The Indonesian Multi Donor Fund Facility For Disaster Recovery (IMDFF-DR)

Operation Manual
PREPARATION TEAM

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World Bank
The devastating earthquake on 30 September 2009 at West Sumatera Province instigated the Government of Indonesia to establish fund facility for disaster recovery, declared in the Memorandum of Understanding of collaboration with the World Bank and United Nations on 30 December 2010 to implement the agreed title of Indonesia Multi Donor Fund Facility for Disaster Recovery (IMDFF-DR). This facility will be a standing mechanism to help implementation of post disaster recovery plan, in accordance with the Jakarta Commitment, as well as speed and flexibility for delivering transparent and accountable result. On behalf of Government of Indonesia, the Ministry of National Development Planning/National Development Planning Agency (BAPPENAS) established the Steering Committee and Technical Committee to the IMDFF-DR to coordinate the role and mandates of relevant agencies for disaster recovery implementation following the signed Memorandum of Understanding.

The guiding principle of IMDFF-DR mechanism will follow the central government mechanism to implement the government’s rehabilitation and reconstruction plan that has been prepared subsequent the post disaster assessments. The IMDFF-DR activates two windows for funding relevant recovery project/activities; each manages by the World Bank as Trustee and UNDP on behalf of the United Nations as Administrative Agent. The IMDFF-DR Operation Manual is developed through participatory approach with BAPPENAS, National Disaster Management Agency (BNPB), the World Bank and UNDP in close consultation with the Technical Committee and Steering Committee of IMDFF-DR. The IMDFF-DR business processes are supported by Secretariat IMDFF-DR established at BNPB.

The Operation Manual is methodically outlines: a) guiding principle and objective, b) organization and role, c) scope of services, d) mechanism of fund receiving, e) mechanism for proposition and implementation arrangement, f) monitoring, evaluation, reporting and audit, g) complaint mechanism, h) exit strategy and sustainability, and i) communication strategy with beneficiaries, stakeholders and donors. The IMDFF-DR Steering Committee will periodically review the Operation Manual, to reflect changes in policies and procedures, as well as rules and regulations from the Government of Indonesia, the World Bank and UNDP. We are hopeful the IMDFF-DR will benefit us all, and we look forward to achieve a quality partnership between Government of Indonesia and bilateral and multilateral donors for post disaster recovery implementation in Indonesia.

Jakarta, Agustus 2010

Dr. Max H. Pohan
Deputy Minister of Regional Development and Autonomy Affairs,
The Ministry of National Development Planning/
National Development Planning Agency
As the Chairman of IMDFF-DR Steering Committee
### Abbreviations and Acronyms

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<tr>
<td>AA</td>
<td>Administrative Agent</td>
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<tr>
<td>APBN</td>
<td>Indonesia's State Budget</td>
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<td>APD-PL</td>
<td>Withdrawal Application for Direct Payment</td>
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<td>AWP</td>
<td>Annual Work Plan</td>
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<td>BAPPENAS</td>
<td>National Development Planning Agency</td>
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<td>BAST</td>
<td>Form of Project Asset Handover</td>
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<td>BNPB</td>
<td>National Disaster Management Agency</td>
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<td>BPBD</td>
<td>Regional Disaster Management Agency</td>
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<td>BUN</td>
<td>Government Treasury</td>
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<tr>
<td>CaLK</td>
<td>Notes of Government Financial Report</td>
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<td>CPAP</td>
<td>Country Programme Action Plan</td>
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<td>CPD</td>
<td>Country Programme Document</td>
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<td>DIM</td>
<td>Direct Implementation Modality</td>
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<td>DIPA</td>
<td>Budget Document</td>
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<td>DIPK</td>
<td>Form of Project Proposal in Brief</td>
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<td>DJA</td>
<td>Director General of Budget, Ministry of Finance</td>
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<td>DJPU</td>
<td>Director General of Loan and Grant Management, Ministry of Finance</td>
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<td>DRPHLN-JM</td>
<td>List of Medium Term Projects and Technical Assistance Proposal</td>
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<td>DRPPHLN</td>
<td>Annual Project and Technical Assistance Priority List</td>
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<tr>
<td>FAA</td>
<td>Fiscal Agency Agreement</td>
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<td>SAA</td>
<td>Standard Administrative Arrangement</td>
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<td>IA</td>
<td>Implementing Agency</td>
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<td>IMDFF DR</td>
<td>The Indonesian Multi Donor Fund Facility for Disaster Recovery</td>
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<td>Keppres</td>
<td>Presidential Decree</td>
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<td>KPPN</td>
<td>Office of Government Treasury</td>
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<td>LoA</td>
<td>Letter of Agreement</td>
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<td>LRA</td>
<td>Report and Budget Realization</td>
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<td>MoU</td>
<td>Memorandum of Understanding</td>
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<td>NIM</td>
<td>National Implementation Modality</td>
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<td>NoD</td>
<td>Notice of Disbursement</td>
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<td>NPD</td>
<td>National Project Director</td>
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<td>NPHLN</td>
<td>Project Grant Agreement or Project Document</td>
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<tr>
<td>OMS</td>
<td>Non Governmental Organization</td>
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<td>PA</td>
<td>Partner Agency</td>
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<td>PAD</td>
<td>Project Appraisal Document</td>
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<td>PBB</td>
<td>United Nations Development Programme</td>
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<td>PCN</td>
<td>Project Concept Note</td>
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<td>Permenneg</td>
<td>Decree of National Development Planning Minister</td>
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<td>PHLN</td>
<td>Foreign Loan and Grant</td>
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<td>PMK</td>
<td>Decree of Minister of Finance</td>
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<td>PP</td>
<td>Government Regulation</td>
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<td>Prodoc</td>
<td>Project Document</td>
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<td>PUNO</td>
<td>Participating UN Organization</td>
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<td>QWP</td>
<td>Quarterly Work Plan</td>
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<tr>
<td>Renaksi</td>
<td>Action Plan</td>
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<td>RKA-KL</td>
<td>Action and Budget Plan of the Ministries</td>
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<td>RPJMD</td>
<td>Regional Medium Term Development Planning</td>
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<td>RPJMN</td>
<td>National Medium Term Development Planning</td>
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<tr>
<td>SA-PSK</td>
<td>Budget Office Unit of Government Institutions</td>
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<td>Satker</td>
<td>Government Working Unit</td>
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<td>SC</td>
<td>Steering Committee</td>
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<tr>
<td>Sikubah</td>
<td>Grant Accountancy System</td>
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<td>SOP</td>
<td>Standard Operating Procedure</td>
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<td>SP3</td>
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<td>Endorsement Letter of grant in the form of Equipments or Services</td>
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<td>Formal Approval/endorsement for Grant Disbursement</td>
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<td>Formal Statement of Responsibility</td>
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<td>Formal Statement for Receiving of Grant</td>
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<td>TA</td>
<td>Technical Assistance</td>
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<td>TC</td>
<td>Technical Committee</td>
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<td>ToR</td>
<td>Terms of Reference - Kerangka Acuan Kegiatan</td>
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<td>UNDP</td>
<td>United Nations Development Programme</td>
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I. **FOREWORD**

A. **Background**
   1. Due to its geographical conditions and characteristics, the territory of the Republic of Indonesia is highly prone to natural disasters such as earthquake, volcanic eruption, tsunami, landslide, flood and others. Natural disasters are becoming increasingly frequent, particularly major earthquakes, causing significant loss and damage which undermine the results of development achieved during the past several years;
   2. The damage and loss caused by natural disasters result in a significant funding need for recovery, while the government budget allocation is limited;
   3. The impact of the disasters have awakened the sympathy of the international community and development partners to assist the government to implement emergency response as well as rehabilitation and reconstruction.
   4. As part of the effort to deliver aid from the international community, the government and its development partners have signed a Memorandum of Understanding (MoU) regarding the Indonesian Multi Donor Fund Facility for Disaster Recovery (IMDFF-DR) on 30 December 2009 (Annex A). Under the MoU, the government will be assisted by the United Nations Development Programme (UNDP) through its Multi-Donor Trust Fund Office (MDTF Office) acting as the Administrative Agent on behalf of the UN Participating Organizations and the World Bank as trustee.
   5. IMDFF-DR is an international funding mobilization mechanism to support and complement the effort of the government as stated in the Rehabilitation and Reconstruction Action Plan (RENAKSI) for. In order to guarantee the implementation of the IMDFF-DR programme in accordance with the objective stated in the MoU and to obtain an optimum result, the IMDFF-DR Operation Manual is developed.

B. **Objective**
   6. IMDFF-DR seeks to mobilize funds and coordinate international aid in order to support the Government of Indonesia in performing rehabilitation and reconstruction of regions affected by natural disasters - which are considered by the government to require international aid support - as part of the implementation of the Government Action Plan.
   7. The purposes of developing this guideline are to:
      - Provide guideline for the management of the fund and activities supported by IMDFF-DR from the planning, implementation, monitoring and evaluation, reporting, and audit, communication strategy, and closing.
      - Provide guideline for the segregation of duties, tasks and responsibilities of each institution that related to the implementation of IMDFF-DR, such as Steering Committee, Technical Committee, and Secretariat; and
      - Make sure that the fund management and activities implemented by IMDFF-DR following the principal of Good Governance.
C. Framework Documents
8. The following documents are the basis for the development of the operational manual:
   a. Memorandum of Understanding (MoU) the Indonesian Multi-Donor Fund Facility for Disaster Recovery (IMDFF-DR) signed by the Government of Indonesia, the World Bank and the United Nations Development Programme (UNDP) on the 30 December 2009.
   b. Jakarta Commitment on Aid for Development Effectiveness (Attachment B) agreed by the government and development partners in early 2009;
   c. Regulatory laws related to disaster management and management of external loans and grants;
   d. Applicable guidelines of World Bank as Trustee and UNDP MDTF Office as the Administrative Agent, on behalf of the UN Participating Organizations.

D. IMDFF-DR Operating Principles
9. The implementation of IMDFF-DR puts forward national leadership and ownership in line with the spirit of Jakarta Commitment;
10. Support of international agencies channeled through IMDFF-DR are intended to support the government as the party responsible in ensuring the implementation of rehabilitation and reconstruction;
11. The basis to determine the priorities for rehabilitation and reconstruction are damage, loss and needs assessments and RENAKSI, which are developed by the government under the coordination of BNPB and Bappenas;
12. Planning, proposal submission, implementation as well as monitoring and evaluation mechanisms of the IMDFF-DR shall follow the principles of good governance;
13. The use of the two windows intends to take advantage of the comparative advantage of the UN and the World Bank, and their respective implementation modalities and mandates in order to ensure maximum benefit for the Government of Indonesia.

E. Timeframe for Implementation of IMDFF-DR
14. IMDFF-DR officially begins with the signing of IMDFF–DR MoU and will become operational following the receipt of donor contributions. It will terminate when decided by the government in consultation with the United Nations and World Bank.
15. The IMDFF-DR is a standing facility to assist the government in disaster management.
16. IMDFF-DR is ‘activated’ when the government declares that a disaster requires international assistance and ‘deactivated’ when all projects funded for a specific disaster are completed and/or together with the completion of the Action Plan.
17. IMDFF-DR will be ‘re-activated’ when a disaster occurs and the government decides to reactivate it. The decision to reactivate IMDFF-DR is submitted to the World Bank and UN by the Head of the Steering Committee in copy to all other all potential donor agencies/countries.

F. Manual Structure
18. Based on the objective and scope of this manual, the structure of this manual is as follows:
   a. Foreword: contains descriptions of background, objective, IMDFF-DR operating principles and scope.
   b. Governance and Structure: describes the structure, duties and functions as well as coordination and decision making mechanisms of the Steering Committee, Technical Committee, Secretariat, and WB Trustee and UNDP Administrative Agent.
c. Scope and Activities: describes activities, which may be proposed and performed in IMDFF-DR framework based on the signed MOU between the Government of Indonesia and World Bank as trustee and UNDP as Administrative Agent.
d. Mechanism for Donor Contributions, Project Approval and Implementation: includes procedures for receiving donor funds; proposal submission, assessment and approval procedures; fund transfer; monitoring and supervision; evaluation and reporting.
e. Project Supervision and Monitoring: Details the various levels of responsibility for project supervision, monitoring reporting, and complain handling system;
f. Communication and closing: describes the communication strategy among stakeholders contributing to the IMDFF-DR, ie. Central government, local government, community and CSO, and international community.
19. IMDFF-DR will operate in accordance with the principles of good governance, namely:
   a. Supporting government’s rehabilitation and reconstruction programme;
   b. Close partnership with all key institutions involved in the rehabilitation and reconstruction process;
   c. Separation of administrative, fiduciary, and fund allocation functions;
   d. Transparency and openness in each process;

The above basic principles will be adopted in the governance and organizational structure of IMDFF-DR.

Based on these principles, the IMDFF-DR shall have the following governance structure:
A. **Steering Committee:**

20. Steering Committee is the highest organizational body. The operational activities of the Steering Committee are supported by the Technical Committee and IMDFF-DR Secretariat.

