid and payment
Work by Force	Use of the Borrower's own	<ul style="list-style-type: none"> ▪ Difficulty in defining work 	No advertising	IFAD ensure that

Method	Description	Applicability/Characteristics	Advertising	Remarks
Account	personnel and equipment to perform construction work	<p>quantities</p> <ul style="list-style-type: none"> ▪ Small, scattered works in remote locations ▪ Risk of unavoidable work interruptions ▪ No disruption of on-going operations ▪ Emergency situations 	No competition	<p>- force account units are properly staffed, equipped and organized</p> <p>- costs are reasonable</p>
Procurement from UN Agencies	Procurement of specific goods from specialized UN agencies	Small quantities of off-the-shelf products	No advertising No competition	<p>- Use of UN agency rules and procedures</p> <p>- Indication in loan agreement</p>

II. Procurement of Consulting Services

Method	Description	Applicability/characteristics	Advertising	Remarks
Quality and Cost Based Selection	Competitive selection from short-listed firms based on quality and cost of proposal	Two-step evaluation: quality (technical proposal) and cost (financial proposal)	GPN (large contracts) Request for Proposal (RFP)	Preferred selection method for most consulting services
Selection Under a Fixed Budget	Competitive selection from short-listed firms based on best technical proposal within budget	<ul style="list-style-type: none"> ▪ Simple and precisely defined assignment ▪ Consulting firms requested to bid within a fixed budget 	Request for proposal	Rejection of proposals above fixed budget
Quality Based Selection	Competitive selection from short-listed firms based on quality only	<ul style="list-style-type: none"> ▪ Complex/highly specialized assignments ▪ High downstream impact ▪ No comparability of proposals 	GPN (large contracts) Request for Proposal	Only technical proposals may be invited
Selection Based on Consultants' Qualifications	Selection from short-listed firms based on consultant's experience and competence	<ul style="list-style-type: none"> ▪ Very small assignments ▪ Cost of RFP preparation and evaluation not justified 	Request for expression of interest	Submission of combined technical-financial proposals
Single Source Selection	Selection of a firm without any competition	<p>Must be exceptional:</p> <ul style="list-style-type: none"> ▪ Continuation of previous work ▪ Emergency situation ▪ Very small assignments ▪ Only one firm is qualified/experienced 	No competition	Clear advantage over competition or impossibility to compete must be demonstrated
Selection of Individual Consultants	Individuals selected based on qualifications, references and other relevant criteria, with limited or no competition	<ul style="list-style-type: none"> ▪ Teams of personnel not required ▪ No additional professional support required ▪ Main requirement is experience and qualification of individual 	Request for expression of interest or Direct contact	Individuals may be selected on a single source basis

		consultant		
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Refer to the IFAD Procurement Guidelines for the following procurement methods:

- agents and inspection agents
- Procurement with community participation

Procurement for UN agencies, Civil Society Organizations, Auditors and Service.

CHAPTER VII MONITORING AND EVALUATION/KNOWLEDGE MANAGEMENT

TEKAD monitoring and evaluation (M&E) and knowledge management (KM) system will be developed with three main objectives:

1. *steer programme implementation*: it should provide programme stakeholders at the three levels of intervention (district-province-national) with information and analysis required to: plan activities and investments; measure programme outcomes; assess programme effects on the livelihoods and skills of target groups; assess the relevance of the programme strategy, methodologies and implementation processes; detect difficulties and successes; and support decision-making to improve programme performance;
2. *support planning and economic decisions*: it should provide programme stakeholders, in particular villagers and programme implementers, with the information and analyses they need to assess the return brought by innovation, to plan for and develop profitable and sustainable economic activities and to adapt their strategies accordingly;
3. *share knowledge and develop scalable models*: it should develop lessons learnt, capture good practices and successful innovation, and share knowledge, with a view to support programme performance and the gradual development of scalable models for Eastern Indonesia.

The M&E and KM system will be:

4. *open and easily accessible*: information and knowledge should be available to all stakeholders and not restricted to programme staff and consultants;
5. *participatory*: associate programme stakeholders in the definition of indicators, data collection, analysis and dissemination of results;
6. *focused* on analysis, learning and sharing in support of decision-making, knowledge sharing and policy dialogue, and not merely on data production;
7. *harmonised* with MoV relevant information systems;
8. *transparent*: IFAD-financed CCDP programme showed that a comprehensive and transparent management information system is an effective tool to ensure programme ownership by programme staff and service providers and to support performance-based management;
9. *phased*, thus simple and small initially, concentrating on key indicators, and expanding progressively as needs and capacities develop, particularly at village and district level.

