A LOGICAL FRAMEWORK APPROACH FOR SME'S TERM OF REFERENCE, BUDGET PLAN AND COOPERATIVE PROJECT

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ABSTRACT

One of the most crucial stages in the new system of PP 17/2017 on Synchronization of National Development Planning and Budgeting is creating a comprehensive and accurate Terms of References (TOR) and budget plan, which define all aspects of how line ministries or stakeholders will conduct the priority project. Taking one example of priority projects of the Ministry of Cooperatives and SMEs, which is called Pusat Layanan Usaha Terpadu/ PLUT KUMKM, this study aims to identify how line ministry (the Ministry of Cooperatives and SMEs) describes its project and overall perceives the new system of planning and budgeting. Using a logical framework approach, this study analyzes a number of documents such as TOR, budget plan, and government plan that related to the PLUT KUMKM project. The result shows that the Ministry of Cooperatives and SMEs needs to improve the perception of the new system since the TOR and budget plan cannot fully describe the project comprehensively.

Keywords: planning, budgeting, logical framework, terms of reference, SMEs

INTRODUCTION

One of the most crucial problems in the development system in Indonesia is the unaligned planning and budgeting process. The development system in Indonesia observes various laws and is implementing regulations such as Law No. 17 of 2003 on State Finances, Law No. 25 of 2004 on National Development Planning System, Law No. 23 of 2004 on Regional Government, and Law No. 6 of 2014 on Villages as well as ministerial regulations. Those laws and regulations have different perspectives on development planning. The Planning Law treats function as the basis of budgeting, under the Ministry of National Development Planning (Bappenas), while the Finance Law treats development planning, under the Ministry of Finance (MoF), as a project. The ineffective process brings consequences of spending inefficiency.

Therefore, in 2016, the President of Indonesia instructed Bappenas and MoF to jointly develop a Government Regulation (PP) on integrating the planning and budgeting. This regulation was approved in May 2017 as PP 17/2017 on Synchronization of National Development Planning and Budgeting. This regulation is expected to solve several problems attached to planning and budgeting in Indonesia through one integrated system.

In this new system, Bappenas and MoF work together at every stage of the annual budget process and conduct a baseline review, develop macroeconomic assumptions, set indicative and temporary budgets, review line ministries' budget plans (Rencana Kerja Anggaran Kementerian dan Lembaga / RKA-KL) and approve line ministries' in-year budget revisions. This system requires a consistent format and classifications, and an integrated database system between line ministries' annual work plan (Rencana Kerja Kementerian dan Lembaga / Renja- KL) and RKA-KL. This situation leads Bappenas to build an application, named KRISNA (Kolaborasi Perencanaan dan Informasi Kinerja Anggaran, or collaborated planning and budgeting performance information). KRISNA is currently used by the line ministries to develop their Renja-KL and produce forward estimation that had previously suffered from the lack of alignment with RKA-KL and the Medium Term Expenditure Framework (MTEF) information.

With this new system, line ministries compete with each other to submit their projects to become one of the priority projects. It is understandable since priority projects have special attention in terms of funding resources unlike regular projects. The submitted projects in KRISNA need to be appraised by Bappenas and MoF. The quality of design and implementation of all projects is influenced by three key elements, namely scope, budget, and schedule (time). Those elements must be well-described in Terms of Reference (TOR).

Therefore, reviewing the TOR plays an important role in starting the system. TOR review helps to rationalize the amount and quality of information produced by line ministries and support an effective monitoring on service delivery. Overall, it will also support overall financial accountability. Taking one example from the priority projects of the Ministry of Cooperatives and SMEs (KemenkopUKM), Integrated Business Services Centers for Cooperatives and SMEs (Pusat Layanan Usaha Terpadu/ PLUT KUMKM), this study aims to identify 1) how the line ministry, KemenkopUKM, describes its project/ program (priority project) on the Annual Government Plan (Rencana Kerja Pemerintah/RKP) 2019, 2) how the ministry makes a comprehensive TOR, and overall, 3) how the ministry perceives the new system of planning and budgeting.

Previous studies about TOR and budget plan review, especially for RKP's projects, cannot be found. It is understandable since the implementation of this planning and budgeting system is still relatively new. However, the logical framework approach has become universally known and is widely used for planning a project. A number of researches, especially that related to project management planning and evaluation, use the logical framework approach as a method for analyzing the project.

The contribution of this paper, especially for development in West Java Province, is the need for synchronization and consistency of planning and budgeting which refers to PP 17/2017 to realize sustainable Regional Development by referring to Reference Terms (TOR) and a complete and accurate budget plan, especially for Cooperative and UMKM Agency.

