

**SMERU**



*Research Report*

# Strengthening the Poverty Reduction Capacity of Regional Governments through Participatory Poverty Assessment (PPA)

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SMERU Research Institute

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## FOREWORD

Poverty is still a prevalent problem in Indonesia. The National Poverty Reduction Strategy Paper (PRSP) launched in 2005 called for the contribution of all stakeholders, including regional governments, in collaborative efforts to reduce poverty. The role of regional governments in poverty reduction has become more crucial with the implementation of regional autonomy since 2001, as most public services and various policies that directly affect the lives of the people are now in the hands of the district governments. Considering this crucial role, various initiatives have been launched to strengthen the capacity of regional governments in handling poverty in their respective area. This study tries to contribute to these efforts.

An earlier study that consolidated the result of PPA studies in 79 villages across Indonesia in 2003 (SMERU 2003) has provided a basis for proposing the use of several PPA tools in developing a more pro-poor planning process that will in turn produce a poverty reduction strategy document and a more pro-poor development planning document. The experiences and lessons learned from other initiatives that address the enhancement of regional governments' capacity have also contributed to the design of this study.

The conduct of this study is rather different from other SMERU studies as it is directly supported by and involved the district governments of Kabupaten Bima and Kabupaten Tapanuli Tengah. Several district government officials and activists from non-government organizations as well as local academicians were actively involved in this study. Their ideas and analysis have enriched the analysis of this study and provided real contribution, particularly in proposing models of PPA integration into the existing regional planning process.

It is our hope that the results of this study will make a real contribution to the development of a more pro-poor development policy in the pilot districts, as well as to the national discourse of developing a more pro-poor regional development planning process. We are really grateful for the support of various institutions and individuals in the conduct of this study. We acknowledge the fact that this study and its initial report may have several weaknesses. We therefore greatly appreciate any critique, comment, and input that were extended to us during the finalization of the study and its report.

Jakarta, January 2006

SMERU Research Team

# Strengthening the Poverty Reduction Capacity of Regional Governments through Participatory Poverty Assessment (PPA)

## ABSTRACT

Following the development of the Indonesia National Poverty Reduction Strategy Paper (PRSP), there was a call for the development of a Regional PRSP through an inclusive process of Participatory Poverty Assessment (PPA). This study has pilot tested an effort to develop the capacity of district (*kabupaten*) governments in conducting PPA and using its results as one of the inputs for the preparation of the regional development plan, including the Regional PRSP. This nine-month study was commenced in April 2005 and completed in December 2005. It was carried out in two districts, Kabupaten Bima in the Province of West Nusa Tenggara (NTB) and Kabupaten Tapanuli Tengah in the Province of North Sumatera.

The progress and the results of this study is reported in the Phase I and Phase II Reports, and the Final Report. The results of this study include an analysis of the poverty condition in the two pilot districts, an assessment on the capacity of the district government in analyzing poverty and designing policy and programs for reducing poverty, and an assessment on the potential integration of PPA into the regional development planning process. Based on these results, several recommendations have been drawn with regard to alternative policies for reducing poverty in the two pilot districts, efforts to develop the capacity of district governments in poverty reduction, and the integration of PPA into the existing regional planning process.

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## LIST OF ABBREVIATIONS

A DB		Asian Development Bank
APBD	<i>Anggaran Pendapatan dan Belanja Daerah</i>	Local/Regional Government Budget
APBN	<i>Anggaran Pendapatan dan Belanja Nasional</i>	National Government Budget
Bappeda	<i>Badan Perencanaan Pembangunan Daerah</i>	Regional Development Planning Board
Bappenas	<i>Badan Perencanaan Pembangunan Nasional</i>	National Development Planning Board
BBM	<i>bahan bakar minyak</i>	fuel
BKKBN	<i>Badan Koordinasi Keluarga Berencana Nasional</i>	National Family Planning Coordination Board
BPMPP	<i>Badan Pembangunan Masyarakat dan Pemberdayaan Perempuan</i>	Women's Empowerment and Community Development Board
BPM D	<i>Badan Pemberdayaan Masyarakat Desa</i>	Village Community Empowerment Board
BPS	<i>Badan Pusat Statistik</i>	Statistics Indonesia
BPR	<i>Bank Perkreditan Rakyat</i>	People's Credit Bank (Small Scale Commercial Bank)
BRI	<i>Bank Rakyat Indonesia</i>	One of the State Own Commercial Bank
Bupati		Regent (Head of District)
CDS		City Development Strategy
CESS		Center for Economic and Social Studies
Coremap		Coral Reef Rehabilitation
DAFEP		Decentralized Agricultural and Forestry Extension Project
DPRD	<i>Dewan Perwakilan Rakyat Daerah</i>	Local/Regional Legislative
FGD		focused group discussion
GDP		Gross Domestic Product
GTZ		<i>Gesellschaft fur Technische Zusammenarbeit</i>
HDI		Human Development Index
HPI		Human Poverty Index
IBRD		International Bank for Reconstruction and Development
IDT	<i>Inpres Desa Tertinggal</i>	Presidential Directive on Disadvantaged Villages
ILGR		Initiative for Local Government Reform
IMS	<i>inisiatif masyarakat setempat</i>	local community initiative
IPCOS		Institute for Policy and Community Development Studies
JBIC		Japan Bank for International Cooperation
JPK Gakin	<i>Jaminan Pemeliharaan Kesehatan untuk Keluarga Miskin</i>	Health Insurance Scheme for Poor Families
JPS-BK	<i>Jaring Pengaman Sosial – Bidang Kesehatan</i>	Social Safety Net Program in the Health Sector
Kab.	<i>kabupaten</i>	district

KB	<i>Keluarga Berencana</i>	Family Planning
Kec.	<i>kecamatan</i>	subdistrict
KPK	<i>Komite Penanggulangan Kemiskinan</i>	Poverty Reduction Committee
KPKD	<i>Komite Penanggulangan Kemiskinan Daerah</i>	Regional Poverty Reduction Committee
KUD	<i>Koperasi Unit Desa</i>	Village Cooperative Unit
KUKM	<i>koperasi, usaha kecil dan menengah</i>	cooperatives, small and medium-sized enterprises
LKM	<i>lembaga keuangan mikro</i>	microfinance institutions
LP3M	<i>Lembaga Pengkajian Perdesaan, Pantai, dan Masyarakat</i>	Institute of Rural, Coastal, and Societal Studies
KSP	<i>koperasi simpan pinjam</i>	savings and loans cooperatives
MFCDP		Marginal Fishing – Community Development Program
MFP		Multi-stakeholders Forestry Program
MUI	<i>Majelis Ulama Indonesia</i>	Indonesian Muslim Leaders Council
Musbang	<i>musyawarah pembangunan</i>	development consultation
Musbangdes	<i>musyawarah pembangunan desa</i>	village development consultation
Musrenbang	<i>musyawarah rencana pembangunan</i>	consultation on development planning
NGO		non-government organization
NTAADP		Nusa Tenggara Agricultural Area Development Project
NTB	<i>Nusa Tenggara Barat</i>	West Nusa Tenggara
NTT	<i>Nusa Tenggara Timur</i>	East Nusa Tenggara
ODI-DFID		Overseas Development Institute – Department for International Development
OPK	<i>operasi pasar khusus</i>	special market operation
PDM-DKE	<i>Pemberdayaan Daerah dalam Mengatasi Dampak Kekeringan dan Masalah Ketenagakerjaan</i>	Regional Empowerment in Overcoming the Impact of Drought and Labor Problems
PEMP	<i>Pemberdayaan Ekonomi Masyarakat Pesisir</i>	The Economic Empowerment of Coastal Communities
Pemda	<i>pemerintah daerah</i>	regional government
Perda	<i>peraturan daerah</i>	regional regulation
Perpres	<i>Peraturan Presiden</i>	Presidential Regulation
PIDRA		Participatory Integrated Development in Rain fed Area
PLKB	<i>petugas lapangan Keluarga Berencana</i>	Family Planning field workers
PMD	<i>pemberdayaan masyarakat desa</i>	village community empowerment
Posyandu	<i>pos pelayanan terpadu</i>	integrated health services posts
PPA		Participatory Poverty Assessment
P2D	<i>Pengembangan Prasarana Desa</i>	Village Infrastructure Development
P3A	<i>Perkumpulan Petani Pemakai Air</i>	Irrigation Farmers' Association
PPL	<i>petugas penyuluh lapangan</i>	extension field workers
PPK	<i>Program Pengembangan Kecamatan</i>	<i>Kecamatan</i> Development Program
PPM		Participatory Poverty Mapping
P4K	<i>Proyek Pemberdayaan dan Peningkatan Pendapatan Petani dan Nelayan Kecil</i>	Small-scale Fishers-Farmers Income Enhancement Development Project
P4K	<i>Perencanaan Program Partisipatif Pengentasan Kemiskinan</i>	Planning on Participatory Poverty Reduction Program
PRA	-	participatory rural appraisal

Propeda	<i>program pembangunan daerah</i>	regional development program
Prov.	<i>provinsi</i>	province
PRS		poverty reduction strategy
PRSP		Poverty Reduction Strategy Paper
Pustu	<i>puskesmas pembantu</i>	branch of community healthcare center
Rakorbang	<i>rapat koordinasi pembangunan</i>	development coordination meetings
Raskin	<i>beras untuk keluarga miskin</i>	the cheap rice for the poor program
Renja	<i>rencana kerja</i>	work plan
Renstra	<i>rencana strategis</i>	strategic plan
RKPD	<i>Rencana Kerja Pembangunan Daerah</i>	Regional Development Work Plan
RPJM	<i>Rencana Pembangunan Jangka Menengah</i>	Medium-term Development Plan
RPJMD	<i>Rencana Pembangunan Jangka Menengah Daerah</i>	Regional Medium-term Development Plan
RPJP	<i>Rencana Pembangunan Jangka Panjang</i>	Long-term Development Plan
RPJPD	<i>Rencana Pembangunan Jangka Panjang Daerah</i>	Regional Long-term Development Plan
RPTD	<i>Rencana Pemerintah Tingkat Desa</i>	Village-Level Government Plan
RPTK	<i>Rencana Pemerintah Tingkat Kecamatan</i>	Kecamatan-Level Government Plan
SCBD		Sustainable Capacity Building for Decentralization
SKPD	<i>Satuan Kerja Perangkat Daerah</i>	District-Level Work Unit Work
STIE	<i>Sekolah Tinggi Ilmu Ekonomi</i>	Graduate Schools for Economic Sciences
STISIP	<i>Sekolah Tinggi Ilmu Sosial dan Ilmu Politik</i>	Graduate Schools for Political and Social Sciences
Sumut	<i>Sumatera Utara</i>	North Sumatra
TUGI		The Urban Governance Initiative
TKPK	<i>Tim Koordinasi Penanggulangan Kemiskinan</i>	Coordination Team on Poverty Reduction
UED-SP	<i>Unit Ekonomi Desa-Simpan Pinjam</i>	Village Economic Unit – Savings and Loan
UKM	<i>usaha kecil dan menengah</i>	small and medium-sized enterprises
UMKM	<i>usaha mikro, kecil, dan menengah</i>	micro, small and medium-sized enterprises
UNDP		United Nations Development Program
UPKD	<i>Unit Pengelola Keuangan Desa</i>	Village Fund Management Unit
UP2K	<i>Usaha Peningkatan Pendapatan Keluarga</i>	Family Income Enhancement Program
URDI		Urban and Regional Development Institute
USP	<i>usaha simpan-pinjam</i>	savings and loan business
WHFK		Women's Health and Family Welfare
WWF		World Wild Fund

## EXECUTIVE SUMMARY

Following the completion of the National Poverty Reduction Strategy Paper (PRSP) which was developed through an inclusive process that drew on the participatory poverty assessments (PPA) results, the Government of Indonesia called on regional governments to utilize PPA in preparing their regional development plans and poverty reduction strategies. Since most regional governments are not familiar with PPA, the SMERU Research Institute initiated a study which results are expected to help strengthen the regional governments' poverty reduction capacity through utilizing PAA. This study was conducted in Kabupaten Tapanuli Tengah, North Sumatra Province and in Kabupaten Bima, West Nusa Tenggara Province. This study aims to introduce PAA to the regional governments and develop their capacity in conducting PPA and using its results as inputs for the preparation of their regional development plan, including the preparation of the regional PRSP. This research is designed based on the findings and recommendations of the PPA consolidation study conducted by SMERU in 2003 with the support of the Japan Bank for International Cooperation (JBIC), as well as the experiences encountered in several programs similar to this study that had been carried out by other institutions.

This study was conducted in nine months, beginning in April 2005 and ending in December 2005. In mid-January 2006, a national workshop was organized in Jakarta as a forum to discuss and disseminate the results of this study. In principle, this study adopted an approach emphasizing on the process of participatory learning. Based on this approach, SMERU together with the *kabupaten* governments and non-government institutions learned about the PPA and how to conduct it in the context of preparing regional development plans. Through this collaborative research with the *kabupaten* governments, it is expected that alternative models for integrating PPA into the process of preparing regional development programs and policies as well as models for technical assistance for regional government and other regional stakeholders can be identified.

### Implementation Process of the Study

The implementation process of this study consisted of three stages, which are the preparatory phase, the implementation phase, and the analysis and reporting phase. During the preparatory phase, the research team conducted interviews with Bappenas and four institutions that had carried out programs related to the strengthening of regional governments' capacity in poverty reduction. The preparation of PPA training materials and preliminary visits to the Province of West Nusa Tenggara, particularly to Kabupaten Bima and to the Province of North Sumatra, particularly to Kabupaten Tapanuli Tengah were also carried out during this phase. During these visits, the research team discussed the collaboration framework with the *kabupaten* government, interviewed several relevant sectoral offices and non-government institutions, and organized focused group discussions with stakeholders at the *kabupaten* level to consult about the poverty condition in the respective districts.

The second phase of this study began with the final preparation of the PPA training, which included the revision of training materials and selection of training participants. The PPA training was then organized for six days, four days in class and a two-day field trial. In Kabupaten Bima, the training included 13 participants (six from local governments and seven from non-government institutions), while 11 people participated in the training in Kabupaten Tapanuli Tengah (nine from local government and two from non-government institutions). After the training sessions, the participants (later called the PPA Team) and SMERU conducted PPA activities at the village level for about seven days. The PPA in Kabupaten Bima was carried out in three villages where the livelihood typology is food crops farming and cattle rising. These villages were hilly areas in the forest fringe that mostly cultivates plantation crops and coastal areas with a mix livelihood of brackish water fish pond farming, rice farming, and sea fishing. The PPA in Kabupaten Tapanuli Tengah was also carried out in three villages having the livelihood typology of semi-urban areas where some of the people still live from farming. These villages consist of farming areas where people cultivate food and plantation crops, and coastal areas where people live from sea-fishing, rice as well as coconut farming. At the end of this phase, a discussion was organized at the *kabupaten* level to report and discuss the preliminary findings of the PPA at the village level.

In the third stage, the research team consolidated and analyzed data and information collected during the first and second stages. The result of this analysis was presented and discussed with relevant sectoral offices of the *kabupaten* government as well as relevant non-government institutions. The activities at the *kabupaten* level ended with a workshop attended by various sectoral offices of the *kabupaten* government, local legislative, and relevant non-government institutions. The objective of this workshop was to discuss the findings of this study and the recommendation for the poverty reduction strategy, as well as the potential for integrating PPA into the planning process. Finally, in mid-January 2006 a national workshop organized in cooperation with Bappenas was held in Jakarta. Besides reporting on the implementation and the findings of this study, this workshop also discussed alternative ways of integrating PPA into the regional development planning process.

## **PPA Results**

Poverty in Kabupaten Bima is affected by the environmental condition such as dry climate and a relatively small proportion of fertile land. However, the agricultural sector still dominates the regional economy, as around 48% of its GRDP derives from the agricultural sector and most households rely on this sector. Limited natural resources have made poverty a prevalent problem, where the poverty rate and human poverty index (HPI) are above the national average, while the human development index (HDI) is far below the national average. Indeed, the secondary data provided by Statistics Indonesia presents an optimistic picture for the possible increase of people's welfare due to the fact that the poverty rate tends to continuously decreased in the last five years (1999-2004).

The results of discussions with the communities in the three PPA villages in this *kabupaten*, revealed that the trend of increasing welfare is found only among farmers that have shifted to new commodities with a higher value, such as shallot and peanut,

and cattle farmers that raised a new variety of cattle and practiced better cattle raising techniques. This increase in welfare, however, still bears the risk of vulnerability because the shallot plants are attacked by plant disease and cattle farmers are short in fodder supply. At the same time, other communities are experiencing a decrease of welfare, including wet-rice farmers because of the reduction in the supply of irrigation water; cattle farmers who still adopt traditional farming techniques; traditional fishers who have to compete with modern fishing vessels from other regions; and brackish water fish pond farmers who no longer cultivate their pond because of the mismanagement in the business of their counterpart. In this regard, it should be noted that the poverty dynamics of the semi-urban community have not been covered in this PPA exercise.

Further analysis of the PPA results revealed that generally the poverty condition in Kabupaten Bima was affected by six factors, namely: (1) environmental degradation, particularly in forest areas and critical lands due to illegal logging and slash and burn practices; (2) increase in agricultural production and the vulnerability due to climate, environmental degradation, and pest/disease attack; (3) lack of job opportunities in non-farm sectors; (4) low level of skill and education, particularly among the poor; (5) lack of access to contraceptives causing large families among the poor; and (6) people's low access to institutions that provide economic support, and low level of community engagement in the programs/projects that have been executed.

The economy of Kabupaten Tapanuli Tengah is also dominated by the agricultural sector, but more rain and fertile land make natural resources in this region much more abundant than that in Kabupaten Bima. However, this *kabupaten* is the second poorest district in the province of North Sumatra and data from Statistics Indonesia shows an increasing poverty trend in the last five years as well as the stagnation of economic growth, particularly compared to the economic growth of the North Sumatra Province in general.

The results of the discussions with the communities in the three PPA villages in Kabupaten Tapanuli Tengah revealed that the decreasing trend of welfare affected several communities. Among them are the rice farmers who are affected by pest attacks, flooding and the deterioration of irrigation canals, and the non-functioning of institutions that manage the supply of irrigation water. Others are the traditional fishers who experience decreasing fish catch caused by the degradation of coral reef due to the use of bombs and the operation of Thailand pure seine. In contrast, the welfare of several other communities tend to improve, among others are: farmers who diversify their cultivation to plantation (cash) crops, particularly palm oil, cacao, and fruits; the semi-urban communities that have relatively higher level of education because of better road access and the availability of new job opportunities in the trading and service sectors.

The analysis of PPA results and the discussions with stakeholders at the *kabupaten* level indicate that there are at least five factors that influence the poverty condition in Kabupaten Tapanuli Tengah. The first is the income sources as some people that diversify their plantation crops become more prosperous, while the welfare level of fishers and food crop farmers tend to decrease. In addition, work and business opportunities in non-farm sectors are lacking. This situation has caused the young

generation with better education to look for job in other regions. The second factor is the low level of education among the poor. Special attention needs to be addressed to the sea-fishing community because the education level of boys tends to be low, even lower than girls. The third factor is the infrastructure condition; the improvement of roads and telecommunication in some regions has increased welfare. However, in many places the road and irrigation infrastructures are deteriorating due to lack of maintenance, increasing incidence of flooding due to environmental degradation in the upper course of the rivers, and the low quality of the construction. The fourth factor is environmental degradation along the river catchment areas and in the sea and coastal areas. Finally, the fifth factor is the low coverage of the family planning program among poor households and people in remote villages. The limited number of medical personnel, problems related to local customs, and misperceptions about the side effects of contraception cause the tendency of poor families to have more children, hence bearing more economic burden.

### **Regional Capacity in Poverty Reduction**

The result of this study shows that the institutional capacity of Kabupaten Bima with regard to poverty reduction is relatively better than Kabupaten Tapanuli Tengah. It is reflected from the activities of the regional poverty reduction committee (KPKD) of Kabupaten Bima which had conducted a census of poor families, prepared a list of poverty reduction programs carried out by the regional government, non-government institutions, and donors, a list of economic productive activities that had been formed through various government programs, and prepared the draft of the regional PRSP. While in Kabupaten Tapanuli Tengah, although KPKD had been formally established, it has not yet function. The development of Kabupaten Bima's institutional capacity has been supported by, inter alia: the existence and activities of various non-government organizations with a wide range of activities, including direct assistance to the communities and policy advocacy; the inclusive KPKD membership that consisted of representatives from government and non-government institutions; activities and support from donors, both that focuses on poverty reduction as well as on the enhancement of the regional planning process; and the political condition of the region. Regarding donor activities, it can be observed that the number of program/project funded by donors in Kabupaten Bima is larger than in Kabupaten Tapanuli Tengah. In addition, it seems that the prevalence of poverty problems in Kabupaten Bima also caused the *kabupaten* government and the community to be more concern with poverty issues.

The difference in the institutional capacity of the two pilot *kabupaten* has affected the effectiveness of the capacity enhancement efforts carried out in this study. Because Kabupaten Bima has prepared the draft regional PRSP, and the medium and long term development planning (RPJM and RPJP), it was easier to use the results of this study as inputs for the regional development plan, as well as for the improvement of the existing planning process which had already adopted a participatory approach. The discussion forums at the *kabupaten* level were also more inclusive because it involved the *kabupaten* government, the local legislative (DPRD), and non-government institutions. In contrast, although the real impact in Kabupaten Tapanuli Tengah is not as clear as in Kabupaten Bima, this study was able to introduce a more inclusive and participatory approach, and encouraged a discussion of poverty reduction policies



with a new perspective that takes into account the interest and the need of the poor. In its implementation process, the discussions at the *kabupaten* level became more and more active and inclusive, particularly in terms of the involvement of sectoral offices and non-government institutions. However, the involvement of DPRD was still lacking because of the problem within the DPRD itself and the tension between the legislative and the executive bodies.

### **Regional Development Planning Process and the Potential for PPA Integration**

Although both pilot *kabupaten* use Law Number 25 of Year 2004 as the basis for their development planning process, in practice the planning process in these *kabupaten* is slightly different. Kabupaten Bima has developed a participatory planning process since 2001 with the support of the PROMIS-NT project. This participatory planning process has been stipulated in Bupati Decree Number 237 of Year 2002, which was then amended by Regional Regulation (*Perda*) Number 5 of Year 2005. The planning process was initiated from the village level by involving representatives of hamlets and community leaders. It was then followed by consultations at the *kecamatan* and *kabupaten* levels by involving non-government institutions, including non-government organizations (NGOs) and universities. Consultation process which involved multi-stakeholders was also organized in the preparation of the draft regional PRSP, RPJM, and RPJP. Up to 2004, the development consultation forum (*musbang*) in Kabupaten Tapanuli Tengah was only attended by regional government officials. Since 2001, after the removal of the village block grant (*Inpres Desa*), *musbang* at the village level was abolished, and the *musbang* was organized only at the *kecamatan* and *kabupaten* levels. *Musbang* (then called *musrenbang*) at the *kecamatan* level was attended by village representatives, and representatives from BPM and Bappeda. It was only in 2005 that the *musrenbang kecamatan* was also attended by representatives from other sectoral offices and the *musrenbang kecamatan* and *kabupaten* invited non-government institutions.

The experiences of the PPA Team in the implementation of the study have convinced them that even the poor can participate in the discussion. Several FGD tools are considered to be very useful in bringing together the people's voices. This experience also inspired some members of the PPA Team to improve the discussion and consultation in the planning process. Particularly for Kabupaten Bima, which has developed *musrenbang* at the village level, the PPA has demonstrated to them that their village *musrenbang* tended to be dominated by village elites. That is why they intended to improve the village *musrenbang* mechanism by adopting some of the PPA tools and directly involving the community, including the poor. In addition, Kabupaten Bima had used the PPA results as an input in the finalization of their RPJP and RPJM. Meanwhile, the PPA Team in Kabupaten Tapanuli Tengah also recognizes the potential of integrating PPA into the village *musrenbang*.