7.1. M&E System

M&E Guideline. The national M&E Specialist will update the M&E/KM guideline which was produced during the first half of the project. **This guideline will be a practical and handy document easily understandable by all levels and describing the project M&E system and its various features.** The M&E system should be in line with IFAD and GoI requirements. It will be set up and managed by the NPMU, in consultation with MoV and other programme stakeholders, and it will be decentralised to the target districts level, where it will be managed by DPIUs. The system will be harmonised with that of MoV, and in particular with the Smart Village data system to be developed under P3PD, so that TEKAD-related data can be easily used by GoI. The main features of the M&E/KM system are developed below and will be further elaborated in the M&E guideline.

Indicators and Excel M&E plan. Building on the revised PDR logical framework (post-MTR), the M&E plan to collect output and outcome indicators will be developed (in the form of a comprehensive excel spreadsheet). With support from IFAD, the M&E plan will be prepared in consultation with technical consultants in charge of each component to ensure all relevant data are collected. Note that a more precise definition of the indicators is available in attachment 1 (at the

end of this chapter VII). Some indicators will be monitored on a regular basis (mostly at output level) and will be sourced from the project M&E system (i.e. MIS), regular monitoring activities or village planning documents (RPJMDes, RKPDes, APBDes). Other indicators at outcome level will be collected only at baseline and completion survey, ideally by an external M&E firm. The National GESI Specialist will be consulted to ensure that indicators adequately monitors inclusion, poverty and gender aspects.

Secondary beneficiaries. Secondary beneficiaries include service providers that will extend business development services (including technical services) and financial services to village producers, as well as buyers of target commodities in the target provinces. While secondary beneficiaries are not an indicator in the project logframe, it is recommended for the project's M&E Specialists to keep track on their numbers.

Monitoring of the Competitive Investment for villages. Early PY4, the M&E Specialist will prepare specific tools to monitor this activity. Some tools will be used by the project facilitators and some by the Village Economic Institutions themselves (see activity 1.2.3 for more details).

Baseline and completion surveys. The NPMU has carried out a baseline study measuring the status of main indicators at programme onset, with assistance from an outsourced qualified consulting firm. The provincial baseline reports need to be consolidated at the end of PY3.

The completion survey will be conducted by a specialized M&E firm with proven track record on conducting such studies. Only 1 firm will be recruited to cover all 25 districts and the preparation of the survey questionnaire will be provided to IFAD for review before data collection starts. The focus will be to assess how targets of the logframe indicators have been achieved.

AWPB. The programme AWPB will be collated by the M&E Specialist and the Financial Specialist (for budgeting), under the supervision of the Consultant Project Advisor, and it will be submitted to the Programme Steering Committee for final approval. TEKAD stakeholders will have an active role in identifying, collecting and analysing data.

This AWPB will cover a detailed annual planning of activities and implementation responsibilities, physical results targeted, outputs expected, budget and procurement plan. The AWPB will also include the Annual GESI Implementation Plan (see Section IV A) and an annual M&E action plan.

AWPBS will build on:

1. AWPBs prepared by DPIUs ;
2. AWPBs prepared by service providers;
3. Action plans provided by the District Coordination Platforms for Village Economic Development including for the identification of policy studies.

ata collection and data flow . Data will be collected against both qualitative and quantitative indicators and disaggregated by gender at different levels :

- a. *District level*, where information will be gathered by DPIUs with the help of the district M&E/MIS Specialists, Institutional Development Specialists and Economic Development Specialists , building on data from cadres/ KPMD, activity implementation data and the Village Information System. Cadres/ KPMD will receive a tablet to support data collection;
- b. *Provincial level*, where the district level data will be verified and consolidated;
- c. *NPMU level*, information will encompass overall programme performance, including nationally contracted service providers and will be the responsibility of the M&E Specialist.

MIS. TEKAD will develop a web-based Management Information System (MIS) to support data management. The MIS will track and regularly update gender-disaggregated financial and technical data on programme outputs and outcomes. See activity 3.1.1 for more details.

Analysis. Data will be consolidated and analysed so as to provide information on the performance of the various components, detect problems, identify possible solutions and track good practices to share through the knowledge management system. Building on CCDP successful experience, the MIS will generate weekly and monthly dashboards showing progress on key outputs and objectives, profiling DPIU performance and showing progress towards meeting key programme indicators. Weekly meetings will be held at the various levels to review progress, discuss issues, and update programme status.

Reporting. The NPMU will prepare semi-annual progress reports, which will record and analyse technical and financial achievements. A draft structure of semi-annual reports is presented in Attachment 2. Progress reports will be channelled to the Programme Steering Committee and to IFAD for discussion and review. Semi-annual progress reports will build on:

- d. *DPIU progress reports:* DPIUs will be required to submit brief progress reports, using a simple template to be provided by the M&E Specialist. Progress reports should be short, but include at least the following information: financial summary (using a short table), main activities and outputs, number and description of beneficiaries, constraints/difficulties and proposed solutions;
- e. *Provincial Progress Reports:* Provincial Coordinator will prepare semi-annual progress reports, along a format that will be developed by the M&E Specialist and that will be similar to that of the programme progress report.

