

**INDONESIA COUNTRY PROGRAM REPORT
JOINT REVIEW OF ADVISER POSITIONS - THE AUSTRALIAN AID PROGRAM**

Overview

[A Joint Adviser Review Report](#) was released on 15 February 2011, which provided a synthesis of the findings and key recommendations from individual country reviews, including country specific adviser figures and narrative.

Australia worked bilaterally with a large number of partner country governments to review each adviser position. While the underlying Review methodology and the core content of country-specific reports is consistent across programs, in each case the final country-specific Review Report reflects decisions made by the joint Review teams as appropriate for the specific cultural and language context. As a result there are some presentational differences between reports.

This report presents the findings and recommendations of the joint Review process undertaken between the Governments of Indonesia and Australia.

It is important to note that the Review process involved an assessment of the value and effectiveness of each adviser position – not the performance of individuals in those positions. The Review focused on the role of each position in meeting agreed country program objectives and development outcomes. On the basis of this assessment, the continued funding of adviser positions by AusAID was jointly considered and agreed with partner governments.

EXECUTIVE SUMMARY

1. The Indonesia Review of Long-Term Advisers Positions conducted in Indonesia from September to December 2010 identified 156 positions across 26 programs. Over half of the positions (52 per cent) are filled by Indonesians.
2. The review came at a time when adviser numbers were artificially low in the Indonesia Program. Four sectors (education, law and justice, decentralisation and emerging infectious diseases) were all in a transition period without the full range of activities being implemented. These programs are currently undergoing tender processes which will include long-term advisers as part of the package. The Government of Indonesia is involved in all of the design and tender processes. Therefore the total number of long-term advisers will increase as these programs are implemented in the new calendar year, and as the overall Indonesia program increases. Expected numbers by 30 June 2010 are 177 long term advisers.
3. The proportion of long-term adviser costs to total annual program expenditure is five per cent. This ratio is expected to be maintained as the Indonesia Program expands in coming years. The evidence reflects a relatively modest use of long-term advisers by the Indonesia program compared to similar-sized AusAID programs and high use of local capacity where it exists.
4. Consultations undertaken with a range of Government of Indonesia (GOI) agencies that manage or have oversight of long-term AusAID-funded advisers did not reveal any concerns about how long-term advisers were being used or remunerated, nor identify programs using long-term advisers indiscriminately. Further the consultations affirmed that 91 per cent of the long-term adviser positions were rated as high priority by GOI counterparts and AusAID. It was agreed that the remaining 9 per cent (14 positions) be either phased out or be reappraised and positions descriptions revised. In most cases, the course of action had already been determined through regular program governance arrangements and simply recorded by the review process.
5. GOI counterparts consulted during the review consistently commented on the high value GOI places on the technical assistance provided by Australia and its strong wish to see this assistance continue. For example, the Indonesian Trade Minister, Dr Pangestu, noted in a letter in June 2010 about long-term advisers supporting her Ministry that “AusAID’s assistance is highly valued by [the] Ministry and is a major contributor to further strengthening the bilateral Australia-Indonesia relationship”. She noted, like other counterparts, the role played by Australian long-term advisers in providing high level advice on strategic and policy issues. She had been ‘impressed with the effectiveness of assistance provided ... in formulating negotiating positions and strategies for Indonesia’s trade in services’. Indonesia still requires advice on world’s best practice and is aware that its own capacity to draw on internationally credentialed Indonesians remains thin.

6. The review confirmed that the Indonesian Government exerts strong ownership over program elements and is active in monitoring the role and performance of long-term advisers. Indonesia's own rules require that annual visa extension requests of international advisers be accompanied by a performance assessment of the adviser. Joint governance processes, such as project coordinating committees, are working well and providing the basis for a close partnership with the Indonesian Government in program design, implementation and oversight.
7. The concepts of 'value for money' and 'opportunity cost' were well understood by Indonesian counterparts. The average cost by adviser category was included in the information provided to Jakarta-based counterparts during the review. In some cases it was the first time GOI had seen adviser costs split out from other program spending. However, whilst suggesting that greater transparency on adviser costs could be improved, no concerns of substance were raised by agencies. Rather they reaffirmed that international advisers were highly valued and that Indonesia continued to have a need for high calibre advisers.
8. International fee rates paid by the program did feature in the discussions at the agency level, however of greater interest to GOI were the rates paid to national advisers. Indonesian government agencies were previously unaware of the level of remuneration paid to local consultants and suggested these may be subject to closer scrutiny in the future. A remuneration framework will need to be developed to guide the program when recruiting national advisers and ensure AusAID is paying fair rates but not distorting the market. This would need to be benchmarked against GOI, other donors and private companies operating in Indonesia.
9. While program governance arrangements around long-term advisers are functioning well, the review did identify some areas for improvement. One area is a stronger adherence to Indonesian leadership and/or participation in recruitment of long-term advisers. While the review found it was standard practice for GOI partners to have full visibility of terms of reference and work plans, they were not always involved in the recruitment of advisers. Another is for programs to develop exit strategies from the outset (particularly for those programs with in-line national adviser positions). The review found that some programs with larger numbers of national advisers did not have exit strategies developed from the outset.
10. The Indonesia program will also seek to ensure Indonesian counterparts are more aware of adviser costs, at least the order of cost. This will strengthen the application of value for money in selection exercises and the need for processes that review and justify long-term adviser positions. However, some caution will be necessary in what information is conveyed to counterpart agencies, particularly for national advisers given the potential risks to personal safety and exposure to rent-seeking behaviour of some GOI officials. The Indonesia-specific remuneration framework would allow a mechanism for greater transparency of costs with Government of Indonesia.

11. The overall number and costs of advisers will continue to be monitored, with reporting via the annual Senior Officials' Meeting and the Annual Program Performance Report.

INTRODUCTION

12. In the 2010/11 Budget Statement in May 2010 former Foreign Minister Smith announced that an immediate review of all long-term adviser positions funded by the Australian aid program would be undertaken. The outcome of the review is to confirm the priority attached to each adviser position and whether it is an effective response to mutually agreed development needs and priorities.
13. The Indonesia program is in the second tier of country programs undertaking this review, following Papua New Guinea, East Timor, Solomon Islands and Vanuatu who have completed the first phase of the review process. The Indonesia program has already been undertaking six monthly stocktakes of long-term advisers, with this review analysing that data, prioritising positions and developing a strategy for regularly assessing the use of long-term advisers.
14. The country context has had a significant influence on the review. Indonesia is a lower middle-income country with a strong reform agenda. Under the leadership of President Susilo Bambang Yudhoyono, Indonesia has made steady progress in reducing its poverty rates and remained resilient despite the 2008 global economic crisis. However, significant development challenges remain and must be addressed if Indonesia is to realise full middle-income status. Around 32.5 million Indonesians still live in poverty and large disparities exist between Indonesia's provinces. Indonesia lags behind other middle-income countries on performance against human development indicators. The main challenge Indonesia faces is not a lack of financial resources, but rather the capacity in certain areas to effectively use its resources to realise development outcomes.
15. While Indonesia is the largest recipient of Australian aid, this assistance represents less than three percent of Indonesia's annual government expenditure. To have an impact Australian aid has had to be catalytic and leverage reforms in a much bigger system. Australia is the largest grant donor in Indonesia and is increasingly seen as the donor of choice by the Government of Indonesia (GOI), particularly for the provision of technical assistance.
16. Australia is considered a long-term, flexible and responsive partner with a reputation for providing high quality and often world's best practice advice contributing to policy debates and reforms. For example AusAID-funded advisers have been instrumental in supporting the expansion and management of Indonesia's National Community Empowerment Program (PNPM), the anti-poverty agenda and Indonesia's tertiary education policy paper. In sectors such as infrastructure, and agencies such as Ministry of Finance, Australia is the preferred source for strategic analysis and high level policy advice in a range of reform areas, for example connectivity transport studies or post Global Financial Crisis assistance.