### **Recommendation**

Overall, the result of this study supported a general recommendation that efforts to reduce poverty and efforts to enhance regional institutional capacity in poverty reduction should be tailored to the local social-economic-political conditions. With regard to poverty reduction, poverty issues should be seen in a comprehensive way so

that the links across issues can be identified. Considering that there is a link between one factor and the other, there is a need to reduce poverty and vulnerability in a comprehensive manner.

The PPA results show that the infrastructure development along with the introduction of higher value commodities will improve community welfare. The level of improvement will be higher than infrastructure development alone. In addition, lots of non-infrastructure endeavors—such as law and regulation enforcement, as well as training, extensions, and technical assistances—are also critical for reducing poverty. More importantly, there is a critical need to change the orientation of public service delivery to one that is targeted to the community with the lowest level of welfare. This is an important issue as the PPA also revealed a lack of services provision to the poor.

With regard to the enhancement of the institutional capacity of regional governments and the integration of PPA into the regional planning process, below are several recommendations:

- Regional governments and other stakeholders still need technical assistance and training for improving their knowledge and understanding on the complexity and multidimensionality of poverty. PPA can be used as one vehicle for this effort.
- The technical assistance should be provided for a longer period of time because this assistance should be provided in series in order to improve the regional governments' knowledge on poverty as well as to provide technical skill that will enable them to involve the poor in poverty analysis and develop analytical capability to implement poverty mainstreaming. It seems that the development of analytical skills will need special efforts, although the intensive discussions with sectoral offices and non-government institutions carried out in this study have been quite effective in stimulating this analytical capacity.
- The development of a participatory process is necessary for PPA implementation. But a participatory process does not guarantee that there will be space provided for the participation of the poor nor does it guarantee that there will be a focus on poverty issues. Thus, it is critical to assure that the development of a participatory process is designed for the participation of the poor.
- The capacity development efforts should take into account the development of civil society and a participatory process, and the interest and concern regarding poverty. For the regions that have developed a participatory and inclusive planning process, the assistance can be directed on poverty mainstreaming through PPA processes. While for the regions that have not developed a participatory process, poverty mainstreaming through PPA should initially be supported by the development of participatory and inclusive process.
- The form and means of enhancing the *kabupaten* government's capacity should also take into account the political environment of the *kabupaten*, including the neutrality of local government officials, political tension, level of political intervention into the executive body, and political processes that might affect poverty reduction efforts. Indeed, it does not mean that assistance cannot be given

to regions with unfavorable political environment. PPA in such regions has the potential to increase the awareness of regional stakeholders regarding poverty issues, although it will take bigger efforts and longer time.

- The PPA process is in line with the idea of participatory process stated in Law Number 25 of Year 2004, and can be integrated into the regional planning process, particularly in the village *musrenbang*. PPA can also be used as inputs for sectoral planning and the development of medium and long term planning documents.

# I. INTRODUCTION

## 1.1. Background

In early 2003, the Government of Indonesia started developing a national poverty reduction strategy paper (National PRSP) through an inclusive process that involved stakeholders from the government and non-government circles. The stipulation for this formulation process was underlined in the interim Poverty Reduction Strategy Paper (I-PRSP) that was launched by the government in January 2003. Apart from stressing an inclusive preparation process, this interim document also put an emphasis on the utilization of participatory poverty assessment (PPA) as an input for poverty diagnosis. The preparation process of this PRSP has provided a valuable lesson on how qualitative data, especially those obtained from PPA, and quantitative data from various national surveys can be mutually complementary in the preparation of a poverty analysis as well as policy review. For that reason, the central government expects regional governments to also follow a similar process in utilizing PPA in the formulation of regional development plans as well as the preparation of regional poverty reduction strategy papers.

In the PRSP formulation process, The SMERU Research Institute, with the support of the Japan Bank for International Cooperation (JBIC), has provided input via a consolidation study of PPAs that was undertaken by various institutions during the period of 1999-2003.<sup>1</sup> In addition to providing inputs to the PRSP preparation process, the results of the review on the methodologies used in various PPAs consolidated also produced suggestions concerning the PPA process for the preparation of regional PRSPs. Based on these suggestions, it is expected that the PPA process will provide significant input in the process of policy formulation at the regional level.

In line with the interest of the Government of Indonesia in supporting the formulation of regional PRSPs and a participatory and more poverty sensitive formulation of regional planning documents, it is considered necessary to advocate the integration of PPA in the regional development planning process. Because most regional governments are not yet familiar with PPA, this study was undertaken with the objective to continue the preparation of PPA guidelines for the formulation of regional development plans and regional PRSPs. This study was also designed to be conducted jointly with *kabupaten* governments as part of the piloting process. Through this cooperative study with regional governments, it is expected that this study will come up with various alternative models for the integration of PPA into regional policies and program formulation processes, as well as a technical assistance model for regional governments and stakeholders in the regions in general.

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<sup>1</sup>The result of this study is published in the report 'A Consolidation of Participatory Poverty Assessment in Indonesia.' Volume I: 'Understanding the Voice of the Poor: Input for the Formulation of the Poverty Reduction Strategy Paper,' and Volume II: 'Participatory Poverty Assessment for the Formulation of the Regional Poverty Reduction Strategy Paper.'

## 1.2. Objectives

The main aim of this study is to introduce and develop the regions' capacity to implement PPA and utilize the results of the PPA as an input for the formulation of regional development plans, including the formulation of regional PRSPs. The implementation of this study is based on findings and recommendations from the participatory poverty assessment consolidation study that was conducted by SMERU with the support of JBIC. This study also aims to assess the capacity of the region, especially local governments, in poverty reduction efforts with the view to produce recommendations on technical assistance in the context of enhancing regional capacity in poverty reduction. This study will also investigate the condition of and the need for infrastructure development in the study areas through a PPA process, and provide input to JBIC on the suitable components to be funded by JBIC.

To achieve these objectives, the following activities were undertaken during this study:

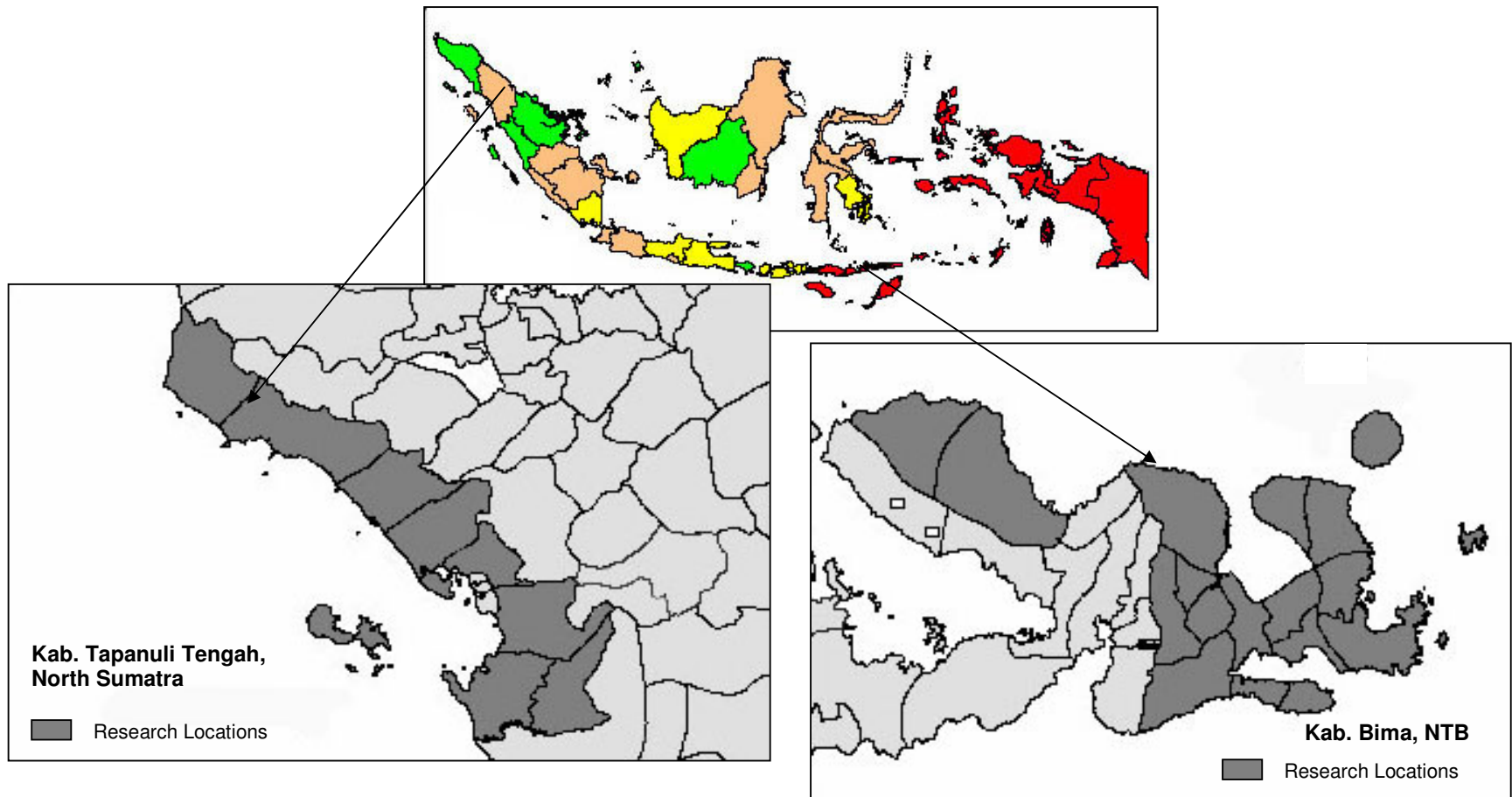
- (1) Prepare PPA training materials and conduct training for relevant regional stakeholders;
- (2) Prepare PPA implementation plans and assist the regional PPA Team in implementing PPAs;
- (3) Explore various factors that influence the poverty condition, including social conditions, physical infrastructure, access to public services (education and health), and access to employment and business opportunities (including microcredit);
- (4) Assess stakeholders' capacity in the regions (government and non-government) in formulating and implementing poverty reduction policies; and
- (5) Provide input for regional development plans and regional poverty reduction strategies (PRS), as well as providing recommendations for capacity building of regional government.

## 1.3. Location, Time, and the Conduct of the Study

This study was conducted over a nine month period, from April 2005 to December 2005. The preparation began in Jakarta in April 2005 and continued with preliminary visits to the *kabupaten* study sites in May 2005. The PPA training and the implementation activities in the selected villages were undertaken from July to August 2005. These were followed by a series of discussions with regional stakeholders and final workshops in the two sample *kabupaten* from November to December 2005. Finally, in mid-January 2006, a national workshop was held in Jakarta as a forum for discussing and disseminating the results of the study.

This study was carried out in two *kabupaten*, namely: (1) **Kabupaten Bima** in the Province of Nusa Tenggara Barat (NTB); and (2) **Kabupaten Tapanuli Tengah** in the Province of Sumatra Utara (Sumut) (see Figure 1). These two *kabupaten* were selected based on the poverty condition and willingness of the *kabupaten* government administrations to support this study. Although these two *kabupaten* have relatively high rates of poverty, both have fundamental differences in their characteristics. Kabupaten Bima is located in the eastern part of Indonesia which has dry climate, while Kabupaten Tapanuli Tengah is located in western Indonesia which has wet climate. For this reason, poverty in these two regions is also different in many respects.

Figure 1. Research Locations of the Study “Strengthening the Poverty Reduction Capacity of Regional Governments through PPA”



In principle, this study adopted an approach that gives more emphasis on a collective learning process. In this regard, SMERU and *kabupaten* governments as well as non-government elements jointly studied and implemented PPA in the formulation process of regional development plans. In the early stage of the study, SMERU undertook an assessment on the perceptions of stakeholders in the regions, especially at the *kabupaten* level, on the poverty condition in their area. In addition, the research team also conducted a review of regional government programs aiming at reducing poverty, and the existing development planning process.

Furthermore, together with the team formed by local NGOs and regional governments, which is known as the “Kabupaten PPA Team”, the research team carried out a participatory learning process and participatory study at the village level. These two activities were intended to introduce the PPA process and the use of various tools in the PPA. During this study, a three-stage workshop was also undertaken at the *kabupaten* level. These workshops were organized in the beginning of study, after the consultation at the village community level, and at the end of the study. In addition, a series of discussions were also conducted with relevant sectors and agencies. Through this process, SMERU, together with the *Kabupaten* PPA Team and various parties who were involved in the series of *kabupaten* level discussions, studied the PPA process, and explored the potential for the utilization of PPA in the development planning process in the regions. A detailed explanation of these various activities will be described in Chapter II.

SMERU, with support from JBIC, undertook this study in collaboration with *kabupaten* governments. SMERU contributed by providing training on PPA and by pilot-testing the implementation of the PPA, as well as providing assistance in the analysis of the PPA results. Meanwhile, the *kabupaten* governments provided their contribution by:

1. Assigning several local government officials and non-government institutions to join this research activity,
2. Facilitating workshops that involved local governments and other stakeholders (NGOs, community leaders, religious leaders, as well as the private and higher education sectors),
3. Facilitating the PPA training and the implementation of its pilot-test in selected villages, and
4. Supporting the study by providing relevant information and data.

In addition, Bappenas, as the central government’s institution responsible for the enhancement of the development planning processes, also provided full support to this study. In particular, Bappenas facilitated the preliminary visits to the study areas, provided relevant inputs and information, participated in the final workshop at the *kabupaten* level, and facilitated the conduct of the national workshop.

#### **1.4. Structure of the Report**

This report presents a summary of the entire process that was undertaken through out the study, the results of the study, and recommendations concerning the utilization of PPA in the regional development planning process, especially in the context of

mainstreaming poverty reduction and the formulation of poverty reduction strategies. This report consists of six chapters:

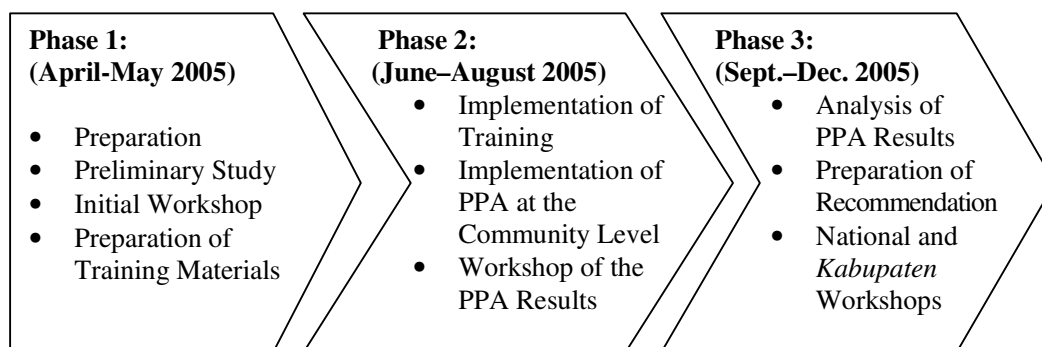
- Chapter I is the introductory chapter that contains general information on the background, objectives, research method, and the structure of this report;
- Chapter II presents a detailed explanation of the phases of activities that were undertaken during this study. This chapter provides a picture of the participatory learning process undertaken during the study, which will serve as an example or reference for similar activities undertaken in the future;
- Chapter III presents the results of the PPAs in the two study *kabupaten*, Kabupaten Bima and Kabupaten Tapanuli Tengah. The PPA results are presented in this chapter in the form of a summary of the main findings. The complete and detailed results for every village site and the summary of the results for each *kabupaten* are presented in separate reports;
- Chapter IV covers the issue of regional capacity in poverty reduction by looking at poverty reduction institutions, development programs in general, as well as poverty reduction projects and programs that have already been implemented or are being planned;
- Chapter V discusses the existing development planning process in the two study *kabupaten* and several alternative methods for the integration of PPA into this process. The alternatives that are discussed in this chapter represent the ideas of the regional governments, especially Bappeda, after participating in the PPA in the respective *kabupaten*;
- Chapter VI presents a number of general conclusions and recommendations in relation to the poverty condition in the two *kabupaten* and the alternative efforts to reduce poverty. This chapter also indicates the various factors that need to be addressed in strengthening regional governments' capacity in poverty reduction, and in the formulation process of regional development planning strategies, as well as alternative ways for integrating PPA in the development planning process at the *kabupaten* level.



## II. THE IMPLEMENTATION PROCESS OF THE STUDY

This study consisted of three phases, namely the preparation stage (phase 1), the implementation phase (phase 2), and the analysis and reporting phase (phase 3). These phases are presented in Figure 2 and explained in the following sub-chapters.

Figure 2. Phases of the Study on “Strengthening the Poverty Reduction Capacity of Regional Governments through PPA”



### 2.1. The Implementation of Phase 1

#### 2.1.1. The Study Preparation

The preparations for this study commenced with the development of a detailed work plan, as well as consultations and discussions with Bappenas and various other relevant institutions in Jakarta. In addition, the research team also prepared research permits as well as made contacts with government agencies in the selected provinces and *kabupaten*, namely the Province of Sumatra Utara and Kabupaten Tapanuli Tengah and the Province of Nusa Tenggara Barat and Kabupaten Bima. At the same time, the PPA curriculum and training materials began to be prepared and it was improved after receiving input based on consultations with relevant institutions in Jakarta and the results of the preliminary visits to the study areas.

The consultations and discussions with the various relevant institutions in Jakarta was undertaken to find out about the activities of various institutions/initiatives associated with PPAs and the formulation of regional poverty reduction strategies, as well as to obtain the lessons learned from their experiences. Four institutions were interviewed, ILGR (Initiative for Local Government Reform),<sup>2</sup> URDI (Urban and Regional Development Institute), CESS (Center for Economic and Social Studies), and UNDP (United Nations Development Programs). ILGR is a joint project between the Government of Indonesia and the World Bank; it has provided technical assistance to 15 *kabupaten* for the preparation of poverty reduction action plans through a PPA process. URDI collaborates with TUGI-UNDP (The Urban

<sup>2</sup>ILGR is known as P2TPD (*Prakarsa Pembaharuan Tata Pemerintahan Daerah*) in Indonesian.

Governance Initiative–United Nations Development Programs) to provide technical assistance to the city of Bandar Lampung to conduct participatory poverty mapping in three *kecamatan*. In addition, with the support of ADB (Asian Development Bank), URDI is also assisting the government of Bandar Lampung to formulate participatory planning in poverty reduction. CESS together with ODI-DFID has prepared PPA tools for mainstreaming poverty for MFP (Multi-stakeholders Forestry Program). The UNDP, working with the office of the Coordinating Minister for Peoples' Welfare, had just commenced a program that provides technical assistance to five provinces that have experienced conflict, to prepare a strategy for poverty reduction and the achievement of the Millennium Development Goals. A detailed explanation about the activities of these institutions is presented in Appendix 1.

Among these four institutions, only ILGR has entirely implemented the PPA activities, and by using similar approaches as the activities in this study. ILGR, however, used the PPA as a pre-requisite for the formulation of action plans that will mostly be funded by the World Bank. In the preparation of the poverty reduction action plans, this project faced the problem of integrating the PPA qualitative data and the results of the quantitative analysis because some of them were inconsistent. URDI only utilized welfare classification tools and applied the approach of open discussions with the community which focused on collecting information about community needs. CESS has undertaken PPA training accompanied by field-testing by using various tools similar to ILGR and also to this study. The implementation of PPAs will be conducted by the MFP partnership that has been trained, although up until the discussions undertaken with CESS, the PPA activity had not yet been carried out. The UNDP has recruited and trained regional facilitators. This initiative was aimed at advocating the use of PPA in the development of regional PRSPs in post-conflict regions. However, the training has not yet specifically provided technical skills for the implementation of PPA.

### **2.1.2. Preliminary Visits to the Study *Kabupaten***

After the preparation and consultation phase at the central level, the research team conducted the preliminary study in the two selected *kabupaten* simultaneously from 26 April to 5 May 2005. During this visit, consultations were held on the study plan with provincial and *kabupaten* governments. The research team also looked at the existing poverty reduction institutions, various poverty reduction efforts, as well as past and the existing planning mechanisms, especially at the *kabupaten* level. To have a better understanding of stakeholders' perception at the *kabupaten* level on the poverty condition and issue, as well as the poverty reduction efforts that have been undertaken, a series of discussions were carried out with relevant work units of the *kabupaten* governments and several NGOs. In Kabupaten Tapanuli Tengah, interviews were made with 13 government agencies and one NGO. Meanwhile, in Kabupaten Bima, interviews were made with 12 government agencies and seven NGOs (see Appendix 2).

During the preliminary visits to these *kabupaten*, participatory workshops were also held to discuss the condition of community welfare in the *kabupaten*. Participants in these initial workshops were a variety of stakeholders at the *kabupaten* level, including those who were interviewed as well as other relevant institutions. The

workshop in Kabupaten Tapanuli Tengah was held on 2 May 2005, prior to the interviews with the government and non-government institutions. This workshop was held at the Bappeda meeting room and attended by 27 participants, which consisted of 25 participants from government institutions and two from non-government institutions. The initial workshop in Kabupaten Bima was held on 4 May 2005, after the interviews were held with government and non-government institutions. This workshop was held at the Bappeda office with 25 participants, including 18 from government institutions and seven from non-government institutions. Participants from the regional government were those that were considered well acquainted with the conditions of the *kabupaten*. The agency head or structural officials in relatively high positions were intentionally not included to prevent domination in the discussion and to ensure the candidness of participants in giving their opinions.

The workshop that discussed the condition of community welfare in these *kabupaten* represented the initial stage of a series of PPA activities in Kabupaten Tapanuli Tengah and Kabupaten Bima. The objective of these workshops was to formulate a collective stakeholder view on:

- The factors that influence the poverty/welfare condition at the *kabupaten* level by using a sustainable livelihood approach through a pentagonal analysis of assets. In this analysis, the positive and negative aspects of various existing assets in each *kabupaten* were discussed and grouped into five types: 1) human resources, 2) natural resources, 3) finances/economic issues, 4) physical infrastructure, and 5) social capital that have an effect on community poverty/welfare in each *kabupaten*.
- The most dominant problems faced by the *kabupaten* in connection with the poverty reduction effort.
- Variations in the condition of community livelihood between *kecamatan* to determine the location for consultations (PPA) at the community level.

It was also expected that through these discussions a consensus of stakeholders' opinions would be developed in viewing the poverty conditions in their regions.

In general, the discussions and interactions between workshop participants proceeded smoothly, although the course of the discussions in Kabupaten Bima was relatively smoother than that in Kabupaten Tapanuli Tengah. There are two factors that may have influenced the smoothness of these discussions, that is, familiarity with the participatory approach and the participants' understanding of the study and the objective of the study. In the last few years, Kabupaten Bima has adopted a participatory development planning approach, so the interaction and discussions between the government and non-government parties have been institutionalized, and participants were quite accustomed to expressing their opinions. In contrast, the regional government and NGOs in Kabupaten Tapanuli Tengah were not familiar with the participatory approach and were more accustomed with meetings where they were given guidance from higher rank officials. For that reason, workshop participants were initially quite reluctant to express their own opinion.

The workshop in Kabupaten Bima that took place after the interviews were held with various agencies also appeared to have smoothed the discussions because some participants already knew the research team and the purpose of the discussion. From this experience, a lesson can be drawn on the importance of the introduction and institutionalization of the participatory approach. In addition, it is also important to prepare the sequence of the activities properly. It would be better if the individual discussions with various institutions were undertaken before the initial workshop.

