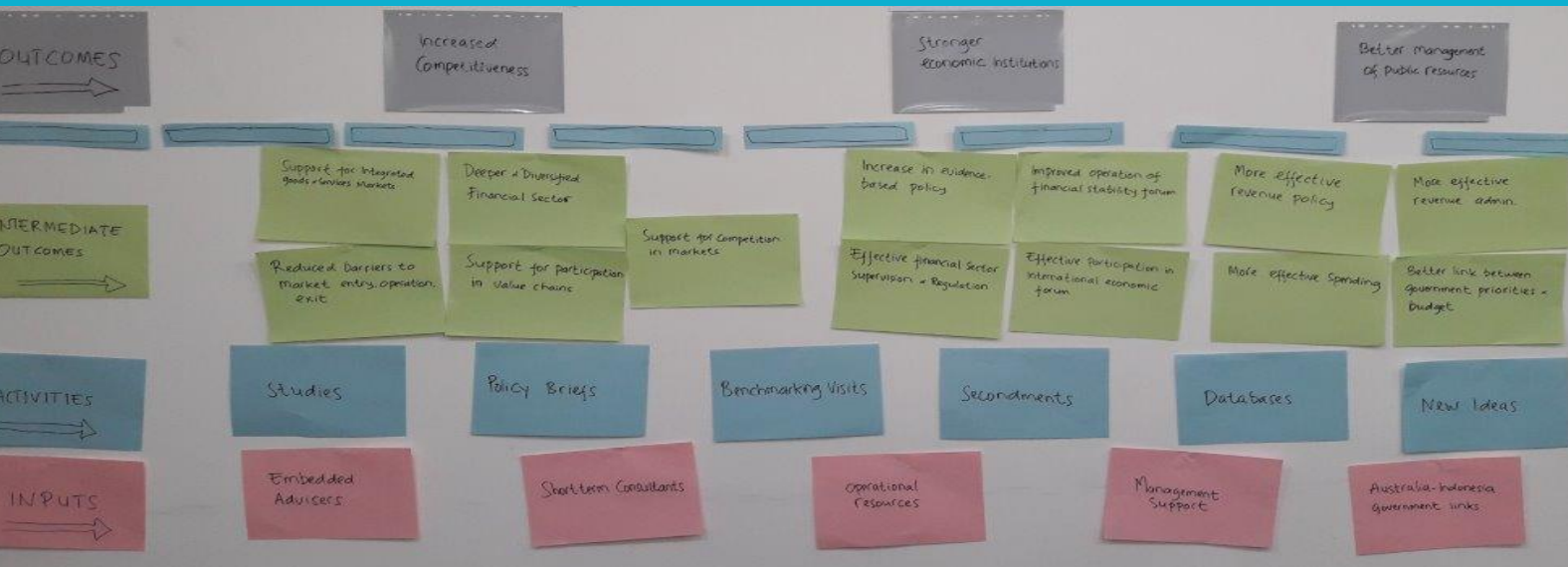


Australia Indonesia Partnership for Economic Governance



MONITORING & EVALUATION FRAMEWORK 2017-18

General information

Item	Detail
Facility Name	Australia Indonesia Partnership for Economic Governance (AIPEG)
Sponsor Agency	Coordinating Ministry for Economic Affairs (CMEA)
Other Partner Agencies	Includes the following: Ministry of Finance (MoF), Ministry of Trade (MoT), National Planning and Development Agency (Bappenas), Ministry of State Apparatus and Bureaucratic Reform (MenPAN-RB), Financial Services Authority (OJK), Investment Coordinating Board (BKPM), Business Competition Supervisory Commission (KPPU), President's Office, Vice-Presidents' Office.
Commencement Date	1 December 2009
Scheduled Completion Date	28 February 2018
Facility Value	AUD 127.5 million
Managing Contractor	SMEC (from July 2014)

Document Control

Version	Date	Summary of changes	Authors	Reviewers
1	20 Nov 2016	Comprehensive update of AIPEG II M&E Framework and Implementation Plan (21 January 2014).	Knowledge Management Economic Adviser M&E Adviser	Facility Director Deputy Directors M&E Specialist (external)
2	28 Aug 2017	Revised following feedback from DFAT/Clear Horizon (March and July 2017) and AIPEG Advisory Board Meeting (June 2017). Includes: updated Theory of Change and indicator framework; sharper list of evaluation questions, explanation of evaluation methods, capacity development and gender integrated across outcomes and indicators; increased collaboration with government partners; and M&E budget.	M&E Adviser	Knowledge Management Economic Adviser

Acronyms and Abbreviations

ADD	Activity Design Document
AUD	Australian Dollars
AIPEG	Australia Indonesia Partnership for Economic Governance
APPR	Aid Program Performance Report
Bappenas	National Planning and Development Agency
BKPM	Investment Coordinating Board
CMEA	Coordinating Ministry for Economic Affairs
DFAT	Department of Foreign Affairs and Trade
EA	Engagement Area
EDD	Engagement Design Document
Gol	Government of Indonesia
GPF	Government Partnerships Fund
ISD	Indonesia Services Dialogue
KPPU	Business Competition Supervisory Commission
LPS	Indonesia Deposit Insurance Corporation
M&E	Monitoring and Evaluation
MenPAN-RB	Ministry of State Apparatus Empowerment and Bureaucratic Reform
MoF	Ministry of Finance
MoT	Ministry of Trade
OJK	Financial Services Authority
PAF	Performance Assessment Framework
TAMF	Technical Assistance Management Facility
ToC	Theory of Change
ToR	Terms of Reference

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Executive Summary

Strong, sustainable and inclusive economic growth is the goal of the Australia Indonesia Partnership for Economic Governance (AIPEG) – a facility to strengthen economic policy and institutions in support of the Indonesian government.

AIPEG's way of working is to engage across thematic areas of markets, finance, spending, revenue and economic policy to contribute towards this goal. Engagement areas do not work to a single Indonesian government counterpart. Rather, AIPEG explores multiple pathways with change agents within the Indonesian government. This search for entry points draws on the 'Problem Driven Iterative Design' model, pioneered at Harvard's Center for International Development, where cyclical feedback of M&E information is key.

The M&E Framework is designed with the key users of M&E information in mind. Feedback from stakeholders is that the main focus should be on:

- **Performance information to shape investment decisions:** *Are activities contributing to outcomes? Why/why not?*
- **Key achievements:** *What significant economic policy or institution changes have occurred as a result of AIPEG's contribution?*
- **Lessons learned:** *What were the success factors? What areas failed to take hold and why?*

The centerpiece is a Theory of Change. This is supported by an indicator tracking matrix to prompt assessment of whether activities are contributing to outcomes.