17. The Indonesian Government has a high level of visibility and ownership of adviser positions under the Indonesia program. GOI involvement in program design is standard process and GOI counterparts are often involved in selection panels of advisers. Australia and Indonesia work in partnership to implement programs, with regular Program Coordination / Steering Committee meetings in place to discuss program progress and problems. The annual visa renewal process for international advisers requires the GOI counterpart agency to submit a performance report on the adviser. This is provided to the relevant central Government agency that issues the visa extension approval and which oversees general international adviser numbers.
18. There has been no known Indonesian media coverage or public discourse on the Australian aid program's use of long-term advisers in Indonesia. Discussions with GOI indicated no concerns about remunerations levels paid to international advisers and there was a general acceptance that they represented the market rates for international experts.

METHODOLOGY

19. The review was led by the AusAID Chief of Operations, Sam Zappia, with the Indonesia Adviser Review Team (the team) comprising Benita Sommerville, Paul Zeccola, Wiwin Damayanti and Margaret Krauss¹. Sector teams and managers provided assistance and input to the review. The final report for submission to AusAID's Executive was approved by the Minister Counsellor.
20. Government of Indonesia was invited to participate in the joint review of adviser positions, however did not feel they needed to assign a full-time team member to the adviser review team. Lusiana Murty (Head of Sub-Directorate America, Pacific and Middle East, Directorate of Bilateral Foreign Funding, National Development Planning Agency (Bappenas)) was nominated to receive regular updates on the review and endorse the final report.
21. The scope of the review was set by the standard terms of reference used for all country reviews. It covered:
 - 'Adviser positions' only, not the individuals in these positions or their performance, nor 'Technical Assistance' more broadly;
 - 'Long term' advisers – those providing at least 6 months input per year; and
 - Advisers in place as per the Adviser Stocktake, and others likely to be in place during the 2010/11 financial year and in future years (if known)

The review did not capture:

- Short term adviser positions (those providing less than six months input per year);
 - Adviser positions on programs being delivered by multilateral organisations or partner governments where procurement processes are those of the partner organisation;
 - Australian Government deployees and AusAID staff whose primary role is the management of aid program activities²;
 - Volunteers;
 - Personnel deployed under the Australian Civilian Core or the Emergency Rapid Response Team; and
 - Head office staff and company representatives of managing contractors and other implementing partners.
22. The full definition of advisers for the purposes of this review is included in the Review Terms of Reference at Annex 1.
 23. The team drew on the methodology, lessons learnt and templates used by the first tier country programs. The Adviser Stocktake data from 31 July 2010 was the base data source, cross-checked as part of consultations with program areas. Questionnaires were completed by each program area³ with the review team

¹ Tony Liston provided support in Canberra.

² Note, Whole-of-Government deployees (including AusAID DPS) and long-term advisers contracted by Whole-of-Government agencies using ODA funds are included in the review as outlined in Attachment 1.

³ Questionnaires provided to program areas and Government of Indonesia are located at Annex 4.

meeting each program team to confirm details and develop a strategy for consulting with GOI counterparts.

24. The team conducted 24 interviews with relevant GOI counterparts that managed or had oversight of long term advisers funded by AusAID. Most of the interviews were conducted in Jakarta. Interviews were conducted in Banda Aceh regarding 17 long term adviser positions. Program areas assisted in conducting interviews in areas where it was not practical for the adviser team to travel, such as East Nusa Tenggara.
25. As per the scope of the review, the team did not review individual advisers' qualifications or performance. There was confidence that the robust systems and processes in place in the Indonesia program ensured that positions were filled by individuals suitable and commensurate with the position. Still, GOI counterparts were asked if they felt that the position represented 'value for money' and were encouraged to think about the opportunity costs associated with the position.

REVIEW FINDINGS

Key Statistics

26. The review established that 156 long-term advisers are employed as part of the Indonesia program and fit the criteria for inclusion in this review⁴.
 - The 156 figure constitutes the number of long-term advisers with current active contracts⁵. Nine positions will end by 31 December 2010.
 - An estimated 30 new advisers will be recruited by 30 June 2011 bringing the total number of long-term advisers to 177 by the end of financial year.
 - 52 per cent of long term advisers are Indonesian, 31 per cent Australian, 17 per cent other international.
 - 78 per cent of long-term advisers are contracted through managing contractors, 13 per cent directly with AusAID, and 9 per cent through other implementing partners (such as NGOs).⁶
 - 72 per cent of long-term advisers were male, 28 per cent female. Of interest, 23 per cent of international long-term advisers are female whereas 32 per cent of Indonesian advisers are female.
 - 70 per cent of long-term advisers are located in Jakarta, while 30 per cent are located elsewhere.
 - Annual salary and allowances paid to all long-term advisers represents approximately 5 per cent of the total cost of the Indonesia program in 2010-11.

⁴ Number of long-term advisers with active contracts as at 3 December 2010.

⁵ Of these 156 positions, 43 contracts are due to end before 31 December 2010. Nine positions will not be renewed, while the remaining 34 are likely to continue in some form or another as new programs or phases of work get underway.

⁶ As per the scope of the review, any adviser positions on activities funded (entirely or in part) by AusAID which are being implemented by partner governments or multilateral organisations were not included in the review.

27. A list of consultations with GOI is located at Annex 3. There were 41 positions not included in consultations (although they were reviewed and ranked) for the following reasons:

- 11 positions were part of programs undertaking GOI-led recruitment processes at the time of the review⁷. Discussions with program areas and documentation provided showed that GOI was clearly in the lead in identifying the positions required and chaired the selection panels which made the appointments (predominately positions filled by nationals).
- 13 positions were employed under transition programs temporarily in place until the start-up of longer-term programs⁸.
- 16 positions were ending shortly or were part of programs that had either already ended or were due to end within the next six months⁹.
- One position was not discussed as it worked with a disparate group of NGOs in Eastern Indonesia. The resources required to consult on this relatively junior national adviser position was considered to be too high.¹⁰

Commitment to long-term adviser positions

28. **142 out of 156 adviser positions were ranked as high priority.** This was not surprising due to the strong joint nature of AusAID programs in Indonesia and the degree of GOI ownership over the program.

29. In the circumstance where a program was close to its agreed end date, positions were ranked as high priority positions if they were still deemed necessary for the remaining life of the program. A medium priority ranking was given to positions where AusAID and counterparts felt the position could be amended to make it more effective, or perhaps removed entirely. A low priority ranking was given to positions where both AusAID and the Indonesian Government felt the position was no longer required. It should be noted that no low or medium rankings came as a surprise. In most cases, the course of action had already been determined through regular program governance arrangements and simply recorded by the review process.

30. **9 positions (6 per cent) were ranked as medium priority.** In most cases, processes are already in place to amend the position or discuss the position

⁷ Advisers in this category included seven advisers under Australian support to the National Community Empowerment Program (PNPM) and four advisers under the Poverty Reduction Facility.

⁸ Advisers in the category include four advisers under the Australia Indonesia Partnership for Justice (transition program) and nine advisers under the Basic Education Program / Learning Assistance Program for Islamic Education / Kang Guru Indonesia programs.

⁹ Advisers in this category include the six long-term advisers working on rebuilding health and education facilities in West Sumatra (ending April 2011), one adviser under the Smallholder Agriculture Development Initiative (ended 31 July 2010), the Health, HIV and Disaster thematic advisers (all phasing out by February 2011), the knowledge sector adviser (ended September 2010), the adviser assisting SurfAID (ended September 2010), three advisers under the Australia Nusa Tenggara Assistance for Regional Autonomy program (ending October/December 2010) and the social scientist assisting Public Affairs with its Public Perception Surveys (ending December 2010).

¹⁰ This is the Adaptation and Risk Reduction Technical Officer working with Oxfam under the Building Resilience in Eastern Indonesia program.

further. For example, under the Government Partnership Fund (GPF) all GPF stakeholders (Government of Australia and Government of Indonesia) are currently undertaking a planning process for the 2011 workplan which involves prioritising activities to fit within a defined budget. This process is due for completion in December 2010. In another program, options are already being taken to reduce the inputs of a peak advisory role that is no longer required in a full-time capacity.