LITERATURE REVIEW

Public Planning and Budgeting System in Indonesia

The planning and budgeting system plays an important role in supporting the development of the country. Setting a budget without considering the whole plan may cause ineffective and inefficient government's work (Kharisma & Wibowo, 2019; Schick, 1998). However, in reality, planning and budgeting are often unaligned. (Stiglitz, J. E., & Rosengard, 2015) stated that the agency problem occurs in all organizations, whether public or private, in particular in the planning and budgeting process. Aligning planning and budget is crucial in achieving a country's goals. Public planning and budgeting in Indonesia faces various issues that have to be alleviated in the short term to achieve efficiency (Wasono & Maulana, 2018). One of the most crucial issues is the unaligned planning and budgeting process.

One obvious cause of unconfined relationship between planning and budgeting in Indonesia is contributed by the independent laws on planning and on finance (Zen, 2013). By mandate, the planning and budgeting process adopts a participatory approach. Referring to Law No. 17 of 2003 on State Finances and Law No. 25 of 2004 on National Development Planning System, the government separated the development planning and budgeting mechanism. The first mechanism is a participatory development planning through the Development Consultative Forum (Musyawarah Perencanaan Pembangunan /Musrenbang) at national and regional levels to inform the RKP. The second mechanism is a program financing procedure through the annual formulation of the State Budget and Expenditure (Anggaran Pendapatan dan Belanja Negara /APBN). However, in practice, having direct involvement of community members in development planning is not a straightforward process and leads to the unaligned planning and budgeting process. Figure 1 shows that planning and budgeting stages in Indonesia are linked and affect one another. This model has been maintained since the Finance and Planning Laws were enforced in 2004. Ideally, a budget plan reflects the government's programs articulated in the planning document. However, in practice, synergizing planning and budgeting can be challenging.

In 2016, there was a reform in planning and budgeting process in development system in Indonesia. The government changed traditional paradigm of "money follows function" to the new paradigm of "money follows program" and implemented it in RKP 2017 formulation. This new paradigm directs the focus on programs or activities that are prominent to national priorities and will generate direct impacts to society. Using the "money follows program" approach, expenditure will no longer be distributed indiscriminately to all tasks and functions of the organization. Since RKP 2017 formulation process focused on national priorities, the scheme of formulation process has changed as can be seen in Figure 2.

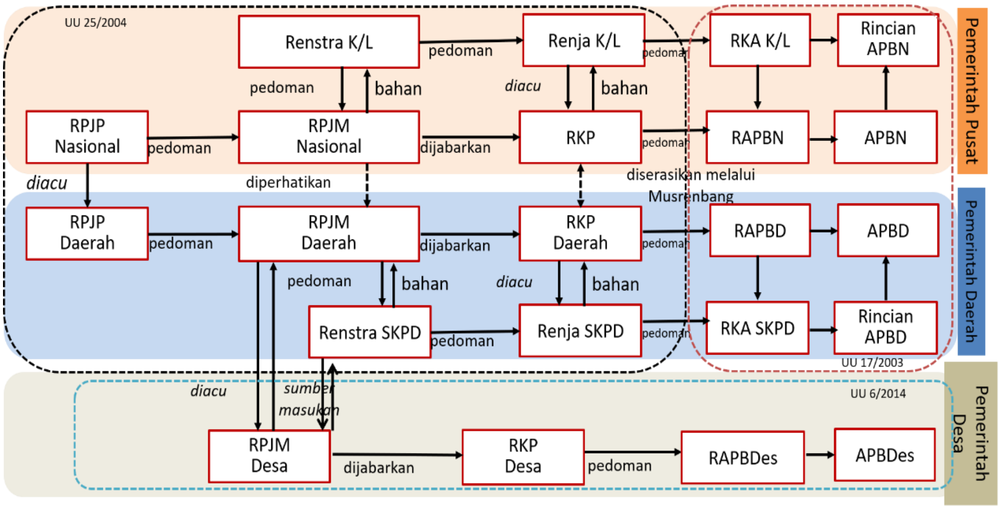

Figure 1. Planning and Budgeting Flow in Indonesia

With this new approach, the planning and budgeting process has a new scheme of priority with "priority project" as the smallest component. A project is the smallest, separable investment unit that can be planned, financed, and implemented independently. A project may be defined as "an activity that involves the use of scarce resources during a specific time period for the purpose of generating socioeconomic return in the form of goods and services". An investment opportunity usually involves incremental net cash outflows or economic costs in the initial investment or construction phase followed by incremental net cash inflows, or net economic benefits, in the operating phase