21. **Functional Responsibilities:** The duties and authorities of the Steering Committee are as follows:

   a. Setting general priorities, policy making, and strategic direction for the utilization of funds;
   b. Performing oversight for accountability of the IMDFF-DR;
   c. Ensuring coordination for effective and efficient utilization of IMDFF-DR funds;
   d. Approving PCNs and Prodoc/PADs, which will be funded by IMDFF-DR and coordinating with the World Bank as Trustee and UNDP as Administrative Agent related to fund utilization of IMDFF-DR;
   e. Monitoring the overall performance of IMDFF-DR operations and review of quarterly, annual and final reports provided by the Administrative Agent and Trustee;
   f. Submitting period reports to the State Minister of National Development Planning/Head of National Development Planning Agency (Bappenas) and Head of National Disaster Management Agency (BNPB) on the implementation of IMDFF-DR;
   g. Endorsing the IMDFF-DR operation manual and updating if needed upon the initiative of the head of the Technical Committee;
   h. Endorsing annual budget and work plan of the secretariat;

22. **Membership:** The Steering Committee will be made up of the following representatives:

   a. Chair: The plenary meeting of the Steering Committee is chaired by the Head of the Steering Committee or the Deputy Head if the SC Head is absent (alternating). The Government: government members refer to Decision of State Minister of National Development Planning/Head of Bappenas No. KEP.8/M.PPN/HK/01/2010 on establishment of Steering Committee and Technical Committee of The Indonesia Multi Donor Fund Facility for Disaster Recovery dated 25 January 2010 as in Annex C.
   b. Regional/Local government: Head of the disaster affected province serves as a temporary member until the rehabilitation and reconstruction process in that province is completed.
   c. Development Partners: Donor Representatives making contributions in the amount of US$ 1 million or more.
   e. World Bank: Director of World Bank Indonesia as Trustee (window II).

23. Representatives of Civil Society Organizations (CSO) as a partner dialogue of Steering Committee. Criteria of CSO that can become the partner dialogue of SC are 1) focus on assisting the disaster and humanitarian effort, and 2) have a national networking system. The observers are appointed by the Steering Committee. The observers as dialogue partner in the Steering Committee meeting decided by the Chair of SC based on the agenda of meeting that related to the decision and role and function of each organization in the disaster response.

24. **Meetings Procedures:** Coordination for meetings and decision making of the Steering Committee:

   a. Plenary meeting of the Steering Committee is held every six months in Jakarta. Meetings may be conducted in other locations, for example in disaster affected
areas, depending on the decision of Head of the Steering Committee. The IMDFF-DR Secretariat will arrange the schedule and send notice/invitations to each member at least 5 days prior to the meeting.

b. The Steering Committee meeting agenda is prepared and proposed by the Head of the Technical Committee. The proposed agenda is announced and agreed by the plenary of the Steering Committee at the beginning of the meeting prior to the discussion.

c. If considered necessary, additional meetings may be held upon the request of the Head or Deputy Head of the Steering Committee or upon the request of the Head of the Technical Committee.

d. Two-thirds of the members of the Steering Committee on record shall constitute a quorum for decision making purposes. In the case of a meeting without a quorum, views from absent members will be solicited virtually on a ‘no- objection’ basis.

25. Decisions of the Steering Committee: Decision in the plenary meeting is made through consensus. If a consensus is not reached, voting is performed among members having voting rights. Members of the Steering Committee who are unable to attend the meeting may delegate other official of the same rank or at the minimum one level below him.

26. Method of Voting:
   a. Voting is performed on an exceptional when consensus cannot be reached under extreme crisis situations. Voting is considered valid if half plus one of the SC members or those representing them are present in the meeting.
   b. In order to avoid conflict of interest, an SC member does not have a vote (abstain) when discussing an activity proposal from his agency;
   c. Record of the Meeting: The results of the meeting are documented by the Secretariat and the minutes are distributed to all SC plenary members following the approval of the Head of the Technical Committee. Members’ objections on the minutes of the meeting will be discussed at the beginning of the next meeting.

27. Decision without Meeting: whenever, in the judgment of the Secretariat, a decision must be taken by the Steering committee which cannot be postponed until the next regular meeting of the Steering committee but does not warrant the calling of a special meeting, the Secretariat shall transit to each member by any rapid means of communication a proceed decision with an invitation to endorse the decision on a no objection basis virtually. Each member’s comment shall be sent to the Secretariat during such period as the Secretariat may prescribe, provided such period is not less than 5 working days. The decision shall be endorsed and recorded in the minutes of the next Steering Committee unless there is an objection. If there is an objection it will discussed at the next scheduled Steering Committee meeting.

B. Technical Committee/TC:

28. Roles and Responsibilities: The duties and authorities of the Technical Committee are as follows:
   a. Undertaking coordination in the formulation of strategic policy for the utilization of IMDFF-DR;
   b. Providing inputs on strategic issues and priorities to the Steering Committee (SC);
   c. Review and assess the recommended for approval Prodoc/PCN, including budget, M&E framework and workplans, prior to submission for approval to the Steering Committee;
   d. Developing and revising operational guidelines in accordance with post disaster recovery policy;
e. Review evaluations submitted by the UN and World Bank;
f. Ensuring coordination with UN Participating Organizations and Implementing Agencies in the operation of IMDFF-DR;
g. Submitting IMDFF-DR portfolio and performance report to the Steering Committee every three months. The report consists of: report on secretariat activities; report on the number of proposals received and the status of each proposal, statistics of proposals received, rejected and others. In addition, the report also contains progress of programme implementation and report of funding utilization.

29. Composition: Composition of the Technical Committee consists of government, United Nation and World Bank representatives.
   b. United Nations: one representative or more from the United Nations designated by the Resident Coordinator who has been approved by the Head of the Technical Committee.
   c. World Bank: one representative or more from the World Bank who has been approved by the Head of the Technical Committee.

30. Meetings Procedures: Coordination for meeting and decision making of the Technical Committee:
   a. Regular meetings are held at the minimum once every three months or as needed;
   b. In an urgent situation - based on the input of the Head of Secretariat - whereby the decision of the Technical Committee is required and a Technical Committee meeting is not possible, the Head of the Technical Committee may make a decision electronically. The Head of the Technical Committee, assisted by the Secretariat, distributes official letter or email to all members of the Technical Committee regarding the proposition for approval. All members of the Technical Committee submit their approvals/disapprovals of the proposition to the Head of the Technical Committee through the same media. Based on the responses submitted by the TC members, the Head of the Technical Committee makes the decision.
   c. The meeting agenda of the Technical Committee is prepared and proposed by the Secretariat. The agenda proposed by the Secretariat is discussed and agreed upon by the Technical Committee at the beginning of the meeting.
   d. The result of the meeting is documented by the Secretariat and the minutes are distributed to all members of the Technical Committee.

31. Decisions of the Technical Committee: Decision making in the Technical Committee meeting is performed through consensus. If a consensus is not reached, decision making is performed by voting. In order to avoid conflict of interest, members of the Technical Committee do not vote when discussing activities from his/her agency.

32. Method of Voting:
   a. Voting is undertaken on an exceptional basis if required. Voting is considered valid if half plus one of the TC members or those representing them are present in the meeting. Voting is performed on a exceptional when consensus cannot be reached under extreme crisis situations;
   b. In order to avoid conflict of interest, a TC member does not have a vote (abstain) when discussing an activity proposal from his agency;
   c. Record of the Meeting: The results of the meeting are documented by the Secretariat and the minutes are distributed to all TC members following the approval of the
Head of the Technical Committee. Members’ objections on the minutes of the meeting will be discussed at the beginning of the next meeting.

33. **Decision without Meeting:** whenever, in the judgment of the Secretariat, a decision must be taken by the technical committee which cannot be postponed until the next regular meeting of the TC but does not warrant the calling of a special meeting, the Secretariat shall transit to each member by any rapid means of communication a proceed decision with an invitation to endorse the decision on a no objection basis virtually. Each member’s comment shall be sent to the Secretariat during such period as the Secretariat may prescribe, provided such period is not less than 5 working days. The decision shall be endorsed and recorded in the minutes of the next TC unless there is an objection. If there is an objection it will be discussed at the next scheduled Technical Committee meeting.

C. **Administrative Agent on behalf of UN Participating Organizations:**

34. The Administrative Agent of Window One, the UNDP MDTF Office, on behalf of the UN Participating Organizations, shall be responsible only for performing those functions specifically set forth in the Memorandum of Understanding (MoU) signed between the Administrative Agent and the UN Participating Organization and the Standard Administrative Arrangement (SAA) signed between the Administrative Agent and Donors.

35. On behalf of the UN Participating Organizations, the Administrative Agent is responsible to:
   a. Receive contributions from donors that wish to provide financial support to the Fund;
   b. Administer such funds received, in accordance with this Memorandum of Understanding including the provisions relating to winding up the Fund Account and related matters;
   c. Subject to availability of funds, disburse such funds to each of the Participating UN Organizations in accordance with instructions from the Steering Committee, taking into account the budget set out in the approved programmatic document, as amended in writing from time to time by the Steering Committee;
   d. Consolidate statements and reports, based on submissions provided to the Administrative Agent by each Participating UN Organization, as set forth in the TOR, and provide these to each donor that has contributed to the Fund Account and to the Steering Committee;
   e. Provide final reporting, including notification that the Fund has been fully expended or has been wound up in accordance with the Fund TOR, in accordance with Section IV below;
   f. Disburse funds to any Participating UN Organization for any additional costs of the task that the Steering Committee may decide to allocate (as referred to in Section I, Paragraph 3) in accordance with TOR.

D. **Trustee (World Bank)**

36. World Bank will be a trustee for fund that contributed by donors through Window II.

37. The Administrative Agent is responsible to:
   a. Receive contributions from donors that wish to provide financial support to the Fund;
   b. Administer such funds received, in accordance with this Memorandum of Understanding including the provisions relating to winding up the Fund Account and related matters;
c. Subject to availability of funds, disburse such funds in accordance with instructions from the Steering Committee;
d. Consolidate statements and reports, based on submissions provided to the Administrative Agent by each Participating UN Organization, as set forth in the TOR, and provide these to each donor that has contributed to the Fund Account and to the Steering Committee;
e. Provide final reporting, including notification that the Fund has been fully expended or has been wound up in accordance with the Fund TOR, in accordance with Section IV below;
f. Disburse funds to any Implementing Agency for any additional costs of the task that the Steering Committee may decide to allocate (as referred to in Section I, Paragraph 3) in accordance with TOR.

E. Secretariat
38. The secretariat is based in Jakarta and established by the Decision of Head of the Steering Committee. The Secretariat shall support the Steering and Technical Committees, which shall have the primary responsibility for coordinating the overall operations of the IMDFF-DR.

39. Composition: The IMDFF-DR Secretariat is supported by a minimum staff to support the coordination responsibilities as outlined in this manual. In addition, should additional short-term expertise and support be required, particularly during times of crisis in coordinating support to disaster recovery activities funded by the IMDFF-DR, the Secretariat may engage external consultants or bring in support for other partners to support its' work.

40. Roles and Responsibilities: The Secretariat is established to support the duties and functions of the Steering Committee and the Technical Committee with the following duties and authorities:
   a. Ensuring effective, efficient, transparent and accountable implementation of IMDFF-DR;
   b. Manage all logistical arrangements for Steering Committee and Technical Committee meetings including: invitations, meeting agenda, and disseminating meeting materials/documents as well as documenting meeting minutes and decisions and following up as required;
   c. Facilitate the proposal submission process including making standard prodoc/PAD format available to PUNO and tracking the receipt of submissions and stages of review and approval. Provide monthly updates to the Technical Committee on the status of proposal submission and approval;
   d. Develop management tools to support coordination and management of the IMDFF-DR including developing and maintaining a data base to support IMDFF-DR operation;
   e. Answer all queries related to the IMDFF-DR and follow-ups as appropriate with the relevant stakeholders;
   f. Develop work plans including operation budget to be submitted to TC for endorsement in the Steering Committee meeting. Submission is performed 3 (three) months prior to the commencement of the fiscal year or at other time as necessary;
   g. Monitor programme implementation progress and provide quarterly updates to the Technical Committee for onward submission to the Steering Committee. Updates may include: funding utilization, number of approved proposals, proposal pipeline and implementation progress.
41. The IMDFF-DR Secretariat shall develop an operational manual or Terms of Reference to provide guidance on the day to work of the Secretariat.

42. Funds for the Secretariat’s operational cost will be provided from the direct cost budgets of Window I and II, as required and approved by the Steering Committee. The Government of Indonesia will also contribute financial resources to support Secretariat functions.

F. UN Participating Organizations as Partner Agent for Window I

43. UN Participating Organization operate in accordance with their own internal regulations, rules, directives and procedures including project evaluation, audits and procurement and will be responsible for reporting on funds received as outlined in the respective legal agreements. The Terms of Reference for each Window are contained in the annex J and K.

44. UN Organizations that sign an MOU with the Administrative Agent are eligible to receive funds through Window One (UNITF-DR) following approval of prodoc by the IMDFF-DR Steering Committee.

45. Each UN Participating Organizations shall collaborate with a relevant government agency (Implementing Agency), coordinated by Bappenas and/or BNPB, in the implementation of activities and/or other Implementing Agency as outlined in the prodoc.

G. Implementing Agency;

46. Implementing Agency is an agency or organization, which implements activity/project funded by IMDFF-DR. This Implementing Agency or organization may propose a project directly or through a UN Participating Organization. Similarly, Implementing Agency may also collaborate with other organizations in implementation. For that purpose, the PCN and prodoc/PAD shall include a plan for cooperation with other agencies.

47. Under Window I, UN Participating Organizations have established mechanisms to implement projects through national authorities and other national, regional or international organizations and through NGOs. These Implementing Organizations may receive funds through one of the Participating Organizations. The UN Participating Organization assumes full financial and programmatic accountability, using its’ respective standard arrangements and procedures for transferring funds to Implementing Partners and the supervision of the collaboration.