M&E capacity development. The NPMU will provide capacity building trainings to PPIUs and DPIUs. The priority will be to socialize relevant sections of the M&E guidelines to relevant project staffs. Based on the needs assessment conducted by the training Specialist, the Senior M&E Specialist will plan for follow-up specific trainings on both concepts and practical skills to manage the M&E system, especially data collection, data analysis and reporting.

7.2. Inception, Reviews and Surveys

Inception. A national start-up workshop was organised with programme stakeholders and implementing partners, including from the five provinces, to: (i) ensure that all partners understand and agree on the scope and implementing modalities of the programme; (ii) introduce key processes, tools, strategies for M&E and KM; and (iii) build relationships for future knowledge sharing.

Start-up workshops will subsequently be organized in every participating province and district.

Implementation support. Annual Implementation Support Missions (ISMs) will be organised by IFAD jointly with GoI, in close collaboration with MoV, PPIUs, DPIUs and programme stakeholders. ISMs will offer an opportunity to assess achievements and lessons jointly, to review innovations, and to reflect on improvement measures. Missions will therefore be an integral part of the KM cycle, with mission members playing a supportive and coaching role. To ensure continuity in the process, ISMs will be carried out by a core team of resource persons returning regularly, joined by specialists to address specific needs of a given year.

Interim Programme Reviews. A First Interim Review (MTR) took place at the end of PY 3 with a view to: (i) assess the results, efficiency and effectiveness of the programme; (ii) identify key lessons learnt and good practices; (iii) review institutional arrangements; and (iv) provide recommendations for improved performance and the achievement of impact.

A Second Interim Review will be organized, with similar objectives, in the course of the fifth year. It will also review the likelihood of sustainable programme outcomes and the extent to which a conducive ecosystem has been developed whereby public and private programme stakeholders are

geared to take over from programme interventions and support village economic development. The Review will make recommendations with regard to key measures required to secure the sustainability of programme achievements, based on which the NPMU will prepare a detailed exit strategy. This will include reviewing the options for ensuring the continuity of the Eastern Indonesia Gateway beyond programme completion (see Sub-component 4.2).

Impact and outcome assessments. As per the current practice within IFAD's Indonesia country programme, an Annual Outcome Survey will be undertaken each year from Programme Year 2. Impact surveys will be carried out at three points during programme implementation, at baseline in 2018/19, in preparation to the second interim review (end of PY 4) and prior to programme completion. They will be undertaken by the NPMU with the support of a service provider, in line with IFAD's Impact Survey Guidelines. Tools such as case studies, the Most Significant Changes and photo stories will be used to collect qualitative information through a participatory approach. Survey data and analysis will be shared with the multi-stakeholders' platforms.

7.3. Knowledge Management (KM)

The purpose of KM is to ensure that knowledge generated within the programme is systematically identified, analysed, documented and shared, and that it is used to: (i) improve programme performance and delivery; (ii) document and share innovations, best practices and stories of successes and failures to improve programme intervention and support mainstreaming in national processes and upscaling; and (iii) identify important issues to convey to policy makers. Particular attention will be given to the regular development and update of Orientation and Capacity Building Packages (Component 3.2), which will provide a set of evidence-based and replicable models for improving the use of village resources and for developing village partnerships with public and private players in support of inclusive and sustainable village economic development.

KM framework . In consultation with programme stakeholders and in collaboration with the M&E Specialist, the KM/Policy Development Specialist will design a KM framework and Annual KM Action Plans . The KM framework (short document) will include objectives, responsibilities and methodology to implement KM related work , and the annual KM action plans will detail the activities to be implemented by the KM/Policy Development Specialist to provide materials for the SPU, external audience and to feed in the Eastern Indonesia Gateway.

Online communication approaches utilizing the Eastern Indonesia Gateway, instant messenger, social media and short videos, will be used to reach wider audience, communicating the programme objectives, efforts and outcomes, also inspiring the local youth on economic opportunities that they could start in their own village. More information on this website is presented in activity 3.1.1.

Attachment 1: Definition of indicators (as per logframe at post-MTR)

Indicators	Definition of indicator
Outreach	
1.b Estimated corresponding total number of households members	This number is derived from indicator 1 (counting all members in the HHs)
1.a Corresponding number of households reached	This number is derived from indicator 1 (counting only HHs - not individuals)
1 Persons receiving services promoted or supported by the project	Persons participating in a predetermined list of activities covering ALL TEKAD activities. This list needs to be exhaustive and used systematically across all provinces (same list for all locations)
Villages receiving services supported or promoted by the project	TEKAD target villages

