



**USAID**  
FROM THE AMERICAN PEOPLE



**fhi360**  
THE SCIENCE OF IMPROVING LIVES

# City of Madiun and Civil Society Collaborate to Accelerate Post-COVID-19 Economic Recovery

**C**OVID-19 has had a wide-ranging impact on millions of Indonesians, beyond the immediate health challenges. Due to lockdown policies and a declining demand for goods and services, the pandemic has devastated the local economy and reduced the incomes and livelihoods of marginalized and underserved groups.

The commercial sector in the City of Madiun (East Java) – particularly its micro-, small, and medium-sized enterprises – suffered heavily during the pandemic. The city's unemployment rate doubled from 3.9 percent in 2019 to 8.3 percent in 2020, and the poverty rate jumped from 4.3 percent to 4.9 percent during the same timeframe. As a result, the Madiun Government launched a community economic recovery program called *Kelurahan Mandiri* (Self-reliant Neighborhoods). The program aims to develop outdoor hawker centers

to help small businesses in all of the city's 27 neighborhoods. Each facility will provide enough retail space for multiple food vendors and a common dining area for customers.

**The Madiun Government has come to recognize the increased credibility and relationship building prowess of CSOs.**

USAID MADANI works with the local civil society organization (CSO) *Yayasan Bambu Nusantara* and the multi-stakeholder forum *Forum Pembangunan Masyarakat Kota Madiun* (FORPEMMA) to support Kelurahan Mandiri in achieving its intended objectives. For the last two years, MADANI's technical assistance has strengthened the capabilities of Bambu Nusantara and other local CSOs in performing their role to

improve government transparency and accountability.

The Head of Planning, Government, and Human Development at the Regional Research, Planning, and Development Agency, Elita Mardiani, explained that the economic recovery program hopes to stimulate local businesses by taking advantage of the community's existing potential in order to maximize post-COVID-19 economic recovery.

In October 2021, Bambu Nusantara and FORPEMMA conducted an independent survey related to Kelurahan Mandiri in nine locations. This feasibility study, which become the basis for a policy brief, identified several issues with the program that the government should address, including the need to raise citizen awareness, increase vendor access to the hawker centers, and improve management of the facilities

In late January 2022, the local



Twin sisters Rindi Anika and Rindi Antika co-own a food stall "Warung Twins" at the hawker center in Demangan Ward, Madiun. The city's flagship economic recovery program will develop outdoor hawker centers to help small businesses at 27 locations.

government entrusted Bambu Nusantara and FORPEMMA to lead a business service delivery assessment in all Kelurahan Mandiri locations. Bambu Nusantara and FORPEMMA employed a Community Score Card (CSC) – a participatory and community-based monitoring and evaluation tool – to complete the assessment. Small business owners, site managers, and government service providers all participated in the process. The Madiun Government now plans to use the results to fund, design, and jointly carry out trainings to increase small enterprise capacity, with Bambu Nusantara and FORPEMMA organizing and delivering the trainings.

The Kelurahan Mandiri economic recovery program is part of a larger stimulus package co-funded by the city and national government that is worth IDR 14.9 billion (USD 1 million). As of June 2022, they have conducted four of a planned 12 skills trainings in trade and finance topics for stakeholders involved in the economic recovery. The trainings



Photo: Ade Sonyville for USAID MADANI

Respondents fill out a questionnaire, part of a business service delivery assessment, employing a participatory and community-based monitoring and evaluation tool.

aim to develop specific skills among traders, facility managers, and neighborhood administrators in business administration, finance, promotion strategies, standard operating procedures, and reporting.

Due to Bambu Nusantara's work, the Madiun Government has come to recognize the credibility and

relationship building prowess of CSOs, making future partnerships more likely on economic recovery and other development projects that will have a long-lasting impact on the greater community.

Bambu Nusantara and FORPEMMA lead a focus group discussion with food vendors and facility managers to capture and explore challenges and ideas that might benefit the hawker centers.



Photo: Ade Sonyville for USAID MADANI

July 2022

This impact story is made possible by the generous support of the American People through the United States Agency for International Development (USAID). The contents are the responsibility of FHI 360 and do not necessarily reflect the views of USAID or the United States Government.

**USAID Civil Society Support Initiative (MADANI)**

Setiabudi Atrium, 3rd Floor, Suit 301  
Jalan H.R. Rasuna Said Kav.62  
Jakarta Selatan 12920, Indonesia  
Phone: +62 21 5210409/ 5210410  
Email: [info.madani@fhi360.org](mailto:info.madani@fhi360.org)  
Website: [www.madani-indonesia.org](http://www.madani-indonesia.org)