## 2.2. The Implementation of Phase 2

There were three main activities undertaken in phase 2: (1) training, known as “Participatory Learning about PPA”, (2) implementation of PPAs at the village level, and (3) the workshop on “Preliminary PPA Results at the Village Level.” Before the implementation of the training activity, the regional government and SMERU selected the training participants in each *kabupaten*. In Kabupaten Tapanuli Tengah, there were a total of 11 participants, nine regional government staff, and two staff from non-government institutions. In Kabupaten Bima there were a total of 13 training participants, six from the regional government and seven from non-government institutions<sup>3</sup> (see Appendix 3). At the same time, SMERU improved the curriculum and PPA training materials based on input from Phase 1 of this study. A significant input from the Phase 1 results was the limited understanding of stakeholders at the *kabupaten* level on the complexity of poverty. For that reason, materials on the concept of poverty and the results of preliminary analysis on the poverty condition based on secondary data were added into the training materials. These subjects were discussed on the first day of the training session.

### 2.2.1. PPA Training

The “Participatory Learning about PPA” activity was intended to: (i) enhance the understanding on the basic concepts of poverty, (ii) add to the understanding on the importance of the use of a participatory approach in analyzing poverty, and (iii) develop technical skills to implement PPAs, especially in undertaking consultations/discussions at the community level. The training lasted for six days. In Kabupaten Tapanuli Tengah, it was organized from 5 to 11 July 2005 at the Bappeda office. In Kabupaten Bima, it was organized from 7 to 13 July 2005 at Hotel Lila Graha.

The training (participatory learning) material consisted of:<sup>4</sup>

- (1) Day 1: (i) introduction to the concept of poverty, (ii) poverty analysis and the PPA framework, and (iii) discussions on the poverty condition in the *kabupaten*.
- (2) Day 2 to day 4: (i) interviewing techniques, focused group discussions and facilitation, (ii) the use of (PPA) tools, and (iii) organizing PPAs and reporting.

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<sup>3</sup>Two of the seven participants are from PROMIS-NT, a project supported by GTZ, which has already introduced participatory planning in Kabupaten Bima.

<sup>4</sup>The training materials are reported in Volume III of the Phase 2 reports.

- (3) Day 5 and day 6: field-testing. The field test in Kabupaten Tapanuli Tengah was carried out in Desa Jago-Jago, while the field test in Kabupaten Bima was carried out in Desa Belo.

In general, the training activity proceeded smoothly and was attended by all members of the PPA Team. In Kabupaten Tapanuli Tengah, however, several participants were forced to leave the class for official matters. It appeared that the training location, which was in the Bappeda office, affected the participants' concentration. The implementation of training activities in a more distant location, away from office activities, appeared to be necessary so participants could be more focused, given that most of the training materials were new to the participants.

Most of the training materials were delivered by giving theoretical explanation and directly followed by role-play. This method attracted participants so they did not feel bored even though the training lasted until late in the afternoon. Based on the evaluation of the participants and instructors involved, the conduct of the training and the participation of the participants were quite satisfactory. The results of the evaluation that was undertaken after the implementation of the PPA at the village level showed that most participants assessed the training materials as quite adequate. There were several tools that were considered very important and some that were considered not too important. Among the tools that were considered important were "Prioritizing Poverty Problems and Alternative Solutions", "Mapping Social and Resources Condition", "Cause and Effects of Poverty" and "Welfare Classification". Meanwhile, the tools that were considered of lesser importance were the "Daily Calendar" and "Gender Analysis".

Regarding the length of the training, most participants considered the amount of time given to theory to be sufficient, but the time for field-testing was insufficient. For that reason, many participants felt that the implementation of the PPA in the village will actually be their real test location. It appeared that some participants were too confident about their capability in using various tools and their facilitating techniques, but were confused when applying them. This was in line with the results of the evaluation by the instructors.

The results of the instructors' evaluation on the participants' capabilities that was undertaken just after the training, underlined, among others, the weakness in the ability to explore issues during the discussion, lack of discipline and accuracy when taking note of the results of the discussion, and a tendency to lead the discussions. Therefore, the learning process continued during the implementation of the PPA in the village, and this process became a very important part of the entire PPA implementation learning process.

Based on this experience, several lessons can be drawn for improving PPA training. These include:

1. Training should be organized in a location distant from the government offices to ensure participants' full concentration, particularly the participants from the local government;
2. To overcome the weaknesses on facilitating and probing capabilities of facilitators, as well as on note taking, a modification in the training curriculum is needed. Ideally, the length of the training should be eight to ten days, with the

- proportion of theory (in class) being the same as the trial that consists of a field test, reporting and note taking, review, and feedback/reflection. One possible training schedule is: two days in class (discussing basic concepts of poverty, poverty issues, facilitating and interview techniques, note taking, and one or two tools); one day field trial focusing on facilitating, interviewing and note taking, and one day review, feedback/reflection; two days in class to discuss various other tools; one or two days of field trial focusing on using the various tools; and finally ending with a feedback/reflection session.
3. The focus and length of field trial should be adjusted to the participant's initial capability in using the participatory approach. Most government officials appeared to be unfamiliar with this approach and have low facilitating skill, so more time should be devoted to develop this skill through more practice.
  4. The training curriculum developed in this study is intended to provide basic understanding and capability to conduct a holistic poverty assessment, so almost all tools were taught. If the PPA is intended to address specific issues, it is possible to select several tools that are most relevant.

### 2.2.2. PPA Activity at the Village Level

The PPA activity at the village level was intended to further develop the capability of PPA Team in conducting PPA through field practice, with assistance from SMERU. The results of this activity were used as inputs for the policy formulation at the *kabupaten* level. This activity was conducted simultaneously in each *kabupaten*. The PPA locations in Kabupaten Tapanuli Tengah were Desa Sipange, Desa Kinali, and Desa Mombang Boru, while in Kabupaten Bima it was located in Desa Nunggi, Desa Waworada, and Desa Doridungga (see Figure 3 and Figure 4).

These villages were selected to look at the poverty condition in regions with different livelihood typologies. In Kabupaten Tapanuli Tengah, Desa Sipange is a semi-urban village that is dominated by wet-rice farming and plantation sectors. Desa Kinali is a coastal village supported by wet-rice farming and coastal-fishing, while Desa Mombang Boru is a plantation village where part of the population is also dependent on wet-rice farming. In Kabupaten Bima, Desa Nunggi is a farming area that also relies on cattle-raising; Desa Waworada is a coastal village with mixed livelihoods including fishpond farming, fishing, and wet-rice farming; and Desa Doridungga is a plantation village located on a high plain in the forest. The profiles of these villages are presented in Table 1 and Table 2.

One PPA team consisted of four to five people who had participated in the training, joined by one SMERU researcher. They stayed with the community in the PPA village for a period of five to seven days.<sup>5</sup> The activity began with the introduction and discussion on the "Community Welfare Classification" and ended with a "Plenary" that presented the results of all discussions to the village community. Details of the activities in the village are presented in Appendix 4. Discussion was conducted in the villagers' house according to an agreed schedule that suited the villagers' daily activities. For that reason, most discussions were organized in the afternoon or evening.

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<sup>5</sup>The Desa Doridungga team was the only team that did not stay in the village. The team stayed in the capital of the *kecamatan* due to water scarcity in this village.

Figure 3. Location of the Three PPA Villages in Kabupaten Tapanuli Tengah

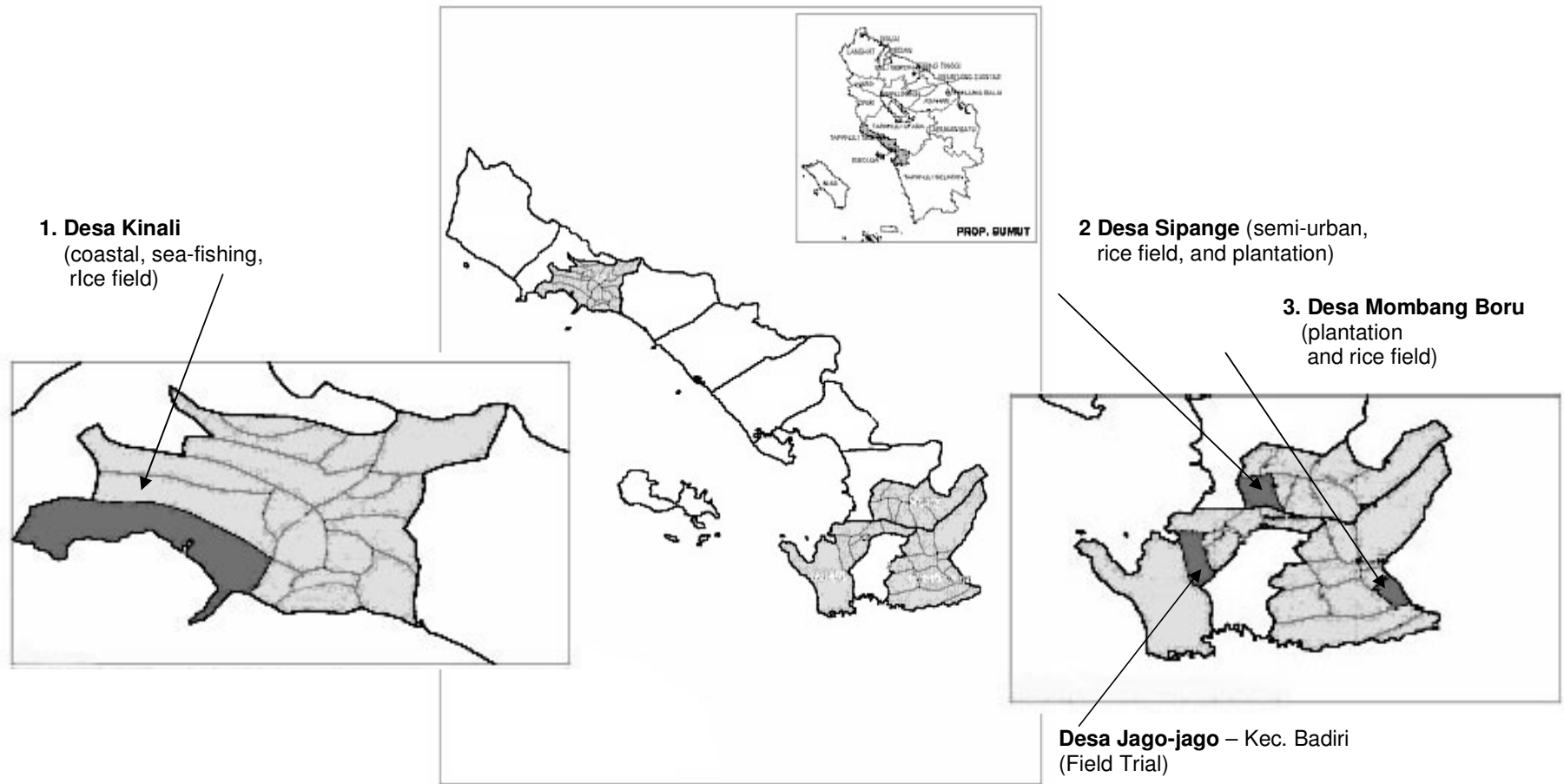
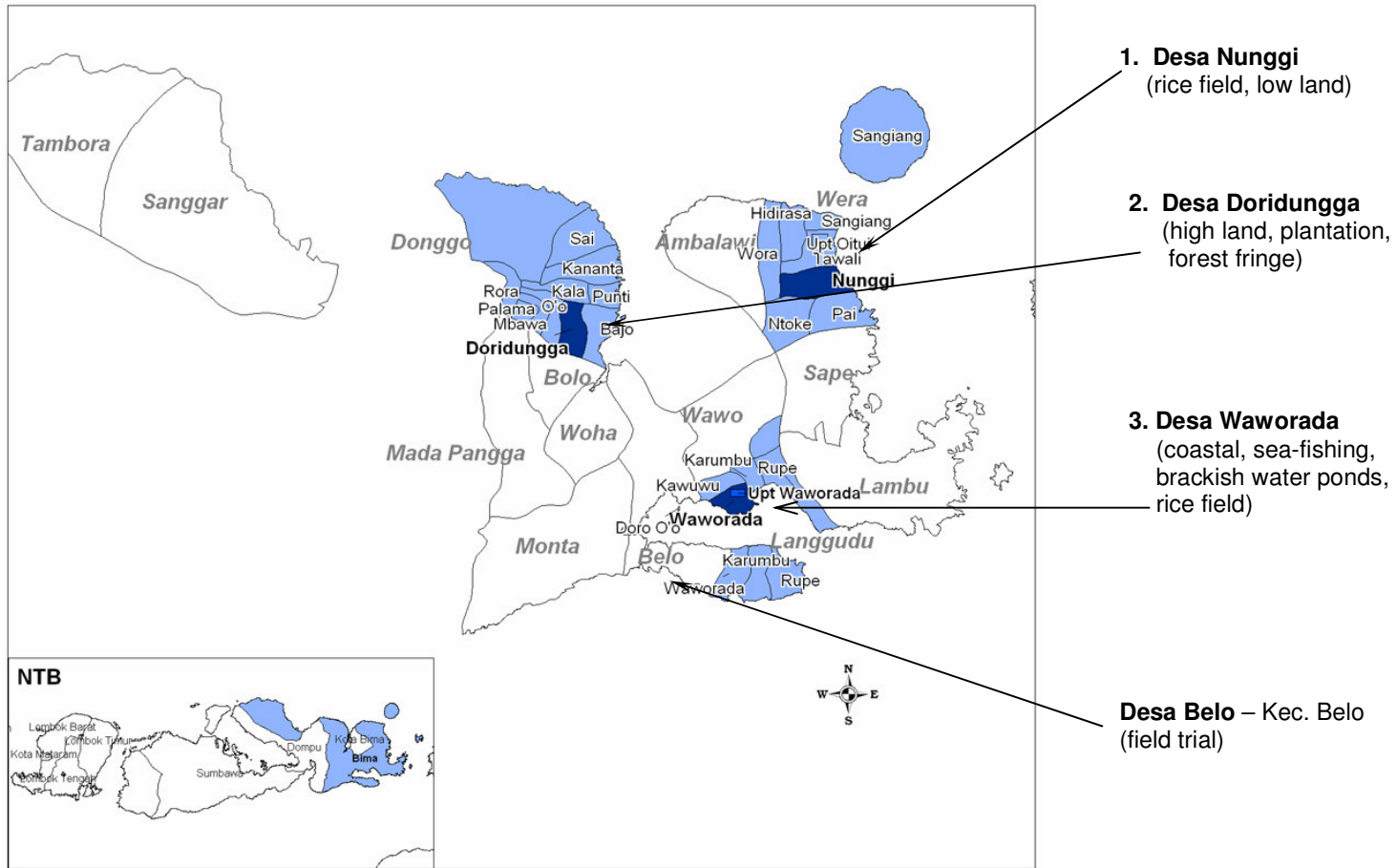


Figure 4. Location of the Three PPA Villages in Kabupaten Bima





**Table 1. The Profile of PPA Villages in Kabupaten Tapanuli Tengah**

	Desa Sipange (Kec. Tukka)	Desa Mombangboru (Kec. Sibabangun)	Desa Kinali (Kec. Barus)
Area (Km <sup>2</sup> )	36.94	43.25	1.41
Population (Total)	2,489	1,023	378
Male	1,341	518	205
Female	1,148	505	173
Number of Households	527	205	92
Topography	Level land surrounded by hills	Level land as well as mountains	Level land and coastal
Main Livelihoods	As wet-rice farmers, farm laborers, rubber plantation workers	As wet-rice farmers, rubber, oil-palm and citrus plantation workers, farm laborers	As wet-rice farmers, fishers
Accessibility	30 minutes from Pandan (Capital of Tapanuli Tengah)	Two hours by car from Pandan	Three hours by car from Pandan, and then by small boat to cross the river

**Table 2. The Profile of PPA Villages in Kabupaten Bima**

	Desa Nunggi (Kec. Wera)	Desa Doridungga (Kec. Donggo)	Desa Waworada (Kec. Langgudu)
Area		1,514 Ha.	
Population (Total)	3,904	2,642	2,702
Male	1,808	1,293	1,320
Female	2,096	1,349	1,382
Number of Households	872	629	827
Topography	Level land	Mountainous	Level land, coastal
Main livelihoods	As farmers, farm laborers, cattle farmers	As farmers, farm laborers	As fishers, farmers, farm laborers/fishing vessel workers
Accessibility	One hour by car from Bima	Two hours by car or 15 minutes by boat and then 30 minutes by motorcycle from Bima	One and a half hour by car from Bima

The PPA activities in the villages ran smoothly. In Kabupaten Bima, all members of the PPA Team fully participated in the village activities. Meanwhile, in Kabupaten Tapanuli Tengah, of 11 members of the PPA Team, five did not participate entirely because they had other duties or personal affairs to tend to. For that reason, the distribution of team members was arranged in a way so that there were at least three researchers (including PPA team members and SMERU researchers) in the village each day throughout the PPA implementation. Although, in general this did not affect the PPA activities in the village, the non-involvement of PPA team members for several days during the PPA implementation in the village affected the understanding and skills of those members. This was apparent during the reflection activity and formulation of the PPA output, which was undertaken in Phase 3 of this research activity.

In general, the village community was welcoming and joined the discussion activities with enthusiasm. Although initially there were questions and expectations that this activity would be associated with assistance, after being given an explanation, the community was able to understand the aim of this activity. The greatest challenge in the conduct of the focused group discussions was arranging time for the discussions with the poor. Because the schedule had to be adapted to their activities, most discussions were held in the afternoon and evening. Another challenge is the language difference. Most discussion participants appeared to be more open if the discussion was conducted in the local language although they could speak Bahasa Indonesia. To overcome this obstacle, a team member who had good command of the local language facilitated most of the discussions.

Lessons learned from this PPA implementation are:

1. As there are links between the information collected through FGDs, interviews, and direct observations carried out in PPA, the PPA implementers should be fully committed and have great interest in poverty issues. It is highly recommended that the PPA implementers follow the whole PPA process to assure the triangulation of information and to get full understanding of the local context.
2. In some places, it appeared to be very difficult to assign government officials to stay in the village for seven days. To overcome this problem, the PPA duration can be shortened by selecting the most relevant tools or divided into two or three visits, two days each visit. This modification, however, should not exclude the triangulation process.
3. Out of all the tools taught in the PPA training, some were considered as very important for the planning process. These tools can be classified as the compulsory ones, while others are optional depending on issues being addressed. Among the compulsory ones were: wealth classification, trend analysis, social and resource mapping combined with transect, analysis of family's source of income, seasonal calendar, venn diagram, problems priority and alternative solutions, and causes and impacts of poverty.
4. The formation of the PPA implementers assigned in one location should take into account individual strengths and weaknesses, so that the team will consist of good facilitators and good note takers. The other factor to be considered is the relevance between the background of the team members and the livelihood typology of the PPA location. A person with fisheries background, for example, should be assigned in a sea-fishing community because he/she is familiar with the technical issues and will be able to explore problem in more depth.
5. The PPA being implemented in this study is designed to assess poverty condition in a holistic way and to explore the various factors affecting poverty in each location, but not specifically address certain issue. However, it is possible to modify or simplify the process to focus only on a specific issue, such as agriculture, health, education, access to capital (loan/credit), or infrastructure.

### 2.2.3. Workshop on the Preliminary Results of the PPA at the Village Level

Three days after the PPA activity in the selected villages had been completed, a workshop on “The Preliminary Results of the PPA at the Village Level” was held at the *kabupaten* level. This workshop aimed to: (i) present the results of the FGDs to the community, (ii) get ideas, inputs, and other relevant information to enrich the poverty analysis, as well as (iii) discuss the primary issues that are associated with poverty reduction policies and problems. The workshop in Kabupaten Tapanuli Tengah was held on 29 July 2005, attended by 50 participants (40 from government agencies and ten from non-government institutions). Meanwhile, the workshop in Kabupaten Bima was conducted on 1 August 2005, with the attendance of 42 people (27 from government agencies and 15 from non-government institutions).

In general, these two workshops ran well and were followed quite enthusiastically by the participants. In Kabupaten Tapanuli Tengah, the initial results of the PPA was presented by SMERU because most members of the PPA Team came from regional government agencies and was reluctant to present several PPA results that indirectly exposed the weaknesses of or criticized the policies and programs of their agencies. In Kabupaten Bima, in contrast, the PPA Team members presented the preliminary results of the PPA themselves. Several issues received attention and generated serious discussions as well as raised a variety of additional information that was quite relevant.

## 2.3. The Implementation of Phase 3

### 2.3.1. Analysis and Formulation of Policy Recommendations

The activities undertaken in Phase 3 started with the consolidation and analysis of the results of the workshops and PPAs in the selected villages, as well as the results of secondary data analysis that were undertaken in phases 1 and 2. This analysis was aimed at identifying strategic issues that were locally-specific in each village, as well as strategic issues that could be drawn into broader issues at the regional and *kabupaten* levels. Based on the identification of problems and issues, alternative policy recommendations were formulated and provided as inputs for regional governments for the formulation of regional development plans and regional PRSPs. The formulation of recommendations was also undertaken to provide input for regional government capacity building in regard to the mainstreaming of efforts to reduce poverty in the regions.

Initially, the analysis was undertaken by SMERU researchers which results will later be consulted with the PPA Team and relevant stakeholders in the *kabupaten*. In Kabupaten Bima, input was needed for the preparation of the medium and the long-term development plans by September 2005. Therefore, SMERU prepared an interim summary of strategic issues and alternative policy recommendations based on the PPA results at the village level and submitted it to the Bappeda of Kabupaten Bima in September 2005. Consultations on the results of the compilation and analysis in Kabupaten Bima and Kabupaten Tapanuli Tengah were held with the Kabupaten PPA Team and stakeholders in November and December 2005 through a series of *kabupaten*-level discussions that consisted of:

1. Discussions with the Kabupaten PPA Team to get feedback on the PPA activities that had been conducted at the village level, to discuss the results of the analysis and prepare alternative policy recommendations.
2. Small group discussions with associated agencies. These discussions aimed to discuss strategic issues that were previously formulated in order to obtain additional input and relevant information, including on related policies and programs as well as alternative policies that are needed in the future.
3. Final workshop at the *kabupaten* level which invited stakeholders from regional government and the non-government institutions who were involved in the previous discussions and workshops. The final workshop in Kabupaten Bima was held on 3 December 2005, while in Kabupaten Tapanuli Tengah it was held on 13 December 2005. These final workshops, beside being aimed at delivering the results of the study and obtaining inputs from regional stakeholders, were also expected to support the utilization of PPA, as well as becoming part of the effort to mainstream poverty reduction in the regions.

### 2.3.2. National Workshop

As the final part of the communication and consultation activities with stakeholders at the central level, a national workshop was held in Jakarta on 18 January 2006. This national workshop was held in collaboration with Bappenas and is intended to: (i) report the conduct of the study, (ii) share the experience of the PPA implementation and regional capacity building in development planning and poverty reduction, and (iii) present the findings of the study results as well as discuss the potential integration of PPAs in to the development planning process.

In this workshop, Bappenas made a presentation on the importance of the participatory development planning process and SMERU presented a report on the conduct of the study as well as an analysis of the potential and challenges of utilizing PPAs in regional development planning, based on the outcomes of the study. In addition, the PPA Team from Kabupaten Bima and Kabupaten Tapanuli Tengah also shared their experiences of their involvement in the study and ideas about the potential utilization and integration of PPAs in the development planning process that had already been undertaken in each of their respective *kabupaten*. These ideas are summarized and presented in Chapter V. The presentation of these two PPA teams shows the enthusiasm of the region in accepting and applying PPAs in accordance with the condition of their regions. In addition, it was also indicated that the regional governments of Kabupaten Bima and Kabupaten Tapanuli Tengah were planning to replicate the PPA activities in several other villages.