31. **Only 5 positions (3 per cent) were ranked as low priority.** In all but one case the positions had already been designated as low priority prior to the review and were finishing their contract during the review period. Two were deemed no longer necessary due to work being completed or changing GOI priorities. It was felt that the roles of a further two positions could be undertaken by other programs/advisers. The final low priority position is being considered within a program review and planning process currently underway and due for completion by December 2010.

Use of Advisers in the Indonesia Program

32. The Indonesia program's use of long-term advisers is proportionally modest compared to similar-sized AusAID programs, and likely to remain so into the future. The Australian development assistance program in Indonesia currently employs 156 long-term advisers who form part of a program worth \$461.8 million in 2010-11. Annual salary and allowances paid to all long-term advisers represents five per cent of the total cost of the Indonesia program this financial year.
33. However, the review came at a time when adviser numbers were artificially low in the Indonesia Program. Four sectors (education, law and justice, decentralisation and emerging infectious diseases) were all in a transition period without the full range of activities being implemented. These programs are currently undergoing tender processes which will include long-term advisers as part of the package. The Government of Indonesia is involved in all of the design and tender processes. The total number of long-term advisers will increase as these new programs are implemented in the new calendar year and major changes are undertaken in anticipation of program growth. Expected numbers by 30 June 2010 are 177 long term advisers with this number likely to grow as the size of the overall Indonesia program grows.
34. Table 1 provides a breakdown of long-term adviser use by sector. The Governance sector accounts for the highest proportion of long-term advisers – 61 positions or 40 per cent of long-term advisers. Education, HIV and Infrastructure are also sectors which utilise a high number of long-term advisers. Governance programs characteristically have a relatively high use of long-term advisers and this trend is set to continue over the coming year with new programs in the justice sector, electoral reform assistance and a decentralisation program mobilising.

Table 1 – Adviser Numbers by Sector

Sector	International Adviser Positions	National Adviser Positions	Total Adviser Positions	% of Total Program Advisers	Estimated number of advisers by 30 June 2011
Governance (includes Economic / Democratic Governance)	26	12	38	24.4	42
Education	11	16	27	17.3	27
HIV	9	18	27	17.3	26 + ¹¹
Governance (Decentralisation / Poverty Reduction)	8	15	23	14.7	37
Infrastructure	9	12	21	13.5	21
Health	3	5	8	5.1	14 ¹²
Climate Change	6	1	7	4.5	7
Humanitarian & Disaster Response	1	2	3	1.9	3
Rural Development	1	0	1	0.6	0
Public Affairs	1	0	1	0.6	0
Total	75	81	156		177

35. Long-term advisers in the Indonesia program tend to fall into four distinct groups:

Advisers contributing to a sector program

36. There are 97 long-term advisers (62 per cent) working within a sector program who not only provide technical advice to GOI but are also part of program delivery teams, for example constructing schools, building roads or implementing a climate change program. Under these programs, long-term adviser positions are usually identified during the design and tendering phase. GOI is involved in approving the design and sometimes participates in the tender process, as well as vetting and securing visas for internationals appointees to work in Indonesia.

¹¹ One of the HIV programs will be recruiting a Country Director and national staff for Phase 2 of the Papua Program (Nov 2010-March 2012). Exact staff numbers are unknown.

¹² A new Emerging Infectious Diseases government-to-government partnership will begin between the Indonesian Ministry of Agriculture and the Australian Department of Agriculture, Fisheries and Forestry. This program is likely to employ up to seven long-term adviser positions.

37. An interesting element emerging under sector programs are the national advisers who are being provided to directly support the expansion and management of GOI programs – such as the support to PNPM and the Indonesian Vice President’s Poverty Reduction Facility. With PNPM, AusAID-funded advisers have supported GOI to complete the nation-wide expansion of the program, monitor the quality of the program and ensure that different line agencies involved in delivery stay closely coordinated as PNPM scales-up. The advisers report on a day-to-day basis to their respective GOI agencies, including Ministry of Home Affairs, Bappenas and Coordinating Ministry for People’s Welfare rather than a managing contractor. Under the HIV program, positions are being integrated into local structures. AusAID-funded HIV advisers in Bali are now part of the provincial AIDS Commission structure and will eventually be funded by GOI.

Advisers within technical assistance facilities

38. There are 40 long-term advisers (26 per cent) positioned under technical assistance facilities models. Facilities provide technical assistance and capacity building support to a range of GOI agencies or directorates within an agency. They often operate ‘sub-facilities’ which support in-house advisers as well as a management and support team which oversees the overall management and operation of the facility. Governance arrangements usually include a Board or Management Committee co-chaired by Australia and Indonesia that assesses proposals from all agencies receiving assistance. Facility management personnel are usually determined by the tender process, however specific advisers are recruited based on annual program plans and emerging needs. There are four facilities operating in the Indonesia program - the Australia Indonesia Partnership for Economic Governance, the Indonesia Strengthening Public Procurement Program; the Indonesia Infrastructure Initiative; and the Australia Indonesia Partnership for Justice (which will mobilise in early 2011).

Whole-of-Government secondments

39. Seconded Australian Government officials make up eight per cent of the long-term adviser positions (12 positions) and are highly valued by GOI. The advisers’ role is not solely focussed on the provision of technical expertise and advice to GOI counterparts but also to foster the partnership between government agencies. Ten of the adviser positions are located under the Government Partnership Fund (GPF) which facilitates partnerships between 13 Australian and 15 Indonesian agencies. Other seconded officials include the Denpasar Aviation Security Advisor from the Australian Department of Infrastructure officer, in place to improve the policy, legislation and regulatory framework at Ngurah-Rai International Airport, as well as an Australian Electoral Commission secondment. Whole-of-Government engagement is often driven by GOI which sees the importance of peer-to-peer linkages. GOI has requested that the new Emerging Infectious Diseases Program, to begin in 2011, be implemented through a government-to-government partnership. The partnership between the

Indonesian Ministry of Agriculture and the Australian Department of Agriculture, Fisheries and Forestry (DAFF) is likely to employ up to four DAFF officials.

40. The limitation to government-to-government partnerships is that GOI often does not have control over which adviser is selected for each position as this is determined by the Australian Government agency. This is changing, however. The GPF is currently undertaking a program planning process for 2011 where GOI is assessing each proposal to determine the most cost effective approach to deliver the objectives of each partnership. This includes assessing the number and level of positions required.

Thematic advisers situated in AusAID

41. At the time of the review, AusAID has six thematic advisers situated in the AusAID office - a Principal Health Adviser, HIV Adviser, Senior Education Adviser, Social Policy Adviser, Disaster Management Adviser and Governance Adviser. These advisers offer strategic analytical and policy advice on a sector or thematic level to AusAID, Whole-of-Government and GOI. Two of these positions are being phased out in 2010.
42. The Review captured the use of long-term advisers in 26 programs. A full list of adviser numbers by program is located at Annex 2.

KEY EFFECTIVENESS ISSUES

Continuing need for donor-funded advisers

43. As an emerging middle-income country, the Indonesian Government has increasing access to domestic human resources. More Indonesians are achieving higher education standards and training increasing the pool of local expertise available. For example close to 15,000 Indonesian students studied in Australia in 2009¹³, while an increasing number are studying in the United States and Europe. However, there remains a need for donors to supplement the still small pool of senior, internationally-accredited Indonesian advisers. Analysis has found that for a variety of reasons Indonesia has not developed the kind of domestic human resource infrastructure seen in other large developing countries such as China, India, Mexico, Brazil or even the Philippines. Instead, Indonesia continues to rely on international technical assistance to help develop policy options for government decision-makers¹⁴.
44. This gap provides an opportunity for Australia. It suggests Indonesia will continue to require and demand strategic policy advice and high calibre, highly accredited advisers for some years to come. In some sectors AusAID will continue to be the partner of choice. To maintain that position, and to gain improved access, profile and recognition, it is important that AusAID retain the

¹³ Australian Education International, *Research Snapshot – International Student Numbers 2009*, February 2010

¹⁴ AusAID, *Revitalising Indonesia's Knowledge Sector for Development*, Concept Note, 30 October 2009

ability to source high end expertise. Especially given the mooted size of the future Indonesia program.