This M&E Framework includes tools and templates for activity-level monitoring purposes, including adviser reports and workshop evaluations. Special attention is paid to integrating capacity development and gender across AIPEG's outcomes and indicators. Evaluation strategies include performance assessments, aid quality checks, special topic evaluations, and an end of facility evaluation.

The M&E Framework is designed to generate information for management decision-making. Data and information are collected through desk reviews of activity-level reports and public documents, stakeholder interviews, surveys, thematic studies, and national/international statistics.

Each AIPEG engagement area has M&E focal points, supported by analysis and coordination from a central Knowledge Management Team. Broader communication and knowledge-sharing is also achieved through an AIPEG newsletter, electronic library, roundtables, presentations, and iterative design of initiatives.

Ultimately, the aim is to contribute to strong, sustainable and inclusive economic growth in Indonesia in a way that is efficient, effective and long-lasting. To that end, AIPEG's M&E Framework is designed to keep all of us on track.

1. Introduction

High quality monitoring and evaluation (M&E) is required to ensure that information generated from activities has a credible basis, is suitable to make important investment decisions and for wider learning.

The purpose of this M&E Framework is to capture AIPEG's outcome areas, document monitoring tools and focus evaluation efforts. This 2017-18 update been prepared with reference to DFAT Monitoring and Evaluation Standards (December 2016), as far as possible at this stage in the facility. With a view to value for money considerations, the main focus for M&E efforts in the final year is on evaluation.

The Framework is structured as follows:

- **AIPEG Overview** – A snapshot of AIPEG's goal and objectives, key thematic areas, ways of working, governance and activity cycle.
- **Theory of Change** – Refresh of AIPEG's Theory of Change (ToC) to better reflect the facility as a whole, including the process to develop the ToC.
- **M&E Implementation** – Monitoring tools, evaluation strategies and resourcing.
- **Capacity Development** – AIPEG's approach to M&E of capacity development.
- **Gender and Social Inclusion** – AIPEG's approach to integrating gender and social inclusion.
- **How Evidence is Used** – Overview of how M&E information will input into learning, decision-making, communicating and reporting.
- **Annexes** – Background on the evolution of AIPEG, templates and reporting matrix.

2. AIPEG Overview

2.1 Goal and objectives

The Australia Indonesia Partnership for Economic Governance (AIPEG) is an AUD 127.5 million facility. It commenced in December 2009 and will complete in February 2018. AIPEG's goal is to support strong, sustainable and inclusive growth in Indonesia through increased competitiveness. AIPEG contributes to this goal via:

- 1 Well-functioning markets.
- 2 Strong economic institutions.
- 3 Better management of public resources.

AIPEG is a facility to strengthen the evidence-base for economic policy in support of the Indonesian government.

2.2 Ways of working

AIPEG's way of working is to engage in thematic areas and explore multiple pathways with change agents within the Indonesian government, and sometimes outside. This search for entry points draws on the 'Problem Driven Iterative Design' model, pioneered at Harvard's Center for International Development, where cyclical feedback of M&E information is key.

AIPEG's five engagement areas are:

- **Markets** - Promoting trade and investment and improving ease of doing business.
- **Finance** - Increasing stability and deepening the financial sector.
- **Revenue** - Boosting revenue through policy and administration reforms.
- **Spending** - Improving spending policy and budget systems.
- **Economic policy** - Spanning across all areas is contribution towards better economic policy based on evidence, and addressing cross-cutting issues of gender equality, institutional capability and infrastructure investment.

Engagement areas do not work to any one Indonesian government counterpart. Rather, they work across with a range of government and other partners to effect policy and institutional change for better economic outcomes. Key partners include the Coordinating Ministry for Economic Affairs, Ministry of Finance, Ministry of Trade, Ministry for National Development Planning (Bappenas), Financial Services Authority and Investment Coordinating Board. Other partners are also engaged as appropriate, including the private sector.

AIPEG offers technical assistance through embedded advisers, subject matter experts, studies, capacity building initiatives, a group of senior Indonesian policy advisers (*Tim Asistensi*) and a focus on productivity-enhancing reform measures. AIPEG also works closely with deployees from Australian government agencies under the Government Partnerships Fund (GPF).

2.3 Governance and activity selection

AIPEG operates as a **strategic facility**. This is a specific kind of facility, which recognises two key characteristics:¹

1. **Flexibility** is required to allow AIPEG to engage effectively in the activities to best facilitate reform. This characteristic is common to all facilities.
2. A **strategic approach** is also required to ensure that AIPEG can act as a proactive and consistent influence for transformation of economic policies and institutions to support a more competitive economy.

An Advisory Board provides strategic direction and oversees the program. The Advisory Board comprises two co-chairs: 1) DFAT; and 2) Coordinating Ministry for Economic Affairs. The Board also includes representatives from Indonesian and Australian government agencies and non-Government representatives with expertise in economic governance.

¹ This type of facility is also described in [Poverty Reduction Support Facility \(PRSF\): Implementation Planning, PRSF After 2014](#)

AIPEG's strategic framework is set out in the Engagement Design Documents (EDDs). Each design document outlines several activity streams to ensure planned investment and in many cases 'getting ahead of the curve'. At the same time, there is flexibility to respond to 'just in time' issues and emerging opportunities for reform.

Below the Engagement Areas, individual activities are proposed and grouped into activity streams by AIPEG Engagement Lead Advisers and approved by the AIPEG Senior Management Team according to the following investment criteria:

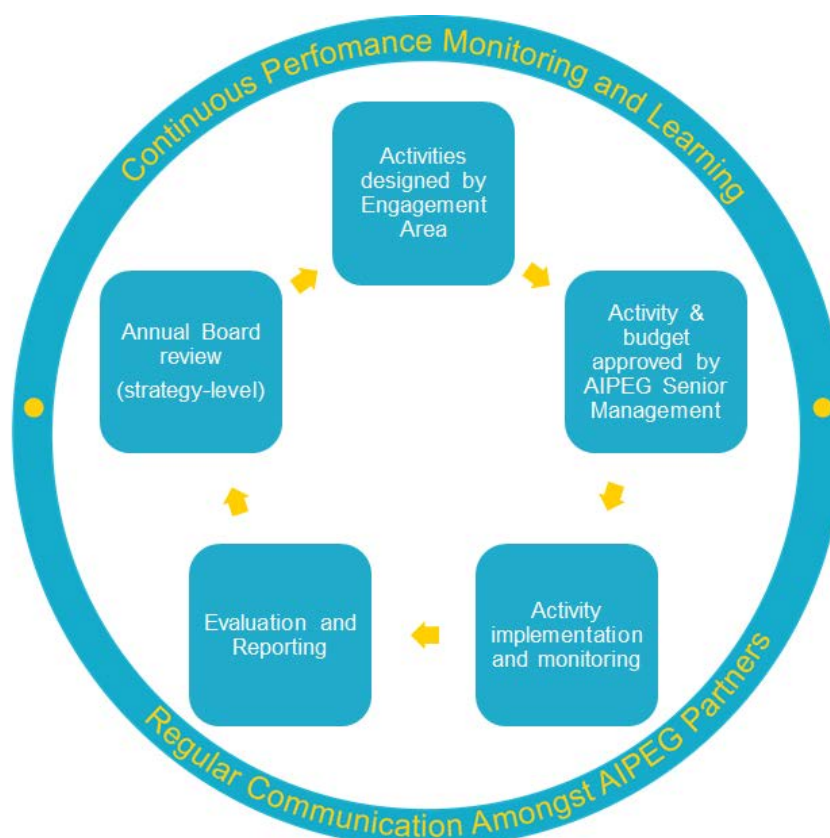
- Contribution to engagement area outcomes.
- Indonesian and Australian government interest and support to the reform activity.
- Links to AIPEG's overall objectives of increased competitiveness and strengthened economic institutions.
- Confidence in the activity being delivered within the timeframe and budget allocated.

The role of the AIPEG Senior Management Team is to:

- Propose topics for further work, reflecting networks and a global, macroeconomic view.
- Join the Engagement Areas up together to reinforce each other.
- Quality assure and risk manage activities, and allocation of appropriate resources (finance, contracting and procurement, etc.)

Figure 1 shows the AIPEG activity cycle.

Figure 1: AIPEG Activity Cycle



3. Theory of Change

3.1 Process

A Theory of Change (ToC) is a tool to clarify how outcomes are achieved, articulate a clear narrative for the initiative, and frame monitoring and reporting.

A ToC developed at the start of a facility typically articulates ‘end of facility outcomes’. At this stage of the facility, the ToC is primarily used to evaluate AIPEG and to set up a baseline for the next phase. Through this M&E framework, the AIPEG team can track progress towards longer-term outcomes, anticipating that areas where AIPEG has been operating for longer will have more mature outcomes.

Importantly, the M&E framework also highlights to management where areas have been slow to make progress, inviting reflection on whether resourcing and/or performance is adequate, or other factors are impeding progress.

Although the AIPEG ToC is expressed in a linear way for ease of communication,² the AIPEG team recognises there are often multiple and overlapping pathways to reach the same outcomes.

Over the past seven years, the AIPEG facility has been through several phases and ways of working (refer Annex 1). AIPEG’s updated ToC was developed through document review combined with participation from project stakeholders, including:

- **Review of key AIPEG documents (July-October 2016)**

Design Document (2009), Six-Monthly Progress Reports (2012-2016), Independent Progress Report (2011), Scoping Studies (2013), AIPEG: Design Concept for a Successor Facility (2014), AIPEG 2: Investment Design (2014), Engagement Design Documents (2015), Transition Report (April 2016) and DFAT Partner Performance Assessments.

- **Engagement with Government of Indonesia (July-October 2016)**

Ongoing engagement with Coordinating Ministry for Economic Affairs and other government partners on activities and outcomes under each Engagement Area.

- **AIPEG workshop: Updating and evaluating the AIPEG story (July 2016)**

An interactive workshop with the management team and senior team members from each engagement area to: 1) update the ToC to reflect the full breadth of AIPEG; and 2) identify AIPEG achievements (and shortfalls) against a timeline of political and economic changes Indonesia and Australia.

- **Discussions with DFAT and Government Partnership Fund (GPF) representatives (August 2016)**

Presentation of proposed AIPEG outcomes framework to DFAT Indonesia program team, and contribution to ToC discussion for successor program.

- **In-depth follow-up discussions with each AIPEG Engagement Area (July-October 2016)**

Discussions with senior team members from each engagement area to refine the ToC outcomes framework and develop key indicators.

² AIPEG’s Theory of Change is expressed through a logic model (Figure 2). This focuses on AIPEG’s interventions within the bigger picture or system of change. Alternative reasons for change that are outside AIPEG’s influence are tested through evaluation processes.

- **AIPEG planning sessions (March-April 2017)**

Planning sessions with AIPEG management team and senior members of each engagement area to design activities and revise the ToC through to 2018.

- **Joint AIPEG-GPF Advisory Board Meeting (June 2017)**

Meeting where the AIPEG-GPF Advisory Board Co-Chairs endorsed AIPEG's Engagement Design Documents 2017-18 and outcome areas.

When developing a ToC for a facility it is important to be explicit about the limited extent of control that the facility has over the achievement of intended outcomes. Rather, it is vital to understand that a facility can potentially **support and influence activities**, while making a valuable contribution to various intended outcomes, however, it is likely to not have the **level of control** that a fully scoped and resourced program could have.

*"It should be understood that the facility logic does not promise that the activities conducted under it will be sufficient to achieve these outcomes, rather that they should lead to the necessary preconditions required to achieve the outcome."*³

In some cases, it is sufficient for facilities to just specify broader goals and end-of-facility-outcomes.⁴ In the case of AIPEG, more detailed levels are useful to clearly show the entry points for AIPEG. A comprehensive model for AIPEG as a whole, also helps move beyond over-investment in activity monitoring to an assessment of contribution to higher-order outcomes.

The ToC is structured according to a series of levels that are outlined in Table 1 below.

Table 1: AIPEG Theory of Change Structure

Level	Description
Goal	The development goals that this initiative (amongst other things) will contribute towards.
Long-term Outcomes	The specific overall changes this initiative will contribute towards.
Intermediate Outcomes	Medium term outcomes that are necessary preconditions.
Steps along the way	Immediate changes or tangible products as a result of the activities that should contribute to the intermediate outcomes.
Activities	Tasks conducted to bring a change in a situation or behaviour that is expected to contribute to outcomes.
Inputs	The tools to enable activities to occur, including advisers, operational resources and management support.

A set of indicators have also been developed as signs of progress to determine whether the facility is on its way to achieving its outcomes and goal, tracked at the levels of program activities; intermediate; and long-term outcomes.

3.2 Summary of AIPEG contribution to outcomes

In the following pages, Figure 2 and Table 2 summarise AIPEG's Theory of Change.