48. Under Window II, activities are implemented by a government agency (line ministry). The Implementing Agency is responsible for the implementation of the activity and the administration of the grant on-budget mechanism. It is possible for the local government to implement a project through Window II, however, the PAD will be submitted by the relevant government agency (line ministry). The allocation and provision of funds will refer to the existing fund channeling mechanism, namely utilizing deconcentration fund/local government assistance fund mechanism.
III. SCOPE AND ACTIVITY OF IMDFF-DR

A. Scope and types of activities
49. The scope of activities of the IMDFF-DR focuses on six components including:
   a. Early recovery activities for public and social infrastructures such as roads, bridges, irrigations, ports, urban infrastructures, schools and hospitals;
   b. Rehabilitation and reconstruction of:
      i. Public and social infrastructures such as roads, bridges, irrigations, ports, urban infrastructures, schools and hospital
      ii. Housing;
      iii. Livelihoods: Productive economy sector including provision of capital for farmers;
   c. Technical assistance and capacity building;
   d. DaLA, PDNA and development of an action plan for specific if another disasters as they occur.

50. The types of activities supported by IMDFF-DR through Window I and II are as follows:
   a. Project investment and technical assistance including new-stand alone project, co-financing of new projects, funding for disaster risk reduction, additional funding for new components of on going project and Technical Assistance.
   b. Scaling up of project or current activity by the implementing partner in terms of coverage area, scale of activity, number of population reached, and other forms of scaling up.
   c. Support to government programme – sectoral as well as multi-sectoral-which serve as a part of the rehabilitation and reconstruction efforts.
   d. Capacity development, post disaster needs assessment, rehabilitation and reconstruction planning, and implementation of project monitoring and evaluation
   e. Establishment and operationalisation of secretariat including proposal technical appraisal.
   f. Monitoring and Evaluation of activities funded by IMDFF-DR including external evaluations.
   g. Audit by an independent auditor or one approved by the Steering Committee.
51. Funds available at IMDFF-DR may be utilized to fully fund proposed project cost including costs for purchasing goods and services, conducting studies and training, and routine cost of the receiving agency, which is incurred directly by the proposed activity. IMDFF-DR may also provide funding to assist with the implementation of project design and pilot activities as long as those activities facilitate an ongoing or future reconstruction and rehabilitation.

52. Activities implemented through Window I, are administered by the UNDP as Administrative Agent, and activities implemented through window II are administered by the the World Bank as Trustee. The specific activities to be implemented through window I or II are outlined by component in the box above. Donors may select a specific window to which a grant shall be made. If the donor does not specify the window for the grant, the Steering Committee will select the window and the Donor will proceed to sign the respective legal documents with the relevant entity.

**B. Window I Activities:**

53. Activities implemented through Window I by the UN Participating Organizations and their respective Implementing Agency are as follows:

   a. Early Recovery: Including needs, which must be responded to since the earliest days of the emergency response phase. Although not of a life saving nature, it will create a serious problem later if it is not addressed. For example, the removal of rubble or mud, cultivation period for rainfed farms, and access to schools during the school year.

   b. Coordination, assessments and planning of rehabilitation and reconstruction needs and activities.

   c. Development and fulfillment of basic human needs;

   d. Urban and rural socio-economic recovery; and,

   e. Recovery of public services sector such as health service.

54. Donors wishing to contribute to Window I will sign a Standard Administrative Arrangement (SAA) with the UNDP MDTF Office, as Administrative Agent, on behalf of the UN Participating Organizations.

**C. Window II Activities:**

55. Activities implemented through Window II by the World Bank and its Implementing Agency are as follows:

   a. Rehabilitation and reconstruction of public and social infrastructures such as roads, bridges, irrigation, port, urban/rural infrastructures, schools, hospitals and others.

   b. Construction of housing facilities.

   c. Technical assistance and capacity building in governance and disaster risk reduction (DRR) as well as assistance for the development of PDNA, DaLA, and Action Plan.

56. Donors wishing to contribute to Window II will sign an agreement with the World Bank. The agreement outlines the respective roles and responsibilities of each party.

**D. Single multilateral/bilateral project Activities (funded outside of Window I & II):**

57. IMDFF-DR steering committee will ensure coordination and synergies of disaster recovery programmes and activities funded through a variety of sources. Activities implemented through the multi-lateral/bilateral projects will be implemented by government entities and coordinated by the IMDFF-DR.

58. Multilateral/bilateral donors and/or the Sumatera Natural Disaster Relief Fund may provide contributions to the single projects. Cash contributions as well as goods or services may also be made.
59. For single projects, the Implementing Agency will be requested to deliver information to the Secretariat for submission to the Steering Committee through the Technical Committee. This process is not to request the approval of the Steering Committee but to acquire information from the relevant donor and implementing agency regarding the project. The information delivered by the Implementing Agency includes:
   a. Profile of the project implementing agency
   b. Project objectives
   c. Project scope
   d. Detailed description of project activities including the locations
   e. Amount of annual funding need
   f. Detailed schedule of implementation
   g. Detailed and clear output indicators
   h. Monitoring and evaluation mechanism
   i. Other information deemed necessary.

60. The above information are delivered at the latest one month following the signing of the project agreement by the government and the donor. The objective of the administration of the single projects – both multilateral/bilateral donor – is to avoid overlap and eliminate a possible gap among the activities proposed by the implementing agencies.

61. Single projects fitting this category are projects funded by multilateral/bilateral donors with implementing agencies directly appointed by the donors including relevant government agencies and/or contractors without going through IMDFF-DR. Monitoring and supervision will be performed by the donors in the agreement framework with the appointed contractor and or relevant government agency.

62. The result of the implementation of single projects will be transferred to the Government of Indonesia following completion (turn-key). Thus, IMDFF-DR will be involved at the beginning of the project implementation and upon its completion in accordance with the project-planning document.
IV. MECHANISMS FOR DONOR CONTRIBUTIONS, PROJECT APPROVAL AND PROJECT IMPLEMENTATION

A. Fund receiving mechanisms
Contributions from the donor country/agency to the IMDFF-DR to assist disaster management shall be made as follows:
63. Donor country/agency submits an official letter to the Head of IMDFF-DR Steering Committee through the Secretariat indicating its pledge to the IMDFF-DR. The Donor shall specify the amount and to which window it shall allocate its contribution. If the contribution is un-earmarked it shall be allocated to a specific window in accordance with the decision of the Steering Committee.
64. Following approval by the Steering Committee, the Donor will sign a Standard Administrative Arrangement (SAA) with UNDP MDTF Office as the Administrative Agent for contributions to Window I and a grant agreement for contributions to the World Bank for Window II.

B. Fiscal Year:
65. The fiscal year, which serves as the basis for financial and narrative reporting on the implementation of activities, is January – December. If the fiscal year of the government and that of the donor are different, a special arrangement related to funding commitment and disbursement shall be made.

C. Conditions for Eligibility:
66. The IMDFF-DR shall provide grant funding for projects in support of the Government’s Action Plan in performing rehabilitation and reconstruction of regions affected by natural disasters. Proposals should meet the following selection criteria:
a. Activities are proposed by Government Agencies and UN Participating Organizations. The local government may propose activities through government agencies. Civil Society Organization (CSO) may participate through government agencies or UN Agencies in accordance with the applicable mechanisms of those agencies.
b. Proposal submission must be prepared using the approved IMDFF-DR Project Concept Note (PCN) located in Annex D. PCN’s should enable the efficient, speedy and sustainable recovery efforts, and be completed within the approved timeline.
c. Activity should be consistent with the IMDFF-DR’s procedures and strategies (as amended from time to time).
d. The proposing agency may propose a full/partial funding for the proposed project including the administrative cost to IMDFF-DR.

D. Proposal Assessment and Approval Process
Step I: Project Concept Note (PCN) Submission and Assessment
67. Line Ministries or a UN Participating Organization submits a PCN to the IMDFF-DR Secretariat in accordance with the PCN template. Submission to the Secretariat implies confirmation that the UN Participating Organization and line ministries have taken the PCN through their respective internal clearance processes. The PCN should also indicate which financing modality it is seeking and collaborating Implementing Agency.
68. The Technical Committee, assisted by the IMDFF-DR Secretariat, undertakes an assessment and evaluation of the proposed PCN. PCN meeting the assessment criteria is included in the list of proposals to be proposed to the Technical Committee.

69. The Secretariat registers and administers the PCN submission and delivers a notice of receipt to the proposing UN Participating Organization/Implementing Agency and delivers the list of PCNs and submissions to the Technical Committee at the latest 5 (five) working days following the receipt of the complete PCN.

70. The list of PCNs shall include information on the proposed activities, profile of proposing UN Participating Organization and/or Implementing Agency, objective and scope of proposed project, amount of annual funding requested and total funds for multi-year projects, proposed Implementing Agency, time schedule, clear output indicators, and monitoring and evaluation mechanisms.

71. The Secretariat circulates PCN documents which are put in the list to all members of the Technical Committee.

72. **PCN assessment criteria are as follows:**
   a. PCN follows the format in Annex D;
   b. Sector should be proposed based on the MOU IMDFF DR;
   c. The PCN includes clear scope, objective, output, and indicators;
   d. The PCN includes cost estimation;
   e. The proposed component is in accordance with IMDFF-DR MoU and is part of the activities embodied in the Action Plan (Renaksi) and/or the development planning document related to disaster management, both in the medium term, i.e. Medium Term Development Plan (RPJM) and annually, i.e. Government Work Plan (RKP); or is a scaling up of activities performed by the Government of Indonesia, both in terms of coverage area as well as types of activities;
   f. The proposed activity fills in the gap among activities which are being and will be performed, thus increasing synergies among the existing projects;
   g. The project is compatible with the mandate and capacity of the UN Participating Organization (for window I).

PCN assessment matrix format is in Annex E.

**Step 2: PCN Approval Process:**

73. Technical Committee holds a meeting to discuss the list of PCNs at the latest 10 (ten) working days following the receipt of PCNs. If an expert staff is needed to perform the assessment, the Technical Committee may request the Secretariat to recruit the staff and submit the assessment directly to the Technical Committee. The cost of the expert staff is part of the IMDFF-DR Secretariat’s cost.

74. The Technical Committee submits the list of PCNs to the Steering Committee – indicating its’ recommendation to approval or rejected.

75. The Steering Committee reviews the recommendations of the Technical Committee and takes a decision to approve or reject a PCN within 5 (five) working days.

76. Following the approval of a PCN by the Steering Committee, the Secretariat delivers:
   a. A notice will be sent, at the latest 5 (five) working days following the meeting and the decision, to UNDP Administrative Agent and PUNO or the World Bank and Implementing Agency, in accordance with the relevant window selected.
   b. PCN’s that are rejected, we will be returned to the Technical Committee with the following notes: fully rejected or rejected to be revised with a revision note and resubmitted for discussion.

77. The decision of the Steering Committee is final.
Step 3: Prodoc/PAD Submission and Assessment Process:

78. Following PCN approval:
    a. Window I: The UN Participating Organization, in cooperation with the Implementing Agency, if relevant, develops project document (Prodoc).
    b. Window II: The Implementing Agency develops a Project Appraisal Document (PAD).

79. The time frame for the development of the Prodoc/PAD is adjusted according to the scope of the activity. The Steering Committee will approve the period when the PCN is approved.

80. The Prodoc/PAD will be submitted to the Secretariat by the target timeline.

81. The Secretariat circulates the draft of the Prodoc/PAD to all members of the Technical Committee.

82. Prodoc/PAD draft assessment criteria are as follows:
    a. Prodoc or PAD development is prepared using the approved prodoc/PAD template;
    b. The objective and scope are articulated and analysis of the social and environmental impact;
    c. Baseline data and clear and measurable outputs and indicators are provided in a log frame format;
    d. Annual budget through the project completion, including utilization of Implementing Agency funding (if applicable);
    e. Coordination mechanism for collaboration with Implementing partners including supervision and monitoring;
    f. Fund channeling mechanism to be used;
    g. Procurement plan;
    h. Reporting mechanism;

83. Each Prodoc/PAD must include sustainability principles and include an exit strategy. Such strategy involves measures whereby a project – in due time – will transfer duty, authority, responsibility and resource to the community and the local government and/or the relevant government agencies.

Prodoc/PAD assessment matrix follows the format in Annex F.

Step 4: Prodoc/PAD approval Process:

84. The Technical Committee holds a meeting to discuss the Prodoc/PAD draft at the latest 10 (ten) working days following the receipt of the draft from the secretariat. If an expert staff is needed to perform the assessment, the Technical Committee may request the Secretariat to recruit the staff and submit the assessment directly to the Technical Committee. The cost of the expert staff is part of the IMDFF-DR Secretariat’s cost.
85. The Technical Committee submits the Prodoc/PAD draft to the Steering Committee – indicating its recommendation for approval or rejection.

86. The Steering Committee reviews and discusses the Prodoc/PAD and recommendation of the TC. It makes a decision at the latest within 5 (five) working days.

87. For Prodoc/PAD which is approved by the Steering Committee, the Secretariat delivers:
   a. A notice will be sent, at the latest 5 (five) working days following the meeting and the decision, to UNDP Administrative Agent and Partner Agency or the World Bank and Implementing Agency, in accordance with the relevant window selected.
   b. A letter to Bappenas Deputy for Development Funding for registration in the List of Priority External Loans and Grants (DRPPHLN). The request to register the proposal is performed by including List of Activity Implementation (DIPK) and Project Digest as referred to in Annex G.

88. For Prodoc/PAD which is not approved, the Steering Committee delivers a notice to the proposing agency through the Secretariat, including information on items which need to be corrected. The corrected draft is resubmitted to the Steering Committee to obtain approval. The revision of the draft is performed within five working days.