45. The Indonesia program is also increasingly working through partner government systems, at the behest of GOI. Additional technical support has been found necessary to assist GOI minimise risk and safeguard Australian funds, for example the cadre of long-term advisers assisting the scale-up of the PNPM program.
46. Budget and procurement constraints make it difficult for GOI to source its own advisers. The amount provided in government budgets to pay for advisers is prohibitively low to attract qualified personnel and presents an area for potential reform. For example, the 2009 Minimum Standard Cost Guideline developed by the Indonesian Consultants Association states that the remuneration rates for an external consultant with over 17 years of experience is only \$3,431 per month¹⁵. Numerous regulatory issues also constrain the procurement of policy advice. Procurement procedures are complex, ambiguous and implemented in different ways across government¹⁶.
47. Australia is assisting GOI overcome these weaknesses through the Revitalising Indonesia's Knowledge Sector for Development Program (currently in design) and those programs working in the economic governance sector. Meanwhile, AusAID continues to be a flexible and responsive partner by assisting GOI access the technical expertise it needs to effectively use its resources and realise development outcomes.

Preference for National Advisers

48. The Indonesian Government, like most governments, prefers to use local capacity where available. This is reflected in the Indonesia program with 52 per cent of long-term advisers sourced from Indonesia. Using national advisers allows for greater sustainability of capacity development and lowers the cost of advisers to the program. National advisers also have the language requirements, established networks and knowledge of how systems operate. The Secretary of the National Aids Commission noted that national advisers lead to the development of more achievable and accountable policies and tended to make policy proposals more palatable to stakeholders. 18 of the 27 long-term advisers (67 per cent) under the HIV programs in Indonesia are national. In programs providing in-line support, the use of national advisers is particularly important.
49. This said, the GOI highly values a mix of personnel. The Local Governance Innovations for Communities in Aceh (LOGICA 2) program engages one highly qualified international long-term adviser and six national advisers (four local and two from Jakarta). GOI counterparts considered this a strategic mix of skills. The international adviser provides access to international best practice and non-

¹⁵ Consultants do receive travel allowance. INKINDO (Ikatan Konsultan Indonesia / Indonesian Consultant Association), *Minimum Standard Cost Guideline*, 2009

¹⁶ Sherlock, S., *Knowledge for policy: Regulatory obstacles to the growth of a knowledge market in Indonesia*, June 2010

Acehnese national advisers bring links to the capital, Jakarta. Acehnese advisers bring strong local networks and ensure greater sustainability.

50. The use of high-calibre national advisers should continue to be prioritised in the Indonesia program, however exit strategies (particularly for in-line national adviser positions) must be developed early in the program to ensure the technical assistance is not substituting for government positions. The review found that some programs with larger numbers of national advisers did not have exit strategies developed from the outset.

Preference for Long-Term not Short-Term Advisers

51. Many GOI counterparts mentioned that they valued the long-term adviser mechanism over short-term inputs. The Tax Office in the Ministry of Finance went so far as to provide a powerpoint presentation of the pros and cons of long-term versus short-term advisers. The benefits of long-term advisers were seen in the relationship they build with counterparts and the increased stability, continuity and consistency they bring to the program. Long-term advisers were considered to have a greater sense of ownership.
52. AusAID needs to take this preference into consideration when discussing different methods to building capacity and ensure a balance is made. Most of the interviews found that this is already occurring with long-term advisers used in conjunction with a mix of technical support, training, workshops, twinning and skills and knowledge transfer.

Strong Partnership Approach

53. In meetings held as part of the review, the Indonesian Government regularly stated that Australia is a partner of choice because of the strong partnership approach adopted. This not only relates to program implementation, but also the strategic direction taken by the program. A colleague in Bappenas stated that he highly values the Indonesia Infrastructure Initiative because Australia is linking technical assistance to GOI strategic priorities, which is not his experience with other donors. The Indonesian Trade Minister, Dr Pangestu, noted in June 2010 that “AusAID’s assistance is highly valued by [her] Ministry and is a major contributor to further strengthening the bilateral Australia-Indonesia relationship”.
54. All programs are jointly managed with GOI. Counterparts experience a high degree of oversight of programs, with at least one high-level meeting held a year that discusses program priorities and effectiveness (for many programs these meetings are biannual). At a working level, engagement is regular and routine. The annual program of work has full GOI approval and endorsement. Many interviewed had been closely involved in the design of the program, including help shape the terms of reference for adviser positions and had been on selection panels for adviser positions. Assessing the effectiveness of all capacity building methods employed (including long-term advisers) was found to be standard practice for program governance and monitoring and evaluation mechanisms.

55. While the review found it was standard practice for GOI partners to have full visibility of terms of reference and work plans, they were not always involved in the recruitment of advisers. In some cases, GOI did not wish to be on the selection panels, choosing instead to endorse the final candidate. However, some counterparts interviewed did express an interest in increasing engagement in this area. Indonesia programs are strongly encouraged to ensure GOI leadership or participation in recruitment of all technical program staff in the future¹⁷.

Transparency of Adviser Costs

56. How to ensure visibility of all programs costs, including the costs of advisers, will be an issue going forward. It was found that while GOI were joint partners in program management and implementation, counterparts often did not have access to specific financial information about the program, including costs of advisers. In the questionnaires provided to Jakarta-based GOI counterparts, the salary range of each adviser position was provided. This was appreciated on the part of many GOI officials, with some counterparts expressing an interest in greater transparency regarding adviser costs so they can undertake a more informed opportunity cost assessment.
57. It became apparent, however, that AusAID will need to approach providing greater transparency of adviser costs with caution. During the review, an issue emerged regarding disclosure of pay scales at the sub-national level. Implementing partners noted that even if government counterparts were aware of the general level of adviser salaries, it could create the opportunity for corrupt practices where advisers are asked to pay bribes for obtaining positions or for positive performance reviews. This is a particular issue for national advisers¹⁸. Concerns went further in the province of Aceh. During the Aceh conflict, as well as in the post-conflict period, extortion, kidnappings and demands for ransoms posed a real or perceived threat. The most recent kidnapping of an international consultant (World Bank) was in September 2008, while a high school student was held for ransom as recently as August 2010. Similar concerns exist for other conflict affected areas, such as Papua. The pay-scale sensitivity was not as apparent at the national level so more detailed data may be appropriate to share at that level. However at the sub-national level, adviser costs may need to be aggregated together to protect staff in the field.
58. An interesting finding from the review regarding costs was that international adviser fee rates on the whole did not cause concern. Indonesian counterparts expected international adviser salaries to be higher which is why they are diligent in minimising their use. What sparked the most interest on the part of GOI counterparts were the rates paid to national advisers which some counterparts considered to be high¹⁹. It is difficult to overcome as GOI officials are usually

¹⁷ The Indonesia program is not mandating that all selection processes are led by or involve GOI. Sometimes there are good grounds for non-inclusion in recruitment.

¹⁸ Three programs required consultation at the sub-national level. In none of these consultations were even the general pay ranges provided to GOI counterparts.

¹⁹ In discussions with government counterparts in Banda Aceh, it appeared they were resigned to the fact that Indonesian advisers cost more in that province, a direct result of post-tsunami market forces.

making a direct comparison to their own salaries. An example is in the current recruitment of advisers to support PNPM. GOI officials on the selection panel refused to hire a qualified consultant who asked for what was considered too high a salary. The concern cited was that it would create disharmony in the office. On one hand GOI are asking for lower national adviser salaries, while on the other AusAID is trying to ensure it pays fair market rates to competent and skilled national advisers.

59. A potential solution to both issues – do no harm and paying fair market rates to local advisers – could be solved by developing a standard remuneration framework for Indonesian advisers. The Indonesia program is aware that an official AusAID Remuneration Framework is due to be released in February 2011. It is unlikely, however, that the remuneration framework will extend to guiding decisions on national advisers (noting the average Indonesian adviser salary is only 20 per cent of the average international adviser salary). An additional benefit of a remuneration framework for Indonesian advisers could be that it assists Government of Indonesia in the development of its own policy on adviser recruitment and costs.