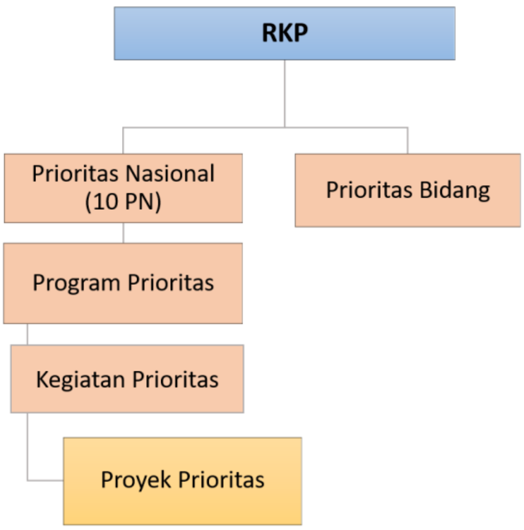

Figure 2. RKP Formulation through "Money Follow Program" Approach

Projects that are submitted by line ministries must be appraised by Bappenas and MoF. The appraisal process is started by reviewing the TOR and budget plan that have been submitted by the line ministries in KRISNA application. This appraisal is the crucial process that determines whether the project can be implemented or not. Therefore, each line ministry should understand about creating accurate and well-specified TOR and budget planning.

Terms of Reference (TOR) and Budget Planning Review through Logical Framework Approach

The TOR and budget planning documents define all aspects of how a line ministry or a stakeholder will conduct a project. It is the first description of a project yet the most crucial document has to be prepared to start a project. It defines the objectives and the scope of the project, outlines the responsibilities of every stakeholder, and provides a clear description of the resources available to conduct the project. Developing an accurate and well-specified TOR is a critical step in managing a high-quality project (World Bank, 2011). The review of TOR document serves as the basis for a contractual arrangement with one or more stakeholders and sets the parameters against which the success of the assignment can be measured. The specific content and format for a TOR will vary to some degree based on organizational requirements, local practices, and the type of assignment. A clear and accurate TOR covers the following areas:

1. **Definition and function.** What is a TOR? When is one needed? What are its objectives?
2. **Content**. What should be included in a TOR? What role(s) will each of the sections of the document serve in supporting and facilitating the completion of a high-quality project?
3. **Preparation**. What needs to be in place for a practitioner or team to develop the TOR for a review?
4. **Process**. What steps should be taken to develop an effective TOR? Who should be involved for each of these steps? (stakeholder mapping)
5. **Budget**. How much budget is needed to implement the project?

The logical framework (logframe) approach provides a powerful set of tools for designing projects. It is used to support objectives-oriented project planning and management (Gasper, 2000). Logframes originated from a planning approach used by the US military and was later adopted by AUSAID, then became standard approach adopted by donors for any development projects (Couillard, Garon, & Riznic, 2009). The most common form of a logframe is a 4x4 table. However, it is not the rigid form and can be modified. In the table it notes down what the projects want to achieve and how to get there. In theory, writing a logframe should make it easier to plan and manage a project as it provides the sequence in which the actions lead to the overall goal. The general structure of a logframe matrix is shown in Table 1.

In practice, a logframe should be flexible to the project's needs, responsive to every stakeholder involved, and adaptable to reflect any changes on the implementation. In arranging TOR and budget plan documents, line ministries can refer to the guidance published by Bappenas and MoF such as: Guidance of Project Evaluation and Guidance of RKP 2019 Formulation. BAPPENAS RI (2017) detailed that a comprehensive and accurate TOR and budget plan of a project must include the goal or impact of a project, outcome, output, objectives, legal framework, background, implementor, timeline, scope of work, location, and budget details.

Table 1. General structure and content of a logframe matrix

Activity	Indicators	Means of Verification	Assumptions
(Why) Goal or Impact: The long-term development impact (policy goal) that the activity contributes at a national or sectoral level	How the achievement will be measured	Describes the information sources necessary for data compilation that would allow the calculation of indicators.	The external factors or condition outside of the project's direct control that are necessary to ensure the project's success
(Why) Purpose or Outcome: The medium-term result(s) that the activity aims to achieve	How the achievement will be measured	Describes the information sources necessary for data compilation that would allow the calculation of indicators.	The external factors or condition outside of the project's direct control that are necessary to ensure the project's success
(What) Outputs: The tangible products or services that the activity will deliver	How the achievement will be measured	Describes the information sources necessary for data compilation that would allow the calculation of indicators.	The external factors or condition outside of the project's direct control that are necessary to ensure the project's success
(What) Activities: The tangible activities (products or services) that will be implemented	How the achievement will be measured	Describes the information sources necessary for data compilation that would allow the calculation of indicators.	The external factors or condition outside of the project's direct control that are necessary to ensure the project's success

Sources : Author's

Brief Description of Pusat Layanan Usaha Terpadu (PLUT KUMKM) Project

One of projects of KemenkopUKM that related to the development of business development services (BDS) and being involved as a priority in RKP 2019 is the "Integrated Business Services Centers for Cooperatives and Small and Medium Enterprises" (PLUT KUMKM). PLUT KUMKM was launched in 2013 with the main objective of which is to provide comprehensive, integrated and affordable (free) BDS to Small and Medium Enterprises (SMEs) and cooperatives through a network of local one-stop shops. The PLUT KUMKM Centers was built on a close collaboration between the Ministry of Cooperatives and SMEs, provincial governments and, in some cases, local authorities (regencies and cities).