Project Goal: Empowered village communities contribute to rural transformation and inclusive growth in Eastern Indonesia	
% of HHs improving their HH asset ownership index	The HH ownership index is calculated based on their ownership of specific assets (list to be determined based on examples from UPLANDS project). A HH increasing its asset ownership validates this indicator. If baseline data not available, recall question will be asked.
Development Objective: Enable rural households to develop sustainable livelihoods, taking advantage of strengthened village and district level governance	
% of supported rural HHs reporting 30% increase in income of main commodity/product	This only refers to commodities/products supported by the project. Income refers to the revenue (money) made from selling the target commodity/product (not profit or net income)
Outcome 1. Village communities plan and implement profitable economic initiatives taking advantage of village resources	
% of Village Fund allocated to economic development	The calculation of the % includes villages that do not allocate any VF fund to economic development (value "0" used for these villages). Also, this indicator only looks at VF and not other source of financing which are part of the APBDes (total 7 different sources, including the VF)
1.2.4 Households reporting an increase in production	This only refers to commodities supported by the project. Data collection method to follow IFAD guideline. If baseline data not available, use recall question or BPS statistics data.
1.2.5. % of households reporting using rural financial services	Use IFAD guideline for data collection.
% of HHs reporting satisfaction with the economic investment made by the village	This is a perception question that will be rated on an ordinal scale from 1 to 5
1.2.2 Households reporting adoption of new/improved inputs, technologies or practices	Use IFAD guideline for data collection (no need for recall question if no baseline is available). Need to agree on a list of new/improved practices/inputs/technologies for main commodities and interview farmers based on this list.
Output 1.1 Governance and capacities of village communities to envision, plan and implement village resources improved	
Number of village administration staff receiving capacity-building to improve service delivery	This indicator refers to the number of village cadres/ KPMD, village chiefs and village aparats trained in facilitation of village economic planning processes End target is based on 8 persons trained per village (includes: Village Heads, Village Councils/governments, village cadres/ KPMD, sub-village heads and leaders of village businesses (including BUMDes)
Number of Annual Village Budgets (APBDes) including activities and resources in support to economic activities	This indicator counts the number of villages where the APBDes has funds allocated to economic development (so excludes villages where no funds at all are allocated to economic development)
Output 1.2 Village households enabled to develop economic initiatives	
Villages receiving capacity-building for economic initiatives	This includes all forms of technical capacity building activities: FFS, trainings, coaching, demplot, farmer to farmer visiits, or other activitiy. Need to make a complete list to be used in all provinces.
Number of HHs establishing demonstation plots	The end-target is based on 10 HHs per target villlage

Number of HHs benefiting from project competitive investment for economic development	This indicator will be collected by looking at the proposals of village economic institutions which are required to list the number of HHs that will benefit from the proposed investment. Type of investment for disaggregation to follow the 3 categories of investment in budget: civil works, equipment, vehicles
Number of persons in rural areas trained in financial literacy	Follow IFAD guideline for data collection. Target of 299,700 is based on 2 persons trained per HH in all HHs.
Outcome 2. Villages households have sustainable access to markets and to public and private services in support of village economic initiatives	
Districts integrating investment financing for target villages in district plans	The project has to clearly define the type of investments from Districts which have to be monitored and apply this in all provinces (e.g. infrastructure, training, distribution of inputs/assets)
Households satisfied with the relevance, quality and accessibility of extension services provided by public and private sector (COSOP)	Follow IFAD methodology used in other IFAD projects in Indonesia.
2.2.6. % of households reporting improved physical access to markets, processing and storage facilities	Follow IFAD guideline for data collection.
Output 2.1 District and sub-district capacity strengthened to extend technical services in support to village economic development	
Number of district administration staff receiving capacity-building to improve service delivery	This refers to capacity building in economic development planning for villages
Number of district coordination platforms functioning	
Output 2.2 Access to markets and business development services for village-based producers improved	
People receiving services from BDSPs	Need to make a clear list of the type of BDSPs based on the findings of the mapping study and apply this list in all districts The indicator will be sourced from the recruited BDSPs which will be required to monitor the number of persons they have reached in TEKAD's villages.
Number of fairs/information workshops to showcase/present village products to potential buyers.	The target of 25 fairs/workshops could be for less than 25 districts if some districts organize more than 1 fair each.
Outcome 3. Enabling policy and institutional environment facilitate village economic development that builds on local opportunities and leverages the Village Fund resources	
Policy analytical documents prepared and disseminated, and regulatory instruments proposed to policy makers	This refers to documents/research/papers/case studies produced by the KM and Policy Development Specialist for the Strategy Policy Unit (or MoV in general) . This indicator only counts documents which have already been disseminated through media/website/event/printed materials that are distributed.
Districts applying replicable models developed by TEKAD for supporting village economic development leveraging Village Fund and village resources	Districts applying replicable models refer to the 25 districts where TEKAD is working.