Indonesian Visa Accreditation Process

60. When discussing the future process for managing advisers, GOI counterparts often cited the visa accreditation process coordinated by the Indonesian State Secretariat (Setneg). The process involves a performance review of the adviser which is sent out to the relevant government agency. Adviser performance, as assessed by the counterpart government agency, determines the continuation or cessation of the individual adviser. Satisfactory performance leads to a visa extension letter. Performance deemed to be unsatisfactory results in no letter being issued, making it near impossible for the individual adviser to continue to work in Indonesia.
61. This is a process that all GOI agencies already follow. It does come with risks that need to be managed and monitored as there have been instances where personality clashes or a counterpart pursuing a personal vendetta leads to false or engineered assessments of poor performance. Examples were given of instances where advisers were not granted visas due to ‘tough advice syndrome’, where the adviser did not acquiesce to the wishes of an official seeking to influence program decisions. The process also only covers international advisers, not Indonesian advisers.
62. AusAID will explore the possibility of working with GOI to strengthen the performance reporting under the visa accreditation process, particularly for improved protocols and obligations on agencies to observe fair practice when reporting on adviser performance.

Analysis of contract data for AusAID Aceh-based Indonesian advisers, however, did not show they were noticeably more expensive.

RECOMMENDATIONS

63. The Indonesia program will maintain the current proportion of long-term advisers costs to the total aid program, but will not introduce a cap. The biannual Adviser Stocktake will be used to monitor numbers of long-term advisers at an overall country program level and changing trends, for example monitor the number of international / national advisers per program and long-term advisers who are near the high-end of or above the recommended remuneration rates. Discussion on this data will become a standard agenda item at the annual Senior Officials Meeting and be included in the Annual Program Performance Review.
64. AusAID in Indonesia will continue to use program-level governance arrangements to design, recruit, manage and evaluate long-term adviser contributions to the aid program. Programs will be guided by the *Operational Policy on Use of Advisers in the Australian Aid Program* to ensure that all future requests for adviser positions are partner-led and clearly articulated, that an appropriate assessment has been made that an adviser is the most effective response to the identified need, that the position constitutes value-for-money and that it has a clear line of accountability.²⁰
65. As much as possible, Government of Indonesia will lead or be an active participant in adviser recruitment processes. All adviser recruitment will comply with the *AusAID Remuneration Framework* and associated guidance. If the adviser salary package is above the limit set in the Framework, approval will be sought from the appropriate delegate. This also applies if the adviser is recruited directly by implementing partners such as managing contractors. AusAID staff will need to be more aware of the advisory team within each of the programs they manage and what they are costing the program. Implementing partners need to include AusAID in the recruitment of all technical team personnel. It may mean some adjustment to our contracts with managing contractors / implementing partners, requiring them to seek AusAID's approval of advisers with a salary above a certain level.
66. Program Coordination Committees / Annual Programming Committees for every program will ensure they have a standing agenda item to discuss program modalities and advisers as part of annual workplan negotiations. Existing review mechanisms will be used to analyse the effectiveness of long-term advisers, their contribution to development outcomes, continuing relevance and value for money, especially Independent Progress Reports or Completion Reports. This may require templates to be altered. The GOI-led visa accreditation process will also continue to assess international adviser performance annually. Exit strategies (particularly for in-line national adviser positions) must be developed early in the program.
67. Each program is to determine the best way to be open and transparent with the Government of Indonesia regarding costs of long-term advisers to the program,

²⁰ Pages 4-5, AusAID, *Operational Policy: Use of Advisers in the Australian Aid Program*, Draft, October 2010

keeping in mind do no harm principles and commercial-in-confidence restrictions. An assessment will be made to determine if the *AusAID Remuneration Framework* (yet to be released) assists in the recruitment of Indonesian advisers and in discussions with Government of Indonesia about the standard costs of advisers. The Indonesia program will consider developing a separate Indonesia-specific remuneration framework.

Recommendation Summary

Recommendation 1

Maintain moderate use of long-term advisers and strengthen whole-of-program oversight

- Use the biannual Adviser Stocktake to monitor numbers of long-term advisers at an overall country program level and changing trends
- Trends in long-term adviser use will become a standard agenda item at the annual Senior Officials Meeting and be included in the Annual Program Performance Review.

Recommendation 2

Continue to use program-level governance arrangements with strong GOI ownership and oversight to design, recruit, manage and evaluate adviser contributions to the aid program

- Continue to sit long-term advisers within programs with strong joint governance arrangements.
- Use the *Operational Policy on Use of Advisers in the Australian Aid Program* to strengthen assessment of appropriateness of using advisers
- Encourage the Indonesian Government to lead or be active participants in adviser recruitment processes
- Use existing program review mechanisms to analyse the effectiveness of advisers including the GOI-led visa accreditation process
- Exit strategies to be developed early in the program.

Recommendation 3

Provide greater transparency in long-term adviser costs keeping in mind do no harm principles and commercial-in-confidence restrictions, as well as sensitivities at the sub-national level

Recommendation 4

Develop a remuneration framework, in consultation with GOI, to assist the recruitment of Indonesian advisers

NEXT STEPS

TASK	TIMEFRAME
Disseminate findings of the review to stakeholders, noting implications for systems and processes – Government of Indonesia counterparts, implementing partners and AusAID staff.	Dec 2010 – Jan 2011
Monitor actions taken on medium and low-ranked positions	Dec 2010 – June 2011
Review Remuneration Framework and Operational Policy on Use of Advisers in the Australian Aid Program – disseminate both to Government of Indonesia counterparts, implementing partners and AusAID staff.	Dec 2010 – Jan 2011
Develop Remuneration Framework for Indonesian Advisers	Jan – June 2011
Work with GOI on strengthening performance assessment under the Visa Accreditation Process	Jan – June 2011
Undertake Biannual Adviser Stocktake	Feb 2011

CONCLUSION

The review has clearly shown that the current joint governance processes are working well in the Indonesia program. Government counterparts are generally strong partners in programs and have a strong sense of ownership over activities and outcomes. The review did not discover any Government of Indonesia concern about how long-term advisers were being used nor discover any programs that were using long-term advisers indiscriminately. Most of the positions marked as medium or low had already been marked for amendment prior to the review process.

The Indonesia program will strengthen oversight mechanisms to capture trends on long-term adviser use at the country program level. The Indonesia program will continue to use program-level governance arrangements with their strong GOI ownership and oversight to design, recruit, manage and evaluate long-term adviser contributions to the aid program while ensuring greater involvement of the GOI in adviser recruitment processes.

Consideration will be made regarding establishing the balance between greater transparency around adviser costs (in particular, national adviser fees) and the legal/ethical implications of sharing costs with the GOI. While greater transparency around fees can allow GOI to conduct a more comprehensive opportunity cost assessment of using advisers, it may create opportunities for corrupt behaviour. A local remuneration framework may assist with this issue.

Annex 1**Indonesia Review of Adviser Positions****Terms of Reference****Background**

In the 2010/11 Budget Statement in May 2010 Minister Smith announced that an immediate review of all long term adviser positions funded by the Australian aid program would be undertaken. To be conducted jointly with partner governments, a key outcome of the review will be to confirm the priority attached to each adviser position and whether it is an effective response to mutually agreed development needs and priorities.

The Indonesia program is in the second tier of country programs undertaking this review, following Papua New Guinea, East Timor, Solomon Islands and Vanuatu who have completed the first phase of the review process. The program is also undertaking six monthly stocktakes of long term advisers, with this review analysing the data, prioritising positions and developing a strategy for regularly assessing the use of advisers.

Resources

The review will be led by the Chief of Operations assisted by a two-person (Review team). A further resource is being sourced from the Indonesia Desk in Canberra. Sector teams and managers will provide assistance and input.

Government of Indonesia will be invited to participate in the review.