Apart from responding to the issues that had been presented, this national workshop also provided a forum to share the experiences of other institutions and regional governments, including URDI, WWF, IPCOS, and the Government of Kota Cirebon. Several issues discussed were the obstacles in adopting the participatory process in the formulation of regional development plans, the link between development plans and budget formulation, as well as the effort needed to disseminate initiatives such as those undertaken in this study. At the end of the discussion, Bappenas stressed that there was still a lot of work needed to increase the concern and the capacity of the region in mainstreaming poverty in their regional planning. This study provides one model that could be developed and integrated or synchronized with other existing models.

### III. PARTICIPATORY POVERTY ASSESSMENT (PPA) RESULTS

This chapter presents a summary of the poverty analysis from the PPA that was undertaken in the form of a series of discussions at the *kabupaten* level and in three selected villages in each *kabupaten* and is supplemented with the analysis of available secondary data.

#### 3.1. Kabupaten Bima

##### 3.1.1. Regional Conditions and Poverty Trends

Kabupaten Bima is located in the far eastern part of the Province of Nusa Tenggara Barat (NTB). This *kabupaten* is surrounded by sea, with the exception of the western part which is alongside Kabupaten Dompu. The border at the northern part of the *kabupaten* is the Flores Sea, the southern part is the Indian Ocean and the eastern part is the Sape Strait which borders on the Province of Nusa Tenggara Timur (NTT – East Nusa Tenggara). The total area of Kabupaten Bima is approximately 44,000 km<sup>2</sup> and in 2003 had a population of approximately 405,000 people. Administratively, the *kabupaten* is divided into 14 *kecamatan* and 153 villages. Two of these *kecamatan*, Kecamatan Sanggar and Kecamatan Tomboka are located in the region of Kabupaten Dompu, separated from other *kecamatan* in Kabupaten Bima.

The Kabupaten Bima district consists of high ground, a plateau, and coastline, most of which is dry land. Of the 409,000 hectares of dry lands that cover approximately 94% of the land that can be used for farming, 248,000 hectares is forested. Wetlands that can be utilized for wet-rice farming is only around 28,000 hectares (6%). Water is very difficult to obtain in this area because the wet season usually only lasts for approximately four months each year.

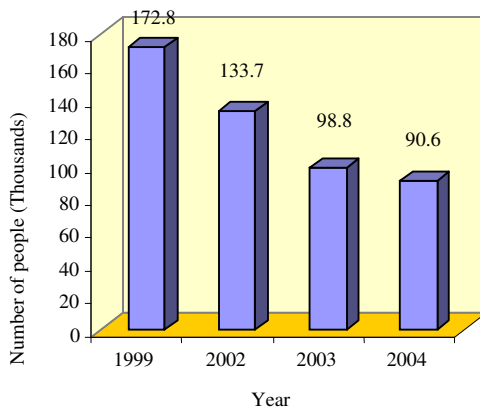
Although the dry climate is not conducive for farming, the economy of this *kabupaten* is dominated by the agricultural sector, with a contribution to Regional Gross Domestic Product (RGDP) of approximately 48% in 2002. In the same year, the contribution of the trade, hotel, and restaurant sector is approximately 16%, transportation 9%, construction 7%, manufacturing 4%, mining and excavation 3%, banking and finance institutions 1%, electricity, gas, and water less than 1%, and other services (including government) around 12%. The majority of the people of this *kabupaten* also work in the agricultural sector, especially dry land farming, with many still practicing slash and burn. Most of the population who live in the coastal region works as traditional fishers, although some have already cultivated seaweed, milkfish, and shrimp.

The combination of a dry climate, unfertile land, and isolated location has made poverty a chronic problem in this *kabupaten*. Nevertheless, BPS data shows that the poverty rate has tended to fall in the last five years. Figure 5 presents this declining trend in the poverty rate. In 2004, the poverty rate fell to less than 23%, with approximately 90,600 people living below the poverty line.

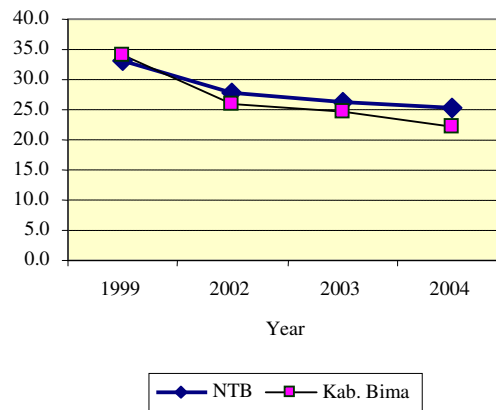
The human development index (HDI) of this *kabupaten* in 2002 was 59.0, slightly higher than the HDI for the Province of West Nusa Tenggara (57.8), but in fact, far lower than the average national HDI (65.8). The human development indicators in Kabupaten Bima which were higher than the NTB average included educational attainment, namely the literacy rate and average time of schooling. However, the life expectancy and real per-capita consumption were lower than the provincial average. In addition, the human poverty index (HPI) for the same year (2002) showed that the poverty condition in this *kabupaten* was slightly worse than the provincial average, especially with regard to several health indicators such as the probability of not reaching 40 years of age and the proportion of the population without access to safe water. Nevertheless, the achievements of this *kabupaten* were better than the provincial average in the area of literacy, access to health services, and nutritional status of children under five years of age.

**Figure 5. Changes in the Poverty Rate in Kabupaten Bima and the Province of West Nusa Tenggara, 1999 –2004**

**Figure 5a. Number of Poor People in Kabupaten Bima (BPS), 1999-2004**



**Figure 5b. Percentage of Population Below the Poverty Line in Kabupaten Bima and NTB, 1999-2004**



From the community’s perspective, poverty is different to the picture presented by BPS data as mentioned above. The participants of the focused group discussions (FGDs) in the three PPA villages in Kabupaten Bima differentiated the level of community welfare into four categories. In Desa Nunggi, the wealthiest group is known as *Ntau Ra Wara*, the middle class group as *Mboha*, the poor as *Ncoki*, and the very poor as *Ncoki Poda*. In Desa Doridungga, the wealthiest group is known as *Wara*, the middle class group as *Mboha*, the poor as *Dawara* and the poorest as *Dawara Poda*. In Desa Waworada, the wealthiest group is known as *Ntau Wara*, the middle class group as *Mboha*, the poor as *Ncoki*, and the poorest as *Darere*. These welfare level groups are differentiated on the basis of several indicators that are easily observed, including house condition, level of education, utilization of health services, control of assets, frequency of clothing purchases, pattern of food consumption, type of employment, and number of children. The characteristics of the poor and very poor groups are presented in detail in Appendix 5.

Based on the characteristics presented by this community, it is estimated that more than 50% of households in the PPA villages in Kabupaten Bima are classified as poor or very poor (Table 3). In Desa Nunggi and Desa Waworada, the proportion of poor households is higher than the proportion of very poor, while in Desa Doridungga the proportion of very poor households is greater. This shows the severeness of poverty in Desa Doridungga because the livelihoods of the people are very much limited to dry land farming with a very minimal level of water availability.

**Table 3. Household Welfare Classification in the PPA Villages in Kabupaten Bima, 2000 and 2005**

	Welfare Classification	Desa Waworada		Desa Nunggi		Desa Doridungga	
		2000	2005	2000	2005	2000	2005
1	Rich	15%	8%	9%	10%	43%	13%
2	Middle Class	48%	28%	14%	25%	25%	20%
3	<b>Poor and Very Poor</b>	<b>37%</b>	<b>64%</b>	<b>77%</b>	<b>65%</b>	<b>32%</b>	<b>67%</b>
	Poor	28%	47%	16%	42%	20%	24%
	Very Poor	9%	17%	61%	23%	12%	43%

When the community was asked to compare the welfare condition of the village at the time of the discussion (2005) with the condition approximately five years before, the FGD participants in Desa Doridungga and Desa Waworada suggested that the level of community welfare in their village has tended to fall. In these two villages, the proportion of the rich and the middle class households has declined, while the proportion of the poor and the very poor households has risen. In Desa Waworada, the greatest increase occurred amongst the poor, while in Desa Doridungga the proportion of very poor households has risen dramatically. Only in Desa Nunggi did the community feel that the level of their welfare had increased because the proportion of the poor and the very poor households had fallen, while the proportion of middle class households had risen.

An analysis of the welfare trends in the three PPA villages is different from the general trend shown by BPS data, because these villages are not representative of the general condition of the *kabupaten*. Nevertheless, more extensive discussions with the community uncovered the dynamics of poverty in the PPA villages that might also be the case in other villages that share similar characteristics. Based on the trend analysis revealed by the community, several similarities and differences can be observed in the pattern of changes in the livelihoods that have impacted on the level of community welfare in the last five years. These three PPA villages in Kabupaten Bima have experienced an improvement in the means of transportation and communication, and an increase in the availability of health services and health facilities. In two villages, Desa Nunggi and Doridungga, access to education has also improved, however this has not occurred in Desa Waworada because access to junior high schools remains difficult and many primary school graduates are unable to continue their education.

The differences between Desa Nunggi, whose level of welfare has increased, and Desa Waworada and Desa Doridungga, whose welfare level has tended to decline, can be explained by the differences in the changes in the management of farming enterprises and changes in livelihoods in general. Welfare improvements in Desa Nunggi have been supported by the introduction of new types of crops, namely onions and groundnuts that

have a higher price, accompanied by the application of better cultivation techniques. In addition, the introduction of better cattle varieties and husbandry techniques has been very beneficial in improving community incomes. These increases in farming production and productivity have also had a positive impact on the incomes of farmers with small plots and farm laborers, so the welfare level of quite a lot of poor households has risen to the category of middle class. With these changes, the decline in wet-rice farming productivity as a consequence of the decreasing supply of irrigation water has not reduced community incomes in general.

Desa Doridungga and Desa Waworada have also experienced declines in agricultural productivity, especially in wet-rice farming, because of a decline in the supply of irrigation water. This condition has worsened because of the lack of innovation or introduction of other commodities as has occurred in Desa Nunggi. In fact, incomes from other alternative livelihoods have even fallen. In Desa Doridungga, raising cattle have not experienced any progress. Many people in the community have sold their livestock to pay for school costs, but it appears to be difficult for their children to obtain employment after they graduate from school. Another factor that has had a negative impact on the livelihoods of the Desa Doridungga community is the significant shortage in water supply for drinking and other household needs, so that the community has to queue for water for hours. In Desa Waworada, the decline in income had occurred because most wet-rice land in one of the hamlets was shifted into shrimp farms, but the private companies that are handling their management appear to have experienced mismanagement and bankruptcy. As a consequence, shrimp farming has been abandoned and shrimp farmers have had to look for menial jobs of any kind. Moreover, the sea-fish catchments have decreased because traditional fishers cannot compete with modern fishers who have come from other regions.

Although the analysis of poverty trends based on BPS data and the PPAs in the three villages cannot be directly compared, the differences between the two triggered the emergence of several fundamental questions, especially concerning the dynamics of poverty at the *kabupaten* level. Based on the PPA results that were only carried out in very limited locations, it can be concluded that the rise in poverty probably occurred for wet-rice farmers, whose productivity fell because of the water supply shortage; cattle-raising that still adopts traditional techniques; traditional fishers; and shrimp farmers whose ponds are abandoned. Improved welfare, which also means a decline in poverty, occurred amongst the circles of farmers that have diversified and improved farming or cattle raising management and technology. If the proportion of households included in the first category was smaller than the second group, the poverty trend will be consistent with the trend shown by BPS data. In fact, this is still being questioned, given that the developments such as those that occurred in Desa Nunggi are apparently more limited. In addition, several discussions that were held at the end of the study have raised other issues that have not been covered in this study, particularly regarding the poverty dynamics in semi-urban areas considering that none of the three PPA villages represent this typology. Irrespective of the queries on the actual poverty trend in Kabupaten Bima in general, the results of the PPAs provide a guide to the identification of the main issues in poverty reduction. This will be discussed in the following sub-section.



### 3.1.2. Factors that Influence Poverty

Based on the analysis of the results of the discussions conducted in the three PPA villages, and inputs from a series of workshops held during this study, six interrelated main issues can be identified. These issues need to be dealt with in the effort to overcome poverty in Kabupaten Bima, especially in the medium to long-term. The six issues are: 1) environmental degradation; 2) production and vulnerability of the farming business in the broad sense, including livestock and fisheries; 3) limited employment opportunities; 4) low level of education and skills; 5) family planning; and 6) institutional issues. The following analysis will discuss these issues, as well as present a recommendation for an alternative regional policy.

#### (1) Environmental Degradation, Especially Forests

In the discussions with the community, various poverty problems that are rooted in environmental degradation, especially those associated with the denudation or land use change in forests, were revealed. The denudation of forests resulting from illegal logging and change in the function of the forests for *tegalan*<sup>6</sup> has already caused a decline in the availability of water to meet drinking and other domestic needs in Desa Doridungga. With the decline in the availability of water, the water-piping project that was provided by an NGO was ineffective because the community still had to continue queuing for water for hours to obtain water. In Desa Nunggi, destruction of the forest has already caused damage to the agricultural water supply system because dams that were constructed to retain irrigation water are not functioning due to sedimentation. In addition, forest denudation has also resulted in the increasing frequency of flooding that damages the rice fields. Stakeholders in the workshop confirmed the fact that there was a significant reduction in the number of spring water and this was a problem that had occurred widely in Kabupaten Bima.

In the long run, the degradation of the forest environment will potentially lead to a process of impoverishment. For that reason, dealing with forest destruction needs to become a priority. However, in handling this problem, attention needs to be given to the importance of the forests for the lives of the poor. The results of the PPA show that because of the limited employment opportunities in the village, the community is utilizing part of the forestry lands as *tegalan* with a shifting agricultural system. This includes planting on steep slopes that are not suitable for the cultivation of *tegalan*. In addition, the community in the forest area also often uses timber and other forestry products as a coping strategy. For that reason, there is a need for a cross-sectoral approach in order to recover and restore the condition of the forests. Efforts to conserve the forests need to be integrated with the creation of alternative employment opportunities and the development of a forestland utilization system that is environmentally friendly and sustainable.

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<sup>6</sup>*Tegalan*: A dry field used for planting vegetables and other secondary crops.

## (2) Production and Vulnerability of the Farming Business

The case of Desa Nunggi provides a lesson on the opportunities of enhancing incomes in the agricultural and livestock sectors through the introduction of commodities that are suitable to specific regions. Therefore, the efforts to find and develop commodities that are suitable for dry-climate regions with low levels of agricultural productivity need to be continued. The case of environmental degradation mentioned in point (1) above, also shows the need for the development of an appropriate cultivation system for steep slope land and that is suitable for environmental conservation. The effort to improve agricultural business sectors (including plantations, raising livestock, and fisheries) is very strategic to create push factors that will enhance long-term community welfare.

Nevertheless, the development of agricultural cultivation systems and commodities (in the broad sense, including livestock and fisheries) will not guarantee that we will overcome the problem of poverty if existing vulnerabilities are not well anticipated and handled. The discussions with the community revealed several forms of vulnerabilities of the farming businesses in the PPA villages, which included:

1. The trend of declining onion production as a result of pests that have not yet been overcome by farmers (Desa Nunggi).
2. Difficulty in the supply of cattle feed (Desa Nunggi).
3. Mismanagement of shrimp ponds by private institutions facilitated by the government. Because of this, wet-rice fields which were turned into fishponds resulted in the impoverishment of the community (Desa Waworada).
4. Damage to the irrigation system and flooding that caused a decline in paddy production (Desa Nunggi).
5. The low price of plantation products (Desa Doridungga), onions (Desa Nunggi), and fisheries (Desa Waworada).

The community is still receiving inadequate protection against these vulnerabilities because the support system provided by the regional government, including PPL (extension field workers), is considered too far from the community, nevertheless, the community considers its presence to be very important. Therefore, the regional government needs to provide assistance to the community to reduce this vulnerability by creating or improving the extension system and also by providing a sustainable assistance mechanism. In addition, the regional government should facilitate market opportunities as well as providing information on prices. The introduction of a new cultivation system or commodity needs to continually be accompanied with consultation so that the problem faced by the community can be dealt with immediately. The community also needs to be protected against potential disadvantage regarding cases related to land status as well as cooperation with other parties, such as in the case of Desa Waworada.

### **(3) Limited Employment Opportunities**

The absence or lack of employment opportunities is one of the causes of poverty that was most often mentioned by the community in various discussions. Employment opportunities in rural areas are increasingly limited due to lack of land and the declining trend in land productivity, high population growth, lack of investment in non-agricultural industry, and lack of access to capital. The lack of employment availability has encouraged the community to utilize land, including forestry land, for farming. This has resulted in environmental degradation in the manner discussed in point 1 above. The low level of formal education, especially amongst the poor and the lack of skills in general (related to point 4), create problems for finding employment outside the district or for developing businesses. Nevertheless, many families have been trying to put their children to school, including by selling their production assets to meet the high cost of education, with the hope that their children will obtain better work and income. Therefore, unemployment is the main problem faced and has the potential to worsen poverty in the future.

In the context of the conditions in Kabupaten Bima, the effort to overcome the problem of limited employment opportunities needs to be undertaken by using a comprehensive approach, including through:

1. Improvements in agricultural production and by overcoming vulnerability in the manner suggested in point 2 above.
2. Provision of capital that can be easily accessed by the community. The community is still very dependent on moneylenders. The poor felt that the existence of KUD was not useful. Existing UPKD in Desa Waworada, for example, could become one source of capital assistance, although the beneficiaries are quite limited to the middle class. For that reason, a system of sustainable and effective financial institutions is yet to be found.
3. Education, training, and extension that supports work skills, both in the agricultural and non-agricultural sectors.
4. Facilitation of the channeling and placement of labor in industries or outside the district through the provision of information and protection of workers.
5. Controlling population growth by increasing community participation in family planning (see point 5 below).

### **(4) Low Level of Education and Skills**

In various discussions, the community suggested that the low level of education and skills is a cause of poverty because it impedes access to obtain better work. The lack of skills is also considered the cause of the low level of knowledge and capability to develop farming businesses. Most of the poor only completed primary school. The problems presented in the PPA are varied, among the main ones is the lack of incentives due to the limited employment opportunities for the community. The poor in particular, feel that education does not guarantee that they will obtain better jobs. This causes the parents of poor families to be unsupportive of their children going to school. In addition, in several locations, such as Desa Waworada, the distance to the nearest junior high school is too far.

To overcome these problems, there is a need for, inter alia, scholarship assistance for the poor and the provision of an education infrastructure that can be equally and easily accessed by the community in all districts. Improving formal education needs to be approached from a sociological perspective through improving the poor's motivation to educate their children, aside from taking into account the specific needs of a district. The effort to improve education and skills also needs to be undertaken in an integrated manner, with the efforts suggested in points 1, 2, and 3 above, especially through sustainable community assistance programs.

#### **(5) Family Planning**

Another causative factor of poverty that was brought up in the PPAs is the number of children, and in general, poor families have more children than non-poor. The results of the PPAs suggest that the community has quite a lot of information on family planning (KB). The village midwife and the *pustu* are the main source of information and they are quite close to the community. In discussions with poor families, however, it was stated that most of them could not afford the cost of contraceptives. In discussions with the Family Planning Agency, it was indicated that the subsidy available for contraceptives is only sufficient for 60% of the poor who are in their reproductive age. It could possibly be less than this because families that are not too poor could be using some of these contraceptives. In addition, at the *kabupaten* level, the number of family planning field workers (PLKB) and village midwives are only 1/3 of the amount actually needed. With such condition—although there have, in general, been improvements in the coverage of the family planning program—these improvements have only occurred among the middle class and upper-middle class, while the poor are often not covered by KB programs. Hence, special efforts and strategies are needed to improve the outreach of KB programs among the poor through improving services, communication, and information, as well as education on KB programs.

#### **(6) Institutional Issues**

Indirectly, the various discussions with the community indicate that, in general, the community is quite close to village government, religious, education, and health institutions at the local level. Access of the poor to institutions supporting economic activities, such as capital providers and marketing and cooperative institutions is very low. In addition, their access to information on assistance and development programs is relatively poor. Decisions on the implementation or supervision of projects or programs are still dominated by the village elite. The knowledge of women, in particular, is more limited because women tend to only know about programs that are especially aimed at women, such as the KB program or skills training which scope is also very limited. These conditions impede program effectiveness and tend to be incapable of supporting the actual needs of the poor. For that reason, there needs to be changes in the policy as well as the behavior of project and program managers so that there is a more equal distribution of information for both men and women, and hence better targeting accuracy of the poor. In addition, there is a need for the provision of financial institutions that can be accessed by the poor, as well as institutions that can open and enhance market access.

## 3.2. Kabupaten Tapanuli Tengah

### 3.2.1. Regional Conditions and Poverty Trend

Kabupaten Tapanuli Tengah is located on the western coast of the North Sumatra Province. The western part of this *kabupaten* borders the Indian Ocean, the northern part borders Kabupaten Singkil (in the Province of Nanggroe Aceh Darussalam), the eastern part borders Kabupaten Tapanuli Utara, and to the south with Kabupaten Tapanuli Selatan. In 2003, the *kabupaten* had an area of approximately 2,194.98 km<sup>2</sup> with a population of approximately 275,800 people, which makes a population density of 126 people per km.<sup>2</sup> Administratively, this *kabupaten* consists of 15 *kecamatan* and 160 villages, with a population density that varies between *kecamatan*. Kecamatan Pandan, that is the capital of the *kabupaten*, is the *kecamatan* with the densest population (871 people per km<sup>2</sup>). Meanwhile, the *kecamatan* with the least dense population is Kecamatan Kolang with approximately 40 people per km.<sup>2</sup>

Almost all *kecamatan* are located on the coastline that extends for 200 km. Only two *kecamatan*, Kecamatan Sibabangun and Kecamatan Sitahuis, are located in hilly areas and do not have a coastal area. Because this *kabupaten* is located along the Bukit Barisan Mountains, its topography varies between low plains along the coast and hilly terrain with an altitude between sea level and 1,266 meters above sea-level. The climate of the district is Type A according to Oldeman's Classification, with high rainfall of approximately 4,842 mm/year and 10-11 wet months per annum.

The combination of high rainfall and fertile mountainous terrain has awarded this district with abundant natural resources, including tropical forests, plantation crops, food crops, and ocean fisheries. The forestry area of this *kabupaten* covers approximately 132,974 hectares, consisting of 74,504 hectares of protected forest, 51,273 hectares of production forest and 7,197 hectares of conversion forest. In 2003, the area under plantations was approximately 40,000 hectares and was planted with a variety of plantation crops, especially rubber, palm oil, and cacao. The area of wet-rice lands was approximately 17,808 hectares, half of which obtain irrigation from semi-technical and traditional irrigation system. The rest is rain-fed wet-rice fields and marshlands that are planted with rice only in certain seasons.

The economy of Kabupaten Tapanuli Tengah is dominated by the agriculture sector. In 2003, the contribution of the agricultural sector to the regional GDP was approximately 54%. Other sectors with a significant contribution are trade, hotel, and restaurant (16%), manufacturing industry (11%), and other services (10%). The transport and communication, banking and finance, and construction sectors only contributed approximately 3%. Meanwhile, the contribution of the electricity, gas, and water sector, and mining and quarrying sectors, are respectively less than 1%. More than 70% of households in this *kabupaten* also work in the agricultural sector, namely rice farming and other food crops, plantations, and fishery. The people that live along the coastline are, in general, working as fishers and food crop farmers at the same time, while the people that lives on the high plains live on farming food crops and plantations. Most fishers still use traditional technology such as small non-motorized boats. Some work as fishing laborers on other peoples' vessels. In several places, simple fish processing industries, such as those

for the processing of salted or dried fish, also support the livelihoods of the coastal communities.