Output 3.1 Innovation, learning and knowledge being documented and promoted	
Policy 1 Policy-relevant knowledge products completed	This refers to the same documents as in indicator "Policy analytical documents prepared and disseminated, and regulatory instruments proposed to policy makers" but does not require that the document has been disseminated yet.
Eastern Indonesia Gateway website established and functioning	"Functioning" means that updates are uploaded into the website at least quarterly
Output 3.2 Increased impact of Village Law and Village Fund on village economic transformation	
M&E system providing reliable and comprehensive data that support management in making decisions	This refers to the project MIS

Attachment 2: Content of Semi-Annual Progress Reports

- I. **Executive Summary**
 - a. Overall progress with implementation and semester highlights
 - b. Key issues and actions taken
 - c. Key points on which Programme Steering Committee and IFAD guidance is sought (as needed)

- II. **Progress with component implementation** [*For each component, discuss progress with activities for the period against agreed AWPB and logical framework, identify problems and possible solutions*]
 - a. Component 1 – Activity implemented and results against work plan
 - b. Component 2 – Activity implemented and results against work plan
 - c. Component 3 – Activity implemented and results against work plan

- III. **Progress in meeting legal covenants** [*Report progress towards legal covenants in Financing Agreement*]

- IV. **Progress with Agreed AWPB to [date]**
[*Discuss progress and include action plan in annex 1*]

- V. **Financial Monitoring**
 - a. Financial management status [*include new commitments disbursement data, audit status, etc., and refer to tables in annex 2*]
 - b. Procurement status [*Discuss procurement status and refer to table in annex 3*]

- VI. **Key Indicators** [*Discuss general progress and refer to tables in annex 4*]

- VII. **Knowledge Management** [*Present implementation of Annual Plan for Model Development, Innovation and Communication*]

- VIII. **Work Program for the next 6 months** [*Discuss key activities for the coming period and any adjustment to the Programme of Activities*]

- IX. **Annexes**

Annex 1 – Status of Agreed Action Plan
Annex 2 – Financial Management Report
Annex 3 – Procurement Status Report
Annex 4 – Progress against results framework and key indicators

Attachment 3 to Chapter 7. Duties and Responsibilities of Regional Team

The division of tasks and responsibilities in the implementation of project activities is divided equally in each directorate. The director in charge of the locus, divides the responsibilities of each district into a group of sub teams with Sub Team Personnel consisting of 3 to 4 people and led by the Head of the Sub Team.

Scope of Duties as Follows:

- a. Follow and understand well the Program Implementation Manual (Project Implementation Manual)
- b. Monitor and control the implementation of the activities of all components at the district and village levels

- c. Carry out intensive coordination with the DPIU to ensure that the performance of District Facilitators, District Facilitators and Village Cadres can be carried out in accordance with the Guidelines for Task Implementation
- d. Cooperate with the M&E Officer in consolidating and ensuring the collection of program data and information until it is inputted into the TEKAD Program Information System
- e. If necessary, carry out monitoring in the field to ensure that the implementation of the activities of all components can be carried out properly according to the guidelines for each activity

Work mechanism:

- 1) Component Responsible Persons provide detailed information on all program activities at the district and village levels
- 2) The Location Responsible Person reports all activities to the Component Responsible Person through the Director as the direct supervisor;
- 3) Collaborate with the M & E Officer in consolidating and ensuring the collection of program data and information until it is inputted into the TEKAD Program Information System
- 4) If necessary, conduct monitoring in the field to ensure that the implementation of the activities of all components can be carried out properly according to the guidelines for each activity.
- 5) Collaborate with PPK and Financial Officers in consolidating and ensuring data collection related to the use of funds by DPIU
- 6) Collaborate with the GESI Focal Point in consolidating and ensuring the collection of data and information related to the implementation of the GESI approach at the district and village levels

No	Direktorat	No	Provinsi	Kabupaten
1	Dit. Perencanaan Teknis	1	NTT	Ngada
		2	NTT	Sumba Timur
		3	NTT	Manggarai
		4	Papua Barat Daya	Raja Ampat
		5	Papua Barat Daya	Maybrat
2	Dit. Pelayanan Investasi Desa	1	Papua	Keerom
		2	Papua	Sarmi
		3	Papua	Jayapura
		4	Papua	Kep. Yapen
		5	Papua Selatan	Bofen Digoel
3	Dit. Pengembangan Kelembagaan	1	Papua Barat	Manokwari
		2	Papua Barat	Kaimana
		3	Papua Barat	Fak-fak
		4	Papua Barat	Manokwari Selatan
		5	Papua Barat	Pegunungan Arfak
4	Dit. Pengembangan Produk Unggulan	1	Maluku Utara	Halmahera Barat
		2	Maluku Utara	Halmahera Selatan
		3	Maluku Utara	Halmahera Tengah
		4	Papua Pegunungan	Yahukimo
		5	Papua Pegunungan	Jayawijaya
5	Dit. Promosi dan Pemasaran	1	Maluku	Seram Bagian Timur
		2	Maluku	Seram Bagian Barat
		3	Maluku	Maluku Tengah