The centers aim to cover seven key business competencies: management advice; product quality and intellectual property; legal affairs; access to finance; marketing and promotion; Information and Communication Technology (ICT) adoption; and business networks. A key principle of these centers is that their staff and consultants will reach out to small business owners in their workplaces. In 2018, there were 66 PLUT KUMKM Centers in operation, which had offered assistance to nearly 200,000 entrepreneurs and small business owners. The goal is to have 270 such centers by the end of 2019 (BAPPENAS, 2015), which requires additional funding and which still might not be enough to guarantee a widespread presence of the centers across the country. Therefore, as it becomes the priority, the overall proposal of this project should be reviewed to create an effective implementation and at the end the useful impact for the society, especially SMEs.

The project of PLUT KUMKM supports SMEs' development in Indonesia since SMEs play an important role in economic activities. SMEs have historically become a concern for the government of Indonesia, especially for KemenkopUKM that has the mandate to assist the President in implementing policies in the field of cooperatives and small and medium businesses. Data showed that SMEs have contributed for more than 90 percent to employment absorption and for more than 50 percent to Gross Domestic Product (GDP) of Indonesia (Figure 4 and Figure 5).

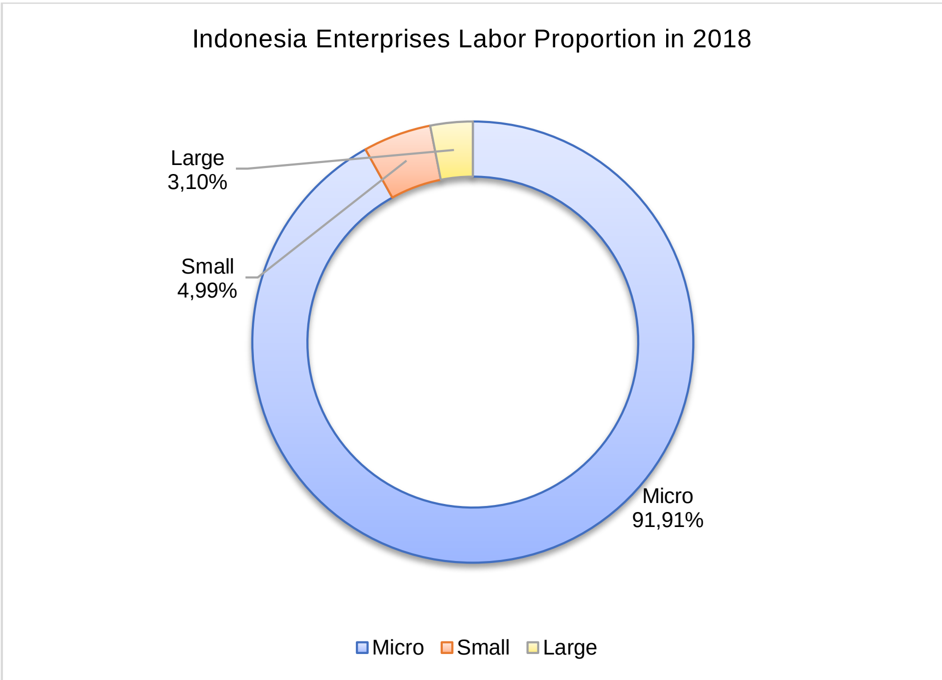

Figure 4. SMEs contribution to employment absorption in Indonesia

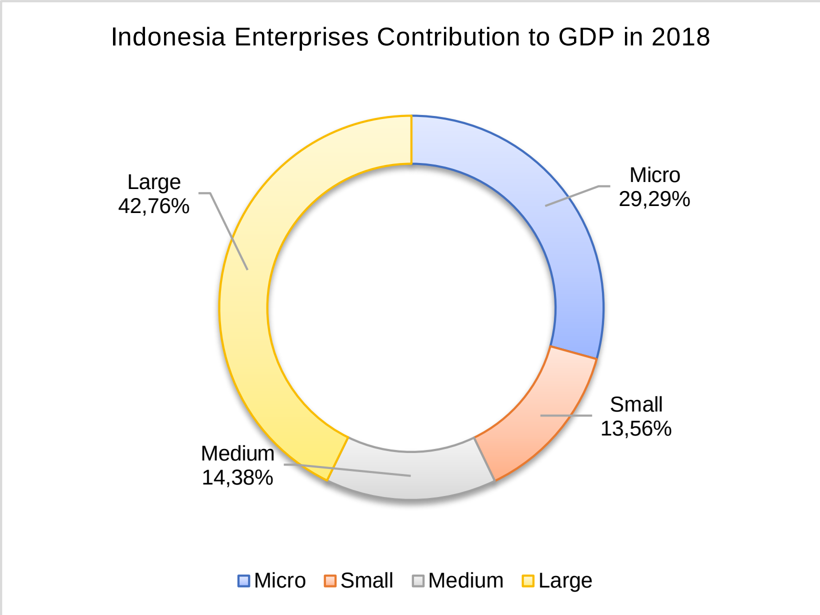

Figure 5. SMEs contribution to GDP of Indonesia

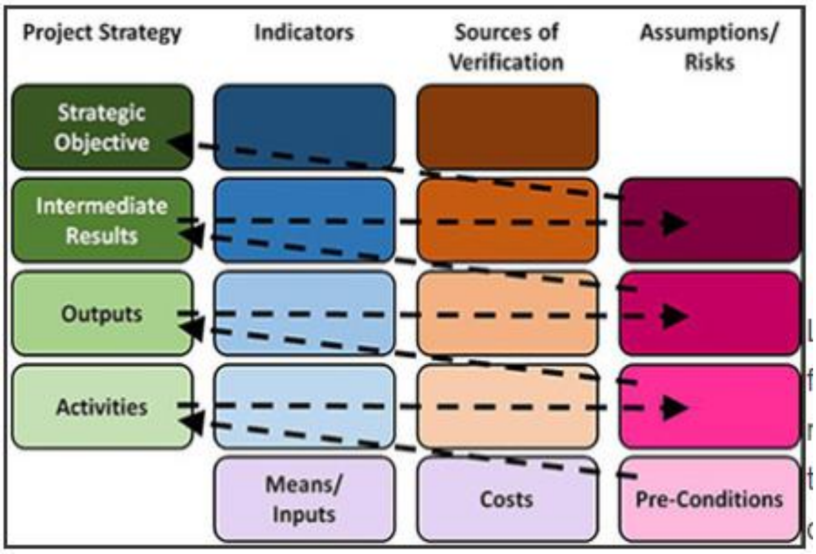

Figure 6. Example of the Logical Framework Structure

However, the challenge still remains in increasing productivity of SMEs in Indonesia. The Organisation for Economic Co-operation and Development / OECD (2018) recorded that the government of Indonesia has invested significantly in BDS.

DATA AND METHODS

Using qualitative descriptive method, namely logical framework approach, this study analyzes a number of documents such as TOR, budget plan, and government plan of one of priority projects of PLUT KUMKM. Secondary data and information were obtained from an interview with several staffs of KemenkopUKM and staffs of Bappenas to explore more details about the project.