Several decades ago, Kabupaten Tapanuli Tengah was a relatively prosperous area. The ports of Barus and Sibolga were busy with trading vessels that loaded sea and plantation products. The road along the west coast that runs through Kabupaten Tapanuli Tengah was the main trading route that connected Aceh (Kabupaten Singkil) and the Province of West Sumatra. This prosperity faded after the development of ports and main roads on the east coast of Sumatra. This east coast development diverted the center of trade away from the west coast causing less economic activity in Kabupaten Tapanuli Tengah. Activities in the ports also decreased, meanwhile the road from the west coast to the east coast was difficult to pass through because of the hilly terrain in the Bukit Barisan Mountains. This has impeded access to the new center of economic activities on the east coast. For that reason, Kabupaten Tapanuli Tengah became increasingly left behind compared to other *kabupaten*, although it is endowed with abundant natural wealth. The slow economic growth of this *kabupaten* compared with average economic growth of the province during the period of 2000-2003 is presented in Figure 6.

**Figure 6. Gross Regional Domestic Product (GRDP) per Capita in Kabupaten Tapanuli Tengah and the Province of North Sumatra, 1996–2003**

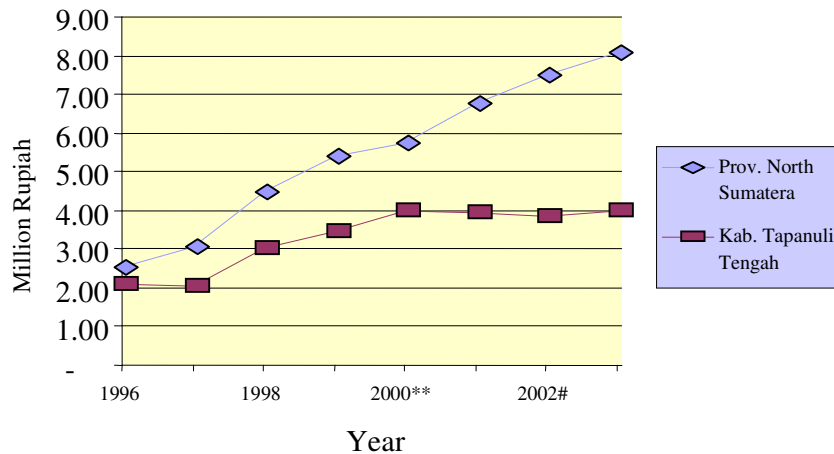


Figure 7. Changes in the Poverty Rate in Kabupaten Tapanuli Tengah and the Province of North Sumatra, 1999-2004

Figure 7a. Number of Poor People in Kabupaten Tapanuli Tengah, 1999 - 2004

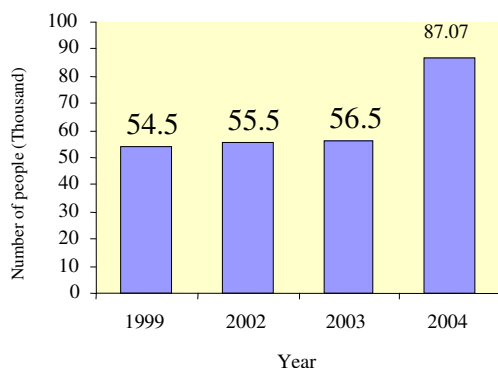
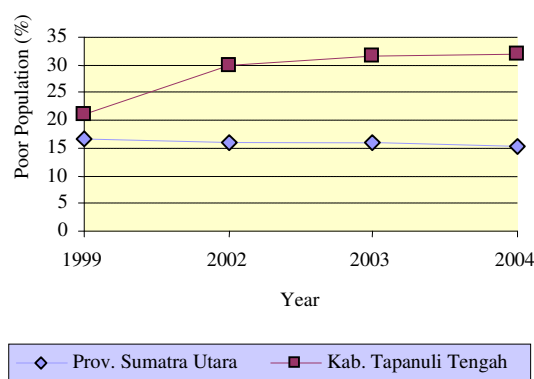


Figure 7b. Percentage of Population Below the Poverty Line in Kabupaten Tapanuli Tengah and in Prov. North Sumatra, 1999 - 2004



Poverty data published by BPS shows that the poverty condition in Kabupaten Tapanuli Tengah is of increasing concern (Figure 7). The number of people who live below the poverty line continued to increase from 54,500 in 1999 to 55,500 in 2002, 56,500 in 2003 and jumped to 87,070 in 2004. Compared with other *kabupaten* in the Province of North Sumatra, Kabupaten Tapanuli Tengah is the *kabupaten* with the second largest proportion of poor people after Kabupaten Nias. Although poverty in the Province of North Sumatra has tended to decline, poverty in Kabupaten Tapanuli Tengah has continued to rise. Both the human development index (HDI) and the human poverty index (HPI) show how left behind this *kabupaten* is compared with the provincial average. In 2002, the HDI for Kabupaten Tapanuli Tengah was 65.8, a little lower than the provincial average (68.8), while the HPI of this *kabupaten* was 30.2, a little higher than the provincial average (27.8). All human development indicators showed that Kabupaten Tapanuli Tengah had been left behind in almost all aspects, including life expectancy, educational attainment, purchasing power, and access to potable water, as well as nutritional status of children under the age of five years. The only achievement that equals the provincial average is regarding access to health infrastructure.

The community has a different perspective with regard to the trend in the change of the level of community welfare in the three PPA villages in Kabupaten Tapanuli Tengah. In general, FGD participants in the two villages, Desa Sipange and Desa Mombang Boru, differentiate the community into three welfare categories, namely rich households known as “well-off” (“*mampu*”), “middle class” (“*sedang*”) households, and poor households known as “less well-off” (“*kurang mampu*”). The characteristics of families that are considered poor are presented in Appendix 6. Based on this categorization, very few households (5%) are classified as wealthy in these two villages. For Desa Sipange, approximately 40% of households are classified as poor, while in Desa Mombang Boru approximately 72% of households are classified as poor. Compared with the welfare condition five years earlier, FGD participants in these two villages were of the opinion that their welfare level had tended to improve (Table 4).

**Table 4. Household Welfare Classification in PPA Villages in Kabupaten Tapanuli Tengah, 2000 and 2005**

Village	Year	Welfare Classification		
		Wealthy	Middle Class	Poor
Desa Sipange	2005	5%	55%	40%
	2000	5%	41%	54%
Desa Mombang Baru	2005	5%	23%	72%
	2000	-	5%	95%
Desa Kinali	2005	-	73%	27%
	2000	-	90%	12%

The increase in community welfare in these two villages is supported by the increased production of several types of plantation crops, especially palm oil and cacao. In addition, other crops that also improved the incomes of people in Desa Sipange are durian and citrus fruit in Desa Mombang Boru. The community in these two villages had also enjoyed improvements in the availability of transportation, means of communication, including availability of connections to cellular phones, and access to health services. For that reason, the fall in rice production that occurred as a result of the damage to the irrigation network, floods, and the inefficiency of water-usage management institutions, did not have a significant impact on community welfare in general.

The welfare condition of the community in Desa Kinali is different to the other two PPA villages. At the time of the discussions, FGD participants stressed that there was no one in this village who could be categorized as wealthy. For that reason, there are only two welfare classifications in this village, the middle group, known as the “less well-off” (*“kurang mampu”*) and the poor, known as the “not well-off” (*“tidak mampu”*). Most households are categorized in the middle group (73%). This condition is rather different to the results of the mapping, direct observations, and additional information provided by other village members. From this range of information, it is estimated that approximately 6% of households can be categorized as wealthy, 40% as middle class and the rest (44%) as poor, of whom approximately 9% can be deemed as very poor. This difference may be caused by the fact that during the time of the FGD, participants more often used the condition of the house as the reference, whereas the condition of the house, most of which were inherited, cannot always reflect the condition of their occupants’ lives. Other causes of bias were probably because of the presence of the Coremap project which might provide capital assistance. Some FGD participants were afraid that those classified as wealthy would not receive this assistance.

In contrast to the other two PPA villages, FGD participants in Desa Kinali suggested that the level of community welfare in their village had tended to fall. Approximately five years beforehand, Desa Kinali had more residents and more of them were in the middle welfare category of this village. Most of them moved to other villages, particularly to Desa Pasar Tarandam because of the lively economy in this neighboring village and more



employment and business opportunities are available there. The decline in the village's welfare began at least during the last decade because fishing vessels could no longer moor in Desa Kinali as a result of the silting up of the river mouth. With the move of the mooring point, other activities such as unloading, handling and processing, trading and of stalls also moved. Meanwhile, the fishing catchments continued to decline because of the damages to the coral reefs as a result of bombing and the operation of seine-net fishing vessels from Thailand. This situation worsened with the decline in rice production as a result of pest attacks and flooding that became more frequent in recent years. Flooding, in fact, became more extensive and often entered peoples' houses as well as damaged bridges, causing transportation condition to and within the village to worsen. For that reason, although there was already an increase in education and communication services, especially telephone communication, the welfare of the community still tended to decline.

Although the results of the analysis of poverty trends from the PPA were not in line with the results of the analysis of the poverty trend according to the BPS data, several important things can be drawn from the analysis of these two sets of data. In general, the PPA results explain the dynamics of poverty in communities with various livelihood typologies. The communities whose welfare has tended to improve are the farmers who have started diversifying into new plantation commodities, especially palm oil, cacao, and fruit. In addition, the communities in the semi-urban districts whose education levels are relatively high have also tended to have an increase in their level of welfare. However, the welfare level of wet-rice farmers and fishers, who constitute a large proportion of the population of Kabupaten Tapanuli Tengah, has tended to move downwards. This can probably explain the trend of increased poverty in this *kabupaten*. In addition, in the discussions with various stakeholders at the *kabupaten* level the issue of migration of people from surrounding districts, especially from Nias, was raised. It is suspected that this has added to the number of poor population.

The PPA that was undertaken in this study is still very much limited to three villages. The areas which are the centers of rice production and fishery that are considered not too poor and the areas where there are a lot of migrants from other districts are not included in this study. Future implementation of PPAs in these areas will be necessary in order to deepen the understanding on the dynamics of poverty in Kabupaten Tapanuli Tengah.

### **3.2.2. Factors that Influence Poverty**

With plenty of natural resources and a climate that is very conducive to agricultural activities, the poverty problem in Kabupaten Tapanuli Tengah cannot be explained as easily as the condition and problems of poverty faced in Kabupaten Bima. For that reason, during the workshop and preliminary consultation with stakeholders at the *kabupaten* level, there were many opinions highlighting human resources and behavior as the cause of poverty in this *kabupaten*. The outcome of the discussions with the community that were held during the PPA activity in the three selected villages, however, successfully uncovered five main issues that affect poverty condition in this *kabupaten*, namely issues associated with: livelihoods, education, infrastructure, environment, and family planning.

## (1) Livelihoods

The previous sub-section has described how the dynamics of poverty in this *kabupaten* are very much influenced by changes in the management of farming enterprises or community livelihoods in general. Discussions with the community in Desa Sipange and Desa Mombang Boru suggested that income from palm oil plantations, cacao, and various types of fruit have tended to rise. Nevertheless, the community itself has largely initiated the development of these commodities because government assistance and extension programs were felt to be very lacking. These efforts faced marketing problems and lack of capital. The poor were still very dependent on informal loans from traders, shopkeepers, stallholders, or high-interest credit provided by several informal institutions in semi-urban areas. Because of this, the allocation of family income for debt repayments was still quite high.

The production of food crops, especially rice that is very much a community mainstay, has tended to fall because of the decrease of farmland area and declines in productivity. The decrease of cultivated land area for wet-rice farming is caused by a fall in the supply of irrigation water due to the damage to dams or canals, flooding, and the lack of irrigation management because P3A officials are not carrying out their function. Besides being a result of the irrigation and flood problems, the decline in rice productivity, according to the community, is also caused by the increase of pest attacks. This decline in rice production has significantly impacted on the income of the poor, who mostly work as farm laborers or *penggarap*<sup>7</sup> based on a production sharing system. In several places, such as Desa Kinali, the sharing system has made things very difficult for the *penggarap*.

The decline in income is also faced by the sea-fishing community because fish catches are continuing to decrease. According to the community, this has happened because of the damage to coral reefs as a result of fish bombing and the operation of Thai purse-seine vessels from outside the district. Most of the poor work as fishing laborers on large vessels owned by *toke*,<sup>8</sup> and their lives are very dependent on the owners of these vessels. Debt entrapment and the relationship of fishing industry workers and employers that tends to disadvantage the workers, perpetuate poverty amongst these workers. Meanwhile, alternative livelihoods, such as in the form of fish cultivation or others, do not yet exist.

Other sources of income that support the lives of the poor and become their survival strategy are collecting forestry products, such as honey, rattan, cave bats, or fruit, and raising small livestock, such as pigs, chickens, ducks, and goats. This utilization of the forest is threatened by uncontrolled denudation of the forest by several irresponsible parties. Meanwhile, there is no protection available in the raising of small animals in terms of controlling and preventing diseases.

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<sup>7</sup>*Penggarap*: sharecroppers: landless farmers who cultivate agricultural lands for a share of the harvest.

<sup>8</sup>*Toke*: a business person, mostly Chinese, who owns a number of businesses (usually a store or factory), including a fishing boat used on profit-sharing basis.

Employment opportunities outside the agricultural sector are still very limited, so many people, especially in semi-urban areas, have migrated to other districts. The decline in income in the agricultural sector and the success of several migrant workers who have worked in other districts have encouraged greater community interest in working outside the district.

To overcome these problems, there needs to be changes in policy and the focus of programs in the agricultural, livestock, plantation, and forestry sectors. In order to fulfill farmers' needs for better farming technology, pest and disease prevention (including for small farm animals), and marketing, there is a need to activate and reorient extension activities. In regard to these extension activities, attention should be given to the role of women that appears to be very dominant in the cultivation of food crops, in order to ensure that they obtain access to these services. To overcome the problems of irrigation in wet-rice farming, in particular, improvements in irrigation infrastructure need to be undertaken (see point 3), the problem of forest denudation (point 4) needs to be attended to, and water supply regulatory institutions need to be revitalized. The protection of marine resources is also necessary to increase fisher's incomes. These efforts also need to be integrated with the introduction of alternative livelihoods. In addition, it is necessary to enhance access to capital to support farming enterprises, as well as to enhance remote villages' or the sea-fishing communities' access to community savings, for example through mobile banking. On top of all these efforts, the need to obtain work in the non-agricultural sector needs to be supported through the provision of non-formal education, improvements in investment in labor-intensive agriculture-based industries, and protection programs for migrant workers.

## **(2) Education**

Although in several areas, especially in semi-urban areas, the average level of education is already quite high, most poor families are only able to educate their children up to the primary school level or, at most, junior high school. In fishing communities, in particular, many boys drop out of school at the primary level and work as fishing laborers or assist their parents fishing using the family's own traditional boats. A number of factors cause poor children to drop out of primary or junior high school, including: the low level of awareness about the importance of continuing school, their interest to work as fishers, and the fact that many poor families cannot afford to send their children to high school because of the school's distance and high cost of transportation. Only primary schools are present in almost all villages, while junior and senior high schools are located in the *kecamatan* capital, which is quite far from the isolated villages that have difficult access to transportation. The lack of motivation to continue education is also caused by the fact that many junior and senior high school graduates have not been absorbed in the local labor market and became unemployed. Although the community is aware that low level of education and skills cause poverty, only in a few urban and semi-urban areas there are people with fairly high motivation to achieve high education level. This motivation developed as a result of witnessing successful migrant workers who have fairly high educational background.

Considering these problems, it appears that special initiatives are necessary to undertake in order to increase the education level of the poor. One effort is by establishing primary/junior high schools under one roof to improve the access of the poor to higher

education. In addition, there is a need for a special approach to attract boys in the fishing community to stay in school, for example by establishing schools with a more flexible time schedule. To increase school motivation, there is also a need to integrate the enhancement of education and working skills with the provision of employment opportunities.

### **(3) Infrastructure**

The development of road infrastructure and means of communication, especially in Desa Sipange, supported improvements in the community's welfare because they gave way to smoother trade of agricultural products and easier access to health and education services. Road and bridge conditions in the other two PPA villages, however, are still very alarming. Several roads heading towards Desa Mombang Boru and within this village are in poor condition because of a lack of maintenance. Several bridges are also flood-damaged. The same situation is also faced by Desa Kinali, whose access was cut off because bridges were washed away every time there was a flood. In fact, one bridge that connects Desa Kinali and its neighboring village had already been damaged by a flood six months after it was built. According to the local community, the construction of these bridges did not anticipate the frequent occurrence of floods, and also did not involve the local community in its planning and construction. In fact, the construction of the water-retaining barrier in Desa Pasar Tarandam that was built by the provincial government has caused flooding in Desa Kinali.

The condition of the irrigation system in Desa Sipange and Desa Mombang Boru which should provide water for the rice fields in these villages is also damaged. The damage occurred because of a lack of maintenance, flood, and the silting-up of the dam. The management of irrigation canals has not been operating for some time and the community from early on did not feel responsible for the management and supervision of the existing irrigation network.

The emergence of these problems shows that there is a need for a change in the approach used for the planning and construction of infrastructure projects. These projects should involve the community more. In addition, infrastructure development needs to take into account the risk of natural disasters that can potentially damage it.

### **(4) Environment**

The community did not directly mention the issue of environmental destruction as the cause of poverty, however, the community raised many problems which arose as a result of environmental destruction caused by poverty. One of these problems were the silting-up of the river mouth in Desa Kinali that resulted in fishing vessels being unable to moor there. As a consequence, the unloading of fish was moved to another village. In addition, flooding and abrasion that damaged the irrigation network, bridges, and inundated the rice fields were also mentioned in the three PPA villages. Although FGDs participants in the villages did not directly mention forest denudation as its cause, several stakeholders who attended the workshop certainly suggested a need to pay attention to the issue of illegal logging.

Environmental degradation also occurs in the coastal and marine environment of this *kabupaten*. The declining fish catch that was mentioned in Desa Kinali, was also raised by the community in Desa Jago-Jago, the village that was the pilot site at the time of the PPA training. In the community's opinion, this decline was caused by the damage to the coral reef as a result of fish bombing and the operation of Thai purse-seine vessels. In the workshop forum at the *kabupaten* level, stakeholders also confirmed it. In order to overcome this problem, a community based supervision system is required to oversee the use of bombing and the operation of Thai purse seines. In addition, efforts should be undertaken to re-plant and protect the coral reefs.

### **(5) Family Planning**

Many poor families have a lot of children. The number of family members adds more burden to poor families. The *adat* of the community gives great priority to male children. As a consequence, families continue to have children until they have a son. Aside from the issue of *adat*, several opinions raised in the FGDs also showed that there was a misperception about the side effects of the use of contraceptive. In Kabupaten Tapanuli Tengah, women have a significant economic role and responsibility because, in general, they work in the wet-rice fields, dry lands, look after small livestock, and look for firewood. For that reason, they have to be physically strong. There is a misperception in the community, especially among the less well-off, that the use of contraceptive often causes bleeding and physical weakness, so women using contraception will not be able to work in the fields.

This misperception could not be immediately corrected because many village midwives do not live or settle in their duty station, so they do not maintain a close relationship with the community. In Desa Kinali, for example, there is no midwife, so although the distance to the *puskesmas* (community healthcare center) and midwife in the neighboring village is only 1.5 km, deliveries are usually performed by a traditional midwife who does not provide family planning services. *Posyandu* activities are also seldom undertaken. In order to overcome this problem, there needs to be an effort to improve family planning programs through extension activities and by paying closer attention to complaints about complications caused by contraceptive devices. Health and family planning officials also need to build a closer relationship with the poor groups in the community, as well as undertaking efforts to revitalize *posyandu* activities.

## IV. REGIONAL CAPACITY IN POVERTY REDUCTION

Based on information gathered in the research locations and through interactions with the regional governments and other stakeholders during the conduct of this study, differences were observed in the capacity of the two *kabupaten* in poverty reduction. Regional capacity in this context does not constitute the financial capacity of regional governments, but it refers to instead, to the institutional capacity that encompasses institutional structures, the understanding of and attention to poverty problems, as well as poverty reduction programs and policies that have already been drawn up and implemented in the respective regions. In general, Kabupaten Bima has a relatively better capacity than Kabupaten Tapanuli Tengah. This difference is influenced, inter alia, by the district's poverty condition, the development and activities of NGOs, and the activities of donor institutions.

With a condition of very dry climate and infertile land, poverty is a chronic problem in Kabupaten Bima. For that reason, poverty has long been the main focus of the regional government and the general community of Kabupaten Bima. On the other hand, for the community and the Government of Kabupaten Tapanuli Tengah, poverty is not included on their main agenda because community life, in general, is very much supported by the region's wealth of natural resources. Advances in the capacity of Kabupaten Bima are also supported by the development of NGOs that operate in various fields, from community empowerment activities at the grass-roots level to advocacy type of activities. In addition, the large number of assistances from donor institutions, both those that focus directly on overcoming poverty as well as those that enhance regional government capacity, have also increased the capacity of Kabupaten Bima in poverty reduction.

The following sub-section presents a description of the capacity of the two *kabupaten*, particularly their poverty reduction institutions, poverty reduction policies and programs, and the affect of these capacity differences on the effectiveness of the effort to enhance regional government capacity through PPAs that have been carried out in this study.

### 4.1. Poverty Reduction Institutions

#### 4.1.1. The Capacity of the Poverty Reduction Institutions of Regional Government

Both Kabupaten Tapanuli Tengah and Kabupaten Bima have formed Regional Poverty Reduction Committees (KPKD) in the manner instructed by the Ministry of Home Affairs. The appointment of the KPKD members is determined each year through a decree from the head of the *kabupaten* (*bupati*). Nevertheless, the structure of the membership and activities undertaken by the KPKD in the two *kabupaten* differs. For that reason, this study uncovered the differences in the structure of the institutions and in the progress of regional government efforts in poverty reduction in these two *kabupaten*. In general, Kabupaten Bima's institutional structure for poverty reduction is relatively more inclusive than that of Kabupaten Tapanuli Tengah. Nevertheless, the structure that was formed in Kabupaten Bima is apparently still not sufficiently effective in coordinating and supporting poverty reduction efforts in this *kabupaten*.

The KPKD in Kabupaten Tapanuli Tengah was formally established in 2003 based on *Bupati* Decree No. 255/PMD of Year 2003. The membership consisted of 10 regional government working units. The *bupati* formally leads the KPKD, with the head of the PMD office as the executive director. The KPKD secretary is from the PMD office, while the head of Bappeda is the advisor. Since its formation and until this study was conducted, the KPKD has not carried out any activity because it has not obtained any funding support from the *kabupaten* government. The sectoral agencies are also unaware of the existence of the KPKD. For that reason, Kabupaten Tapanuli Tengah has not started the formulation of their regional PRSP and has not yet commenced efforts to coordinate poverty reduction policies and programs. Several programs run by sectoral agencies that are given the label “poverty reduction” are still being undertaken by each agency and are, in general, coordinated by Bappeda.

In Kabupaten Tapanuli Tengah, the data collection on poor families was undertaken by the Family Planning and Civic Registration Agency by using the criteria on Pre-prosperous and Welfare Level 1 families that were determined by BKKBN. Besides being used for family planning programs, this data was also used for targeting of the cheap rice for the poor program (*Raskin*). The targeting of the health insurance program for the poor is determined by other criteria based on the operating guidelines issued by the Ministry of Health in the program implementation guide. The *puskesmas* and village midwife undertook the data collection for this program. Meanwhile, the targeting conducted by other sectoral agencies was also carried out by each agency based on criteria determined by each sector.