89. The decision of the Steering Committee is final.

**Figure: Proposal Submission and Assessment Process Flow Chart**

**Step 6: Signing of Agreements**

90. The Prodoc/PAD/Grant Agreement is signed by the World Bank or the relevant UN Participating Agency with the Government in accordance with the applicable mechanism.
E. Mechanism of Fund Transfer to Government Implementing Agencies and Administration into State Budget

91. For activities through window I funds are transferred from the UNDP MDTF Office as Administrative Agent to the UN Participating Organization following approval by the Steering Committee of the Prodoc. The UN Participating Organization will implement activities in accordance with its own internal rules and regulations in regards to the Government Implementing Agencies. Funds transferred to government Implementing Agencies will be registered by the relevant government agency as government revenue through disbursement endorsement mechanism as regulated in Regulation of Minister of Finance No. 40/2009 regarding Grant Accountancy System. Procedures for registration in the DIPA and the mechanisms for on budget administration and opening of accounts for projects funded by IMDFF-DR through window I may be referred to in Annex H.

92. For activities under window II coordination, the World Bank will transfer the fund to government implementing agency through special account which may be reconciled and monitored jointly by IMDFF-DR and the Ministry of Finance. The procedures for registration in the DIPA and the on budget administration mechanism of projects funded by IMDFF-DR through window II may be referred to in Annex I.

F. Project Implementation

93. The implementation of a project commences after the Prodoc/PAD is approved by the Steering Committee and signed by all relevant parties. Implementation will comply with the policies and procedures of the respective implementing entity i.e UN Participating Organizations and/or Government Implementing agencies.

94. The project is implemented in accordance with the plan approved in the Prodoc or PAD which has been approved by the SC;

95. During project implementation, the UN Participating Organizations and Implementing Agencies will produce regular progress reports and submit these in accordance with arrangements between the Administrative Agent for UN implemented projects and World Bank for Government Implementing Agencies. If the progress is unsatisfactory, the Technical Committee may propose suspension or cancel the project.

96. Projects implemented by two government agencies (line ministries) or more are registered in the respective government agency in accordance with its function and authority in the project (proportionally);

97. The implementation for the project for the following year (for project implemented for more than 1 year) will follow the planning and budgeting mechanism of the implementing partner.

G. Amendments to Approved Projects

98. Implementing agency (IA) or UN Participating Organizations may propose changes to the scope of project activities or budget in the event that the (i) field conditions change, (ii) changes in government policy necessitate revisions, (iii) additional time is required to complete the activity or (iv) budget revisions are required. The revision should be submitted to SC for approval.

99. If an ongoing project proposes to scale up the scope of the project beyond the agreed outcomes requiring additional financing, the submission and approval procedures must follow the mechanism for new Prodoc/PAD approval outlined in this manual.

100. The procedures for proposing revision are as follows:

a. Project revision submission must include the following information:
i. Detailed description of the revision including objectives, outcome targets, project design, reallocation of inputs or changes to outputs, or changes in action plans and schedules, closing dates or reallocation of budget lines (<10% of the allocation for a expenditure category) that does not affect the project's design, scope or expected outcome.

ii. Revised budget including original budget, new budget and proposed change in budget by expenditure categories.

iii. Justification for the proposed revision;

iv. Submission must be signed by the head of UN Participating UN Organization or from the deputies in charge of the relevant sector at Bappenas and BNPB for Implementing Agencies.

b. Following the receipt of the proposal for revision, the Head of the Technical Committee - through the Secretariat - circulates the proposal to all members to be discussed virtually. The Technical Committee has five days to decide whether: (i) to submit a recommendation to the Steering Committee to approve the proposed revision, or (ii) to submit a recommendation to the Steering Committee to approve the proposed revision on certain conditions, or (iii) to submit a recommendation to the Steering Committee to reject the proposed revision;

i. If needed, the Technical Committee holds a meeting to discuss the proposed revision. The result of the meeting will be circulated by the Secretariat to all members of the Technical Committee;

ii. Based on the evaluation and recommendation of the Technical Committee, approval of the Steering Committee will be issued within five working days;

H. **Procurement of Goods and Services**

101. Government Implementing Agencies procurement of goods and services using government procurement mechanisms. UN Participating Organizations procure goods and services in accordance with their own regulations, rules, directives and procedures.
V. PROJECT SUPERVISION AND MONITORING

102. Project supervision and monitoring will be done in accordance with the policies and procedures of the UN Participating Organizations and Implementing Agencies. Assessment on activity implementation in accordance with the approved Prodoc/PAD should be ensured and the identification of problems and endeavor to implement strategies to mitigate such problems.

103. Fund level supervision and monitoring (Window I and Window II) may be undertaken at the following levels:
   a. IMDFF-DR Steering Committee monitoring will be done by the Technical Committee support by the Secretariat and reported to the Steering Committee.
   b. Administrative Agent for Window I and the World Bank for Window II shall submit electronic reports on quarterly and annual progress reports containing progress toward achieving results against approved performance indicators and financial status.

104. Independent evaluation of IMDFF-DR operationally closed projects shall be undertaken by the UN Participating Organization and/or Implementing Agency according to its' applicable policies and procedures. Results of such evaluations shall be shared with the Steering Committee through the Secretariat.
VI. REPORTING

105. Reporting for the IMDFF-DR shall take place at four levels: the Administrative Agent/Trustee (Window I and Window II), the UN Participating Organizations, Implementing Agencies, and the Secretariat on behalf of the Steering Committee.

106. The reporting periods are as follows:
   a. Quarterly Progress Report: containing information on activity implementation at the output level and fund utilization for a period of three months;
   b. Annual Progress Report: containing information on progress toward outputs and outcomes and expenditure during the fiscal year;
   c. Final Narrative and Financial Report: containing information on overall progress toward achievement of outcomes and final expenditure and fund utilization during the implementation of the project.

The following sections define roles and responsibilities on all four levels:

A. Reporting by the Administrative Agent and Trustee to the IMDFF-DR Steering Committee:

107. The Administrative Agent and Trustee shall submit periodic consolidated progress reports to the Steering Committee, through the Secretariat, in accordance with its respective procedures and outlined in the individual UN and World Bank Terms of Reference, on a quarterly and annual basis.

108. Other ad hoc reports and information at the formal request of the Steering Committee including cash flow forecast for the specific window may be provided.

109. The format for the project implementation report follows the guidelines of the window selected.

B. Reporting by Participating UN Organizations to the Administrative Agent:

110. UN Participating Organizations shall provide the Administrative Agent with periodic reports, as outlined in the Memorandum of Understanding signed between the parties. Reports shall include outcomes of any assessments, reviews and evaluations.

C. Reporting by Implementing Partners:

111. The Implementing Agency shall provide the funding partner with regular reports, as determined appropriate by the two parties or as outlined in respective funding arrangements.

112. Implementing Agencies shall be responsible for monitoring of progress and the evaluation of achieving project goals of each project they have been designated to implement.

113. Government agencies as part of the reporting mechanism at the relevant government agencies (for implementing agency from government). For activities involving the local government, the Local Government Working Unit (SKPD) must report to the relevant head of local government in accordance with the applicable reporting mechanism for the district/municipal as well as provincial levels;

114. Ministry of National Development Planning/Bappenas and Ministry of Finance as part of the mechanism for external grant reporting;
D. Reporting by the Secretariat:

115. Administrative Agency and Trustee submit required reports to the Steering Committee through the Secretariat;
   a. The Secretariat submits the reports to the Steering and Technical Committees and organizes meetings to review the report findings.
   b. If requested, the Secretariat will organize meetings of the Steering Committee and/or Technical Committee to review the reports.
   c. On behalf of the Steering Committee, the Secretariat submits reports on the implementation of IMDFF-DR programme to the State Minister of National Development Planning/Head of Bappenas and the Head of BNPB.

116. The Secretariat shall submit a report on the status of the IMDFF-DR portfolio on an annual to the IMDFF-DR Steering Committee. The report will be based on the consolidated progress reports received from the Administrative Agent and Trustee, and seek to identify lessons learned during the year, challenges encountered, summary of overall performance and follow-up steps on issues identified as well as an update on the fulfillment of reporting obligations.

117. The Secretariat will keep records of its operational processes and will report regularly, through its annual reports, on its operational performance. The report should include analysis of the time spent in the project review and approval process and complaints received and their handling, and the status of project revisions.

118. The Secretariat, under guidance of Steering Committee, shall organize Fund level reviews to assess implementation to gain insight into the performance of the IMDFF-DR to effectively coordinate responses to disaster recovery priorities.
119. The implementation of projects funded by IMDFF-DR will be audited in accordance with the funding mechanisms’ internal procedures.

120. Under Window I, the UN Participating Organizations will be audited in accordance with their own internal and external auditing procedures. UN MDTFs are audited in accordance with the Framework for Auditing Multi-Donor Trust Funds, which has been agreed to by the Internal Audit Services of Participating UN Organizations and endorsed by the UNDG.
VIII. PUBLIC COMPLAINT MECHANISM

121. The public or other parties are entitled to file complaint regarding the implementation of projects funded by IMDFF-DR and/or the management of IMDFF-DR in general.

122. Complaint regarding the implementation of projects funded by IMDFF-DR:
   a. The complaint is addressed directly to the relevant implementing partner or PUNO with notification to IMDFF-DR SC through the Secretariat;
   b. The complaint will be handled by the implementing partner or PUNO in accordance with its internal settle of dispute procedures;
   c. The complaint shall be reported to the IMDFF-DR Technical Committee through the Secretariat. The Head of the Technical Committee will subsequently report the complaint and its progress to the Steering Committee.

123. Complaint regarding the management of IMDFF-DR in general:
   a. The complaint is addressed directly to the IMDFF-DR Steering Committee through the Secretariat;
   b. The Secretariat’s communication or public relation staff will document and analyze the complaint to be used as a discussion material by the Technical Team;
   c. If needed, the Technical Team will undertake a discussion and a field visit to verify the complaint;
   d. Complaint regarding the implementation of IMDFF-DR programme is handled at the latest one month after it is received.
   e. The Head of the Technical Committee reports the complaint handling progress to the Steering Committee;
IX. COMMUNICATION STRATEGY AND POLICY DIALOGUE

124. The objective of the communication strategy and policy dialog is to disseminate the results and strengthen cooperation with a broader audience as well as mobilizing funding resources to support IMDFF-DR;

125. Communication strategy is performed in the broadest sense, including: beneficiaries, local and central government agencies, universities and research institutions and the international community;

126. Communication strategy is prepared by the Secretariat, to be proposed for approval to the Steering Committee through the Technical Committee;

127. Materials, data and information for communication strategy are prepared by the Secretariat;

128. Communication and policy dialog are performed routinely, at the minimum annually or as needed.

129. The scope of the communication strategy and policy dialog are as follows:
   a. Communication and dialog with the beneficiaries seek to socialize and gain inputs for the improvement of programme implementation.
   b. Disseminations to government agencies, universities and research institutes seek to gain lessons learned and institutionalize the results achieved;
   c. Disseminations to the donor community and other international communities serves as a form of accountability and an effort to gain increased support for fund mobilization.
X. CLOSING

130. This manual is develop to guide the fund management and activities of IMDFF DR and will be disseminate to all stakeholders.
131. This manual will be reviewed every year and if a changes are needed, the revision will follow the guidance of Steering Committee of IMDFF DR.
ANNEX A: MEMORANDUM OF UNDERSTANDING (MOU) THE INDONESIAN MULTI DONOR FUND FACILITY FOR DISASTER RECOVERY
MEMORANDUM OF UNDERSTANDING

REGARDING

THE INDONESIAN MULTI DONOR FUND FACILITY FOR DISASTER RECOVERY

BETWEEN

THE GOVERNMENT OF THE REPUBLIC OF INDONESIA

AND

THE UNITED NATIONS

AND

THE WORLD BANK
The Government of Indonesia (referred to herein as GOI), the United Nations (referred to as “United Nations”) and the International Bank for Reconstruction and Development (referred to as “the World Bank”) have agreed to sign this Memorandum of Understanding (“Memorandum”), which represents a statement of intent by the Parties outlining the basis for collaboration in the implementation of Indonesia Multi Donor Fund Facility for financing rehabilitation and reconstruction of disaster recoveries in Indonesia.

Objective

1. The Indonesia Multi Donor Fund Facility for Disaster Recovery (“the Facility”) will be a standing mechanism to help fund implementation of the Government’s Rehabilitation and Reconstruction Action Plans (RENAKSI), or Action Plans that are formulated following disaster events considered by the Government as requiring International supports. Such RENAKSI or Action Plans are based on Government led Post-Disaster Needs Assessments conducted with support from the United Nations and the World Bank and provide the foundation for priority setting for the Facility. The Facility will initially fund disaster recovery activities for the Western Sumatra earthquake of September 2009, and thereafter disaster recovery for all future disasters affecting Indonesia that are determined by the Government as requiring International support.

2. All projects funded by the Facility would be in support of, and strictly aligned with the Government’s DALA, Early Recovery Plan and RENAKSI or post-disaster Action Plans, thus ensuring full national ownership and control over implementation. They will complement government-funded recovery activities and bring strategic value in developing capacity and promoting sustainability.

3. The guiding principles of the Facility shall be twofold (i) national ownership and alignment with Jakarta Commitments and (ii) speed and flexibility in delivering results.

4. Further details governing the role and function of the Facility will be contained in operations manuals to be finalised by the Government, United Nations and World Bank.
Steering Committee and Fund Governance

5. The Facility will have one Government-led governance structure and technical review process. The Facility’s Steering Committee functions as the highest level decision-making, policy dialogue and coordination entity with streamlined membership and procedures for timely decision-making on urgent needs.

6. The Steering Committee shall be chaired by the Deputy Minister of Regional Affairs, BAPPENAS, jointly co-chaired by the Deputy Minister for Development Funding Affairs, BAPPENAS and the Deputy for Rehabilitation and Reconstruction, BNPB with membership comprising echelon-I officials from the Ministry of Finance and key line ministries. The UN Resident Coordinator shall represent the United Nations as a whole and the Country Director of the World Bank in Indonesia shall represent the World Bank as members of Steering Committee. Donor membership shall be determined by the Government, in consultation with prospective donors and taking into account level of donation. Local Government officials and other stakeholders from disaster hit areas shall participate in Steering Committee meetings as observers as appropriate.