		4	Papua Tengah	Nabire
		5	Papua Tengah	Dogiyai

CHAPTER VIII GRIEVANCE MECHANISM

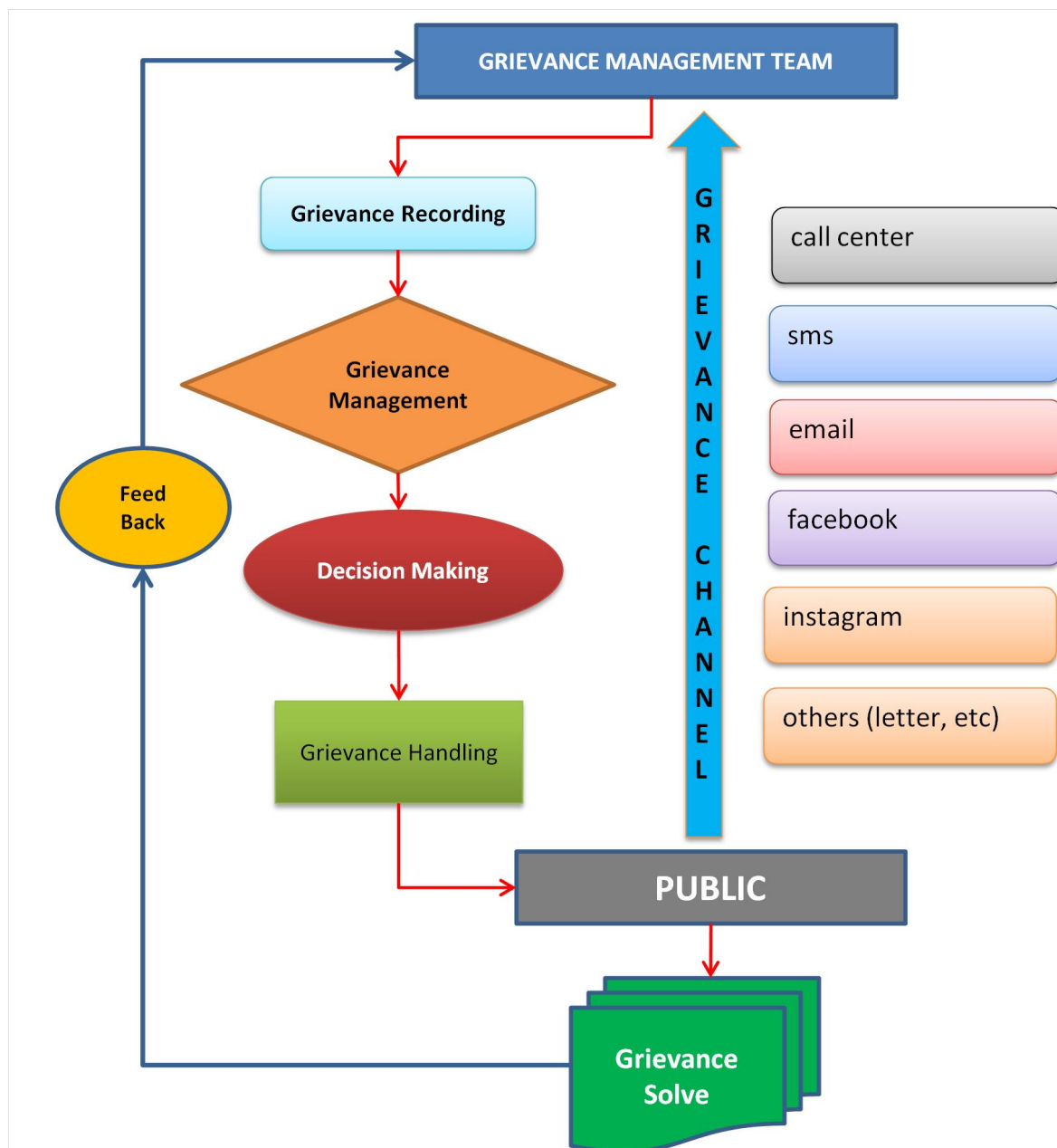
The grievance mechanism as learned from the previous project, VDP, was found to be fairly good in the mechanism for submitting, settling, notifying and providing feedback to the complainant on his complaint. The processing of grievance which has been carried out has as a principle to give priority to the satisfaction of the complainants. Based on this learning, TEKAD will continue to use grievance mechanism that went well and will be rooted in E-Complaint, which is a grievance mechanism website that currently belongs to State Ministry of Villages.