The logical framework approach is a methodology mainly used for designing, monitoring, and evaluating development projects. This method consists of a matrix which provides an overview of a project through four prime elements, namely goal or impact, purpose or outcome, outputs, and activities. It provides a structure to help specify the components of a project and its activities and relate them with each other (see in Figure 6). It also identifies the measures by which the project's anticipated results will be monitored. However, logical frameworks might appear very different from one another depending on the requirements and the design team.

RESULTS AND DISCUSSION

In 2018, PLUT KUMKM was submitted to be one of priority projects for RKP 2019. The scheme can be seen in Figure 6. PLUT KUMKM became one of priority projects for "Partnership Reinforcement of SMEs and Cooperatives, Farmers, and Fishermen" priority action, "Acceleration of Poverty Alleviation" priority program, and "Human Development through Poverty Alleviation and Basic Services Fulfillment" national priority.

Adjusting the Submitted TOR and Budget Plan of PLUT KUMKM into A Logframe Matrix

To complete the formulation, KemenkopUKM, specifically unit of Deputy of Business Restructuring, has arranged TOR and budget plan for PLUT KUMKM project in 2019. TOR and budget plan then are adjusted into a logframe matrix as follows in Table 8 in appendix :

Analyzing of the Submitted Logframe Matrix

The analysis of TOR and budget plan can be defined as follows:

Goal or Impact:

The TOR and budget plan did not describe about impact of the project. Moreover, although the project became one of the priority projects on the RKP 2019, the linkage between the project and priority action, priority program, and national priority cannot be clearly seen on the TOR. There is also no indicator, means of verification, and assumption mentioned on the TOR.

Purpose or Outcome, and Project Output:

The purpose states that the goal is to provide an integrated service system for SMEs through PLUT KUMKM. Meanwhile the output is to establish the PLUT KUMKM building. These two statements are not aligned. It is not explained how PLUT KUMKM buildings can form an integrated system since the establishment and system creation are two different things.

Activities:

The activities mentioned on TOR are not followed by detail explanations such as timeline, budget per activity, and the linkage how the activities can form or support the establishment of PLUT KUMKM. Moreover, there is no indicator, means of verification, and assumption of each activity.