Although the KPKD has not undertaken any activities, the statistics office of Kabupaten Tapanuli Tengah has made several analyses of the poverty condition in this *kabupaten*. By using the 1999-2002 data, BPS Kabupaten Tapanuli Tengah has published a poverty analysis that discusses the trend in the poverty rate, human development index, and human poverty index. In addition, BPS Kabupaten Tapanuli Tengah also undertook the identification of underdeveloped villages based on several local indicators, and participated in a project to develop indicators associated with poverty that was undertaken by the central office of BPS. Unfortunately, the *kabupaten* government has not utilized the results of these analyses in the formulation of regional programs and policies.

Meanwhile, the KPKD of Kabupaten Bima that was formally established through *Bupati* Decree No. 95 of Year 2004, consists of government and non-government elements. The management of this KPKD consists of the *Bupati* of Bima as the head, the Regional Secretary, the Administrative Assistant for Development and Welfare, and the head of Bappeda as advisors, the BPMPP head as executive director, and the head of Economic Affairs of BPMPP as secretary. To undertake its task, the KPKD has formed four working groups (*pokja*), namely:

- (i) *Pokja* I, covering the areas of Publications, Information, and Data, with the head of BPS as coordinator;
- (ii) *Pokja* II covering the Development of LKM and UKM, with the head of the Trade and Industry Office as coordinator;
- (iii) *Pokja* III as Manager of Programs and Activities, with the head of the Health Office as coordinator; and
- (iv) *Pokja* IV for Monitoring and Evaluation, with coordination of the head of Program Development in the Regional Secretariat.

The non-government elements of these working groups consisted of representatives of higher education institutions, NGOs, mass organizations, and donor agencies. The higher education elements include representatives of STISIPs and STIEs. NGO elements include LP3M, *Yayasan Bangun Daya Bima*, and *Yayasan Peduli Bangun Bangsa*. Other elements include: from mass organizations, MUI; from private institutions, PD Wawo; and from donor agencies, Promis-NT.<sup>9</sup>

Since its formation, the KPKD of Kabupaten Bima has conducted several activities, including:

- (1) A stock-take on poverty reduction programs that have been conducted by various government agencies in 2003-2004.
- (2) Data collection on Productive Economic Business Groups (2003) that was formed through the UED-SP Program, IDT, PDM-DKE,<sup>10</sup> *Lambung Desa*,<sup>11</sup> and the NTAADP Program.
- (3) Data collection on poor families in Kabupaten Bima (2003) by using local indicators that were a combination of indicators used by BPS, BKKBN, and those suggested by other relevant agencies.
- (4) Formulation of a Regional PRSP draft.

Based on the criteria developed by this KPKD, the results of the data collection on poor families in 2003/2004 showed that there were a total of approximately 42,500 poor households in Kabupaten Bima. This number is far greater than the results of the Susenas data estimation based on the Poverty Line approach that came up with 98,800 people or 24,000 households. This data collection on poor families appeared to have not, however, been used as a reference for the determination of program targets in poverty reduction programs undertaken by various sectoral agencies. This was the case because this data collection did not include specific data that was appropriate to the need of associated sectors. In addition, several agencies are also of the opinion that the results of the data collection are not that up-to-date, while the regional government faces cost-related obstacles of updating the data for the following years.

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<sup>9</sup>PROMIS-NT NT is a project of GTZ for the West Nusa Tenggara and East Nusa Tenggara Timur regions. It consists of PRODA that provides support in enhancing community participation, transparency and accountability in the budgeting and planning process, and PROSPEK that is aimed at identifying the potential for local economic development. The project commenced in 1998 and is still operating.

<sup>10</sup>PDM-DKE stands for *Pemberdayaan Daerah dalam Mengatasi Dampak Kekeringan dan Masalah Ketenagakerjaan*: Regional Empowerment in Overcoming the Impact of Drought and Labor Problems. It is a project aimed to reduce the impact of the economic crisis by introducing labor-intensive jobs and community funds.

<sup>11</sup>*Lambung Desa* is a traditional institution that acts as a public warehouse where villagers can save the rice gathered during a plentiful harvest and borrow the rice during an unsuccessful harvest.



Bappeda initiated the formulation of the draft Regional PRSP in Kabupaten Bima in 2004 with the support of Promis NT. Furthermore, the preliminary draft prepared by Bappeda was improved based on input from the members of the KPKD. Nevertheless, in the preparation of this draft, there were no consultations with the general public or with the poor. The review of the final version of the draft Regional PRSP showed that the document, in general, followed the framework suggested by the interim National PRSP document. However, there were several weaknesses in this draft, among others, the diagnosis of poverty that only uses very limited poverty data, the policy review that presented the programs of the previous years without discussing the effectiveness of these programs, the lack of clear direction concerning poverty reduction policies, and the presence of programs that are still very general and not strongly associated with poverty.

Although the KPKD of Kabupaten Bima has undertaken several activities, many parties, including several members of the KPKD, assess that the effectiveness of this institution in coordinating poverty reduction programs and policies is still weak. The weakness of the role of this KPKD is due, among other reasons, to the very limited funding support from regional government that did not make it possible for the implementation of more intensive coordination meetings. Furthermore, the fundamental cause was rooted in the institutional structure of the KPKD itself. Because of an instruction from the Ministry of Home Affairs, the position of director of the KPKD was assigned to the head of BPMPP and the secretariat of the KPKD is also located in the office of the BPMPP. Based on its functions and tasks, the BPMPP is not responsible for coordinating development in the region. It is Bappeda, who is responsible for the coordination function. So in practice, the Bappeda, which has the data and not to mention, more staff competency to implement the coordination, more often took coordination initiative for poverty reduction efforts, in conjunction with its role in coordinating development in general. Therefore, although the KPKD secretariat is in the office of the BPMPP, in practice, Bappeda plays a bigger role in the formulation of the Regional PRSP and in providing input to the poverty reduction agenda in regional planning documents.

After Presidential Regulation (*Perpres*) Number 54 of Year 2005 on the Formation of a Coordination Team on Poverty Reduction (TKPK) was issued, the institution responsible for poverty reduction at the central government level was shifted from the Poverty Reduction Committee (KPK) to the Coordination Team on Poverty Reduction (TKPK). As a follow-up action, the Ministry of Home Affairs issued the Ministry of Home Affairs Circular No. 412.6/3186/SJ, which instructed that all regions adjusted their poverty reduction institutions in line with the changes at the central government level. In response to this circular, Kabupaten Bima stated that the coordination of various poverty reduction programs and policies that had been undertaken by the KPKD would be continued, developed, and improved by the TKPK. Criticism arose, however, that the appointment of the members of the TKPK in the Minister's circular was too exclusive because it only consisted of government elements. This was considered to be a step backward, bearing in mind that the membership of the KPKD had already provided greater space for the participation of non-government elements.

#### 4.1.2. The Role of Non-Government Institutions in Poverty Reduction

The development of various forms of non-government institutions in Kabupaten Tapanuli Tengah is different from those in Kabupaten Bima. In Kabupaten Tapanuli Tengah, most non-government institutions are in the form of mass organizations that, among others, include religious and youth institutions. NGOs are still very rare. Several existing NGOs are focusing more on politics or public advocacy and there is very few or almost none working in the area of community development at the grass-root level. Although various existing mass organizations have activities that directly or indirectly assist less well-off communities, it can be said that the role of these non-government institutions in poverty reduction is very limited. In conditions where poverty reduction institutions do not adopt a participatory approach and do not accommodate the role of non-government elements in development planning processes, the role of non-government institutions in policy advocacy of poverty reduction is also very weak. Nevertheless, there are indications that the regional government has recently started to involve non-government elements in the development planning process by inviting non-government elements to the *rakorbang* (development coordination meetings) at the *kabupaten* level.

In Kabupaten Bima, NGOs developed rapidly and it is estimated that there are hundreds of NGOs. It is quite difficult to obtain the exact number of NGOs because many of them are newly formed, while others are no longer active. The development of these NGOs has been supported, inter alia, by the large number of programs supported by donor agencies and international NGOs that channel assistances to the community through local NGOs. Furthermore, there are also various cooperations between local NGOs and the regional government in the implementation of poverty reduction programs and projects. Activities that have been undertaken by various NGOs are varied, starting from activities that are advocacy in nature to activities of community empowerment and development at the grass-roots level. Several NGOs in Kabupaten Bima are also involved in independent monitoring and evaluation and provide inputs for the improvement of government programs and policies. Compared with the conditions in Kabupaten Tapanuli Tengah, the direct role of NGOs in Kabupaten Bima in poverty reduction is relatively greater and it is also the case with their role in the advocacy of poverty reduction policies. The significant role of NGOs in policy advocacy is also very much supported by the institutional structure of the KPKD that is more open to the participation of non-government institutions, as well as the development of a more participatory development planning process.

Nevertheless, the wide participation of non-government stakeholders in Kabupaten Bima is not yet followed by intensive coordination for the purpose of enhancing the effectiveness of various existing poverty reduction programs. The management of programs across government agencies, across non-government agencies (NGOs/higher education institutions), and between the regional government and non-government institutions, beginning from the planning and implementation phases as well as monitoring and evaluation is being run separately. This is an impediment that still needs to be overcome by all parties in Kabupaten Bima and it appears that the KPKD is not yet capable of playing an effective role in this coordination effort.

## 4.2. Poverty Reduction Programs and Policies

Kabupaten Tapanuli Tengah and Kabupaten Bima adopted different approaches in their regional development plan. These reflect the differences in the attention and views of the governments on the problem of poverty in their regions. Based on the review of the existing development planning documents, it can be seen that the focus of development in Kabupaten Tapanuli Tengah is more directed to physical development and infrastructure that, in turn, is expected to improve the welfare of the community, without special directives to overcome poverty. Meanwhile, in the development planning documents of Kabupaten Bima, including in the draft of the PRSP and the Medium-Term Development Plan (RPJM), attention to poverty issues is stated more explicitly. In these documents, it is stated that the development approach adopted by the regional government does not only rely on physical development and infrastructure, but also emphasizes on efforts to empower the community.

### 4.2.1. Poverty Reduction Programs and Policies in Kabupaten Tapanuli Tengah

The fact that Kabupaten Tapanuli Tengah is a *kabupaten* rich with natural resources tends to cause the local government to pay insufficient attention to the problem of poverty. Many stakeholders are in the opinion that poverty is often found among poor fishers because of their squandering behavior and among immigrants from other districts, especially from Nias, most of who are working as plantation or fishing laborers. The problem most often raised at the *kabupaten* level is the lack of development in the western coast of Sumatra and their isolation from the economic growth centers in the east coast region. Attention to poverty issues is also limited due to political instability in this *kabupaten*.

The development vision of Kabupaten Tapanuli Tengah is to develop the *kabupaten* into a center for trade and the tourist industry in the western coast area of Sumatra or in the Tapanuli region. "Tapanuli Growth" is the program most publicly stated by the *Bupati* of Tapanuli Tengah. Through the development of integrated land, sea, and air transports, this *kabupaten* wishes to develop agricultural and tourism-based industries that, in turn, will create many employment opportunities, improve the trade in agricultural products, and eventually increase community welfare. Based on the *Kabupaten's* Strategic Plan (*Renstra*) 2000-2005, the development priority is directed towards infrastructure development, followed by the development of human resources through improving education and health services and support for good governance. Among the largest infrastructure developments are the development of a seaport, airport, and hydroelectric power station.

Although there is no special directive for a poverty reduction policy in the planning document, almost all sectoral agencies in Kabupaten Tapanuli Tengah consider the programs they are implementing are aimed at enhancing the welfare of farmers, fishers, or the people who inhabit remote areas, so these programs could be classified as poverty reduction programs. The central and provincial governments through deconcentration and co-administration funds finance most of these programs. Foreign assistance projects/programs in Kabupaten Tapanuli Tengah are very limited and there is practically no assistance from international NGOs.

Most poverty reduction programs in Kabupaten Tapanuli Tengah are economic empowerment programs for the community through increasing agricultural and fisheries production as well as capital assistance for cooperatives and UMKM. Among the community economic empowerment programs that have been undertaken in this *kabupaten* are the PEMP Program of the Ministry of Fisheries and Maritime Affairs, the *Kecamatan* Development Program (PPK) of the World Bank, and P2D from the JBIC. Assistance from other donor institutions include the Coral Reef Rehabilitation (Coremap) project that is still in its preparation stage for the second year, as well as the Marginal Fishing-Community Development Programs (MFCDP) that are still in the preparation stage.

Another program is the indirect ADB assistance program that is also aimed at overcoming poverty through developing the capacity of regional governments in financial administration, known as SCBD (*Sustainable Capacity Building for Decentralization*). This program began to be prepared in 2005 and is planned for commencement in 2006. There are also assistance programs for the poor from the central government, including *Raskin*, JPK-Gakin health cards, the improvement program for fishers' housing from the Ministry of Social Affairs, UED-SP, and UP2K that was undertaken until 2001, scholarships for poor students and flood emergency assistance.

In connection to access to business capital for the poor, informal businesses, and small to medium-sized enterprises, there are no NGOs providing microfinance services in Kabupaten Tapanuli Tengah. Microcredit services are provided by BRI and one BPR (*Bank Perkreditan Rakyat*) that are located in Kota Sibolga. Meanwhile, private banks services are still limited to urban or semi-urban communities. Employees with fixed wages and the non-poor are those that mostly enjoy the loan services of these banks. In the discussions with the community in the PPA villages, the community stated that BRI credit is inaccessible to them.

Most capital assistance from the central and regional government in Kabupaten Tapanuli Tengah is channeled through cooperatives. According to the estimates of the Office of Trade and Investment, there are 290 cooperatives, but 119 are no longer active because they never hold annual members' meetings anymore. Several cooperatives, that are still active and considered to have a good record, have received capital assistance, especially from central government programs, such as from the BBM subsidy program (20 cooperatives received these funds and four of them no longer received them) and capital strengthening assistance for agribusiness cooperatives from the Ministry for Cooperatives and Small and Medium-Sized Enterprises. Most members of these cooperatives work as fishers and farmers. Most cooperatives that are still active are general cooperatives that undertake various forms of businesses. Although the performance of most cooperatives is still in question, there is one cooperative located in Kecamatan Pinangsori (*Koperasi Dosnitahe*) that is developing well. Based on an existing report, this cooperative already has 3,200 members.

#### **4.2.2. Poverty Reduction Programs and Policies in Kabupaten Bima**

For the Government of Kabupaten Bima and other stakeholders, including donor institutions and international NGOs, poverty reduction is one of the main priorities of the development programs. The poor conditions of natural and human resources, as well

as regional isolation, have made poverty a chronic problem of this *kabupaten*. The Regional Development Program (*Propeda*) 2000-2005, states that the development vision of Kabupaten Bima during this period is “*The formation of a Bima community and region that is prosperous, autonomous and advanced, based on openness, justice, and democracy, and with the blessings of God.*” To achieve this vision, the first three points of the mission statements are directly associated with poverty reduction efforts, namely: to create a prosperous community, empower the community and the economic strength of the community, and create the climate for a democratic, high-quality and skillful public education and religious education. Furthermore, enhancing community welfare programs and improving the quality of human resources are also stated as two of the seven regional development programs that are given the highest the priority.

Poverty reduction programs that have been and are being undertaken in Kabupaten Bima can be differentiated on the basis of their funding source, i.e. the programs funded by the government (APBN/APBD) and by donor institutions. Among the poverty reduction activities funded by APBN/Deconcentration funds are: PDM-DKE (1998-2003), JPS-BK (1998-2003), OPK for Rice (1998-2003), the Clean Water and Environmental Health Project, (2002-2003), the PEMP Program, (2001-2002), Local Economic Program (2000-2002), Food Security Program (2002-2003), and the Isolated *Adat* Communities Program (KAT) (2003–ongoing). There are also programs that are funded by the *kabupaten*’s budget and implemented by individual sectors.

One of the poverty reduction programs funded by the government is given in the form of microcredit. Most of these programs experience sustainability problems or even become bad debts. According to several NGOs, the development of small/micro businesses cannot be assessed as being successful. Many people in the community still perceive business capital assistance provided through government programs as a grant. Consequently, many people intentionally do not repay their loans. Because those who do not repay their loans are not sanctioned, this has strengthened the perception of the community that “the money from government programs does not need to be repaid”.

Some of this microcredit is channeled through cooperatives. In Kabupaten Bima, according to the estimate of the Office of Trade and Industry, there are more than 200 cooperatives, 170 of which still conduct their annual members’ meetings. The government of Kabupaten Bima still uses cooperatives as the means of strengthening the economic condition of the poor and has already allocated approximately Rp2 billion from the APBD for cooperative strengthening programs. Development programs for community business groups through the assistance of the Office of Cooperatives and Microfinance Development, have so far generated as many as 255 KUKM, and 128 KSP/USP/LKM across 14 *kecamatan*, although their distribution are not equal across villages. According to the estimation of one NGO, however, only around 10 cooperatives are still running well.

Compared to Kabupaten Tapanuli Tengah, there are relatively more programs in Kabupaten Bima that are funded by donor institutions and international NGOs, including:

1. The IMS-NTAADP Program, World Bank, 1999–2003, which enhanced farming enterprises and value adding activities.
2. Second Water and Sanitation for Low Income Communities (WSLIC-II) Program, World Bank, 1998–2003, which provide potable water and sanitation equipment.
3. The P2D Program of the JBIC, 2002, 2003, which developed physical village infrastructure.
4. The Promis-NT Program, GTZ, BMZ, 1998–2003, which provided guidance for self-reliance community groups, agricultural cultivation, and intensive work programs, as well as participatory planning at the local level.
5. Plan International, Foster Parents from 14 countries, 1998–2003, which provided physical and non-physical infrastructures for the education, health, and environment sectors.
6. *Participatory Integrated Development in Rainfed Area (PIDRA)*, IFAD, 2001– 2008, which supported group formation, enhancement of agricultural production through the conservation and improvement of natural resources, as well as improvement of infrastructure in rural areas.
7. Program for the Expansion of Implementation Systems for the Development of Community Based Forestry, DFID, 2002, 2005, which included planting and seed propagation, and facilitating the PRA methodology to obtain input from the community.
8. Decentralized Agricultural and Forestry Extension Project (DAFED), IBRD 2001, which provided support on food security and agricultural extension.
9. Sustainable Agriculture Program, Veco (Vredeseilanden Country Office Indonesia), 2003–2007, which support the development of village institutions and community groups.
10. Small-scale Fishers-Farmers Income Enhancement Development Project (P4K), World Bank (IBRD), Ministry of Agriculture and BRI Phase I, II, and III, 1998–2003.
11. Women Health and Family Welfare (WHFK), AusAID, 2002–2006, which support activities in the sectors of women’s health and family welfare.
12. Health Program and Iodination (JP-GAKY), World Bank, 2002–2006.

Although there are quite a large number of assistance programs from donor institutions and international NGOs in Kabupaten Bima that have been operating for a long period, they are not found across all *kecamatan*/villages and are not managed and developed in an integrated way. This situation shows that there is still a lack of coordination between the regional government and donor institutions/international NGOs, as well as lack of capacity in mapping the poverty problem holistically.

#### **4.3. The Contribution of the Study to Regional Capacity in Poverty Reduction**

Through a series of group discussions at the *kabupaten* level, this study attempted to raise the issue of poverty and discuss the factors that influence poverty in each *kabupaten*. It was expected that these discussions would raise awareness and understanding of, as well as attention to the factors that influence the poverty condition in these districts. From the discussions that took place and the issues discussed, it can be observed that there were some changes in the perspective of the stakeholders involved in the series of discussion.

For all stakeholders in Kabupaten Bima, the discussion method used in this study was not new to them because they have adopted the participatory development planning approach for the last few years. Nevertheless, the issues that were discussed, especially after the results of the village community discussions in the village-level PPA were presented, has systematically provided input on the various factors and problems that did not arise earlier in the regional development agenda as explained in Chapter III. In contrast, for stakeholders in Kabupaten Tapanuli Tengah, the participatory discussion method is something new. Because stakeholders, especially from the regional government area are not used to accepting criticism, there was quite a lot of resistance from the associated agencies during the second group discussion when the preliminary results of the village-level PPA were presented. Nevertheless, in the limited discussion group and final workshop at the *kabupaten* level, it appeared that these agencies became more accommodative and already started to plan alternative policies to overcome these various problems.

Although it is not in the scope of this study to observe whether the results of the discussion have been implemented, at least this experience showed that the effort to introduce the participatory approach in a region that has not been exposed to this approach was quite effective in building openness. This experience, however, has inspired several staff of the Kabupaten Tapanuli Tengah Bappeda Office to apply this approach in their development coordination meetings.

In particular, the results of the PPA have contributed to the improvement of the draft medium and long-term development plan (RPJM and RPJP) of Kabupaten Bima. Because the PPA was undertaken immediately after the election of the *bupati* and during the refinement of the RPJP and RPJM draft, the preliminary results of the PPA was used as input in this process. In addition, the involvement of several key staff who have joined in the preparation of the RPJP and RPJM document in the PPA study also supported the incorporation of the PPAs results in the refinement of these documents. With direct involvement and experience as members of the PPA Team in the *kabupaten*, the PPA Team members stated that their understanding and concern of the problems faced by the community have increased. In addition, ideas also emerged on using PPAs in the preparation of planning documents and in the mechanism to improve the implementation of existing participatory development plans, as discussed in Chapter V.

Compared with Kabupaten Bima, the contribution of this study in enhancing the poverty reduction plan in Kabupaten Tapanuli Tengah is not too evident. The political tension and instability tend to undermine the attention stakeholders' pay to the issues of development in general, and poverty in particular. That is why no members of the DPRD attended the discussions held at the *kabupaten* level. The central government's decision to reject the result of the *bupati* election that was held in December 2005 also delayed the preparation of the RPJP and RPJM of this *kabupaten*. Therefore, the results of the PPAs could not yet be used as inputs for these documents. Nevertheless, in the final workshop at the *kabupaten* level, Bappeda expressed its commitment to address the inputs from the PPA results during the discussions on annual development plans with associated agencies. In addition, several agencies showed positive responses to the criticism and suggestions that had been raised from the results of these PPAs.

## V. THE REGIONAL DEVELOPMENT PLANNING PROCESS AND THE POTENTIAL FOR INTEGRATING PARTICIPATORY POVERTY ASSESSMENTS (PPAs)

At the present time, Law No. 25 of Year 2004 on the national development planning system provides the legal base for the planning mechanism, both at the national and regional levels. According to this law, development plans in the regions are set out in the Regional Long-Term Development Plan (RPJPD), Regional Medium-Term Development Plan (RPJMD), and the Regional Development Work Plan (RKPD). Furthermore, the sectoral development plans are set out in the Strategic Plan: Regional Level Work Unit (*Renstra*-SKPD) and Work Plan: Regional Level Work Unit (*Renja*-SKPD). The Regional RPJM is stipulated in the form of a regional regulation, while the RKPD is set forth in a decree of the head of the region.

### Regional Development Planning Documents According to Law No. 25 of Year 2004 on the Regional Development Planning System

#### Section 5:

- (1) The Regional RPJP contains the vision, mission, and direction of regional development that refers to the National RPJP.
- (2) The Regional RPJM spells out the vision, mission, and programs of the head of the region, and the preparation will refer to the Regional RPJP and take into account the National RPJM, contains the direction of the regional financial policy, regional development strategy, public policy, programs of regional work units and across regional work units, and spatial programs.
- (3) RKPD is a detail presentation of the Regional RPJM and refers to the RKP, contains the framework of the regional economy, regional development priorities, work plans and their funding, both implemented directly by the government and those conducted by encouraging community participation.