Objectives

The main objectives of this review are:

1. Assess how effective each adviser position is in meeting agreed program objectives and outcomes.
2. Confirm the priority attached to each adviser position.
3. Agree a future course of action for each adviser position (end, phase out, continue), including consideration of timeframes and implications of agreed actions.
4. To agree a process for regularly assessing the use of advisers and assessing new requests for adviser positions.

The review will also provide key statistical information regarding the use of advisers in the Indonesia program (eg. numbers, sectors, nationals v internationals, key trends in use of advisers, average cost per adviser).

Scope

The review will consider:

- ‘adviser positions’ only, not the individuals in these positions or their performance, nor ‘Technical Assistance’ more broadly;
- ‘long term’ advisers – those providing at least 6 months input per year; and
- advisers in place as per Adviser Stocktake (31 July 2010), and others likely to be in place during the 2010/11 financial year and beyond (if known)

The review will not capture:

- Short term adviser positions (those providing less than six months input per year)
- Adviser positions on programs being delivered by multilateral organisations or partner governments where procurement processes are those of the partner organisation
- WOG deployees and AusAID staff whose primary role is the management of aid program activities
- Volunteers
- Head office staff and company representatives of managing contractors and other implementing partners

AusAID’s definition of Advisers for the purposes of this review is at [Attachment A](#).

The Review Team will utilise the Stocktake of Advisers completed in August 2010 which provides the data for all long-term adviser positions as of 31 July 2010. This stocktake shows the Indonesia program has 162 long term advisers across 28 programs, including 11 whole-of-government deployees under the Government Partnership Fund.

Methodology & Timing

The following process and methodology will be followed for this review. This will be done via a combination of data collection, document review and stakeholder consultations. This methodology takes into consideration the knowledge that some programs already have intensive engagement with Government of Indonesia regarding adviser positions.

Step 1: Develop Core Questions / Collect Background Data

Circulate Terms of Reference and brief key stakeholders including AusAID management team, Whole-of-Government counterparts, Government of Indonesia (Bappenas) and relevant implementing partners (managing contractors).

Develop Indonesia-specific questionnaire for all program teams. Distribute to teams and set up meeting schedule.

Collect background documents for review from program teams (questionnaire on each adviser, TORs, relevant monitoring and evaluation information). Begin initial assessment of each adviser position (this will continue during Step 2).

Step 2: Meeting with Program Areas

Review team to meet with program areas and implementing partners (including whole-of-government) to discuss long-term advisers in their sectors, to make an initial assessment of the effectiveness of individual adviser positions and to determine the degree to which Government of Indonesia is involved in decision making on each position.

Agree on an initial priority-ranking for each position.

Agree the approach for engaging with relevant Government of Indonesia and other stakeholders for each program. It may be decided that for some adviser positions, further review is not necessary.

Step 3: Develop engagement strategy with external stakeholders (GOI, WOG)

The degree to which in-depth discussions need to occur with Government of Indonesia will be determined in the meeting with program areas (Step 2). Finalise this approach with each program team.

Finalise list of questions for discussion with Government of Indonesia.

Step 4: Group discussions on advisers

Hold in-depth group discussions (as agreed in Step 3) on a program basis to seek the perceptions of relevant stakeholders. Each group discussion will involve key Government of Indonesia counterparts who work closely with advisers and AusAID Activity Manager(s). These meetings will also involve Whole-of-Government as relevant.

Discussions will be facilitated by the Review Team and will:

- Assess the effectiveness of the adviser position
- Confirm the priority attached to each adviser position with a particular focus on positions identified as low or medium priority
- Recommend a future course of action for each adviser position.

Discuss views on a proposed process for assessing future requests for advisers.

Step 5: Draft report, including proposed process for regularly assessing the use of advisers

Review team to draft report and to provide recommendations on cross-program implications.

Step 6: Finalise report, test with stakeholders

Step 7: Submit to AusAID Canberra

Attachment 1: AusAID Definition of Advisers

Adviser: An adviser provides advice – to one or more interlocutors – on the strategic direction and/or implementation of Australian aid. This includes personnel that perform one or more the following functions:		
(1) Provide technical expertise and advice to counterpart governments and/or other in-country development partners such as NGOs, churches	(2) Provide technical expertise and advice to AusAID	(3) Engaged to provide leadership and oversight and/or technical inputs for the delivery of an AusAID activity
Methods of engagement: - Directly by AusAID - Through a managing contractor or NGO - WofG deployees (including AusAID DPS) - Contracted by WofG agency using ODA funds	Methods of engagement: - Directly by AusAID on a commercial contract or a non-ongoing employment contract - Through a managing contractor	Methods of engagement: - Through a managing contractor - Directly by AusAID
Eg: Technical project/program staff based in a counterpart office; WofG deployee or AusAID DPS based in a national or provincial govt office	Eg: Thematic adviser based in a Post	Eg: Team Leaders or Program Directors

Not included:

- Short term advisers (inputs of less than 6 months).
- Adviser positions on activities funded (entirely or in part) by AusAID which are being implemented by partner governments or multilateral organisations and where the advisers were procured using their procurement processes.
- Whole-of-government deployees and AusAID DPS staff whose primary role is the management of aid program activities (those that fall within category (1) above **will** be included).
- Volunteers.
- Personnel deployed under the Australian Civilian Core or the Emergency Rapid Response Team.
- Head office staff/company representatives of managing contractors, other implementing organisations or NGOs.

Annex 2 - Programs with Long-Term Advisers

Program		International Adviser Positions	National Adviser Positions	Total Adviser Positions
GPF	Government Partnership Fund	10	0	10
AIPEG	Australia Indonesia Partnership for Economic Governance	10	3	13
ISP3	Indonesia Strengthening Public Procurement Program	2	5	7
EINRIP	Eastern Indonesia National Roads Improvement Program	2	3	5
IndII	Indonesia Infrastructure Initiative	7	9	16
AIBEP	Australia Indonesia Partnership for Basic Education Program	3	2	5
LAPIS	Learning Assistance Program for Islamic Schools	1	0	1
KGI	Kang Guru Indonesia	2	1	3
SEDIA	Support for Education Development in Aceh	1	9	10
SRP	School Reconstruction in West Sumatra and West Java	2	1	3
ADS	Australia Development Scholarships Phase III	1	2	3
KS	Knowledge Sector	0	1	1
IAFCP	Indonesia Australia Forest Carbon Partnership	6	1	7
LOGICA 2	Local Governance Innovations for Communities in Aceh	1	6	7
PRF	Poverty Reduction Facility	1	3	4
ANTARA	Australia Nusa Tenggara Assistance for Regional Autonomy	3	0	3
ACCESS Phase III	Australian Community Development and Civil Society Strengthening	2	0	2

	Scheme			
PNPM	Australian Support to the National Community Empowerment Program (PNPM)	1	6	7
SADI	Smallholder Agribusiness Development Initiative	1	0	1
	Building Resilience in Eastern Indonesia	0	1	1
	SurfAID Disaster Response Unit	1	0	1
AEC	Australia Indonesia Electoral Support Program 2010	1	0	1
AJIP - Transition	Australia Indonesia Partnership for Justice Transition	0	4	4
AIPMNH	Australia Indonesia Partnership for Maternal and Neonatal Health	2	5	7
HCPI	HIV Cooperation Program for Indonesia	6	17	23
CHAI	Clinton Health Access Initiative	3	1	4

Annex 3 – List of External Consultations

No.	Position	Department / Agency
1	Acting Deputy Minister for International Economic and Financial Cooperation	Coordinating Ministry of Economic Affairs
2	Secretary General	Directorate General Tax
3	Head, Division of Monetary Analysis and Financial Institution Head, Sub Directorate of Basic Assumption Projection	Fiscal Policy Office, Coordinating Ministry of Economic Affairs
4	Director for Economic Cooperation and Financing of America & Pacific Head of General Affairs Bureau	Coordinating Ministry of Economic Affairs
5	Unit Head of Cooperation and Bilateral, Planning Bureau	Ministry of Trade
6	Director of Business Climate and	National Public Procurement Agency