Legal Framework:

It is not explained in the detail of TOR about how the project becomes a part of the assignment or main task of the unit/ directorate. The project also becomes a part of RKP 2019's priority, however, the legal framework of RKP 2019 is not mentioned as a legal framework of this project.

Background:

The background is not supported by clear data and information, especially best practices to prove how PLUT KUMKM can effectively upgrade skills of SMEs. It also does not mention the strategy to create a successful PLUT KUMKM on the TOR.

Implementor:

The TOR does not mention detail implementor of the project. However, based on interview with KemenkopUKM and Bappenas, in Grand Design draft document, the implementation of PLUT KUMKM involves a number of stakeholders such as: local government, private sectors, other line ministries, and SMEs. So, there is no stakeholder mapping mentioned in TOR.

Project Timeline:

The implementation period mentioned on the TOR is from 1st January to 31st December 2019. There is no clear and detailed timeline about each activity on the TOR.

Project Location:

There is no location mentioned. Although the decision of location is based on proposal from local government, refers to the guideline of evaluation (BAPPENAS RI, 2017) KemenkopUKM has the right to set the location based on priority location that matched the national priority.

Budget Plan:

There is no detail mentioned in budget plan about budget of each activity. Moreover, it is not mentioned about alternative of funding scheme as it is mandated in a new paradigm of "money follow program" that it is important to find other funding resources than APBN.

Others:

Another highlight about the TOR, it is not mentioned about risk analysis that might be happened in every stage of work. For example, in terms of the using of APBN, what is the mitigation plan if there is a budget cutting in the middle of implementation year.

Another concern is about monitoring and evaluation of the project. It is not mentioned about the monitoring and evaluation plan and how information can be collected.

Recommendation of Logframe Matrix For Tor and Budget Plan of Plut KUMKM

Based on the analysis above, and from several documents such as draft of RKP 2019 (BAPPENAS, 2019) and Grand Design document, and discussion with involved stakeholders (staff of KemenkopUKM and Bappenas), there are several concerns that must be corrected on the TOR and budget plan document of PLUT KUMKM project. The recommendation on how to create an accurate and comprehensive TOR and budget plan can be defined through a logframe matrix as follows in Table 9 in appendix :

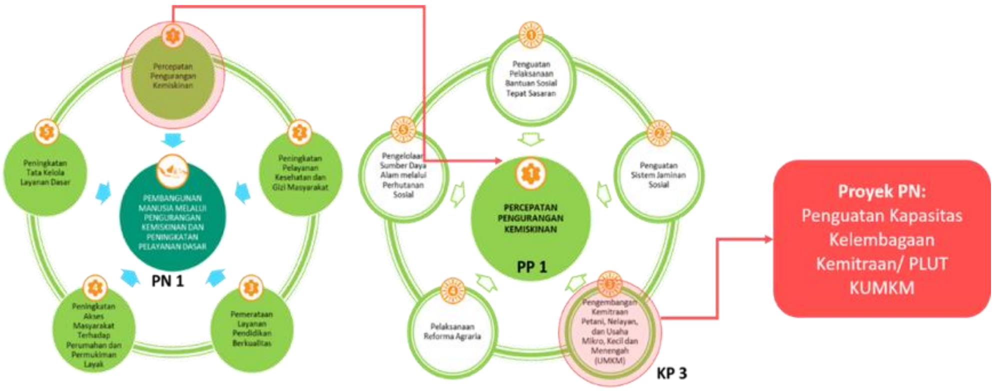

Figure 7. Scheme of "PLUT KUMKM" Priority Project in RKP 2019 Formulation

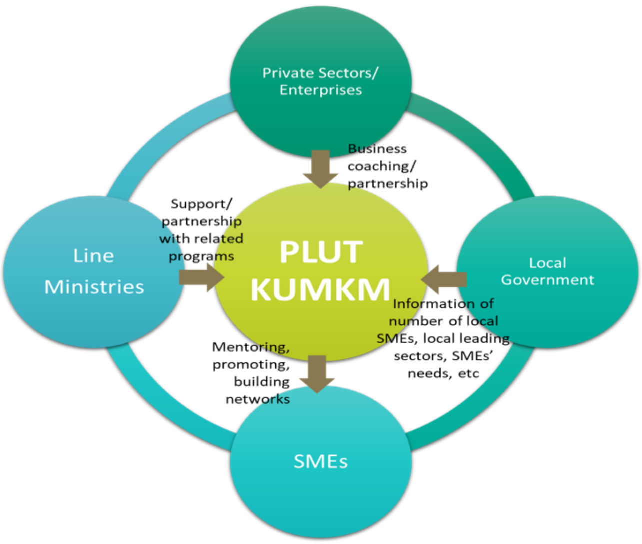

Figure 10. Stakeholder Mapping of PLUT KUMKM Project

Table 2. Project Timeline of PLUT KUMKM Project

Activity	Month (2019)											
	1	2	3	4	5	6	7	8	9	10	11	12
1. Establishing the units												
2. Recruiting the mentor and supporting staff for each PLUT KUMKM												
3. Creating an integrated application and database system for three main services of PLUT KUMKM												
4. Capacity strengthening of mentor of PLUT KUMKM through training or upgrading skills												
5. Creating coordination forum for all the stakeholders												
6. Conducting socialization of the project with local government or stakeholders												
7. Implementing the project												
8. Creating system for monitoring and evaluating the project												