³ Dart, J (2014) Draft Concept Note - Program Logic for facilities, *Unpublished*

⁴ Dart, J (2014) Draft Concept Note - Program Logic for facilities, *Unpublished*

Figure 2:
AIPEG Theory of Change

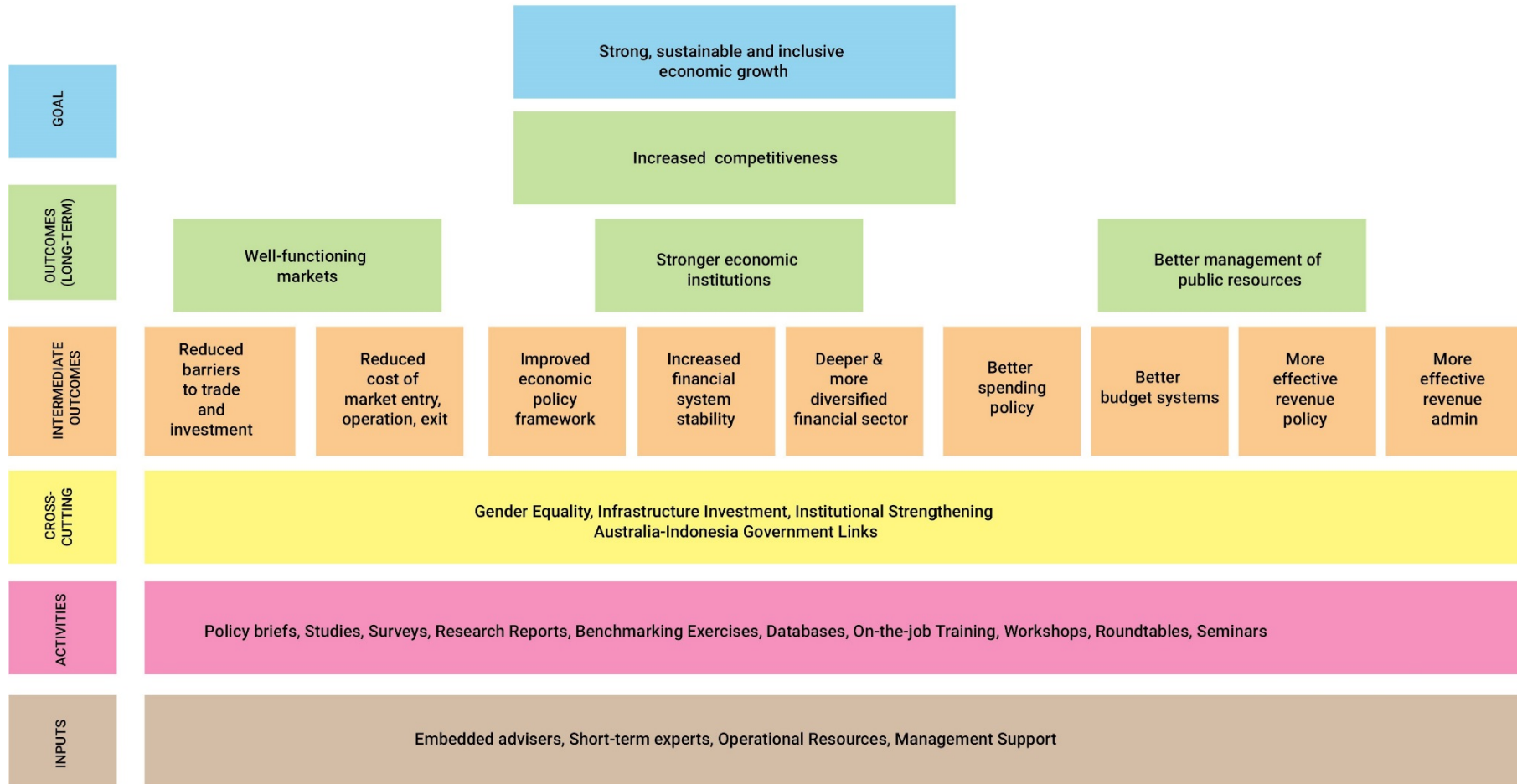


Table 2: Summary Table of AIPEG Theory of Change (2017)

Long-term outcomes	Intermediate outcomes	Indicators*
WELL-FUNCTIONING MARKETS	Reduced barriers to trade and investment	<ul style="list-style-type: none"> ○ Reduce tariff/non-tariff barriers ○ Increased foreign investment ○ Reduced restrictions on services ○ Improved labour market efficiency
	Reduced cost of market entry, operations, exit	<ul style="list-style-type: none"> ○ Improved Ease Doing Business rank (incorporates 10 indicators)
STRONGER ECONOMIC INSTITUTIONS	Improved economic policy	<ul style="list-style-type: none"> ○ Inflation within target ○ Budget deficit within target ○ Structural budget deficit not deteriorating ○ External balance not deteriorating ○ Growing number of jobs created
	Increased financial system stability	<ul style="list-style-type: none"> ○ Progress in IMF Financial Sector Program Assessment ○ Reduction in 'loans at risk'
	Deeper & more diversified financial sector	<ul style="list-style-type: none"> ○ Expansion of insurance & capital markets ○ Reduced banking concentration
BETTER MANAGEMENT OF PUBLIC RESOURCES	Better spending policy	<ul style="list-style-type: none"> ○ Better spending allocations (e.g. increased infrastructure spending) ○ Reduced spending on administration/overheads ○ Improved score on Open Budget Index (transparency)
	Better budget systems	<ul style="list-style-type: none"> ○ Medium Term Expenditure Framework (MTEF) in use ○ Better consolidated financial reporting (central/local)
	More effective revenue policy	<ul style="list-style-type: none"> ○ Increase tax base (less exemptions) ○ Better tax mix (corporate/personal/VAT taxes)
	More effective revenue administration	<ul style="list-style-type: none"> ○ Improved rank for ease of paying tax ○ Increased number of taxpayers paying tax

***Note - As a facility, AIPEG can make a valuable contribution to outcomes but is not the only factor controlling them. We track high-level indicators to see if our activities are contributing to change and prompt analysis of why/why not.**

3.3 Assumptions

AIPEG's Theory of Change is based on a series of assumptions for the outcomes to be fully realised. These assumptions include:

- Increased competitiveness is the critical path to strong, sustainable and inclusive growth.
- There is political will in Indonesia for well-functioning markets, stronger economic institutions, and effective management of public resources.
- Australia is a trusted provider of economic advice and institutional support.
- There is a demand for evidence-based analysis, which can offset purely political factors.
- AIPEG effectively coordinates with other DFAT and development partner programs to add value and achieve scale.
- AIPEG maintains good relationships and communication with all stakeholders, especially the Governments of Indonesia and Australia.
- AIPEG recruits highly qualified and effective advisers.
- Cross-cutting reform objectives (gender & social inclusion, institutions and infrastructure) achieve traction with Indonesian government partners.
- Sustainability considerations are built into design and delivery at the outset.