No.	Position	Department / Agency
	International Cooperation	
7	Deputy Director of Air Transportation	The Indonesian Development Planning Agency (Bappenas)
8	Directorate for Settlement and Housing	The Indonesian Development Planning Agency (Bappenas)
9	Head of EINRIP Program Management Unit	Ministry of Public Works
10	Head of Administration	Ministry of Home Affairs
11	Vice Mayor	City of Banda Aceh
12	Unit Head, Village Governance Apparatus	Aceh Provincial Government
13	Secretary	National AIDS Commission
14	Delivery and Post Natal Sub Directorate Maternal Complications Sub Directorate Pregnant Women Sub Directorate Reproductive Health	Ministry of Health
15	Health Unit, Nusa Tenggara Timur Province	Ministry of Health
16	Head of International Cooperation Division	Ministry of National Education
17	Head of Majelis Pendidikan Daerah (Education District) Head of Education District Office Head of Education District Office	Ministry of Education, Aceh Province Ministry of Education, Aceh Province Ministry of Religious Affairs, Aceh Province
18	Director Politics and Communication	The Indonesian Development Planning Agency (Bappenas)
19	Deputy Director of Aviation Security	Directorate General of Civil Aviation
20	Director of Poverty Alleviation	The Indonesian Development Planning Agency (Bappenas)
21	Director of Foreign Cooperation	Ministry of Forestry
22	Acting Head of Bureau Bilateral Cooperation	State Secretariat
23	Senior Operations Officer for Governance & Anti-Corruption	World Bank
24	Director General for Forestry Planning	Ministry of Forestry

Annex 4 – Questionnaires

Review of Long-Term Advisers Questionnaire for Australia Indonesia Partnership (AIP) Programs

Program

Number of Long-Term Advisers

Fill in the questions below for each program.

1. **Summarise how advisers are being used in this program (200wds max)**
-how are the objectives of the program linked to the objective of the advisers?
-how are advisers used as a part of this program?
-how are advisers used to build capacity?
2. **How are long-term adviser positions identified, agreed, scoped, recruited and managed? (300 wds max)**
-what is the involvement of GoI?
-who do the advisers report to?
3. **How effective are advisers under this program? (300 wds max)**
-what key results have been achieved to date by advisers under this program (consider both outputs and capacity building results as appropriate)?
-how are results monitored and reported?
-refer to any relevant M&E data and provide examples where possible
4. **Have other options other than the provision of long-term advisors been explored/considered? (200 wds max)**
-what is the current balance between adviser use and use of other delivery modalities?
-see Attachment 2 for a list of alternative methods for capacity building
5. **What is the priority of each long-term adviser position under the program?**
 Every adviser position needs to be assessed as either high, medium or low priority. Informed decisions about the opportunity cost of, and therefore the priority attached to each position, will take into account a range of considerations including:
 - value for money
 - a clear articulation of the intended outcomes of the position (results) – including how the position is building capacity in host organisations
 - whether there are alternative or more cost-effective ways of achieving these intended outcomes, and
 - an assessment of the relative importance of the position to the broader country program and bilateral relationship.

High priority means the position should be retained; **medium priority** means other options should be considered; **low priority** means the position should be phased out.

The **Advisor Position Priority Assessment Tool** at Attachment 1 may assist you in this task.

Please place all rankings and rationales in the Adviser Position Data sheet. These will be discussed with your Indonesian Government counterpart and a ranking mutually agreed.

6. Consultations

Who should be interviewed from Government of Indonesia regarding the advisers under this program? Are there any other stakeholders who should be consulted?

Are there any key questions that should be asked in addition to the ones below?

- What are the key challenges and capacity constraints facing your sector / agencies? What role do advisers play in helping to address these?
- Are advisers effective in building capacity in your organisation and are there clear examples of this?
- How long have these positions been supporting your organisation? What is your view of an appropriate 'exit strategy' for the advisers? What would be the consequences or risks of reducing advisory support?
- What are the factors that make advisers effective or ineffective in achieving results and outcomes?
- Are long-term advisers a cost-effective way of addressing the constraints and challenges facing your Agency? Are there other ways that might be more cost-effective and have these been explored?
- Are there any cost-sharing arrangements for the advisers in your organisation? What is your view for introducing cost-sharing as a way of ensuring strong counterpart commitment to the positions?
- How much ownership does your Agency have over advisers – how involved have you been in designing their inputs, selecting them and managing their day-to-day work?
- We would like to discuss with you our initial assessment of the advisory positions working with your organisation and ask for your response to these (Refer Adviser Position Data Sheet).

Attachment 1: Advisor Position Priority Assessment Tool

Informed decisions on the opportunity cost of, and therefore the priority attached to each position, should take into account a range of considerations including:

- Value for money
- a clear articulation of the intended outcomes of the position (results)
- Whether there are alternative or more cost-effective ways of achieving these intended outcomes,
- An assessment of the relative importance of the position to the broader country program and bilateral relationship.

The following tool is intended to assist with initial program-level assessments, and with the Review Team's final analysis of adviser position priority as required. This tool is only intended to provide a guide to the assessment of a position's priority, each position must be considered independently according to a range of influencing factors. Whilst the total score will provide guidance, the assessor's judgment may still be that some factors outweigh others, justifying a different priority rating to what the total score indicates.

1. Position questions	Strongly disagree (1)	Disagree (2)	Partly agree (3)	Agree (4)	Strongly agree (5)
The intended results / outcomes to be generated from this placement are clear	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Positive results can be demonstrated from this position's input to date	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The position has strong counterpart engagement and a verifiable work plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Alternative options (non-advisory) for achieving these results have been considered	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The position is a cost effective way to achieve the intended results	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Alignment questions	Strongly disagree (1)	Disagree (2)	Partly agree (3)	Agree (4)	Strongly agree (5)
The position aligns with bilateral aid program priorities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The position contributes to sectoral priorities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

There is/was a specific GoI demand for this form of assistance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--	--------------------------	--------------------------	--------------------------	--------------------------	--------------------------

There is/was a specific Government of Australia imperative for this position	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--	--------------------------	--------------------------	--------------------------	--------------------------	--------------------------

Score/45

Priority:

(1-15 **Low** priority, 16-30 **Medium** priority, 31-45 **High** priority)

Attachment 2: Alternative methods to building capacity

- Short-term training
- Initiating for cooperation between developing countries
- Initiating inter-provincial/district exchanges and peer learning
- Equipment, buildings, refurbishments, facilities, vehicles and other supplies regarded as necessary for organisations to achieve their objectives and for competencies and capabilities to be demonstrated
- Study tours
- Scholarships
- Workshops, symposia
- Exchanges
- Twinning
- Budget support
- Grants – direct, co-financed, incentive-based
- Payments on having completed actions
- Internal professional development programs
- Inclusion in professional associations and networks (local, regional, bilateral or global)
- Support in establishing professional associations in partner countries
- Support for annual regional conferences
- Collaborative research and collaborative reviews/evaluations (including mix of stakeholders, eg local Universities, other donors etc.)
- Joint program and policy development, or joint participation in internal or external working groups within or beyond partnerships
- Joint direct or indirect development of manuals, procedures, best practice advice within or beyond partnerships
- Blended approaches – combining some of the above into one approach

Review of Long-Term Advisers
Questionnaire for Government of Indonesia

AusAID is requesting Government of Indonesia to assist us in our Review of Long-Term Advisers. This is an effort to ensure our development assistance is cost-effective and efficient and is meeting the needs of the Indonesian Government.

We are requesting the Indonesian Government to provide a ranking of each adviser position and inform us if you feel some positions could be phased out or replaced by alternative and more effective capacity development options.

AusAID would like to emphasise that we are assessing the relevant and effectiveness of the adviser position, not the person acting in that role.

AusAID does not expect you to fill out the following questionnaire, but rather use it to prepare for a face-to-face discussion with the AusAID Review Team.