7. The Technical Committee led by the Government, with flexible design to incorporate inputs from appropriate stakeholders shall support the Facility to ensure projects are aligned with RENAKSI or Government Action Plans, including Government Regulation No. 2/2006 and related aid management policies and regulations. The Technical Committee shall ensure the technical quality of projects and compliance with established criteria.


The Two Windows Modality

9. The Facility will have two separate and clearly defined funding windows: one supported by the United Nations (with UNDP as Administrative Agent) and one with the World Bank as trustee.

10. The two windows modality for the Facility will take advantage of the comparative strengths, implementation modalities and mandates of the United Nations and the World Bank to ensure maximum benefit for the GOI and a high level of coordination and synergy between the two organizations.
11. The World Bank will focus its support by way of implementation of projects by line ministries through the GOI system. The UN will focus its support by way of implementation of projects by GOI agencies, UN systems and civil society.

12. The scope of each window is as follows:

<table>
<thead>
<tr>
<th>Components</th>
<th>UN</th>
<th>WB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Early Recovery : Public/Social Infrastructures (Roads, Bridges, Irrigation, Ports, Urban Infrastructure, School, hospital, etc)</td>
<td>⚫️</td>
<td>⚧️</td>
</tr>
<tr>
<td>Rehab Recon : Public/ Social Infrastructure (Roads, Bridges, Irrigation, Ports, Urban Infrastructure, School, hospital, etc)</td>
<td>⚧️</td>
<td>⚫️</td>
</tr>
<tr>
<td>Housing</td>
<td>⚫️</td>
<td>⚫️</td>
</tr>
<tr>
<td>Livelihood (productive/ economic sector)</td>
<td>⚫️</td>
<td>⚧️</td>
</tr>
<tr>
<td>TA and Capacity Building (Governance, DRR, etc)</td>
<td>⚫️</td>
<td>⚫️</td>
</tr>
<tr>
<td>DaLA/ PDNA / Renaksi</td>
<td>⚫️</td>
<td>⚫️</td>
</tr>
</tbody>
</table>

**Allocation of funds between two windows**

13. The allocation of funds from donors may be earmarked or unearmarked as follows:

a. Donors may prefer to allocate their funding contributions between the two windows in line with the Donor’s priorities, endorsed by the Steering Committee. Donors may also allocate and earmark their contributions for specific activities.

b. Un-earmarked pledges of contributions from Donors shall be allocated into the two windows by the Steering Committee based on the results of the Post-Disaster Needs Assessment (including the Damage and Loss Assessment) and the priorities set out in the Government post-disaster action plans (RENAKSI). Donor contribution will be made into each window only after such allocations has been decided.
ANNEX 1 : MULTI DONOR FINANCING FACILITY STRUCTURE
(TWO WINDOWS)

Plenary

<table>
<thead>
<tr>
<th>Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>GOI Steering Committee (SC)</td>
</tr>
<tr>
<td>Chairman: Deputy Minister of Regional Affairs, Bappenas;</td>
</tr>
<tr>
<td>Co-Chair: 1. Deputy Minister for Development Funding Affairs, Bappenas</td>
</tr>
<tr>
<td>2. Deputy for Rehabilitation and Reconstruction, BNPB</td>
</tr>
<tr>
<td>Members: Echelon 1 of MoF, BNPB and Related Ministries</td>
</tr>
</tbody>
</table>

Technical Committee (TC)

<table>
<thead>
<tr>
<th>Chairman</th>
</tr>
</thead>
<tbody>
<tr>
<td>Director of Special and Disadvantage Areas, Bappenas</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Co-Chair</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Director for Multilateral Bappenas,</td>
</tr>
<tr>
<td>2. Director of Damage Assessment, BNPB</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Director for Bilateral Bappenas, Echelons-II of MoF, Echelons II of BNPB and Echelons-II of Related Ministries</td>
</tr>
<tr>
<td>Relevant UN Agencies, Donor Representatives</td>
</tr>
</tbody>
</table>

Implementing Agency:
Ministries / Agencies / Local Government / NGOs / UN Agencies

Notes:
- Project Proposal
- Approval and Assignment
- Fund Channeling
- Monitoring and Supervision

Financing

Multi Donor Fund World Bank
Rehabilitation / Reconstruction: Housing, TA and Capacity Building (Governance, DRR, )

Administrative Agent UNDP
Early Recovery, Housing, Livelihood, TA and Capacity Building (Governance, DRR, )

Multilateral / Bilateral Donors
(Single Projects)

* Need to be more specified in the discussions according to the advantage of the institution
Project Selection Criteria and approval

14. The Facility will help fund projects/programs and related activities in support of the Government’s RENAKSI. Proposals should meet the following criteria:
   a. Proposals should be consistent with the Government’s Rehabilitation and Reconstruction Strategy in response to the needs of the citizens of the disaster affected area.
   b. Proposals should enable the efficient, speedy and sustainable recovery and be completed within the life of the trust fund’s administrative agent.
   c. Proposals must comply with the administrative agent’s or trustee’s policies and procedures, including those for emergency operations.

15. In allocating funds within each window, a two-stage process would be adopted. First, proposals of projects and/or programmatic allocation of funds for use in relation to specific categories of activities would have to be endorsed by the Steering Committee. Second, after the proposed projects or programmatic allocation is endorsed, the United Nations or the World Bank will prepare simplified project reviews in compliance with its policies and guidelines for projects, including emergency operations.

Agreed and confirmed on 30 December 2009

United Nations

Government of Indonesia

The World Bank

Imron Farooque
Resident Coordinator a.i.

Lukita Dinarsyah Tuwo
Deputy Minister for Development Funding Affairs, BAPPENAS

William E. Wallace
Acting Country Director

Indonesia
Annex A: Memorandum of Understanding (MoU) The Indonesia Multi Donor Fund Facility for Disaster Recovery
ANNEX B: JAKARTA COMMITMENT ON AID FOR DEVELOPMENT EFFECTIVENESS
Jakarta Commitment: Aid for Development Effectiveness
Indonesia’s Road Map to 2014

Government of Indonesia
and its
Development Partners

Indonesia and the international aid architecture
As a middle-income country with a population of around 230 million, Indonesia faces a distinctive set of challenges relating to aid, and more broadly to development effectiveness. The Government of Indonesia’s relationship with international aid agencies is changing; the financing mechanisms at its disposal are taking new forms; and its development cooperation with other low and middle income countries is being further articulated. Given the country’s development successes and its position as a large Middle Income Country, Indonesia has a strong contribution to make to efforts aimed at improving the international aid architecture for all recipients including both Low Income Countries (LICs) and Middle Income Countries (MICs).

Indonesia is a signatory to the Paris Declaration on Aid Effectiveness, and has committed to the aid effectiveness principles and commitments contained in the Declaration. Indonesia has been an active participant in the regional preparations for the Third High Level Forum on Aid Effectiveness, including through engaging with global mechanisms and through dialogue with other countries in the Asia region. The Government is committed to take forward the Accra Agenda for Action as well as the Monterrey Consensus, and the 2008 Doha Declaration on Financing for Development.

Indonesia’s development challenge
Notwithstanding the progress made so far, Indonesia continues to face significant development challenges, especially in the areas of poverty reduction, service delivery and decentralisation. Poverty rates have fallen to 15.4% in 2008, yet large numbers of Indonesians remain poor (around 35 million). Regional disparities is a key feature of poverty in the country, given the vast size and varying conditions in different parts of the country, and pockets of endemic poverty still remain. Further effort is still needed for Indonesia to meet all the MDGs targets. The implementation of decentralisation remains complex and continues to pose challenges. Improving public financial management and strengthening the accountability of local governments will be essential in order to increase the impact of public spending.

The main constraint facing Indonesia in addressing the challenges and achieving its planned development outcomes is not merely the lack of financial resources but rather the utilization of the resources. Further, by taking into account the global financial crises, Indonesia and development partners have no option but utilizing all resources more effectively. Hence, there is a need as well as a challenge to translate the existing resources into better development outcomes. Indonesia’s overarching concern is to maximise the effectiveness of all its resources committed to development, including external assistance. It is in this context
that the aid effectiveness agenda becomes particularly relevant. External assistance is not simply a financial supplement to domestic resources, but complementary to these resources—playing a catalytic role in allowing Indonesia to access international knowledge and best practices, to enhance institutional capacity, and bring about strategic systems improvements.

**The Indonesia Roadmap to strengthen aid for development effectiveness**

We have therefore prepared a roadmap to strengthen our aid effectiveness agenda—moving towards improved development effectiveness. The roadmap will respond to the above challenges, and support Indonesia’s efforts to maximise the effectiveness of its aid in supporting development.

This roadmap defines the policy direction towards development effectiveness up to 2014 and beyond, which includes priority actions that will be taken in the short term, by 2010, to move forward on the implementation of the Paris Declaration based on the results of the Paris Declaration Monitoring Survey, 2008. The principle of ownership implies that the policy direction will be in line with the national development strategies. We also recognize the importance of addressing gender issues in our development activities and aid effectiveness process.

This roadmap sets out the strategic vision that we, along with our development partners, wish to commit, to based on the key pillars of our development effectiveness agenda. The agenda is based on the Paris Declaration principles and the Accra Agenda for Action commitments and develops a model for delivering development effectiveness in a Middle Income context.

**I. Strengthening Country Ownership over Development**

a) **Strengthening capacities and using stronger government systems**

The need to develop effective capacity is at the heart of Indonesia’s development challenges, whether it be at the institutional, organizational or at the individual levels. The Government and development partners are all deeply engaged with this agenda, but results have so far been uneven. Indonesia looks to its development partners for continued capacity development support. Development partners share the view that all their interventions have some elements of capacity development embedded within them. In order to enhance capacity, the Government will articulate, and development partners will support the achievement of, capacity development objectives and targets within sector plans and thematic strategies, including skills and human resources development, organisational level capacity development as well as the creation of an enabling environment. We also propose to make capacity development a results area within different sectors to ensure adequate attention and follow-up.

Development partners will align themselves more fully with the Government programmes and systems. Development partners will align their programming cycles with those of government, use the government format for reporting their assistance, and increasingly use the Government’s financial management and procurement systems. Where they do not make use of systems, development partners will transparently state their rationale for not using government systems and indicate how they will work with the Government (including through capacity development) to align in the future. In the spirit of partnership, we will also encourage development partners to fully, sincerely and transparently until their aid.
The Government will establish a mechanism at country level to determine, and to review, how effectively the Government and development partners can and do contribute to capacity development. This mechanism will be transparent and evidence-based, involving country level stakeholders, and covering the range of capacity development partners. The Government and development partners will make use of this mechanism to monitor, measure and potentially correct the effectiveness of their support to capacity development.

b) **Improving the international governance of aid and strengthening south-south cooperation**

Using its experience and its active participation in the governance of international aid organizations, global foundations and funds, as well as its strong network of relationships with other countries in the region and globally, the *Government commits to work to strengthen the international aid architecture* in ways that enhance its responsiveness to Indonesia’s needs as well as to those of other developing countries. Development partners will support the Government in this endeavour.

As an emerging middle-income country with considerable development success, Indonesia has much to share with other countries in the region, and beyond, as well as opportunities to learn. Already involved in numerous elements of South-South cooperation for capacity development, the *Government of Indonesia and development partners commit to further strengthening regional processes and institutions facilitating South-South cooperation*. Efforts at South-South Cooperation will through time expand to include possibilities for financial assistance as well technical support from the Government of Indonesia.

II. **Building More Effective and Inclusive Partnerships for Development**

a) **Developing a new partnership paradigm**

Indonesia places a high value on the development resources that its partners contribute to the development of the country. Today, the importance of external assistance for Indonesia is not only a function of its volume, but rather of its quality and effectiveness – development partners will continue to seek to find creative solutions to Indonesia’s development challenges, making new knowledge and international best practices accessible. Development partners will align their strategies for providing development assistance to Indonesia within this new paradigm. Development partners commit to providing all their development assistance to Indonesia based on country demands. Development partners will review their implementation modalities and the mix of skills that they can make available at the country level in relation to these objectives of knowledge transfer as well as financial transfer.

b) **Strengthening existing aid instruments and shaping new ones**

Multi-donor trust funds have emerged as an important vehicle for development partners to support Indonesia’s development—ranging from large multi-donor trust funds established to implement reconstruction programmes, capacity building activities and targeted development interventions such as the Multi-Donor Fund for Aceh and Nias, the Decentralization Support Facility and the Indonesian Partnership Fund for HIV/AIDS, to quite small and ad hoc trust funds to support very specific activities. These trust funds have enabled development partners to respond flexibly and rapidly to Indonesia’s priority needs including providing assistance at the sub national level, supporting policy and institutional reforms, effectively responding to unanticipated needs such as post-disaster
reconstruction and recovery efforts, and research and analysis. They have in some respects supported a programme based approach to aid delivery.

While the Government supports the multi-donor support modality in principle, it recognizes that in some cases it may not necessarily contribute to convergence of ideas on critical development issues, nor even support the alignment and harmonisation agenda and the government's own interventions. This is especially so if the activities are executed by the development partners and the funding is not incorporated in the government's budget. In using the multi-donor support modality, the **Government and development partners will put higher priority on programme based approach**, supporting government programs and linking the priorities of Bappenas, Ministry of Finance, and concerned line ministries.