These assumptions may also be viewed as risk factors to achieving results. Management of risk factors is detailed in AIPEG's *Risk Register* and reported in six monthly progress updates.

4. M&E Implementation

This 2017-18 M&E Framework aims to generate credible information to measure progress towards meeting outcomes and for program improvement, learning and accountability. Importantly, the M&E Framework is designed with the key users of M&E information in mind: AIPEG management; DFAT; and Indonesian government partners.⁵ Feedback from stakeholders is that the main focus should be on:

- **Performance information to shape investment decisions:** *Are activities contributing to outcomes? Why/why not?*
- **Key achievements:** *What significant economic policy or institution changes have occurred as a result of AIPEG's contribution?*
- **Lessons learned:** *What were the success factors? What areas failed to take hold and why?*

⁵ In M&E this is known as a 'utilisation-focused' evaluation approach where the information needs of the groups involved in AIPEG provide the basis for developing the M&E system. Developed by Michael Quinn Patton (2008), for a summary see [Better Evaluation: Utilization Focused Evaluation](#). In particular, this approach was adopted for the AIPEG end-of-facility evaluation with a high-degree of participation and follow-up with AIPEG managers, DFAT and Indonesian government partners.

Based on the information needs of AIPEG stakeholders, ten **Key Evaluation Questions** (KEQ) are used to guide data collection, analysis and use for M&E purposes.

Table 3: Key Evaluation Questions

Criteria ⁶	Key Evaluation Questions	Theory of change level	Data collection methods	Timing	Responsibility
Impact	<p>What significant economic policy or institution changes have occurred as a result of AIPEG's contribution?</p> <ul style="list-style-type: none"> - To what extent did targeted economic policy or institutional change occur, and what changes were unexpected? - What was the contribution of AIPEG to these changes, and what other factors contributed to these? 	<p>Long-term outcomes</p> <p>Intermediate outcomes</p>	<p>Episode studies</p> <p>Performance stories</p> <p>Semi-structured interviews</p> <p>Desktop review</p>	<p>Annual</p> <p>End of facility</p>	<p>AIPEG team</p> <p>External consultants</p>
Effectiveness	<p>How has AIPEG progressed towards achieving expected outcomes?</p> <ul style="list-style-type: none"> - What were the key enabling factors where activities were highly influential, what were the hindering factors where things failed to take hold? - To what extent did AIPEG work in ways that contributed to priority outcomes including gender equality, disability inclusion and private sector engagement? 	<p>Intermediate outcomes</p>	<p>Six-month reports</p> <p>Performance stories</p> <p>Semi-structured interviews</p> <p>Monitoring information</p>	<p>Six-monthly</p> <p>End of facility</p>	<p>AIPEG team</p> <p>External consultants</p>
Relevance	<p>To what extent has AIPEG assisted with the Indonesia – Australia economic partnership?</p>	<p>Overall strategy (Engagement Design)</p>	<p>Semi-structured interviews</p> <p>Advisory Board feedback</p>	<p>Annual</p> <p>End of facility</p>	<p>AIPEG team</p> <p>External consultants</p>

⁶ Based on the [DAC criteria](#) for Evaluating Development Effectiveness, also adopted by DFAT.

Criteria ⁶	Key Evaluation Questions	Theory of change level	Data collection methods	Timing	Responsibility
Efficiency	To what extent can changes realised be considered good value for money (proportionate to the time/level of investment)?	Activities / Steps along the way	Performance Stories Six-month reports Budget analysis	Six-monthly End of facility	AIPEG team External consultants
Sustainability	What changes are likely to be sustained? - Why/why not?	Intermediate outcomes	Episode studies Performance stories Skills applied survey Semi-structured interviews Desktop review Monitoring information	Annual End of facility	AIPEG team External consultants

4.1 Monitoring

Each of the AIPEG Engagement Areas is responsible for its own monitoring of activities and results. The Knowledge Management Team supports analysis of monitoring data to help engagement teams and management adjust design and implementation. Monitoring data collected robustly will also inform evaluations.

Table 4 sets out activity-level monitoring tools.

Table 4: Activity Level Monitoring Tools

ACTIVITY	MONITORING TOOL	TEMPLATE
Partner Update	AIPEG Activity Update	Annex 2
Training/Workshop	Training/Workshop Evaluation Form	Annex 3
Benchmarking visit	Back to Office Report	Annex 4
Research/Study	Progress Reports / Final Report	N/A
Long-Term Adviser support	Annual Progress Report	Annex 5
Short-Term Adviser input	Input Completion Report	Annex 6

To assess whether activities are contributing to outcomes, an Indicator Tracking Matrix has been developed (see Annex 7 for an excerpt). The matrix is a 'live' document in excel format and regularly updated by the Knowledge Management Team together with the Engagement Areas. It is a tool to more clearly define what outcomes mean, to check whether activities are contributing to change, and to prompt analysis of why/why not.

AIPEG's tracking matrix incorporates DFAT's Performance Assessment Framework (PAF) indicators and Aid Program Performance Report (APPR) milestones for AIPEG.

4.2 Evaluation

The evaluation strategies adopted by AIPEG are:

- Annual assessment of AIPEG contribution to the **DFAT Indonesia Performance Assessment Framework (PAF)**, particularly significant policy change in the areas of:
 - **Leverage:** Amount of additional funding directed towards more effective infrastructure and economic development.
 - **Skills applied:** Number of women and men who apply improved technical skills to improve economic governance.
 - **Private sector partnerships:** Increased engagement with the private sector for pro-poor development.
 - **Significant policy change:** in market efficiency, regulation and financial systems; and public revenue and expenditure management.

- Annual **Aid Quality Check Self-Assessment** to review: relevance; effectiveness; efficiency; M&E system; sustainability; gender equality; risk management and safeguards; innovation and the private sector.
- **Special topic evaluations**, for example a review of AIPEG support to the Indonesia Services Dialogue.
- **End of facility evaluation** to assess:
 - *What* significant economic policy or institution changes have occurred as a result of AIPEG's contribution?
 - *How* has the AIPEG facility as a whole progressed towards achieving its outcomes?
 - To what extent has AIPEG assisted with the Indonesia – Australia Economic Partnership?
 - In what ways is AIPEG support influencing gender equality and equity outcomes?

AIPEG's evaluation methods include:

- **Performance Story** approach to Case Study development as a practical way of undertaking 'contribution analysis' originally developed by John Mayne and the Government of Canada Office of the Auditor-General.⁷

The Case Studies trace causal links through time to assess performance based on multiple sources of evidence: primary qualitative data derived from key informant interviews; and secondary data, including AIPEG documentation, external studies and other relevant sources.