Sources : PLUT KUMKM, 2019

Table 3. Budget Plan of PLUT KUMKM Project

Activity	Budget (IDR)
1. Establishing the units	214,000,000,000
2. Recruiting the mentor and supporting staff for each PLUT KUMKM	56,000,000,000
3. Creating an integrated application and database system for three main services of PLUT KUMKM	2,100,000,000
4. Capacity strengthening of mentor of PLUT KUMKM through training or upgrading skills	770,000,000
5. Creating coordination forum for all the stakeholders	770,000,000
6. Conducting socialization of the project with local government or stakeholders	1,400,000,000
7. Implementing the project	3,960,000,000
8. Creating system for monitoring and evaluating the project	1,000,000,000
TOTAL	**280,000,000,000**

Sources : PLUT KUMKM Project, 2019

CONCLUSION AND RECOMMENDATION

To summarize the analysis and to answer research objectives, firstly the process of arranging TOR and budget plan of KemenkopUKM was not optimized. Although KemenkopUKM may have full knowledge about the program, however the description of the program itself should be improved, allowing others to fully understand about the program. Secondly, although the guidelines in creating TOR and budget plan and the guideline in aligning the project with national priority have been socialized by Bappenas and MoF, however the socialization might not be optimized since the arrangement of TOR and budget plan is far from ideal. Lastly, considering, the RKP 2019 formulation is the second year of new paradigm implementation process, the perception of line ministries (in this case KemenkopUKM) of the new system needs to be improved.

Hence, it is recommended to conduct a deep analysis for all line ministries to determine whether the perception of all line ministries to the new approach in planning and budgeting system is similar with KemenkopUKM or not. Moreover, to strengthen the understanding and capacity of all line ministries, it might be needed the intensive technical trainings for executing the new planning and budgeting system.

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APPENDIX

Table 8. Goal or Impact

Activity	Indicators	Means of Verification	Assumptions
Goal or Impact: -	-	-	
Purpose or Outcome: To provide an integrated service system for SMEs through PLUT KUMKM	-	-	-
Project Output: The establishment of efficient and successful PLUT KUMKM	The establishment of 70 PLUT KUMKM in Indonesia	Through year-end report of project realization	-
Activities: 1. Integrated business services 2. Socialization of the project 3. Creating coordination forum for the committee and mentor of PLUT KUMKM 4. Creating a national meeting forum for mentor of PLUT KUMKM 5. Recruitment of mentor of PLUT KUMKM 6. Capacity strengthening of mentor of PLUT KUMKM 7. Project supervision 8. Monitoring 9. Building application for reviewing PLUT KUMKM 10. Evaluation	-	-	-
Legal Framework: • Regulation of the Minister of Cooperatives and SMEs No: 02/Per/M.KUKM/I/2016 on business restructuring • Regulation of the Deputy of Business Restructuring No: 02/PER/DEP.4/I/2018 on Technical Guidance of PLUT KUMKM Implementation	-	-	-
Background: • SMEs and Cooperatives have an important role for economic activities • A comprehensive and integrated business services is needed to support the development of SMEs • PLUT KUMKM is needed to support the skill enhancement of SMEs • PLUT KUMKM has been proven in upgrading skill and developing SMEs • The high interest of local government to build PLUT KUMKM • Developing BDS can boost SMEs productivity	-	-	-

Activity	Indicators	Means of Verifocation	Assumptions
Implementor: Deputy Assistant of Business Mentoring, Deputy of Business Restructuring, the Ministry of Cooperatives and SMEs	-	-	-
Project Timeline: January, 1 – December, 31 2019	-	-	-
Project Location: Unnassigned	-	-	-
Budget Plan: Budget of the project: IDR 280.000.000.000,- for the year of implementation of 2019 with the proportion of: 1. PLUT KUMKM unit building: IDR 214.000.000.000, - 2. Monitoring and evaluation and technical work: IDR 65.805.000.000, - 3. Tools and other facilities: IDR 195.000.000, -	-	-	-