Within existing multi-donor support such MDTFs, the Government and development partners will work together to strengthen alignment with government systems, including as an immediate first step aligning with the Government reporting systems. The **Government and development partners commit to reducing the number of ad hoc freestanding trust funds. The Government will also issue clear-cut guidelines for the mobilisation and management of multi-donor funds, and for the mainstreaming of multi-donor support program into government programming processes.**

Given the scale of Indonesia's development challenge its requirements for external assistance, and particularly technical assistance, are likely to continue over the medium term. The government will also seek to supplement the resources available for development and **Government will diversify its development resources to include alternative sources of financing for development—including public-private partnerships, corporate social responsibility, global and domestic foundations, and trade and foreign investment.**

c) **Expanding dialogue to include new actors**

As Indonesia continues to progress and consolidate its position as a Middle Income Country it will be working closely with its development partners, including private sector and civil society, to support its development efforts and to sustain and further consolidate its position. Partners such as those involved in public private partnerships, corporate social responsibility programming and Global Funds and Foundations, as well as traditional development partners, are expected to participate in a regular dialogue led by the Government to discuss progress.

To this end, the **Government will propose a regular dialogue mechanism to provide a platform for discussing the development agenda in line with the Jakarta Commitment.** A spirit of genuine partnership, engagement and joint responsibility will guide the Government when inviting participants from civil society, private sector and traditional development partners to participate in this dialogue. The proposed dialogue mechanism will be an opportunity to meet and discuss progress towards the achievement of the Paris Declaration indicators by 2010 and further to discuss the full implementation of the Jakarta Commitments by 2014. It is expected that regular meetings will take place to take stock of the overall progress and challenges faced, but also that ad-hoc meetings can be organized as necessary if particular challenges are faced requiring joint high-level discussion.
Indonesia's need for external assistance will continue to decline through sustained and inclusive growth, the development of robust institutions, and the achievement of the Millennium Development Goals and other indicators of social and economic progress. In this context Indonesia will continue to have a strong relationship with its development partners. The need for dialogue and partnership will continue in order to effectively and jointly address the challenges relating to global public goods, climate change, the environment, and strategic global security issues.

III. Delivering and Accounting For Development Results

a) Strengthening a focus on, and capacity to manage by, development results

As Indonesia moves forward with the preparation of its new Medium Term Development Plan (RPJM), a focus on outcomes and results will be further strengthened. The Government will further develop, and development partners will further support, strong frameworks for measuring and monitoring results within the RPJM and linked sector plans, as well establishing social accountability mechanisms that solicit, monitor and ensure implementation of feedback on the government's performance. Results will be linked to performance measurement and organizational effectiveness. Effective monitoring and evaluation are key elements of managing for results. We will strengthen our efforts to improve monitoring and evaluation (M and E), including basic data collection. The Government will further clarify the institutional framework for M and E and development partners will reduce parallel efforts at monitoring national development targets. A higher internal demand for M and E will be generated by involving national stakeholders in the review of implementation of the RPJM from a results perspective. Results-based M and E will be a powerful tool for ensuring the effectiveness of Indonesia’s development policies and the delivery of tangible results by the government.

b) Working together to review progress across development partnerships

The Government will seek supports from development partners based on their comparative advantages in providing needed support, in the specific areas where the Government sees a critical need for that support, and establishing a clear correlation of the inputs with the expected results. To this end, development partners will also integrate results frameworks into their cooperation strategies and programs, shifting their internal incentives to focus on sustainable results (going beyond the project level) and developing results based reporting systems.

The Government and development partners will jointly carry out regular reviews on progress in implementing the commitments on aid for development effectiveness and improved development outcomes through an objective country level mechanism. To support the review of progress in the Jakarta Commitment and progress towards associated targets, the Government will establish an integrated Aid Information and Management System.
The Jakarta Commitment

The Government invites development partners to join this commitment towards development effectiveness, to adopt the principles of aid effectiveness as articulated in the Paris Declaration as adapted to Indonesia’s country context, and to adopt the Jakarta Commitment moving forward with the implementation of this roadmap. We will establish an Aid for Development Effectiveness Secretariat in BAPPENAS using our own resources and those of our development partners—particularly tapping their technical support to help us move forward together on this important agenda of enhancing development effectiveness in Indonesia.

The Jakarta Commitment is to be based on the spirit of mutual respect, support and accountability. It represents a shared recognition between the Government and development partners to enhance the effectiveness of external financing in Indonesia. It enjoin upon the Government and development partners to make available appropriate resources, knowledge and capacity to implement the Jakarta Commitment. Whilst not legally binding, by adopting the Jakarta Commitment, all below development partners aspire to achieve the strong aspirations herein.

Jakarta, 12 January 2009

for the Government of Indonesia

Mr. Menendra Siregar
Deputy Minister for International Economic and Financial Cooperation, Coordinating Ministry for Economic Affairs

Dr. Lukita Dinar Syah Putri
Deputy Minister/Chairman for Development Funding Bappenas

Dr. Rahmat Waluyanto
Director General of Debt Management Ministry of Finance
List of Development Partners Adopting the Jakarta Commitment

4. The Netherlands Government (adopted on 12 January 2009)
5. Government of the Republic of Poland (adopted on 12 January 2009)
7. Austrian Embassy (adopted on 12 January 2009)
8. Agence FranÇaise de Développement (adopted on 12 January 2009)
10. Department for International Development of the United Kingdom (adopted on 12 January 2009)
12. Embassy of Finland (adopted on 12 January 2009)
15. Embassy of Italy (adopted on 12 January 2009)
18. Royal Norwegian Embassy (adopted on 12 January 2009)
20. Embassy of Sweden (adopted on 12 January 2009)
ANNEX C: DECISION OF STATE MINISTER FOR NATIONAL DEVELOPMENT PLANNING/HEAD OF BAPPENAS NO. KEP.8/M.PPN/HK/01/2010
REPUBLIC OF INDONESIA
State Minister of National Development Planning/
Head of National Development Planning Agency

DECISION
OF
STATE MINISTER OF NATIONAL DEVELOPMENT PLANNING/HEAD OF NATIONAL
DEVELOPMENT PLANNING AGENCY
NO. 8/M.PPN/HK/01/2010
REGARDING
ESTABLISHMENT OF STEERING COMMITTEE AND TECHNICAL TEAM FOR
THE INDONESIA MULTI DONOR FUND FACILITY FOR DISASTER RECOVERY

STATE MINISTER OF NATIONAL DEVELOPMENT PLANNING/HEAD OF NATIONAL
DEVELOPMENT PLANNING AGENCY,

Considering :

a. whereas during the past several years, natural disasters – particularly major earthquakes – are occurring more frequently, causing high level of damage and loss, undermining the results of development achieved in the past several years;

b. whereas the damage and loss caused by natural disasters result in a significant funding need for recovery, while the government budget allocation is limited;

c. whereas the recovery of post-disaster areas as referred to in sub-paragraph b – apart from being funded by the Government – remain to require funding support from donor country/agency through a mechanism which is quickly mobilized, flexible, transparent and accountable;

d. whereas based on the consideration as referred to in sub-paragraph c, The Indonesia Multi Donor Fund Facility for Disaster Recovery has been Established through the signing of a memorandum of understanding by the Government of the Republic of Indonesia, the World Bank and the United Nations;

e. whereas to operationalise institutional role and implement activities in accordance with the memorandum of understanding referred in sub-paragraph d, cross sectoral support and role of government agencies, National Development Planning Agency (Bappenas), and the relevant donor country/agency are required;
f. whereas based on the consideration as referred to in sub-paragraph e, the Steering Committee and the Technical Team of the Multi Donor Fund Facility for Disaster Recovery need to be established;


g. whereas officials included in the attachment of this decision are considered capable and qualified to sit and perform the duties of members of the Steering Committee and the Technical Team of the Indonesia Multi Donor Fund Facility for Disaster Recovery.


DECIDED:

To stipulate: DECISION OF STATE MINISTER OF NATIONAL DEVELOPMENT PLANNING/HEAD OF NATIONAL DEVELOPMENT PLANNING AGENCY REGARDING ESTABLISHMENT OF STEERING COMMITTEE AND TECHNICAL TEAM FOR THE INDONESIA MULTI DONOR FUND FACILITY FOR DISASTER RECOVERY
FIRST: Establishing Steering Committee and the Technical Team of the Indonesia Multi Donor Fund Facility for Disaster Recovery, hereinafter shall be referred to as IMDFF-DR, with the membership structure as included in the attachment of this Ministerial Decision.

SECOND: The Steering Committee shall have the duty to:
1. set priorities and policy as well as to provide strategic direction for the utilization of IMDFF-DR fund;
2. conduct evaluation on the performance of IMDFF-DR implementation;
3. perform supervision on IMDFF-DR portfolio;
4. ensure project coordination for an effective and efficient utilization of IMDFF-DR fund;
5. grant approval on project proposals which will be funded by IMDFF-DR, including proposals of partner agency which will be responsible to administer the proposed project/activity;
6. undertake coordination with the trustee, which consists of the World Bank and the United Nations, in conjunction with the utilization of IMDFF-DR fund;
7. deliver report to State Minister of National Development Planning/Head of National Development Planning Agency on the implementation of IMDFF-DR.

THIRD: The Technical Team shall have the duty to:
1. undertake coordination in the formulation of strategic policy for the utilization of IMDFF-DR;
2. provide inputs on strategic issues, priorities and strategic policy to the Steering Committee;
3. perform evaluation on project/activity proposed to IMDFF-DR prior to submission for approval to the Steering Committee;
4. perform evaluation on financial report of IMDFF-DR;
5. perform evaluation on report of project/activity implementation which utilizes IMDFF-DR fund;
6. conduct appraisal and monitoring on the field (if needed);
7. develop and revise Operational Guidelines in accordance with post disaster recovery policy;
8. coordinate with trustee, administrative agency and implementing partners in the implementation of IMDFF-DR;
9. develop monitoring and evaluation framework for the operationalisation of project/activity which utilizes IMDFF-DR fund;
10. deliver report on the portfolio and performance of the implementation of IMDFF-DR to the Steering Committee.

FOURTH: For the implementation of their duties, the Steering Committee and the Technical Committee of IMDFF-DR, may establish an IMDFF-DR secretariat.

FIFTH: The cost to perform the duties of the IMDFF-DR Steering Committee and Technical Committee shall be charged to the State Revenue and Expenditure Budget of State Ministry of National Development Planning/
National Development Planning Agency for Fiscal Year 2010 and other funding sources in accordance with the applicable regulations.

SIXTH: This decision shall be applicable as of the date of stipulation.

Stipulated in Jakarta
On 25 January 2010

STATE MINISTER OF NATIONAL DEVELOPMENT PLANNING/HEAD OF NATIONAL DEVELOPMENT PLANNING AGENCY,

Signed

ARMIDA S. ALISJAHBANA

CC:
1. Head of Development and Finance Supervisory Agency;
2. Director General of Budget, Ministry of Finance;
3. Director General of Treasury, Ministry of Finance;
4. Head of State Treasury Office;
5. Secretary of State Minister of National Development Planning/Bappenas.
6. First Inspector, Bappenas;
7. Head of Bureau for Planning, Organisation and Governance, Bappenas;
8. Head of Legal Bureau, Bappenas;
9. Budget Expenditure Officer (PPA) of Deputy for Regional Development and Local Autonomy for fiscal year 2009, Bappenas;
10. Other relevant parties.

ATTACHMENT

DECISION OF STATE MINISTER OF NATIONAL DEVELOPMENT PLANNING/HEAD OF NATIONAL DEVELOPMENT PLANNING AGENCY
NUMBER: KEP.8/M.PPN/HK/01/2010
DATE: 25 JANUARY 2010

MEMBERSHIP STRUCTURE
STEERING COMMITTEE AND TECHNICAL COMMITTEE
THE INDONESIA MULTI DONOR FUND FACILITY FOR DISASTER RECOVERY

A. STEERING COMMITTEE
Head: Deputy for Regional Development and Local Autonomy Affairs, Bappenas.

Deputy Head: 1. Deputy for Development Funding Affairs, Bappenas;
2. Deputy for Rehabilitation and Reconstruction Affairs, National Agency for Disaster Management (BNPB).

Members:
1. Director General of Budget, Ministry of Finance;
2. Director General of Treasury, Ministry of Finance;
3. Director General of Debt Management, Ministry of Finance;
4. Secretary General, Ministry of Public Works;
5. Secretary General, Ministry of Home Affairs;
6. Secretary General, Ministry of National Education;
7. Secretary General, Ministry of Health;
8. Secretary General, Ministry of Religious Affairs;
9. Secretary General, Ministry of Social Affairs;
10. Secretary General, Ministry of Energy and Mineral Resources;
11. Secretary General, Ministry of Forestry;
12. Secretary General, Ministry of Agriculture;
13. Secretary General, Ministry of Transportation;
14. Secretary General, Ministry of Maritime Affairs and Fisheries;
15. Secretary General, Ministry of SME and Cooperatives;
16. Secretary General, Ministry of Trade;
17. Secretary General, Ministry of Industry;
18. Deputy for Disaster Management Coordination, Coordinating Ministry for People’s Welfare.
19. Deputy for Emergency Response, National Agency for Disaster Management

B. TECHNICAL COMMITTEE

Head:
Director for Special Areas and Disadvantaged Regions, Bappenas.

Deputy Heads:
1. Director for Multilateral Funding, Bappenas;
2. Director for Bilateral Funding, Bappenas;
3. Director for Damage Assessment, BNPB.