When considered *collectively*, the set of Case Studies are of a '*cumulative*' typology, which is characterised as bringing together findings from *many case studies* to answer evaluative questions.⁸ (**Method used for: end of facility evaluation**).

- **Episode Studies** which focus on a policy change and track back to assess what impact AIPEG had among other influences that may have led to the change⁹. To distill AIPEG's contribution, through the General Elimination Method, alternative explanations are ruled out based on key informant interviews, desktop review and investigation by the Knowledge Management team.¹⁰ (**Method used for: significant policy change reports**).
- **Random online survey** of participants in AIPEG skills development initiatives (workshop/training lasting 2 or more days) to assess whether capacity has increased at an individual-level. (**Method used for: assessment of skills applied**).
- **Developmental evaluation**¹¹ – an approach with particular relevance for the Economic Support Engagement Area which often acts as an incubator for new interventions. In the fragmented and diffuse system of economic policy-making in Indonesia, models are tested and refined through diagnostics and pilot activities. Internal discussions led by the Facility Director are used to examine results and recalibrate where necessary. (**Method used for: design of engagement areas, especially economic support**)

⁷ See John Mayne (2008) [ILAC Brief](#) Contribution Analysis: An Approach to Examining Cause and Effect

⁸ Government Accounting Office (1990) [Case Study Evaluations](#). United States Government Accounting Office, Program Evaluation and Methodology Division, GAO/PEMD-91-10.1.9

⁹ See [Better Evaluation: Episode Studies](#)

¹⁰ See [Better Evaluation: General Elimination Methodology](#)

¹¹ See [Better Evaluation: Developmental Evaluation](#)

4.3 Use of government systems

AIPEG makes use of Indonesian M&E systems and performance indicators. AIPEG's indicator framework tracks government targets, and activities are geared at contributing to the outcomes Indonesia has set. For example, a new core tax system is aimed at contributing to raising the tax to GDP ratio to 16%, a target set by the Finance Minister (from a very low base of 10-11%).

AIPEG also works to strengthen Indonesia's M&E capacity. This is most evident through AIPEG's spending engagement area where a better budget system supports M&E of government initiatives.

Under the President's 'money follows program' directive, budget should be applied to national priorities. AIPEG is supporting the Ministry of Finance to set rolling multi-year budgets with line ministries. As a result, baseline budget figures are clearer and space for new spending initiatives can be readily identified. This facilitates better M&E of spending – e.g. how much infrastructure was delivered for a given amount of spending? And, how much was spent on overheads instead of government programs like vaccinations and childhood education?

AIPEG is also supporting efforts to improve consolidated financial reporting (combined central and local level expenditure reporting). This will enable more timely and accurate data on actual expenditure to feed into decision-making by the Indonesian government.

4.4 Resources

In 2016, AIPEG refreshed its approach to learning and performance by introducing a Knowledge Management function. The Knowledge Management Team is designed to support AIPEG management meet the following objectives:

- Deliver monitoring and evaluation information.
- Strengthen knowledge management.
- Improve communication of results and contribution to change.

The three work streams are mutually reinforcing. Importantly, a focus on communication and knowledge-sharing helps ensure M&E information is tailored to users and available for learning and decision-making.

The **Knowledge Management Economic Adviser** is supported by a **Monitoring & Evaluation Adviser** and **Monitoring & Evaluation Focal Points** within each AIPEG Engagement Area. In the area of M&E, the team are responsible for:

- Updating AIPEG's Monitoring and Evaluation framework and system, as required, and developing robust indicators to measure performance.
- Introducing M&E approaches to measure outcomes, and inform management decisions on the allocation of resources to maximise effectiveness, respond to government's needs, and deliver value for money.
- Communicating the M&E Framework and explain the M&E system, procedures and processes to all AIPEG staff and key stakeholders.
- Conducting monitoring and evaluation activities across AIPEG's engagement areas through visits, meetings, and review of activity reports and analysis of performance monitoring and other data.
- Support design and quality assurance of evaluations initiated in engagement areas.

- Design an end of facility evaluation and manage other evaluations in specific areas as agreed with the AIPEG Senior Management Team.
- Develop communication products to tailor M&E information to different audiences.

Expert advisers are also engaged periodically to support monitoring, evaluation and information systems. For example, in 2016-17 two independent advisers (M&E Specialist and Economist) led an end of facility evaluation for AIPEG.

AIPEG's budget for M&E has increased over the years. In 2015-16 M&E was around 1.2% of AIPEG annual spend. In 2016-17 this rose to 3.4% of annual spend, with about the same expected for 2017-18.

5. Capacity Development

Capacity development is a key component of AIPEG's support to Indonesian government agencies to deliver well-functioning markets, stronger economic institutions, and better management of public resources. AIPEG's approach to capacity development draws on the widely-used UNDP (1997) four-level model. Capacity development activities can be aimed at the level of individual, organisation, network or enabling environment as outlined in the table below.

When we say capacity development we don't just mean training. We mean any activity that supports individuals or organisations to perform functions, set and achieve objectives, and solve problems.

Table 5: Elements of Capacity Development

ELEMENT	DESCRIPTION
Enabling environment	Legislation, policy, management and accountability perspectives, resources available.
Network	Relationships with other partner agencies.
Entity/organisation	Mission, vision, strategy, culture, competencies, policies, values, structure, processes, systems, resources (human, financial, information), infrastructure.
Individual/group of people	Participation in decisions, training, access to information, understands role, adequate incentives & wage, accountability and feedback.

Capacity development can be monitored by determining whether or not progress takes place along the planned path of outcome achievements.

For example, in the Finance Engagement Area, a capacity development 'product' at the entity level (Ministry of Finance) is the development of Crisis Management Protocols. This is supported by training at the 'individual' level in use and application of the protocols. In time, this should be embedded as an organisation change in the preferred way of working in a financial crisis. At the 'network' level, a coordinated approach should also emerge between different agencies including Ministry of Finance, Bank Indonesia, Financial Services Authority, and Indonesia Deposit

Insurance Corporation. The end result is delivery of better financial crisis prevention and management services to the people of Indonesia.

Anticipated capacity development outcomes for AIPEG activities are integrated into the Theory of Change (Figure 2). AIPEG's Indicator Tracking Matrix (set out in Annex 7) now includes capacity development indicators across the board.

Periodic evaluation of clusters of capacity development activities are led by the Knowledge Management Team. For example, a survey of skills applied in the area of economic governance (individual-level capability). Contribution to capacity development at all levels was also addressed as part of AIPEG's end of facility evaluation.

6. Gender and Social Inclusion

AIPEG addresses gender and social inclusion through workplace initiatives, and also specific activities related to increasing Indonesia's competitiveness. In 2017-18, AIPEG is moving to a more integrated strategy for gender equality and social inclusion.