#### Section 7:

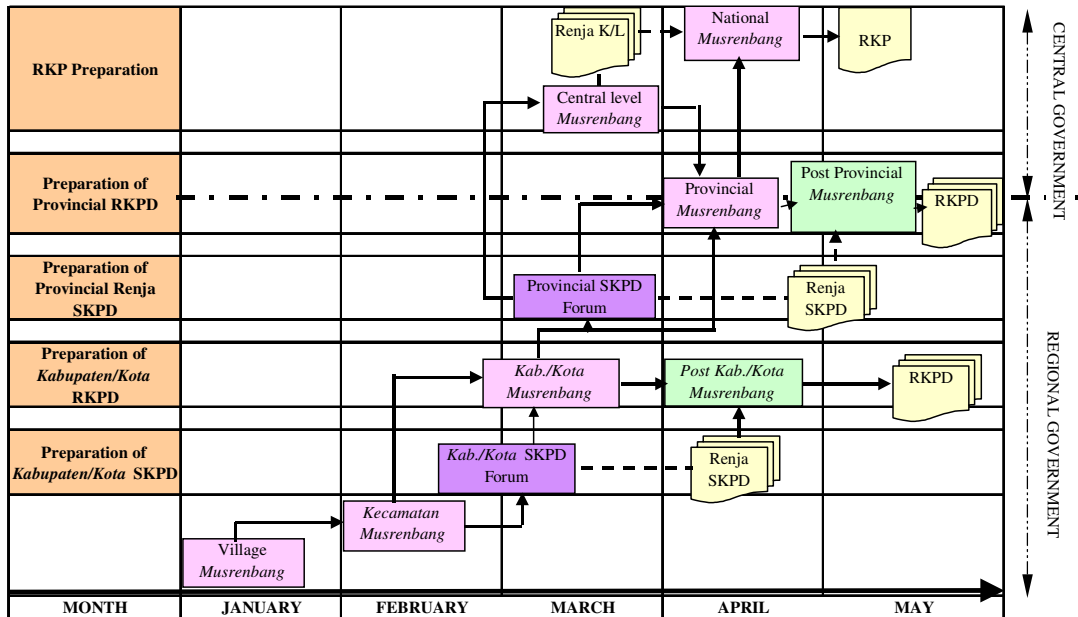
- (1) *Renstra*-SKPD contains the vision, mission, objectives, strategy, policy, programs and development activities prepared in accordance with the duties and functions of the regional work units as well as referring to the regional RPJM and it is suggestive in nature.
- (2) *Renja*-SKPD is prepared based on the *Renstra* SKPD and refers to the RKP; contains development policies, programs, and activities to be implemented directly by the regional government and by encouraging community participation.

Based on this new law, the development planning documents are prepared in several phases, one of which is a community consultation on development planning (*musrenbang*) as described in Figure 8. The *musrenbang* forum is not something new because a similar forum has been established and implemented in the past as a development consultation (*musbang*) forum starting from the village level to the *kecamatan*, *kabupaten*, province, and national levels. The difference is that the *musbang* forum in the past only involved government elements, while according to the new law, the *musrenbang* forum should be



conducted in a participatory manner by involving all development stakeholders including: professional associations, higher education, NGOs, *adat* and religious leaders, as well as the business community. With the involvement of various parties, stakeholders can express their aspirations and this participation will also create a feeling of ownership. Hence, it is expected that this planning system can optimize community participation and so accommodate their interests in the process of formulating development plans.

Figure 8. The Framework for the Development Planning Consultation Process (Musrenbang)



Source: Joint Circular Letter of the Ministry of National Development Planning/Head of Bappenas and Ministry of Home Affairs about the Implementation of Musrenbang in 2005

Although the regional development planning process is basically referring to this law, in practice the planning process that has been undertaken in the regions varies. The development planning process in Kabupaten Tapanuli Tengah is rather different to the process in Kabupaten Bima. This difference occurs because of, among others, the development of a participatory planning process and the relatively high level of NGOs activity in Kabupaten Bima. The discussion below will explain the variation in the development planning process undertaken in Kabupaten Tapanuli Tengah and Kabupaten Bima. In the following section, there is a discussion on the potential for integrating PPAs in the existing planning process in these two *kabupaten*. After participating in this study, Bappeda and the Kabupaten PPA Team presented their ideas for integrating the PPA and identified possible constraints.

### 5.1. The Existing Regional Development Planning Process

The development planning process in Kabupaten Tapanuli Tengah before the establishment of Law No. 25 of Year 2004 commenced with a village development consultation (*musbangdes*), followed by a kecamatan development consultation (*musbang*), a *kabupaten musbang*, and was finally discussed and determined by the *bupati* and the DPRD. Until 2000, the *musbangdes* was still implemented, and, in fact, the Village Community Empowerment Board (BPMD) had already trained cadres to conduct *musbangdes* in several *kecamatan*. Besides preparing a proposal for the development program that will be brought to the *kecamatan musbang*, the *musbangdes* forum also discusses the utilization of *bangdes* (village development) funds for each village.

After the implementation of decentralization in 2001, there were no *bangdes* funds from the APBN and no similar allocations from the APBD to replace these funds. Therefore, the *musbangdes* activities were no longer organized. Since 2001, the *musbang* process has been organized starting from the *kecamatan* level. The *kecamatan musbang* activity involves delegates from villages in this *kecamatan*, the PMD office, Bappeda, agencies in the *kecamatan*, and members of the DPRD being elected for the respective *kecamatan*. The *kabupaten musbang* involves delegates from the *kecamatan* and the local government sectoral agencies.

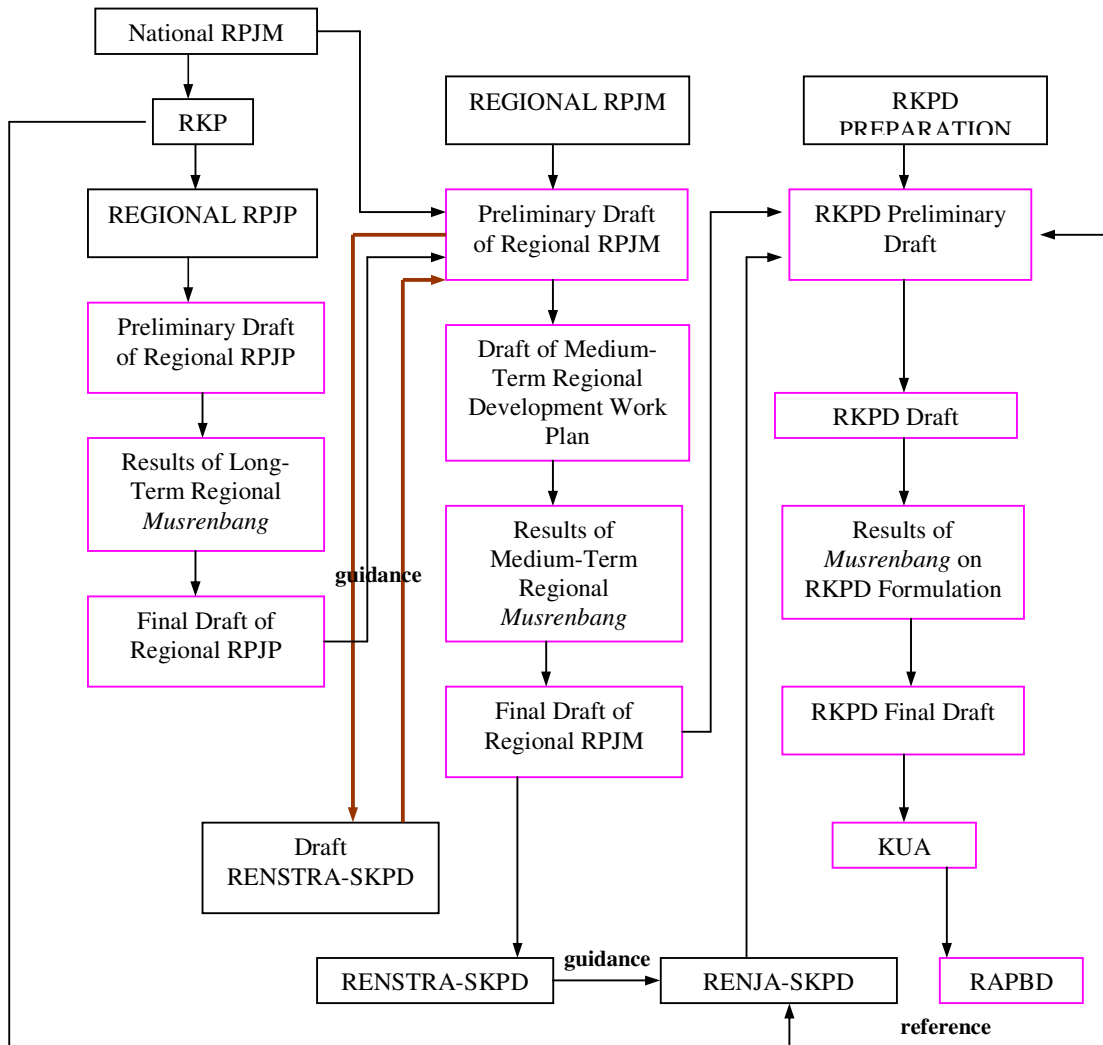
After Law No. 25 of Year 2004 was in effect, *musrenbang* activities in Kabupaten Tapanuli Tengah continued to be conducted at the *kecamatan* and *kabupaten* levels, with more participants compared with the previous *musbang* forum at the *kecamatan* and *kabupaten* levels. Participants in the *kecamatan musrenbang* were added with representatives from local government sectoral agencies, NGOs in the respective area (if there are any), and local community figures. By directly inviting sectoral agencies, it was expected that the program proposal submitted by sectoral agencies in the *kabupaten musrenbang* would take into account the *kecamatan* proposals. Several non-government elements from NGOs and community organizations that are considered relevant were also invited to the *kabupaten musrenbang*. The *kecamatan* and *kabupaten musrenbang* was held around July-August because of the delay in the budget approval by the DPRD. The appointment of the members of the DPRD was also delayed and there was a deadlock in the election of the DPRD head.

In Kabupaten Bima, the participatory approach to the development planning process was initiated in 2001 with support from the Promis-NT project. This participatory planning process was formally stipulated in *Bupati* Decree No. 237/2002. After the central government enacted Law No. 25 of Year 2004, the regional government of Kabupaten Bima renewed this regulation in the form of a *perda*, ie. *Perda* No. 5 of Year 2005 on the Procedure of Preparing Regional Development Plans in Kabupaten Bima.

Based on this regulation, the implementation of the *musrenbang* in Kabupaten Bima starts from the hamlet/village level. This process was first intensively implemented in Kecamatan Ambalawi and Kecamatan Wera which became the pilot location for the PROMIS-NT. Today it is implemented in all villages and *kecamatan* in this *kabupaten*. Based on the results of the village-level *musrenbang*, programs being proposed are brought to the *kecamatan*-level *musrenbang* and then to the *kabupaten*-level *musrenbang*. From this series of *musrenbang*, the Village-Level Government Plan (RPTD), *Kecamatan*-Level Government Plan (RPTK), and

Regional-Level Work Unit Work Plan (SKPD) are prepared. The implementation of this entire participatory planning process has started with the involvement of various non-government elements. Through this development planning process, Kabupaten Bima has completed the RPJMD document for 2006-2010 which is stipulated as *Perda* No. 8 of Year 2005, as well as the RPJP document for 2006-2025 which is stipulated as *Perda* No. 7 of Year 2005. A summary of Kabupaten Bima 's planning mechanism which includes the RPJM and RKPD preparation process is presented in Figure 9 below.

**Figure 9. Regional Development Planning Process of Kabupaten Bima**



In addition to the support of PROMIS-NT, development of the planning process in Kabupaten Bima, which is relatively more participatory than in Kabupaten Tapanuli Tengah, is made possible by the presence of and support from various NGOs, international institutions, higher education institutions and the media (TV and local papers). These non-government elements have already participated in various fields, including advocacy activities and support for activities at the grass-root level, including providing assistance to the poor. The creation of the participatory *musbang* forum, that later changed into the

*musrenbang*, has provided room for a more intensive participation of these non-government elements in the formulation of regional development plans.

The participatory planning system that has been developed in Kabupaten Bima has provided room for a more intensive participation of the stakeholders at the *kecamatan* and *kabupaten* levels. However, the implementation of *musrenbang* at the hamlet and village levels has not provided adequate space for the participation of the whole community, especially the poor. The *musrenbang* at the village level that are held with the aim of formulating proposals to be submitted to the *kecamatan musrenbang*, tends to be dominated by the village elites because they are only attended by hamlet representatives, village officials, and community figures. The participatory approach in these *musyawarah* does not guarantee that the needs and aspirations of the poor will be accommodated sufficiently, as the problems or issues that are considered important by the poor might not be considered important by the village elites who participate in the hamlet and village *musrenbang*.

Irrespective of the differences in the implementation of the planning process in Kabupaten Bima and Kabupaten Tapanuli Tengah, they both face the same problems regarding the consistency among the planning results at various levels, and between the results of the planning process and the actual budget. Only a few of the proposals on development plans that have been prepared at the village/*kecamatan* level can be accommodated in the *kabupaten* development plan, and even fewer are being funded by the APBD. In the preparation process for development plans at the *kabupaten* level, there are tensions between the *kecamatan's* (community's) proposals and the agency's (sectoral's) proposals, and eventually the sectoral's proposals tend to be accepted.

Furthermore, in the budgeting stage, the governments of Kabupaten Bima and Tapanuli Tengah, which have a relatively low fiscal capacity, only have limited fund to finance development programs from the APBD. For that reason, the majority of the poverty reduction programs that are running in these two *kabupaten*, are funded by APBN funds, namely by the deconcentration and co-administration funds. In addition, in Kabupaten Bima there are also many programs funded by assistance from donor countries and international NGOs. Although there are various sources of funding, the fact that only a small number of community proposals that obtain budgetary allocations from the APBD, APBN, and various other sources, have threatened the sustainability of the participatory planning effort that has developed in Kabupaten Bima. Because of this, the community has tended to become rather apathetic in participating in the consultations at the hamlet and village levels.

## **5.2. The Potential of and Obstacles in Integrating PPA into the Planning Process**

PPA activities, especially at the village level, that have been jointly held by the *kabupaten* PPA Team are basically intended to introduce the process and model of participatory discussion with the community, especially the poor. The discussion model is designed to specifically examine the problems of poverty from the perspective of the poor, and also the non-poor community as a comparison. The series of discussion activities, interviews, and direct observations that have been undertaken in these PPA activities were expected to raise awareness on the importance of carrying out efforts to understand the problem from the perspective of the poor, as the subject of poverty reduction programs. Based on

the response given by members of the *Kabupaten* PPA Team, especially those that intensively participated in the PPA training and practice at the village level, it appears that this objective has been achieved. Members of the *Kabupaten* PPA Team, both those from the government and non-government institutions, were able to see the positive aspects of the process as well as identify the tools used in these PPA activities that have the potential to be developed further. Furthermore, they were also able to identify several obstacles in the application of PPAs in the planning activities that they were undertaking.

In general, the members of the *Kabupaten* PPA Team perceive that the various tools used in the community discussions were very helpful in uncovering the community's perspective and encouraged participants to express their opinion. For that reason, the experience in this PPA has inspired the development of a planning process that is more pro-poor. According to the NGO members of the PPA Team whom often use participatory methods, the strong element of the approach that was used in this PPA was that it was able to deepen the understanding of the factors that influence poverty problems and conditions from the community's perspective. For the members of the PPA Team from the local government, the results of the community discussions that used these tools have already discarded the opinion that the community, especially the poor, cannot express or have great difficulty in expressing their opinion so they do not need to be involved in hamlet or village-level discussions.

The experience that was gained during the PPAs in the villages appeared to have shown how this method can help the community, especially the poor, to express their opinion and aspiration. The results of this discussion showed how the poor and non-poor viewed the priorities of the problems they face. Furthermore, the PPA process is considered capable of raising community awareness on the conditions they face and their potential to improve the welfare of their own community. Nevertheless, the PPA Team could see that the PPA process provides the community, especially the poor (both men and women), with the opportunity to be involved and participate in the process of planning, monitoring, and evaluation of development programs and activities.

Although members of the *Kabupaten* PPA Team, in general, recognized the advantages of the tools used in the discussions conducted in this study, they also recognized several obstacles that will emerge if they used these tools in the planning that they will conduct. Among these obstacles mentioned were the large number and difficulty of the FGDs and the ability of the facilitator in using the tools and in understanding the issues in-depth. In the village PPA activities conducted in this study, more than ten types of FGDs were employed with the objective to uncover various aspects of the poverty condition in the community. These were considered as too many and if the aim and issues that were considered necessary to uncover had already been determined, then not all types of FGDs need to be conducted. Therefore, the type of FGDs and the tools used can be selected and limited to relevant issues and the main aims of the discussion activities. On the issue of the facilitators' ability, they were aware that the facilitators' proficiency in using the tools was still inadequate so facilitators were still running a rigid discussion process and procedure. As a result, they were unable to follow the development of the discussions, an ability which is required in order to uncover the issues. To overcome this obstacle, most members of the *Kabupaten* PPA Team felt that more field practice is needed in the

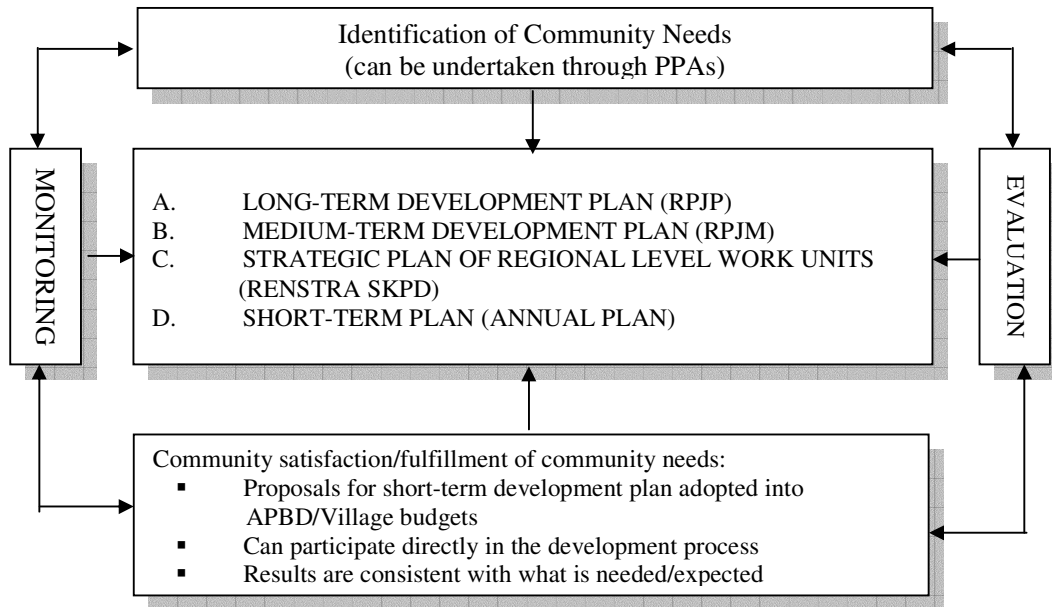
training. In fact, they thought that the PPAs that were undertaken in the three selected villages should have been part of the training activity.

Based on the experience acquired during the PPA training and implementation conducted in this study, the members of the PPA Team who were involved in the regional development planning process identified the potential of integrating PPA in the existing development planning process. Generally, members of the PPA Team from Bappeda perceived the PPA methodology is consistent with the participatory approach that is stipulated in Law No. 25 of Year 2004. The approach that was undertaken in the PPA will be useful in optimizing the participation of the community, especially poor men and women. In Kabupaten Bima, in particular, the PPA methodology was seen as capable of being integrated into the refinement of *Perda* No. 5 of Year 2005 on the Procedures for the Formulation of Regional Development Planning, especially to ensure the participation of the poor in the participatory process. Thus, in general, PPAs can be integrated in the formulation process of various regional development planning documents, including RPJP, RPJM, RKPD, and *Renja*-SKPD.

The diagram for the integration of PPA in preparation of development plans that was suggested by Bappeda Kabupaten Bima is presented in Figure 10. The diagram shows that PPA can be used for identifying community needs and the results of the analysis can be used for determining issues and formulating specific policies for the long-term (RPJPD), medium-term (RPJMD and *Renstra* SKPD), as well as annual plans (RKPD and *Renja* SKPD). The PPA activity can also become part of the monitoring and evaluation process that is able to assess the level of community satisfaction and the level of fulfillment of community needs.

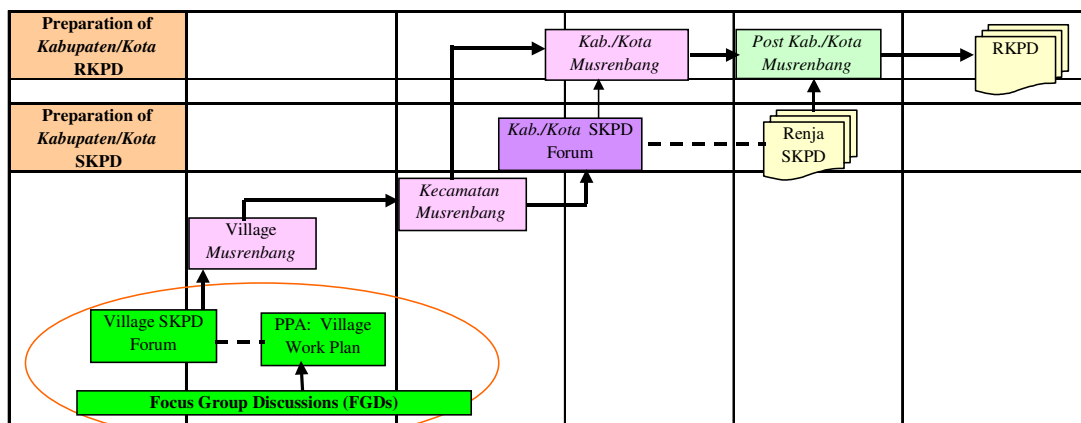
In this study, Kabupaten Bima has used the results of the PPA as input for the preparation of RPJP and RPJM. At the early phase of the study, the Kabupaten Bima Bappeda had already prepared a draft RPJP and RPJM based on the study on past regional development achievements, input from associated agencies, and discussions with stakeholders at the *kabupaten* level. In the discussions with Bappeda, it was agreed that several staff that are involved in the preparation of RPJP and RPJM would participate in this study and join the PPA Team. Furthermore, the preliminary results of the PPAs would immediately be submitted to Bappeda and the RPJM and RPJP preparation team so they could be used as input for the development of these documents. Thus, the PPA results could become one of the inputs to the finalization of the RPJP and RPJM, in addition to the vision, mission, and program of the elected bupati which was stated publicly in the bupati's election campaign.

Figure 10. Integration of the PPA Results into the Preparation of Development Plan Documents (Proposed by Kabupaten Bima)



With regards to the improvement of the *musrenbang* process at the hamlet/village level, the Bappeda of Kabupaten Tapanuli Tengah and Kabupaten Bima, as well as PROMIS-NT considered that PPAs have a significant potential to become part of the process of gathering information and the implementation of *musrenbang* at the village level. PPAs will generate more pro-poor stances in *musrenbang* discussions at the *kecamatan* and *kabupaten* levels. For that reason, PPA can be integrated into the annual development planning system and the PPA results can be used as input for the preparation of sectoral agency work plans (*Renja*), district-level work unit work plans (SKPD), and the preparation of regional government work plans (RKPD). The proposal of the PPA Team of Kabupaten Tapanuli Tengah to integrate PPAs into the annual planning process is presented in Figure 11 below.