We would like to come and discuss the use of advisers with each relevant agency. Some topics we would like to discuss include the following questions:

- What are the key challenges and capacity constraints facing your sector / agencies? What role do advisers play in helping to address these?
- Are advisers effective in building capacity in your organisation/s and are there clear examples of this?
- How long have these positions been supporting your organisation/s? What is your view of an appropriate 'exit strategy' for the advisers? What would be the consequences or risks of reducing advisory support?
- What are the factors that make advisers effective or ineffective in achieving results and outcomes?
- Are long-term advisers a cost-effective way of addressing the constraints and challenges facing the Agency/s under your program? Are there other ways that might be more cost-effective and have these been explored?
- Is the seniority or experience of long-term advisers appropriate to your Agency/s needs? Would a more junior or less experienced (and less costly) adviser be more appropriate for the proposed scope of work?
- Are there any cost-sharing arrangements for the advisers in your organisation/s? What is your view for introducing cost-sharing as a way of ensuring strong counterpart commitment to the positions?
- How much ownership does your Agency/s have over advisers – how involved have you been in designing their inputs, selecting them and managing their day-to-day work?

Based on the answers to the questions above we would then like to confirm the priority that the Indonesian Government places on each adviser position.

We are asking Indonesian Government counterparts to assess every adviser position (not the person currently performing that role) as either high, medium or low priority. These rankings would need to take into account the following:

- value for money
- a clear articulation of the intended outcomes of the position (results) – including how the position is building capacity in host organisations
- whether there are alternative or more cost-effective ways of achieving these intended outcomes, and
- an assessment of the relative importance of the position to the broader country program and bilateral relationship.

High priority means the position should be retained

Medium priority means other options (such as those at [Attachment 2](#)) should be considered

Low priority means the position should be phased out

Long-term advisers currently working under your program are listed on the following pages.

The **Advisor Position Priority Assessment Tool** at [Attachment 1](#) may assist you in this task.

AusAID thanks you in advance for your time on this review. It will hopefully assist us to provide more effective and targeted assistance to your organisation.

**Long-Term Advisers Employed under
[PROGRAM]**

No	Adviser Position	GOI Counterpart Agency	Main Tasks / Function	Salary Range per year **	GOI Ranking (High, Medium or Low)
			•		
			•		
			•		
			•		

**** Note for contract confidentiality reasons, AusAID is unable to provide the exact contract rate for each adviser. We have instead provided a fee range that each Adviser falls into to assist GOI in making its assessment. Note that each adviser may have allowances per year (in addition to their salary) depending on their family circumstances.**

Table : Annual Salary Range (AUD) for International and National Adviser

	International Adviser Annual Salary Range (AUD)	Ekuivalen (IDR), AUD1 = Rp 8.700		National Adviser Annual Salary Range (AUD)	Equivalent (IDR), AUD1 = Rp 8.700
IA-SR1	< 50,000	< 435.000.000	NA-SR1	< 10,000	< 87.000.000
IA-SR2	50,001 - 100,000	435.000.001 – 870.000.000	NA-SR2	10,001 - 25,000	87.000.001- 217.500.000
IA-SR3	100,001 - 150,000	870.000.001 – 1.305.000.000	NA-SR3	25,001 - 50,000	217.500.001- 435.000.000
IA-SR4	150,001 - 200,000	1.305.000.001 – 1.740.000.000	NA-SR4	50,001 - 75,000	435.000.001- 652.500.000
IA-SR5	200,001 - 250,000	1.740.000.001 –	NA-SR5	75,001 - 100,000	652.500.001- 870.000.000

		2.175.000.000			
IA-SR6	> 250,001	> 2.175.000.001	NA-SR6	> 100,001	> 870.000.001

Attachment 1: Advisor Position Priority Assessment Tool

Informed decisions on the opportunity cost of, and therefore the priority attached to each position, should take into account a range of considerations including:

- Value for money
- a clear articulation of the intended outcomes of the position (results)
- Whether there are alternative or more cost-effective ways of achieving these intended outcomes,
- An assessment of the relative importance of the position to the broader country program and bilateral relationship.

The following tool is intended to assist with initial program-level assessments, and with the Review Team's final analysis of adviser position priority as required. This tool is only intended to provide a guide to the assessment of a position's priority, each position must be considered independently according to a range of influencing factors. Whilst the total score will provide guidance, the assessor's judgment may still be that some factors outweigh others, justifying a different priority rating to what the total score indicates.

1. Position questions	Strongly disagree (1)	Disagree (2)	Partly agree (3)	Agree (4)	Strongly agree (5)
The intended results / outcomes to be generated from this placement are clear	?	?	?	?	?
Positive results can be demonstrated from this position's input to date	?	?	?	?	?
The position has strong counterpart engagement and a verifiable work plan	?	?	?	?	?
Alternative options (non-advisory) for achieving these results have been considered	?	?	?	?	?
The position is a cost effective way to achieve the intended results	?	?	?	?	?
2. Alignment questions	Strongly disagree (1)	Disagree (2)	Partly agree (3)	Agree (4)	Strongly agree (5)
The position aligns with bilateral aid program priorities	?	?	?	?	?
The position contributes to sectoral priorities	?	?	?	?	?

There is/was a specific GoI demand for this form of assistance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--	--------------------------	--------------------------	--------------------------	--------------------------	--------------------------

There is/was a specific Government of Australia imperative for this position	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--	--------------------------	--------------------------	--------------------------	--------------------------	--------------------------

Score/45

Priority:

(1-15 **Low** priority, 16-30 **Medium** priority, 31-45 **High** priority)

Attachment 2: Alternative methods to building capacity

- Short-term training
- Initiating for cooperation between developing countries
- Initiating inter-provincial/district exchanges and peer learning
- Equipment, buildings, refurbishments, facilities, vehicles and other supplies regarded as necessary for organisations to achieve their objectives and for competencies and capabilities to be demonstrated
- Study tours
- Scholarships
- Workshops, symposia
- Exchanges
- Twinning
- Budget support
- Grants – direct, co-financed, incentive-based
- Payments on having completed actions
- Internal professional development programs
- Inclusion in professional associations and networks (local, regional, bilateral or global)
- Support in establishing professional associations in partner countries
- Support for annual regional conferences
- Collaborative research and collaborative reviews/evaluations (including mix of stakeholders, eg local Universities, other donors etc.)
- Joint program and policy development, or joint participation in internal or external working groups within or beyond partnerships
- Joint direct or indirect development of manuals, procedures, best practice advice within or beyond partnerships
- Blended approaches – combining some of the above into one approach

Annex 5- References

- Anonymous, *Recruitment and Engagement conditions for Internationally Recruited Specialists (IRS): Final analysis and Recommendation Report*, Appendices, December 2009
- AusAID, *Australia Indonesia Basic Education Program (AIBEP) Independent Completion Report*, May 2010
- AusAID, *Australia-Indonesia Education Sector Development Mid-Term Review*, May 2008
- AusAID, *Australia-Indonesia Government Partnerships Fund (GPF) Independent Completion Report*, 30 March 2010
- AusAID, *Indonesia Annual Program Performance Report 2009: Indonesia*, May 2010
- AusAID, *Indonesia-Australia Legal Development Facility Independent Completion Report*, 2010
- AusAID, *Joint Review of Technical Adviser Positions in Papua New Guinea*, Draft, 2 September 2010
- AusAID, *Management Arrangements of the Indonesia Infrastructure Initiative, Consultants' Report*
- AusAID, *Mid-Term Review of the Indonesia Infrastructure Initiative (INDII)*, 22 July 2010
- AusAID, *Operational Policy: Use of Advisers in the Australian Aid Program*, Draft, October 2010
- AusAID, *Review of the Australia Indonesia Partnership for Reconstruction and Development (AIPRD)*, 21 August 2008
- AusAID, *Revitalising Indonesia's Knowledge Sector for Development*, Concept Note, 30 October 2009
- AusAID, *Timor-Leste Country Program Report: Joint Review of Adviser Positions funded by the Australian Aid Program*, Draft, October 2010
- Australian Education International, *Research Snapshot – International Student Numbers 2009*, February 2010
- McCarthy, J., Ibrahim, R., *Review of Social Science Capacity Building Support to Indonesia's Knowledge Sector*, 8 March 2010
- Sherlock, S., *Knowledge for policy: Regulatory obstacles to the growth of a knowledge market in Indonesia*, June 2010