Sources : Author's Calculation

Table 9. Logframe Matrix for TOR and Budget Plan of PLUT KUMKM

Activity	Indicators	Means of Verification	Assumptions
Goal or Impact: Making PLUT KUMKM as one of credible institutions that involved in the partnership of SMEs and Cooperatives, farmers, and fishermen	70 units of PLUT KUMKM as credible institutions for partnership.	Year-end report from the Ministry of Cooperatives and SMEs.	-
Purpose or Outcome: Providing an integrated service system for SMEs through PLUT KUMKM services	1. Well-functioned 70 units of PLUT KUMKM building. 2. Well-functioned of three main services at 70 units of PLUT KUMKM: a. Center for problem solving b. Center for referral c. Center for best practices 3. Well-functioned facilities of 70 units of PLUT KUMKM (mentors,	Year-end report from the Ministry of Cooperatives and SMEs.	-

Activity	Indicators	Means of Verification	Assumptions
	building facilities, operational facilities and system, etc).		
Project Output: 1. The establishment of PLUT KUMKM building 2. The improvement of PLUT KUMKM services 3. The improvement of PLUT KUMKM facilities	1. The establishment of 70 PLUT KUMKM in Indonesia. 2. 2.100 SMEs served at 70 units of PLUT KUMKM (with the assumption of the first six month of establishing the units and the second six month of the year of serving the SMEs). 3. Each of PLUT KUMKM possesses the basic facilities as mentioned in the Grand Design document.	Year-end report from the Ministry of Cooperatives and SMEs.	-
Activities: 1. Establishing the units 2. Recruiting the mentor and supporting staff for each PLUT KUMKM 3. Creating an integrated application and database system for three main services of PLUT KUMKM 4. Capacity strengthening of mentor of PLUT KUMKM through training or upgrading skills 5. Creating coordination forum for all the stakeholders 6. Conducting socialization of the project with local government or stakeholders 7. Implementing the project 8. Creating system for monitoring and evaluating the project	1. 70 units of PLUT KUMKM. 2. Each unit of PLUT has minimum of 5 mentors (based on the specializations: finance, marketing, production, human resource, and legal, as mentioned in Grand Design document). 3. Each unit of PLUT KUMKM has one integrated system inter	Periodically report from project's supervisor based on project timeline.	The supervisor must create a mitigation action list if there is a change of plan.

Activity	Indicators	Means of Verification	Assumptions
	PLUT KUMKM (in one region) and one connected integrated system with the national PLUT KUMKM system. 4. Each unit of PLUT KUMKM conducts minimum one training for upgrading skills of the mentor in one-year period. 5. Each unit of PLUT KUMKM conducts minimum one coordination forum event for involved stakeholders in one-year period. 6. Each unit of PLUT KUMKM conducts minimum one socialization event for local government or stakeholders in one-year period. 7. Each unit of PLUT KUMKM has well-functioned building, services, and facilities. 8. Each unit of PLUT KUMKM has one monitoring and evaluating system to control the project.		
Legal Framework: • President Regulation No. 72/ 2018 on Government Plan 2019	-	-	-

Activity	Indicators	Means of Verification	Assumptions
• Regulation of the Minister of National Development Planning No. 15/ 2018 on the Updated Government Plan 2019 • Regulation of the Minister of Cooperatives and SMEs No: 02/Per/M.KUKM/I/2016 on business restructuring • Regulation of the Deputy of Business Restructuring No: 02/PER/DEP.4/I/2018 on Technical Guidance of PLUT KUMKM Implementation			
Background: • SMEs and Cooperatives have an important role for economic activities. SMEs contribute for more than 90 percent to employment absorption and for more than 50 percent to GDP of Indonesia (BPS Statistics Indonesia, 2018) • A comprehensive and integrated business services is needed to support the development of SMEs in Indonesia • PLUT KUMKM is needed as a business development service for SMEs in Indonesia. • Since 2013, there are 66 units of PLUT KUMKM established all over Indonesia. Those units had contributed in enhancing skills and productivity of more than 6.000 SMEs in Indonesia (PLUT KUMKM database system, 2018). • PLUT KUMKM can support the creation of partnership between SMEs and other stakeholders (such as material suppliers, exporters, etc).	-	-	-
Implementor: (Can be seen in Stakeholder Mapping on Figure 10)	-	-	-
Project Timeline: (Can be seen in Project Timeline on Table 2)	Each activity is in line with the timeline.	Periodically report from project's supervisor based on project timeline.	The supervisor must create a backup timeline if there is a change of plan.
Project Location: Adapting the poverty basket locations as mentioned on RKP 2019	The locations fit to RKP 2019's poverty basket location list.	Project's supervisor.	In terms of duplication of previous location, there must be a

Activity	Indicators	Means of Verification	Assumptions
			backup list of location based on clear judgements.
Budget Plan: (Can be seen in Budget Plan on Table 2)	Each budget activity is in line with the budget plan.	Periodically report from project's supervisor based on project timeline.	In terms of risk mitigation, the supervisor must engage with local investors to fund or support the project.

Sources : Author's Calculation