8.1. Chronology of community grievance

Principles for grievance mechanism and complaints. Grievance mechanism is carried out by following the principles of:

1. Secret identities that file grievance (journalists) must be kept confidential, for security reasons, they must be protected;
2. Tiered Process
The management process takes place in stages, depending on where the program is implemented, the level of grievance and the place of notification.
3. Participative and Open
Farmers / community groups as TEKAD actors and targets should be involved in the complaint handling process against grievance about the program activity process in their area, facilitated by district and village facilitators, so that the community participates in controlling the implementation of the program in their region.
4. Case scope management (propositional)
Grievance mechanism should be within the scope of the case, which means that in the case of resolving grievance in the case.
5. Objectives
Grievance that arise should always be tested for the truth, through a cross-test mechanism. The actions taken are therefore consistent with actual data. The measures taken are not based on the stages that should be and the customs of each region.

Figure 8.1. The Flow of Mechanism and Community Grievance



8.2. Elements of community-based grievance mechanism

Community grievance management involves channelling grievance, handling grievance, comments and complaint management reports.

1. Source or origin of grievance

It is the community, both individually and as a group, from which grievance arise. The grievance are not limited to the communities where they are assisted, but it is very likely that they will be transmitted by other parties such as NGOs, the media (press), observers/by standard, etc. Grievance can be submitted through the available media.

2. Community grievance management unit.

Is a unit (unit or person) appointed centrally, to manage and deal with grievance, wherever they come from and through any channel. The result of the processing of this unit is the response (response) to grievance. This unit is implemented in stages.

3. Grievance

Is a response produced by the Grievance Management Unit which is linked to grievance and submitted to the complainant?

4. Duration of Handling

The deadline for submitting grievance is a maximum of 14 working days, since grievance are received from the grievance mechanism unit.

5. Feedback

The complainant's assessment of the complaint management unit's response to the complaint he submitted.

6. Grievance mechanism report

In the form of a grievance mechanism report contains, among other things, grievance, responses to grievance and comments from the complainant.

7. Forms of grievance

Submission of grievance can be done in several ways, including:

- a. Grievance written by SMS and e-mail;
- b. Grievance in writing by fax;
- c. Grievance in writing via Facebook and Instagram social networks;
- d. Verbal grievance by telephone and
- e. Direct grievance from journalists individually, in groups, as well as through community meetings / forums.

The recording of grievance for each complaint must be made at the time of receipt of the complaint and in order to facilitate the reporting and management of the settlement of grievance. However, grievance that do not use a clear name of the complainant will receive more handling (response) than those that write the legal name of the complainant.

8. Complaint channels

a. Internal channels

Internal channels are grievance that are submitted directly to the TEKAD team, either through the TEKAD mailbox, letters addressed to the TEKAD office, TEKAD email, telephone, fax, sms and / or submitted directly to TEKAD team staff at central level, central PPM

- 1) Mailing address:
Postal code 12770
- 2) E-mail address: keluhanTEKAD@gmail.com
Phone: 0813-8145-0617
- 3) Text: 0813-8145-0617
- 4) Social media: FaceBook and Instagram

b. External channels

External channels are grievance that are not submitted directly to the TEKAD team, but through parties outside the TEKAD team such as NGOs, the media (press) and others.

8.3. Community grievance management

Public grievance are obtained, either by letters, SMS, e-mail, social media, telephone, mass media news, results of field visits by the coordination team or the PPIU, district facilitator (*Penkab*) and sub district facilitator (*Pendis*) and village cadre (*Penkam*) as well as by monitoring by NGOs or by other parties. , the management process takes place according to the following stages (the graph of the stage of grievance is in

1. Registration / registration and complaint documentation

The recording and documentation of grievance is described in the community complaint form (sheet 1 in the appendix). Intended to serve as a control mechanism. Things that should be noted include:

- a. Archive number
- b. Letter number (if applicable)
- c. Date of dispatch and reception (the date of dispatch and reception may be the same if the form of the complaint is direct).
- d. Origin or identity of the sender (name, address, profession and institution)
- e. Actors / Subjects and identities denounced, the two subjects being part of the elements of implementation (government, NMC, RMC, PenKab, Pendis and Penkam, village elites or general public) or other subjects.
- f. The content of the complaint in the form of questions raised.

2. Cross test and analysis

The cases resulting from the results of the complaint are then cross-checked to obtain:

- a. Certainty of the subject that arises (subject, place, quantitative data, etc.)
- b. Certainty of the status of the case. The case has been treated, resolved in the management process, in the cross-test process, the analysis process, etc.
- c. Get more information.

The results of the cross-test, an entry analyzing the emergence of grievance, thereby increasing the accuracy of the preparation of management alternatives. The results of this process are recommendations for case management. The problem analysis should describe:

- a. Cross-Complaint Test Results Minutes (Supporting Information)
- b. Minutes of grievance concerning the results of the cross-tests
- c. Management recommendations.