In the Revenue engagement area, AIPEG is advocating gender-neutral tax policy by analysing how tax regulations influence female labour supply decisions, household savings and the tax base. In spending work, AIPEG is supporting Indonesia's efforts to improve gender-responsive budgeting and planning (through a new acceleration strategy).

AIPEG aims to promote financial inclusion through development of technology solutions (fintech). In the markets area, work on the digital economy holds significant potential for women, and quantifying the benefits of increased female labour-force participation is helping to build a stronger evidence-base for policy reforms. In economic policy, AIPEG is contributing to a stronger evidence-base for disability measures, with a focus on work and household care.

To drive change at the most senior level, AIPEG has convened a Gender and Social Inclusion Management Committee. The Committee meets each month to review progress and set the strategic direction.

The Key Evaluation Question guiding data collection and analysis is:

- To what extent did AIPEG work in ways that contributed to priority outcomes including gender equality and disability inclusion? (see Table 3).

Data collection methods are: desk review (six-month reports; activity-level monitoring information; performance story as part of end of facility evaluation); and primary data collection through semi-structured interviews and focus group discussions.

Gender and social inclusion is also integrated across AIPEG's tracking matrix with planned activities aimed at contributing towards the following outcomes:

- Improved economic policy framework – increased female labour force participation; stronger evidence-base for disability-inclusive policy.
- Reduced barriers to trade and investment – regulation supports growth of the digital economy, including opportunities for women.
- Deeper and more diversified financial sector – regulation supports growth of financial technology and greater financial inclusion for women and lower income groups.
- Better budget systems – improved gender budgeting.
- Better tax policy and administration – removal of gender bias in the tax system.

7. How Evidence is Used

7.1 Learning and decision-making

AIPEG's M&E system is geared towards continuous learning and management decision-making:

- At the strategy-level, M&E information informs Engagement Area Designs. Most importantly, the end of facility evaluation informed design revisions for remainder of 2017-18 (approved by the Advisory Board Co-Chairs in June 2017).
- At the activity level, AIPEG managers use M&E information to review proposals and strengthen interventions drawing on monitoring data from M&E Focal Points and summary analysis from the Knowledge Management Team.

On an ongoing basis, six-monthly review and planning sessions are held with senior staff in each engagement area led by the Facility Director and Deputy with the support of the Knowledge Management Team. Weekly meetings of the senior leadership team are also where lessons are shared and decisions taken on emerging issues.

The Knowledge Management Team also leads M&E sharing sessions with M&E Focal Points every two months or so to streamline processes, discuss results and learning and promote teamwork.

To increase learning and collaboration with government partners, AIPEG Knowledge Management Team conducted around fifteen feedback sessions with government officials in the second half of 2017, on the results of the AIPEG end of facility evaluation.

7.2 Communicating and reporting

AIPEG encourages effective communication both internally and with external stakeholders.

Information on AIPEG activities is regularly communicated through the AIPEG Activity Update, circulated across AIPEG teams, DFAT units, and key counterparts at the Coordinating Ministry of Economic Affairs.

AIPEG promotes broader communication and knowledge sharing of results and lessons learnt through:

- **AIPEG News** – e-newsletter, sharing activity snapshots with all AIPEG, DFAT and GPF staff.
- **SharePoint site** – an electronic library of key outputs for all AIPEG staff.
- **Roundtables and presentations** – participation in policy and program discussions on topics including gender, disability and infrastructure.
- **Brown bag lunch series** – monthly staff discussion profiling significant work across engagement areas and including participation from DFAT, other programs and development partners.
- **Publications** – electronic and print publications on special topics including ease of doing business, and policy case studies.

AIPEG maintains a reporting system that documents contributions to all levels of outcomes. Annex 8 outlines the main reporting channels into management, including timeframes and lead responsibility. In summary, key reports are set out below:

Activity-level

- Activity Update
- Training/Workshop Evaluation Report
- Back to Office Report
- Research/Study Progress Report and Final Report
- Short Term Adviser Input Completion Report
- Long Term Adviser Annual Progress Report
- Gol Record of Transfer (*Berita Acara Serah Terima*/ BAST)

Contribution to intermediate outcomes

- Performance-based Milestones Report
- Six Monthly Progress Report
- Aid Quality Check Self-Assessment
- GPF-AIPEG Advisory Board Papers

Contribution to longer-term outcomes

- DFAT Performance Assessment Framework reporting
- End of Facility Evaluation
- Completion Report

Each of these reports are reviewed by AIPEG Management, and also made available to DFAT and Indonesian government partners, as relevant.

Annexes

A1. Evolution of AIPEG

AIPEG builds on Australia's long-standing support to economic governance in Indonesia under the Technical Assistance Management Facility (TAMF). TAMF was originally designed as a small value facility to focus on financial sector restructuring in response to the 1997-98 financial crisis. TAMF evolved over three successive phases to support Indonesia's strategic priorities. This included support for financial sector stability, tax administration, trade facilitation, and work on debt management. The first three areas have been carried forward throughout the life of AIPEG, along with new areas such as efficient markets and improved public spending.

Over the period 2009 to 2017, there are three (overlapping) phases of AIPEG that underpin this M&E Framework.

PHASE	PERIOD	FOCUS
1.1	2009 – 2012	Strengthening economic institutions and stability
1.2	2013 – 2015	Pivot towards improved policy to address emerging economic challenges
1.3	2015 – 2017	Strengthening Indonesia's competitiveness

AIPEG 1.1 Strengthening economic institutions and stability

AIPEG 1.1 commenced in December 2009, transitioning many of the existing activities under TAMF. The focus was on institution capacity development with select economic agencies, along with some flexible/responsive funds for other priorities. The objective of AIPEG 1.1 was: *To strengthen governmental capability for policy formulation, coordination and implementation in areas affecting the national budget and macroeconomic performance.*

AIPEG 1.1 was conceptualised as a demand driven facility responsive to partner needs and organised with the following sub-facilities:

- Financial system stability
- Tax administration
- International trade policy
- Government debt management
- Immediate and emerging issues

AIPEG 1.1's program activities were delivered through each of the program Sub-Facilities. Each activity design was built into an Activity Design Document (ADD), proposed by each Sub-Facility for approval by a Joint Appraisal Panel (consisting of representatives from Coordinating Ministry for Economic Affairs, DFAT and AIPEG Management).

In the aftermath of the 2008-2009 global financial crisis, much of AIPEG 1.1's focus was on supporting macroeconomic stability with some reforms in tax and trade. By 2011-2012, the end of the global commodities boom had unearthed significant economic challenges for Indonesia's continued growth and prosperity. AIPEG began to be organised more along the lines of economic themes with a greater emphasis on economic policy for increased competitiveness, alongside institution strengthening.