Members:
1. Director for Budget I, Ministry of Finance;
2. Director for Budget II, Ministry of Finance;
3. Director for Budget III, Ministry of Finance;
4. Director for External Loans and Grants, Ministry of Finance;
5. Director for Treasury System, Ministry of Finance;
6. Director for Disaster Management Development, Ministry of Home Affairs;
7. Director for Infrastructure Rehabilitation and Reconstruction, BNPB;
8. Director for Socio-economic Rehabilitation and Reconstruction, BNPB;
9. Head of Planning Bureau, BNPB;
10. Head of Planning Bureau, Ministry of Public Works;
11. Head of Planning Bureau, Ministry of Home Affairs;
12. Head of Planning Bureau, Ministry of National Education;
13. Head of Planning Bureau, Ministry of Health;
14. Head of Planning Bureau, Ministry of Religious Affairs;
15. Head of Planning Bureau, Ministry of Social Affairs;
16. Head of Bureau for Planning and Cooperation, Ministry of Energy and Mineral Resources;
17. Head of Planning Bureau, Ministry of Forestry;
18. Head of Planning Bureau, Ministry of Agriculture;
19. Head of Planning Bureau, Ministry of Transportation;
21. Head of Planning Bureau, Ministry of Maritime Affairs and Fisheries;
22. Head of Planning Bureau, Ministry of Trade;
23. Head of Planning Bureau, Ministry of Industry;
24. Head of Planning Bureau, Coordinating Ministry for People’s Welfare;

Stipulated in Jakarta
On 25 January 2010

STATE MINISTER OF NATIONAL DEVELOPMENT PLANNING/HEAD OF NATIONAL DEVELOPMENT PLANNING AGENCY,

ARMIDA S. ALISJAHBANA
ANNEX D: PROJECT CONCEPT NOTE (PCN) OUTLINE
1. **Project Title**

2. **Proponent Information:** name, address, phone number, mobile number, email address of people from the proponent’s organization, as well as the name of expected Partner Agency.

3. **Goal and Objective of the Project:** in one or two sentences, state the overall benefit or change this project aims to achieve.

4. **Relevance of the project concept:** this section should convincingly document why this project is fulfilling a critical gap or solving a critical problem in the rehabilitation and reconstruction. Suggested information include:
   a. What the current state is, and how this project aims to improve that current state, and to what aim;
   b. Why this is the most appropriate forum to implement these activities and it has not been solved by other parties;
   c. A table describing all the other players in the sector, and how this project complements the other initiatives.
   d. If this is an existing project, evidence from an independent evaluation that the project has achieved good results and outcomes.

5. **Project Description:** the purpose of this section is not for a detailed project plan, but to give the Steering Committee a comprehensive set of information to understand the scope of the project and its activities and who will be doing what. At the minimum, the project description should contain the following information:
   a. Description of all project components and how they interact to reach the project objective;
   b. Location(s) of each component;
   c. Targeted beneficiary(s) of each component;
   d. Time duration of each component;
   e. Expected results and outcomes of each component;
   f. Implementation arrangements for each component – in general terms, describe who is expected to be responsible for what aspect of the activity – this will be further elaborated during appraisal;
   g. Project Management Team: expected staffing required to manage the project – to be further elaborated during appraisal;
   h. Environmental and Social Considerations – in general terms, describe expected environmental and social impacts of the project. Further safeguards assessments needs to be elaborated during appraisal.
   i. Prioritizing vulnerable groups – women, children and the poor: state how this project will promote the participation of women, both in its activities but also to ensure that they are prioritized as beneficiaries.
   j. Community participation and involvement:
      i. Describe the extent to which the activities of this project have been driven by the community, if appropriate. Where the project is not community driven, indicate why this is the case.
      ii. Identify the elements of the project (if any) where community participation is essential, and how the project will facilitate that consultative process.
   k. Funding Plan and Budget
6. **Sustainability, exit strategy and Capacity Building:** this section should describe how the project will work towards making its activities, outputs and outcomes sustainable in the short term, medium term and long term. Elements may include:
   a. Institutional sustainability;
   b. Operating and maintenance costs;
   c. Asset management (including ownership transfer);
   d. Training and capacity building;
   e. Human resources planning.

7. **Implementing Agency – Background and Experience:** in one or two paragraphs, show why the designated Implementing Agency is most appropriate organization to implement this project. For example, what are the Agency’s comparative advantages and capacities in implementing all the activities of this project? Where relevant, identify areas where capacity is weak and how the organization will strengthen this capacity.

8. **Risks and Dependencies:** in one or two paragraphs, describe the broad risks and dependencies for the success of this project. For example, what are the critical factors for success, and what are the common pitfalls for failure? During appraisal, a more comprehensive risk assessment should be conducted, as well as a strategy for the mitigation of those risks.

9. **Alignment with the Renaksi:** in one or two paragraphs, indicate how this project concept is aligned with, and supports, the Renaksi and national/regional development.

10. **Consultation processes:** in one or two paragraphs, describe how the consultation process conducted between partner agency and potential implementing agency.
## PROJECT CONCEPT NOTE (PCN) ASSESSMENT FORM

<table>
<thead>
<tr>
<th>No</th>
<th>Criteria</th>
<th>Assessment</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Alignment with IMDFF-DR focus?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Is the proposed activity part of the Action Plan?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Can the proposed activity fill in the gap between activities related to the Action Plan which have been and have not been performed?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Authority for activity implementation is in line with the proposing agency and the coordination mechanism for activity implementation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Community participation in project implementation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Suitable location, target beneficiaries and time of implementation based on the Action Plan</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Capacity development and transfer of knowledge to government and beneficiaries during the activity implementation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Experience of proposing agency in implementing similar activity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Consultation process with the implementing partner (for activities proposed by partner agency)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**TOTAL score (9-45)**

Additional remarks (if applicable):
The Indonesian Multi Donor Fund Facility For Disaster Recovery (IMDFF-DR)

Recommendation for approval? Y/N Assessment Form received by Secretariat:

**Assessment Form Filling Guidelines**

**PROJECT CONCEPT NOTE (PCN) ASSESSMENT FORM**

<table>
<thead>
<tr>
<th>IMDFF-DR Ref. No.: (a)</th>
<th>Proposing Agency: (e)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date received by Secretariat: (b)</td>
<td>Contact Person: Tel/fax: (f)</td>
</tr>
<tr>
<td>Date submitted to Assessor by Secretariat: (c)</td>
<td>Name of Activity: (g)</td>
</tr>
<tr>
<td>Assessor (name and position): (d)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>No</th>
<th>Criteria (h)</th>
<th>Assessment (i)</th>
<th>Remarks (j)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Alignment with IMDFF-DR focus?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Is the proposed activity part of the Action Plan?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Etc....</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>TOTAL score (k)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Additional remarks (if applicable): (l)

<table>
<thead>
<tr>
<th>Recommendation for approval? (m)</th>
<th>Y/N (n)</th>
<th>Assessment Form received by Secretariat: (o)</th>
</tr>
</thead>
</table>

**No** | **Remarks** | **Filled by:** |
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>a</td>
<td>Filled with reference number related to administration at IMDFF-DR Secretariat</td>
<td>Secretariat</td>
</tr>
<tr>
<td>b</td>
<td>Filled with the date on which PCN is received by the Secretariat</td>
<td>Secretariat</td>
</tr>
<tr>
<td>c</td>
<td>Filled with date of submission of PCN and the assessment form to the assessor</td>
<td>Secretariat</td>
</tr>
<tr>
<td>d</td>
<td>Filled with assessor’s name and position</td>
<td>Assessor</td>
</tr>
<tr>
<td>e</td>
<td>Filled with the agency proposing the PCN</td>
<td>Secretariat</td>
</tr>
<tr>
<td>f</td>
<td>Filled with the name of the contact person from the proposing agency including tel/fax no.</td>
<td>Secretariat</td>
</tr>
<tr>
<td>g</td>
<td>Filled with the name of the proposed activity stated in the PCN</td>
<td>Secretariat</td>
</tr>
<tr>
<td>h</td>
<td>Criteria are developed based on IMDFF-DR and the relevant document</td>
<td></td>
</tr>
</tbody>
</table>
### Annex E: Project Concept Note (PCN) Assessment Form

| i | Filled with the score in accordance with the following assessment criteria:  
   1. Highly irrelevant  
   2. Not very relevant  
   3. Don’t know  
   4. Relevant  
   5. Highly relevant | Assessor |
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>j</td>
<td>Filled with remarks in accordance with assessor’s opinion</td>
<td>Assessor</td>
</tr>
<tr>
<td>k</td>
<td>Filled with the total number of score</td>
<td>Assessor</td>
</tr>
<tr>
<td>l</td>
<td>Filled in if supplementary remarks on the PCN are needed from the assessor in addition to the above criteria (h).</td>
<td>Assessor</td>
</tr>
</tbody>
</table>
| m | Recommendation for an approval based on the result of assessment with the following criteria:  
   ≥ 30  
   < 30 | Assessor |
| n | Cross out N if recommended for approval, with total score equal to or more than 30. Cross out Y if not recommended for approval, with a score less than 30. | Assessor |
| o | Filled with the date the assessment form is received by the Secretariat | Secretariat |
ANNEX F: PROJECT DOCUMENT OR PROJECT APPRAISAL DOCUMENT (PAD) ASSESSMENT FORM
### PROJECT DOCUMENT OR PROJECT APPRAISAL DOCUMENT (PAD) ASSESSMENT FORM

<table>
<thead>
<tr>
<th>No</th>
<th>Criteria</th>
<th>Assessment</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Social and environmental impact analysis</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Focusing on clear and measurable baseline data and output indicator</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Complete activity and financial plans from the first year up to the final year of implementation (for a project with a life span of over one year)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Distribution of functions and authorities for each agency involved in activity implementation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Mechanism for coordination with other agencies in activity implementation, including monitoring and evaluation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Relevant fund channeling mechanism for the selected window</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Procurement mechanism</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Reporting mechanism</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Complaint handling and anti corruption mechanisms</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Asset management and assets transfer following activity completion</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Coordination mechanism with other activities with the same focus to avoid overlapping activities

11 Planning and budgeting processes at the proposing agency

TOTAL Score (11-55)

Additional remarks (if applicable):

Recommendation for approval? Y/N

Assessment Form received by Secretariat:

Filling Guidelines

PROJECT DOCUMENT OR PROJECT APPRAISAL DOCUMENT (PAD) ASSESSMENT FORM

IMDFF-DR Ref. No.: (a)  Proposed Agency: (e)
Date Prodoc/PAD received by Secretariat: (b)  Contact Person:
Tel/fax No.: (f)

Date Prodoc/PAD submitted to Assessor by Secretariat: (c)  Name of Activity: (g)

Total PCN score: (d)  Assessor (name and position): (h)

<table>
<thead>
<tr>
<th>No</th>
<th>Criteria (i)</th>
<th>Assessment (j)</th>
<th>Remarks (k)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Social and environmental impact analysis</td>
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<td>Focusing on clear and measurable baseline data and output indicator</td>
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<tr>
<td>3</td>
<td>Etc....</td>
<td>TOTAL Score(l)</td>
<td></td>
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</table>

Additional remarks (if applicable): (m)

Recommendation for approval? (n)  Y/N
<table>
<thead>
<tr>
<th>No</th>
<th>Remarks</th>
<th>Filled by:</th>
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<tbody>
<tr>
<td>a</td>
<td>Filled with reference number related to administration at IMDFF-DR Secretariat</td>
<td>Secretariat</td>
</tr>
<tr>
<td>b</td>
<td>Filled with the date on which the Prodoc/PAD is received by the Secretariat</td>
<td>Secretariat</td>
</tr>
<tr>
<td>c</td>
<td>Filled with date of submission of Prodoc/PAD and the assessment form to the assessor</td>
<td>Secretariat</td>
</tr>
<tr>
<td>d</td>
<td>Filled with total PCN score based on the previous assessment mechanism</td>
<td>Secretariat</td>
</tr>
<tr>
<td>e</td>
<td>Filled with the agency proposing the Prodoc/PAD</td>
<td>Secretariat</td>
</tr>
<tr>
<td>f</td>
<td>Filled with the name of the contact person from the proposing agency including tel/fax no.</td>
<td>Secretariat</td>
</tr>
<tr>
<td>g</td>
<td>Filled with the name of the proposed activity stated in the Prodoc/PAD</td>
<td>Secretariat</td>
</tr>
<tr>
<td>h</td>
<td>Filled with assessor’s name and position</td>
<td></td>
</tr>
<tr>
<td>i</td>
<td>Criteria are developed based on IMDFF-DR and the relevant document</td>
<td></td>
</tr>
</tbody>
</table>
| j  | Filled with the score in accordance with the following assessment criteria:  
1. Highly irrelevant  
2. Not very relevant  
3. Don’t know  
4. Relevant  
5. Highly relevant | Assessor |
| k  | Filled with remarks in accordance with assessor’s opinion | Assessor |
| l  | Filled with the total number of score | Assessor |
| m  | Filled in if supplementary remarks on the Prodoc/PAD are needed from the assessor in addition to the above criteria (h). | Assessor |
| n  | Recommendation for an approval based on the result of assessment with the following criteria:  
≥ 40  
< 40 | Assessor |
| o  | Cross out N if recommended for approval, with a total score equal to or more than 40. Cross out Y if not recommended for approval, with a score less than 40. | Assessor |
| p  | Filled with the date the assessment form is received by the Secretariat | Secretariat |
ANNEX G: LIST OF ACTIVITY PROPOSAL (DIPK) AND PROJECT DIGEST
### I. General

1. **Title of Activity**

2. **Type of Activity**
   - [ ] Project Assistance
   - [ ] Technical Assistance

3. **Sector Priority**

4. **Target of Sector Priority**

5. **Responsible Agency**
   - [ ] Government Agency:
     - Echelon I:
     - Proposal of government agency which is:
       - [ ] used entirely to implement the main duty and function of the government agency.
       - [ ] fully/partially channeled as a grant:
         - Receiving agency for the grant channeling
           - a.
           - b.
           - c.
   - [ ] Local Government:
     - As local government loan
     - Own initiative
     - Initiated by government agencies:
       - [ ] As grant (only for foreign grant funding proposal)
   - [ ] State Owned Enterprise:

6. **Implementing Agency**
   - a.
   - b.
   - c.
   - d.