Figure 11. Integration of the PPA into the Development Planning Process (Proposed by Kabupaten Tapanuli Tengah)



Although, Bappeda and other stakeholders in Kabupaten Tapanuli Tengah and Kabupaten Bima perceive that technically PPA can be integrated into the regional development planning process, in practice there are several challenges to be faced. Amongst the challenges identified, are those associated with: (i) assuring the consistency in the way of perceiving the poverty problem that was put forward at the hamlet/village level with discussions at the *kecamatan* and *kabupaten* levels as well as in the budgeting, (ii) the level of representation of the PPA study location with regard to poverty problems in the *kabupaten* level, and (iii) the need for operational costs and the time to implement the PPA.

The issue of consistency between various levels of *musrenbang* and between the results of the *musrenbang* and the budgeting process is the greatest structural problem. To overcome this problem, there needs to be commitment from various parties to oversee the planning process, as well as the awareness, involvement, and commitment of regional leaders and members of the DPRD. Regarding the issue of the adequacy of the PPA locations in representing the poverty condition of the *kabupaten*, both Kabupaten Bima and Kabupaten Tapanuli Tengah have already expressed their commitment to conduct PPAs in several other villages in the budget year 2006. In the context of annual planning, however, there are also suggestions to undertake PPAs in all villages on a smaller scale and limiting the types of FGDs to that which are considered most necessary. In connection with this suggestion, it will be necessary to provide training for *kecamatan* officials who will be given the responsibility to assist or implement PPAs at the village level. This way, it is expected that the operational costs can also be minimized. On the matter of the cost and time needed for the PPA implementation, the support of regional leaders, Bappeda, and all sectoral agencies will be crucial because the PPA results can also be used as inputs for various sectors.



## VI. CONCLUSION AND RECOMMENDATIONS

This study was conducted in two districts, namely Kabupaten Bima and Kabupaten Tapanuli Tengah, as an effort to enhance the capacity of the district governments in developing a more pro-poor development planning by introducing the PPA method. Although both pilot *kabupaten* have a high incidence of poverty, they are endowed with different conditions of climate and natural resources, as well as social and political landscape. They also differ with respect to how the planning process is developed and implemented, as well as the presence and activities of non-government organizations and donors. Although these differences do not represent the variations of the conditions of all districts throughout Indonesia, they show the potential variation across districts. The experience in these two distinctive districts has enriched this study. The result of this study has supported the general assumption that efforts to reduce poverty as well as to develop regional government capacity in poverty reduction cannot be homogenized across districts. Thus, such efforts should be adapted and adjusted to local condition.

The following section discusses several general conclusions and recommendations drawn from this study.

### 6.1. Poverty Condition and Alternative Policies for Poverty Reduction

The PPA activities and follow up discussions at the *kabupaten* level has revealed some interrelated problems that affect poverty conditions in the two pilot *kabupaten*. In Kabupaten Bima, the quantitative data from the statistics office shows a decreasing poverty trend. Indeed, the PPA results in the three villages have pointed out the rise in poverty among wet-rice farmers whose productivity fell because of the water supply shortage, cattle farmers that still adopt traditional techniques, traditional fishers, and shrimp farmers whose ponds are abandoned. In contrast, improved welfare, which also means a decline in poverty, occurred amongst the circles of farmers that have diversified and improved their farming or cattle raising management and technology. The PPA, however, has not included communities in semi-urban areas, so poverty dynamics of these communities are still unknown.

In Kabupaten Tapanuli Tengah, the quantitative data indicates an increasing poverty trend. The PPA results, however, have identified that welfare improvements were experienced among the farmers who have started diversifying their agriculture business into new plantation commodities, especially palm oil, cacao, and fruits. In addition, the communities around the semi-urban areas whose education levels are relatively high have also tended to have an increase in their level of welfare. In contrast, the welfare level of wet-rice farmers and fishers, who constitute a large proportion of the Kabupaten Tapanuli Tengah population, has tended to move downwards. This possibly explains the trend of increased poverty in this *kabupaten*. In addition, the discussion with various stakeholders at the *kabupaten* raised the issue of migration from surrounding districts, especially from Nias, that has probably also added to the number of the poor population. However, the areas where the center of the production of rice and fisheries are located and where there are a lot of migrants from other districts, have not yet been included in this PPA activity.

While the poverty problems vary across villages and communities, the PPA analysis has identified several major interrelated problems affecting poverty in each district. In Kabupaten Bima, the analysis indicated that there were problems related to: environmental degradation, particularly in forests and steep sloped-land; production and vulnerability of the farming business in its broad sense, including livestock and fisheries; limited employment opportunities; low level of education and skills; inaccessible family planning services; and lack of access to economic and financial institutions. In Kabupaten Tapanuli Tengah, the analysis has uncovered issues associated with: decreasing food crops production and fish catch; low level of education among poor families; bad conditions of roads, bridges, and irrigation infrastructures, environmental degradation in river catchment areas and in the sea; and lack of access to family planning. Although the nature of the poverty problems in the two districts are slightly different, in general both share similar problems with regards to environmental degradations, lack of education and skills among the poor, lack of job and business opportunities, and lack of access to capital, as well as very limited community involvement in program/project implementations.

Regarding infrastructure condition, the communities in several regions have enjoyed improvements in infrastructure and communication that led to a better welfare condition. Indeed, maintenance remains a big problem in many locations. The PPA findings indicated that infrastructure development together with the introduction of higher value commodities have improved the community's welfare. The welfare improvement is greater than the infrastructure development. In addition, there were lots of non-physical intervention, such as law enforcement and training, extension work,, and technical assistances that appeared to be critical for reducing poverty. These interrelated problems call for a comprehensive approach to reduce poverty and protect against vulnerability. If poverty reduction efforts will be focused around infrastructure developments, it is quite crucial to take into account various factors, including community involvement, starting from the design until the post-construction and maintenance stages, as well as environmental conditions that will affect and be affected by the constructions.

In addition, it should be realized that there is a limited ability of infrastructure projects to improve the condition of the poor without supporting efforts that would open up new business or job opportunities for them. More importantly, there is a need for a change in the orientation of public services to one that tends to the needs of the lowest welfare group in the community. PPA results have revealed that there is lack of attention to provision of services to this group.

## **6.2. Enhancing the Capacity of Local Government in Poverty Reduction**

This study finds that the interest and capacity of the two district governments in poverty reduction vary. Kabupaten Bima has relatively higher concern over poverty problems than Kabupaten Tapanuli Tengah. It is reflected in the activities of the regional poverty reduction committee (KPKD) and the various initiatives to support poverty reduction efforts. The presence and active role of various NGOs and donors, combined with prevalent poverty problem seem to influence the level of awareness and the advancement of poverty reduction initiatives. However, the general knowledge and understanding of poverty among local stakeholders are still limited, although many poverty reduction programs have been implemented. Even for Kabupaten Bima, which has prepared a

Regional PRSP draft, the poverty diagnosis in the document still lacks analysis on the multidimensionality of poverty and problems affecting poverty in the region. This has led to a lack of focus on poverty in the programs proposed in the document.

Based on this study, below are recommendations in relation to capacity development of local government in poverty reduction:

- It is necessary to provide district governments and local stakeholders with technical assistances and training that will advance their knowledge and comprehension of the multidimensionality and complexity of poverty. PPAs can serve this purpose.
- Such assistances could not be delivered in a short period as it should subsequently raise poverty awareness, provide necessary skills to enable governments to involve the poor in poverty analysis, and develop analytical capability for mainstreaming poverty. Improving analytical capability is likely to need special efforts; however, intensive discussions with relevant sectoral agencies and non-government stakeholders carried out in this study were also quite effective in stimulating this analytical skill. To yield real impact, a more long-term engagement (assistance) will be needed.
- The development of a participatory process is necessary for the PPA process. However, a participatory process does not always provide space for the participation of the poor and does not always guarantee that it will focus on poverty. So it is critical to ascertain that the participatory process is designed to ensure the inclusion of the poor.
- The forms of assistance should vary depending on the advancement of the district (district government and other stakeholders) on various aspects, including the development of civil society, the development of participatory planning process, and the level of focus and interest to poverty. For districts that have already develop an inclusive and participatory process, the assistance could focus on poverty mainstreaming through PPA process. For districts that have not developed such process, it is necessary to support the poverty mainstreaming (PPA) effort with the development of an inclusive and participatory process.
- The form of capacity building efforts provided for district governments and the means of providing it should take into account the political conditions of the district, including the neutrality of civil servants, the political tensions, the degree of political intervention to the executive body, and other political processes that are likely to affect poverty reduction efforts. It is not necessary, however, for such assistance to exclude districts that have an unfavorable political condition. PPA in this kind of district can potentially increase local stakeholders' attention to poverty, although the effort is likely to be harder and takes longer time.

### **6.3. Integrating PPA into the District Planning Process**

The two pilot districts have conducted a slightly different development planning process. The observation made during the course of this study shows that among the possible reasons for these differences are the development of civil society, the exposure to participatory approach in planning, and the political condition of the districts. Indeed, the PPA teams in both *kabupaten* recognize the potential for integrating PPA into the existing development planning process for the long/medium term and annual plans.

Kabupaten Bima has used PPA results as inputs for the finalization of its RPJP and RPJM. This kabupaten also planned to improve its village *musrenbang* mechanism by incorporating the PPA method. Kabupaten Tapanuli Tengah also proposed the use of the PPA approach in the village level *musrenbang*. The incorporation of PPA as suggested by the PPA teams of Kabupaten Bima and Kabupaten Tapanuli Tengah can become a model for the improvement of the regional planning system. However, there are some challenges in this integration, including: ensuring the consistency in the way of perceiving the poverty problem that was put forward at the hamlet/village level with discussions at the *kecamatan* and *kabupaten* levels as well as in the budget; the level of the representation of the PPA study locations with the prevalent poverty problems in the *kabupaten* level; and the need for operational costs and the time to implement the PPA. The support and commitment of the district government and the legislative body are needed to overcome these challenges.

# APPENDICES

## APPENDIX 1.

### Capacity Development Programs Initiated by Several Institutions

ILGR (Initiative for Local Government Reform):

ILGR has provided assistance to district governments and the programs consisted of three components: participatory poverty assessment, reform of policies and regulations related to governance, and investments that will fund poverty reduction programs. There are 15 districts participating in this program, they are: Tanah Datar, Solok, Lebak, Bandung, Majalengka, Kebumen, Bantul, Magelang, Ngawi, Lamongan, Goa, Bulukumba, Takalar, Boa Lemo, and Bolaang Mongondow. ILGR assisted the establishment of a multi-stakeholders forum that conducted PPAs and developed strategy for poverty reduction action plans. Some of the poverty reduction programs will be funded via loans or grants from The World Bank. The PPA process started in 2003 and the 15 participating districts have now completed their strategy papers. One of the major problems encountered in the PPA process and the development of the strategy papers was the difficulties in analyzing and combining the qualitative data from the community with the macro (quantitative) data, and in expanding the reach of the PPA findings for the formulation of poverty reduction strategies.

URDI:

URDI, in cooperation with the Urban Governance Initiative (TUGI-UNDP) and the World Bank, provided assistance to the City of Bandar Lampung to implement participatory poverty mapping (PPM) in three subdistricts (*kecamatan*) in 2003.<sup>12</sup> The objective of PPM was to identify poor families and their conditions through a process that actively engaged all members of the community. Local government officials conducted the PPM with the assistance from URDI. In addition, URDI and Asian Development Bank in collaboration with the Bandar Lampung Government also initiated the Participatory Program Planning for Poverty Reduction (*Perencanaan Program Partisipatif Pengentasan Kemiskinan-P4K*) in 2004. Through this participatory planning process, the PPM results which consisted of the identification of poor families, mapping of social and economic indicators, including infrastructure conditions, and list of community's demands, will be used as input for government programs. However, it is not directly inputted into the City Development Strategy (CDS) that had been incorporated into the City Strategic Plan before the PPM was initiated.

CESS:

CESS, in cooperation with ODI-DFID, has developed PPA tools for poverty mainstreaming for the activities of the Multi-stakeholder Forestry Program (MFP) and conducted training for MFP in Papua and South Sulawesi. The MFP consists of local governments, NGOs focusing on forestry issues and the Ministry of Forestry. The training (four days in class and three days field trial) was organized in late 2004, but the PPA implementation that will be conducted by the MFP has not started yet. CESS will not be involved in the PPA implementation and analysis.

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<sup>12</sup>These subdistricts were the poorest ones, and the Bandar Lampung City administration has expanded this initiative in three other poor subdistricts.

UNDP:

UNDP in cooperation with the Office of the Coordinating Ministry for Social Welfare (Menko Kesra), through technical assistance to support the development of the local PRS and the implementation of the Millennium Development Goals, is providing support to five provincial governments in post-conflict areas (Aceh, Southeast Sulawesi, Maluku, North Maluku, and Papua). This program has hired three facilitators for each province and has organized a seven-day training in March 2005. The training materials included the process of drafting the PRSP and the Millennium Development Goals, as well as public communication skills, which were led by trainers from ILGR, Bina Swadaya, GTZ, Ministry of Home Affairs, and other relevant sectoral ministries. These facilitators are expected to assist the formulation of the regional PRSP. However, it is not yet clear when and how the PPA will be carried out.

## APPENDIX 2.

### List of Institutions Visited During Preliminary Visit to Kabupaten Tapanuli Tengah and Kabupaten Bima

Kabupaten Tapanuli Tengah	Kabupaten Bima
<ol style="list-style-type: none"> <li>1. Regional Development Planning Board (Bappeda)</li> <li>2. Community Empowerment Board (BPM) –Head of Poverty Reduction Committee (KPK)</li> <li>3. Secretary II – Development Affairs</li> <li>4. Central Statistics Office of Kabupaten Tapanuli Tengah</li> <li>5. Education Office</li> <li>6. Health Office</li> <li>7. Family Planning, Demography and Civic Registration Office</li> <li>8. Marine and Fisheries Office Food Crops and Animal Husbandry Office</li> <li>9. Forestry and Plantation Office</li> <li>10. Trade, Cooperative, and Investment Office</li> <li>11. Road, Bridges, and Irrigation Office</li> <li>12. Settlement and Spatial Development (<i>Kimbangwil</i>) Office</li> </ol>	<ol style="list-style-type: none"> <li>1. Regional Secretary</li> <li>2. Regional Development Planning Board (Bappeda)</li> <li>3. Community Empowerment Board</li> <li>4. Health Office</li> <li>5. Education and Cultural Office</li> <li>6. Marine and Fisheries Office</li> <li>7. Food Crops Office</li> <li>8. Statistics Indonesia</li> <li>9. Labor and Transmigration Office</li> <li>10. Regional House of Representative (DPRD)</li> <li>11. Cooperative, and Small, Medium, and Micro Businesses Office</li> <li>12. Social Affairs Office</li> </ol>
<ol style="list-style-type: none"> <li>1. NGO - LP3TN</li> </ol>	<ol style="list-style-type: none"> <li>1. Human Integrity Study and Development Institute (HISDI)</li> <li>2. <i>Konsorsium Pengawasan Pelayanan Publik (KAWAL)</i>/Consortium for the Safeguard of Public Services</li> <li>3. Bima Ekspres (Pers)</li> <li>4. <i>Komite Nasional Pemuda Indonesia/Forum Perempuan</i> (National Indonesian Youth Community/Women’s Forum)</li> <li>5. Promis –NT, GTZ</li> <li>6. College of Teaching and Pedagogy Science (STKIP)</li> <li>7. College of Social and Political Science (STISIP)</li> </ol>



### APPENDIX 3.

#### List of the PPA Training Participants (PPA Team Members) in Kabupaten Bima and Kabupaten Tapanuli Tengah

Name		F/M	Institution
<b>Kabupaten Bima</b>			
1.	Fathiyah	F	LG–Community Development and Women Empowerment Board (BPMPP)
2.	Fauzia Tiaida	F	NGO–KAWAL
3.	Irwan	M	NGO–Human Integrity Study and Development Institute (HISDI)
4.	Kholidi	M	LG–Marine and Fisheries Office
5.	Lalu Suryadi	M	LG– Regional Development Planning Board (Bappeda)
6.	Mahman	M	PROMIS-NT, GTZ
7.	Muhammad Natsir	M	LG–Regional Development Planning Board (Bappeda)
8.	Mukhlis Ishaka	M	Univ. – Social and Political Science Institute (STISIP)
9.	Nurfarhati	F	NGO–National Indonesian Youth Community/ Women’s Forum
10.	Rusllan H. Ibrahim	M	LG–Education Office
11.	Sri Wiryana	F	Local Newspaper–Bima Express
12.	Tita Masithah	F	LG–Health Office
13.	Zuraiti	F	PROMIS-NT, GTZ
<b>Kabupaten Tapanuli Tengah</b>			
1.	Akdarudin Tanjung	M	Univ. – Economic Institute (STIE) Al-Wasliyah
2.	Basyri Nasution	M	LG–Regional Development Planning Board (Bappeda)
3.	Dedy Sudarman Pasaribu	M	LG–Regional Development Planning Board (Bappeda)
4.	Erwin Romulus	M	NGO–P3TN
5.	Ewiya Laili	F	LG–Health Office
6.	Guturiya Sitorus	F	LG–Family Planning, Population and Civil Registration Office
7.	Mohammad Ridsam Batubara	M	LG–Marine and Fisheries Office
8.	Muller Sulalahi	M	LG–Community Development Office (PEMMAS)
9.	Nurhalimah Hutagalung	F	LG–Food Crops and Animal Husbandry Office
10.	Rina Lamrenta L-Tobing	F	LG–Regional Development Planning Board (Bappeda)
11.	Yulifri Lubis	M	LG–Education Office

Notes:

F/M : Female/Male  
 LG : Local Government  
 NGO : Non-Government Organization  
 Univ. : University

#### APPENDIX 4. Series of PPA Activities at the Village Level

Time	Activities (Focused Group Discussion)	Participants						Remarks
		Non-poor		Poor		Youth		
Day -1	Village Office							Introduction to Village Head and Staff Collecting Village Data
	Welfare Classification							Participants: representative from all hamlets
	Trend Analysis			1				Follow up of "Welfare Classification". Female (F) and male (M) separated
	Mapping of Social and Natural Resources							Follow up of "Welfare Classification". With the hamlet representatives
Day -2	Interview: Village History							With village heads, other village officials or community leaders
	Transect Walk							
	Interview: Case Study							
	Analysis of Income Sources		2	3				2 x (Non-poor M&F; Poor M&F) Followed by the Analysis of Household Financial Management
	Analysis of Household Financial Management							Follow up of the Analysis of Income Sources. F & M separated
Day -3	Seasonal Calendar			4	5			2 x (Poor F; Poor M)
	Daily Activity Calendar							Follow up of Seasonal Calendar
	Transect Walk							
	Interview: Case Study			6	7			
	Gender Analysis							2 x (Poor F; Poor M)
Day -4	Diagram Venn; Source of Information and Assistance			8	9			2 x (Poor F; Poor M)
	Transect Walk							
	Interview: Case Study							
Day -5	Diagram of Cause and Impact of Poverty			10	11	12		3 x (Poor F; Poor M; Youth M&F)
	Problem Priorities and Alternative Solutions							Follow up of Diagram of Courses and Impact of Poverty
Day -6	Pleno (Plenary Discussion)			13				Representative of all hamlets and FGD participants
Day -7	Completing other data and information							Leave the village when all data/information have been completed

## APPENDIX 5.

### Characteristics of the Poor and Very Poor in PPA Villages in Kabupaten Bima

Characteristics	Welfare Class	Desa Waworada	Desa Nunggi	Desa Doridungga
<b>Housing Condition</b>	Poor	Roof from grass or tile, wall from raw wood plank or bamboo, no toilet	House from raw wood (6-9 pillars)	House with 6 wooden pillars (nothing inside except wooden chairs), simple toilet
	Very Poor	Roof from grass, wall from bamboo, occupied by more than 2 household; attached to neighbor's house	Hut with 4 low quality wooden pillars enacted on other people's land	Hut with 4 low quality wooden pillars, or live in a hut in the farmland; occupied by more than one household
<b>Education Level</b>	Poor	Children graduated from primary school	Children graduated from primary school, some go to secondary	Children go to senior high school
	Very Poor	Children do not finish primary school, drop out from 3 <sup>rd</sup> grade	Children do not finish primary school, or do not attend school	Children finish primary school or junior secondary school
<b>Utilization of Health Facilities</b>	Poor	Go to healthcare centers or traditional healers	Go to healthcare centers using health card or goes to	Go to healthcare centers or traditional healers
	Very Poor	Go to traditional healers when seeking treatment or delivering baby	Could not afford to go to healthcare centers	Only go to traditional healers or take traditional medicine
<b>Asset Ownership</b>	Poor	Garden 1 acre, small boat, 2 chickens	5-10 chickens	Farm land up to 1 plot, up to 10 chicken
	Very Poor	Have no valuable assets	Have no valuable assets	No farm land, only 3 chickens or none
<b>Clothing</b>	Poor		Very simple	Buy new clothes once a year
	Very Poor		Secondhand, worn-out	Sometimes buy, sometimes given by neighbors
<b>Food Consumption Pattern</b>	Poor	Two times a day	3 times with limited side-dishes	2 times a day
	Very Poor	Two times a day	3 times a day with very limited nutritional value	2 times a day with a very simple menu
<b>Occupation</b>	Poor	Laborer in farm or in fishing boat, small trader (women), sell	Farm laborer, collect wood in the forest to be sold as fire wood	Farm laborer (main job), small trader, carpenter, weaving (side job)
	Very Poor	Laborer in sea weed cultivation, farm land, slash and burn, coolie/porter	Farm laborer, collector of (rice) harvest remainders	Farm laborer (main job), collect and sell fire-wood, weave grass to make roof (side job)
<b>Number of Children</b>	Very Poor	Have many children (5-7)	Have 4-7 children	Have 5-8 children

## APPENDIX 6.

### Characteristics of the Poor in the PPA Villages in Kabupaten Tapanuli Tengah

Characteristics	Desa Sipange	Desa Mombangboru	Desa Kinali
<b>Housing Conditions</b>	Wooden stilt house, roof made of grass; rented house; house enacted on other people's land with letter of permission from village head; no toilets – use river; no electricity; cook using fire woods	Stilt house with roof made of grass or iron sheet, walls made of plank; house enacted on other people's land; use river and neighbor's wells as toilets	Low quality wooden stilt house with roof made of grass, walls made of plank; simple house; inadequate; use river as toilets
<b>Occupation</b>	Farmhands; landless farmers	Farmhands; landless farmers	Fishers using other people's boats, fishing in the river; farmhands; landless vegetable farmers
<b>Children's Education</b>	Completed primary school	Completed primary school	Completed primary school
<b>Asset Ownership</b>	Have no farmland, or have small farmland but it is not productive; Have less than 0.25 hectare rice field;	Have no farmland, cattle from the government, have no jewelries	Have no furniture, only have mats; house belongs to the parents (or clan)
<b>Health</b>	Go to traditional healers to seek medical treatment, except for health card holders	Seek medical treatment from traditional healers	Skinny and low nutritional status
<b>Food Consumption Pattern</b>	Eat twice a day; only with simple vegetables and salty fish	Eat 3 times a day with a simple menu	Eat twice a day Sometimes eat sago, sweet potato or cassava for breakfast
<b>Social Activities, and others</b>	Clothes obtained from charity or brought from second hand stalls		Do not go to parties Never eat at the food stall ( <i>lapo</i> )