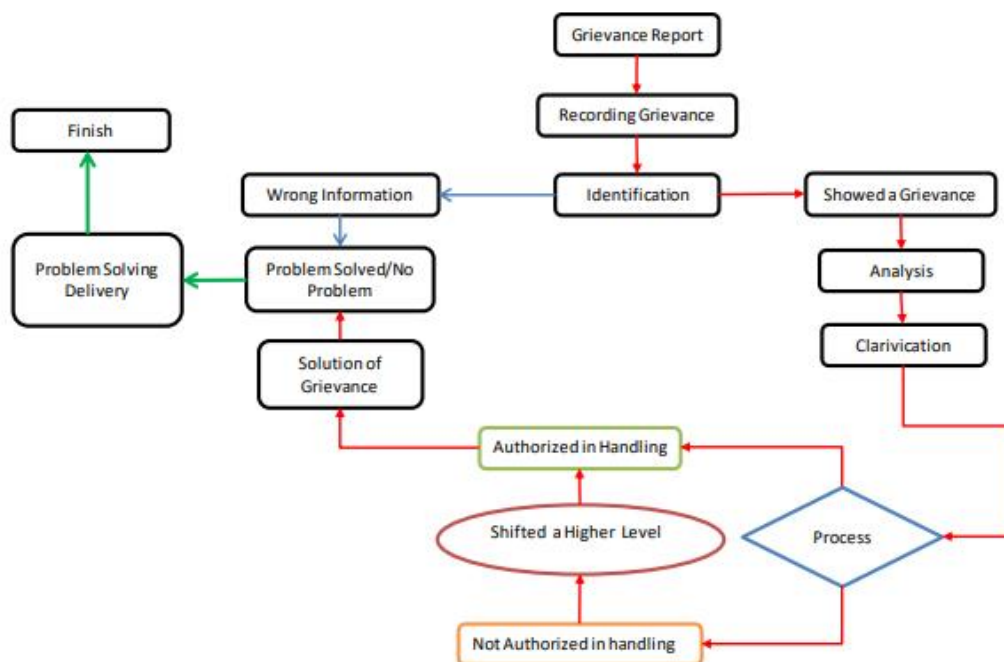
3. Intervene

Monitoring is based on the recommendations of the results and analysis of the cross-tests, which are carried out in stages in accordance with their respective jurisdictions. Surveillance and in-depth investigation.

4. Completion of grievance and handling of grievance

Grievance and grievance are declared resolved when: The resolution of these grievance promotes the principle of openness and participation. This means that the settlement process must be done openly and involve the community. Officials and education / Penkam only facilitate the process of resolving these grievance.

Figure 8.2 Community Grievance Mechanism Table



5. Comments

Feedback (feedback) is a public response to the resolution of cases that arise. This may be:

- a. Accept and assume that the file is finished
- b. Receive with a few notes and provide additional information.
- c. Rightfully refuse
- d. Receive without reason
- e. There was no response

Feedback is also entered for cases that may arise as a result of actions (intervention acts). Thus becoming a contribution for the authors of TEKAD as a continuing complaint.

The amalgamation of grievance that arise and the management of follow-up, both those that have been dealt with and those that are being handled by each level, are reported as an exhaustiveness of the monthly reports that are implemented in stages. Based on this report, if there are grievance that cannot be resolved or if the resolution process is extended, the next level or other related parties can assist in the resolution. The format of the complaint resolution management report can be found on sheet 6.

8.4. Grievance handling formats

To facilitate handling of public grievance, six complaint forms have been provided, as follows:

6.6 Sheet 1

Used to record grievance from the public.

The first thing to note is the registration number and date of the complaint. After that, give the source or the media a sign of the appearance of the complaint and give the name and full address of the recipient of the complaint. Then fill in the journalist's identity and the content of the complaint in the space provided.

6.7 Sheet 2

Used to identify grievance. Fill in the registration number and the date of the complaint again. Then, in a row, fill in the subject reported, the nature of the complaint, the area of the complaint, the level of managing authority, the level of management interest and the follow-up action taken.

6.8 Sheet 3

This sheet is used for alignment (verification), investigation and explanation of grievance. On this sheet, do not forget to note the registration number and the date of the complaint. This sheet consists of two parts. The first part deals with the verification, investigation and explanation plan. Mandatory fields are the date and the person who will carry out the verification, investigation and explanation. The second part is the result of an audit, an investigation and an explanation.

6.9 Sheet 4

The registration number and date of the complaint are replenished on the sheet, and the estimated impact due to community grievance, management objectives and management recommendations (suggestions).

6.10 Sheet 5

Used to record the facilitation of resolving incoming grievance from the community. Indicate the registration number and date of the complaint, the date of implementation of the facilitation activity, the facilitator, including the position or the position of the responsible responsible, the activities carried out and the results obtained . Facilitating the resolution of community grievance will likely be done through several activities.

6.11 Sheet 6

Is a file that is the final progress report on handling public grievance.

Fill in the registration number and the date of the complaint, then the state of management and the final results of the management of grievance that have been made. The final information that must be recorded in the public grievance process is information about the journalist's responses.