7. **Implementation duration**

Annex G: List of Activity Proposal (DIPK) and Project Digest
8. **Background and justification of activity implementation**

   In Bahasa Indonesia:

   

   In English

9. **Activity Objective**

   In Bahasa Indonesia:

   

   In English

10. **Interrelation with other activities**

<table>
<thead>
<tr>
<th>Title of Activity</th>
<th>Implementing Agency</th>
<th>Location</th>
<th>Source of fund</th>
<th>Year of implementation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tr>
</tbody>
</table>
II. Activity

11. Scope of Activity

In Bahasa Indonesia:

In English:

12. Fund Allocation Plan for Activity Component

<table>
<thead>
<tr>
<th>Activity Component</th>
<th>Category of Activity *)</th>
<th>Cost utilisation (US$ ’000)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Local</td>
</tr>
</tbody>
</table>

*) Category of Activity:  
A. Consultant service  
B. Construction work  
C. Procurement of goods and equipment  
D. Training and education  
E. Other than the above (state)

Exchange Rate: US$ 1 = Rp _______

13. Activity Distribution

<table>
<thead>
<tr>
<th>Implementing Agency</th>
<th>Location</th>
<th>Remarks*)</th>
<th>Funding (US$ ’000)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Prov</td>
<td>Municipality/Dist</td>
<td></td>
</tr>
</tbody>
</table>

*) Remarks:  
A. Managed by government agencies  
B. Grant channeling  
C. Loan channeling
### III. Funding

#### 14. Type of Foreign Loans and Grants

<table>
<thead>
<tr>
<th>Type</th>
<th>Value (US$ ‘000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Soft Loan</td>
<td></td>
</tr>
<tr>
<td>• Export credit/commercial loan facility</td>
<td></td>
</tr>
<tr>
<td>• Grant</td>
<td></td>
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<tr>
<td><strong>Total</strong></td>
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</table>

#### 15. Funded Value

<table>
<thead>
<tr>
<th>Implementing Agency</th>
<th>Loan</th>
<th>Grant</th>
<th>Source*)</th>
<th>Value (US$ ‘000)</th>
<th>Total Cost (US$ ‘000)</th>
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</tbody>
</table>

*) Source:
1. State Budget (APBN)
2. Local Government Budget (APBD)
3. Budget of State Owned Enterprises
4. Others (state)

#### 16. Expenditure Plan

<table>
<thead>
<tr>
<th>Implementing Agency</th>
<th>Total Cost (US$ ‘000)</th>
<th>Annual Expenditure Plan</th>
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</thead>
<tbody>
<tr>
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### IV. Required Document for Activity Proposal

#### 17. General requirements

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<tr>
<th>Requirement</th>
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<th>No</th>
<th>Attached</th>
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<th>No</th>
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<tr>
<td>• Term of Reference</td>
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<tr>
<td>• Feasibility study document</td>
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</table>

#### 18. Relevant studies performed

<table>
<thead>
<tr>
<th>Title of Study Performed</th>
<th>Performed by</th>
<th>Year of Implementation</th>
</tr>
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</table>

#### 19. Special requirements

<table>
<thead>
<tr>
<th>Proposal from government agency for:</th>
<th></th>
<th></th>
<th></th>
<th></th>
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<tbody>
<tr>
<td>Channeling of grant to local government</td>
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<td></td>
<td></td>
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<tr>
<td>a. Recipient of the grant:</td>
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<td></td>
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<td></td>
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</tr>
<tr>
<td>Prov Mncl/Dist</td>
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<tr>
<td>b. Local Government Letter Approval</td>
<td></td>
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<tr>
<td>Complete Mncl/Dist</td>
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<td></td>
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<tr>
<td>Grant channeling or state capital participation to State Owned Enterprise</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. Approval letter from the board of directors of the State Owned Enterprise</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b. Letter of Approval from the minister responsible for development of state owned enterprises</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Proposal of local government channeled as a loan (both initiated by        |           |    |          |     |    |
| government agency as well as the local government itself)                  |           |    |          |     |    |
| Letter of approval from the local parliament                              |           |    |          |     |    |

| Proposal from State Owned Enterprise for grant channeling through         |           |    |          |     |    |
| government                                                                   |           |    |          |     |    |
| Letter of Approval from the minister responsible for development of state owned enterprises |           |    |          |     |    |

#### 20. Preparatory activities performed

- Detailed activity plan developed                                           | Yes | No |
- Performance indicator for activity implementation developed with this document | Yes | No |
<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Statement of the local government/state owned enterprise to prepare fund for the implementation</td>
<td></td>
</tr>
<tr>
<td>A counter part fund for the first year of activity implementation</td>
<td></td>
</tr>
<tr>
<td>Plans for land procurement and/or resettlement, including availability of fund</td>
<td></td>
</tr>
<tr>
<td>Draft for establishment of Project Management Unit and Project Implementing Unit has been developed</td>
<td></td>
</tr>
<tr>
<td>Activity management plan has been developed</td>
<td></td>
</tr>
</tbody>
</table>

GOVERNMENT AGENCY/LOCAL GOVERNMENT/STATE OWNED ENTERPRISE

Stamp

(Signature)
(Name and Position)
## Project Digest

<table>
<thead>
<tr>
<th>Code No:</th>
</tr>
</thead>
</table>

1. **Project Title:**

2. **Duration:** months

3. **Locations:**

4. **Executing Agency:**
   a.

5. **Implementing Agency (ies):**
   a.
   b.

6. **Background and Justification**

7. **Priority (ies)**

8. **Objectives**

9. **Activities**

10. **Project Cost**

   **Funding Source:**
   - **Foreign Funding**
     - Soft Loan : US$ 0
     - Grant : US$ 0
     - Export Credit/Commercial Loan : US$ 0
     - Sub Total : US$ 0
   - **Counterpart Funding**
     - Central Government : US$ 0
     - Regional Government : US$ 0
     - State Owned Enterprise : US$ 0
     - Others : US$ 0
     - Sub Total : US$ 0
   - **Total** : US$ 0

   **Expenditure:**
   - **Foreign Expenditure** : US$ 0
   - **Local Expenditure** : US$ 0
   - **Total** : US$ 0

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Annex G: List of Activity Proposal (DIPK) and Project Digest
ANNEX H: DIPA REGISTRATION AND ACCOUNT OPENING PROCEDURES FOR PROJECTS FUNDED BY IMDFF-DR THROUGH WINDOW I
**General Principles**

The general principles for foreign grant management are as follows:
- All state revenues in the relevant fiscal year must be included in the State Budget (APBN);
- Total amount or part of foreign loans and grants stated in the foreign loans and grants agreement (NPPHLN) is registered in the DIPA;
- In the event that the State Budget has been set, the total amount or portion of foreign loans and grants is stated in Revision State Budget (APBN-Perubahan);

**Mechanism for Grant Registration in DIPA**

Activities performed utilising foreign grants must be registered in the budget document (DIPA) of the agency implementing the project.

Acquisition of funds for activities funded by IMDFF-DR through window I is performed through the partner agency. Grant registration mechanism is performed in accordance with Regulation of Minister of Finance No. 40/2009 regarding Grant Accountancy System and Regulation of Ministry of Finance No. 69/PMK.02/2010 on 2010 Budget Revision Procedure.

Based on the Grant Accountancy System as regulated in Regulation of Minister of Finance No. 40/2009, funds acquired by a partner agency and channeled to a government agency (as the implementing agency) is considered as a grant directly received by the work unit in the form of cash and/or goods/services.

The grant has not been budgeted in APBN and is channeled directly to the Work Unit with out going through disbursement mechanism of the State Treasury (KPPN). The registration of this grant transaction may be performed as follows:

1. Upon SC's approval of the prodoc submitted by the government agency (a), the work unit of the government agency proposing the Prodoc/PAD registers the grant at the Directorate General of Debt Management (DJPU) of Ministry of Finance to obtain a grant registration number (b).
2. Based on the registration number issued by DJPU, the Work Unit proposes a DIPA revision on the expenditure allocation based on the grant to The Directorate General of Treasury of Ministry of Finance (c).
3. Upon utilisation of the grant, the work unit submits a grant endorsement request to KPPN (d).
4. KPPN issues a Grant Endorsement Letter to the work unit for the grant utilisation (e and f).

Note: KPPN may perform endorsement prior to DIPA revision.
Channeling of grants in the form of services
1. When a Work Unit receive a grant in the form of a service, the Work Unit must administer documents related to the grant utilisation transactions. The document administration seeks to appraise the amount of the grant received.
2. Based on the amount of grant received, the Work Unit records the transaction in its Financial Report. The Work Unit submits a letter acknowledging the receipt of a direct grant (SPTMHL) to DJPU to endorse the grant.

Account opening procedure for grant management is as follows:
1. The legal base is Regulation of Ministry of Finance No. 57/PMK.05/2007 on Management of Accounts of Government Agency/Office/Work Unit.
2. Account opening request is submitted to the State Treasurer by the Minister/Head of Agency/Work Unit as the budget user/holder, enclosing:
   a. Photocopy of budget utilisation document;
   b. Statement of account utilisation.
3. In the event that the grant has not been included in DIPA, the implementing agency may propose to open an account by providing a registration number and a Letter of Agreement that the project will be registered in the DIPA of the relevant ministry.

Goods(non-cash)
1. Prepare a handover report (BAST)
2. Propose grant registration number to DJPU with the grant agreement or equivalent document
3. Prepare SPTMHL and grant endorsement request to be submitted to DJPU for grant endorsement
4. Recording in balance sheet
5. Declaring the grant in a note to financial report (CALK)
6. Administering relevant grant receiving document;
7. Endorsement from State Treasurer is not needed

Registration of a grant in the form of goods/services
Account management procedure may be referred to in the following diagram:

<table>
<thead>
<tr>
<th>Phase</th>
<th>Agency Budget Holder</th>
<th>State Treasure</th>
<th>Central Bank Commercial Bank Post Office</th>
</tr>
</thead>
<tbody>
<tr>
<td>Account Opening Approval</td>
<td></td>
<td>Application Evaluation</td>
<td></td>
</tr>
<tr>
<td>Account Opening Application</td>
<td>Attached: Budget doc. copy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Account Opening Approval</td>
<td></td>
<td>Activity Account</td>
<td></td>
</tr>
<tr>
<td>Account Opening Proposal</td>
<td>Attached: Account Opening Approval</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Account Opening Reporting</td>
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<td>Account Report</td>
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<tr>
<td>Account Opening Reporting</td>
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</tbody>
</table>
ANNEX I: DIPA REGISTRATION AND FUND CHANNELING PROCEDURES FOR PROJECTS FUNDED BY IMDFF-DR THROUGH WINDOW II
General Principles
The general principles for foreign grant management are as follows:
• All state revenues in the relevant fiscal year must be included in the State Budget (APBN);
• Total amount or part of foreign loans and grants stated in the foreign loans and grants agreement (NPPHLN) is registered in the DIPA;
• In the event that the State Budget has been set, the total amount or portion of foreign loans and grants is stated in Revision State Budget (APBN-Perubahan);

Mechanism for Grant Registration in DIPA
Activities performed utilizing foreign grants must be recorded in the budget document (DIPA) of the agency implementing the project.

The World Bank serves as a Trustee for activities funded by IMDFF-DR through window II. The activities are performed by government agencies with fund withdrawal mechanism following Regulation of Minister of Finance No. 143/PMK.05/2006 on Withdrawal Procedure for Foreign Loans and Grants.

Under this regulation, there are four methods of withdrawal: (i) direct payment, reimbursement, special account and L/C opening. IMDFF-DR activity with the World Bank as a Trustee utilizes the special account method.

Mechanism for Registration in DIPA:
1. Upon SC’s approval of the PAD submitted by the government agency, the work unit of the government agency proposing the PAD registers the grant at the Directorate General of Debt Management (DJPU) of Ministry of Finance to obtain a grant registration number
2. Based on the registration number issued by DJPU, the Work Unit proposes a DIPA revision on the expenditure allocation to be funded by the grant to the Directorate General of Treasury of Ministry of Finance

Procedure for Withdrawal of Funds from Special Account
For withdrawal through a special account, the grant is recorded and acknowledged when the donor has transferred funds into the special account. Proof of fund transfer from the donor to the special account is in the form of a Notice of Disbursement (NoD). If the NoD is in foreign currency, it has to be converted to Rupiah in accordance with the applicable exchange rate. The following flow chart illustrates fund withdrawal through a special account:

Remarks:
1. On the basis of Foreign Loans and Grants Agreement, Directorate General of Treasury cq Directorate of State Cash Account Management submit a request to open a special account to Bank of Indonesia or other designated bank.
2. In accordance with the provision in the Foreign Loans and Grants Agreement, the Directorate General of Treasury submit a request for an initial deposit to the donor following the opening of the special account
3. The donor transfer the initial deposit to the special account at Bank of Indonesia or other designated bank
4. Partners submit invoice to Budget User/Budget Holder.
5. Budget User/Budget Holder submits Order to Pay to KPPN
6. On the basis of the Order to Pay from Budget User/Budget Holder, KPPN issues Order for Fund Disbursement to Budget User/Budget Holder, Bank of Indonesia, Directorate of State Cash Account Management.
7. Based on the Order for Fund Disbursement issued by KPPN, Bank of Indonesia or other bank remit payment and/or transfer to partner’s/treasurer’s account.
8. Based on the Order for Fund Disbursement from KPPN, Directorate of State Cash Account Management submits withdrawal Application (WA) to the donor for replenishment/transfer of fund to the special account.

9. Based on the transfer from the donor, Bank of Indonesia or other designated bank prepare a notice of cash transfer;
   - Debit: Corresponding Bank Account
   - Credit: Special Account