AIPEG 1.2 Pivot towards improved policy to address emerging economic challenges

AIPEG 1.2 commenced in December 2012. AIPEG 1.2 started evolving towards a more strategic approach to direct Australia's investment. This involved identifying performance constraints and strengths (scoping studies and diagnostics) and selecting the right interventions across Indonesian government partner agencies to achieve improved outcomes.

AIPEG's objectives were reframed to: (a) Selected Indonesian economic agencies will effectively manage policy processes which promote: (i) macroeconomic stability; (ii) efficient and equitable use of public resources; and (iii) well-functioning markets, (b) Australia and Indonesia strengthen government to government partnership in the sector. AIPEG was organised to support the following activity streams:

- Financial system stability
- Tax reform and policy advice
- Trade policy
- Public financial management
- Support to Coordinating Ministry for Economic Affairs capacity development and economic diplomacy
- Immediate and emerging issues

AIPEG 1.3 Strengthening Indonesia's competitiveness

AIPEG 1.3 commenced in December 2015, continuing the same objectives as AIPEG 1.2 with an increased focus on competitiveness. As Indonesia aims to move past a middle-income to a high-income economy, support is organised around boosting productivity and structural change in the economy. Macroeconomic stability and sound fiscal policy are also the mainstays of AIPEG. The outcomes for AIPEG's five engagement areas for the period December 2015 to June 2017 were:

- **Finance:** Improved stability, better supervision, deeper and more diversified financial sector.
- **Revenue:** A fair and efficient revenue system that meets the need of Indonesia's development.
- **Spending:** A better link between government priorities and budget, and improved and more efficient budget delivery.
- **Markets:** More efficient product and factor markets.
- **Economic policy:** Improved evidence base for economic policy and addressing cross-cutting issues of infrastructure investment, institutional development and gender equality.

AIPEG's goal has always been to support economic policies and institutional capability to achieve high economic growth in Indonesia. Reflecting Indonesian and Australian government policy directions, the goal is now clearly articulated as "supporting strong, sustainable and inclusive economic growth."

A2. AIPEG Activity Update (Excerpt)

AIPEG - ACTIVITY UPDATE (excerpt)		
Engagement	Events/Activities 10 – 14 July 2017	Events/Activities 17 – 21 July 2017
MARKETS		17 July 2017 – FGD on Ratification of Trade Facilitation Agreements, MOT
ECONOMIC SUPPORT TEAM	<u>Infrastructure</u> TBC – INFRA-Dashboard: Meeting with Bappenas, meeting with KSI on Local Government data quality improvement	
	<u>Institutions</u> 10 July 2017 – FGD with DG Budget to discuss DG Budget business process (BP) mapping (with Spending EA).	
	<u>Tim Asistensi</u> 11 July 2017 Tim Asistensi Advisers meeting to prepare for Food Policy Discussion later this month.	
	<u>Economic Analysis</u> TBC - Meeting with BKF –PKEM on macroeconomic framework	TBC – Follow up with BPS and maritime office on the maritime work
	<u>Gender Equality</u> 13 July 2017 - Gender Discussion with DG Treasury (BEKASI Regional Offices)	18 July 2017 – Bus Interventions and Female Labor Market Outcomes in DKI Jakarta: Dissemination of study report and survey data in Indonesia Regional Science Association (IRSA) 2017.
REVENUE	10-14 July – Interview and FGD with internal and external stakeholders for the Diagnostic on the Governance of Tax Consultant Supervision	
GPF Activity Support Provider	<u>AUSTRAC</u> <ul style="list-style-type: none"> AUSTRAC Act 2, FATF: AUSTRAC and PPATK will conduct FATF MOCK Workshop at Novotel Bogor from 12-14 July for 49 participants. 	<u>AUSTRAC</u> <ul style="list-style-type: none"> AUSTRAC Act 2, FATF: AUSTRAC and PPATK will conduct FATF MOCK Workshop at Novotel Bogor from 19-21 July for 49 participants.
	<u>ANAO</u> No formal event during this period.	<u>ANAO</u> <ul style="list-style-type: none"> ANAO-BPK Act 6, Financial Audit Secondment: Secondment for 2 GOI to Sydney from 17 July 2017 – 22 September 2017.

A3. Training/Workshop Evaluation Form

Example template – Engagement Areas may also follow more detailed reporting tailored to activity objectives

TRAINING/WORKSHOP EVALUATION FORM																							
[Course/Training/Workshop Name]																							
Date:	Venue:	Organizer:	Provider:																				
Sex of respondent (please tick):	Male:	Female:																					
Relevance How useful or relevant was the course/ training/ workshop for you (& your team)?	<input type="checkbox"/> Yes, very useful/relevant <input type="checkbox"/> No, not very useful/relevant Please give an example why it was or was not useful for you (& your team):																						
Effectiveness Do you think the course/training/workshop was effective? Did we achieve our outcomes?	List topics and intended outcomes <table border="1"> <thead> <tr> <th>Topic</th> <th>Intended Outcomes</th> <th>Achieved</th> </tr> </thead> <tbody> <tr> <td>a)</td> <td></td> <td><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Somewhat</td> </tr> <tr> <td>b)</td> <td></td> <td><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Somewhat</td> </tr> <tr> <td>c)</td> <td></td> <td><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Somewhat</td> </tr> </tbody> </table> Any comment:			Topic	Intended Outcomes	Achieved	a)		<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Somewhat	b)		<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Somewhat	c)		<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Somewhat								
Topic	Intended Outcomes	Achieved																					
a)		<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Somewhat																					
b)		<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Somewhat																					
c)		<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Somewhat																					
Lessons Learned (new knowledge/skill) Through this course/ training/ workshop, what have you learned (new knowledge/skill)?	<table border="1"> <tbody> <tr> <td>Lesson Learned #1:</td> <td></td> </tr> <tr> <td>Lesson Learned #2:</td> <td></td> </tr> <tr> <td>Lesson Learned #3:</td> <td></td> </tr> </tbody> </table> Any comment:			Lesson Learned #1:		Lesson Learned #2:		Lesson Learned #3:															
Lesson Learned #1:																							
Lesson Learned #2:																							
Lesson Learned #3:																							
Theory to Practice What was the new knowledge/ skill from the course/ training/ workshop that you will apply in practice?																							
Efficiency How do you rate this course/ training/ workshop?	<table border="1"> <tbody> <tr> <td>Content:</td> <td><input type="checkbox"/> Poor</td> <td><input type="checkbox"/> Okay</td> <td><input type="checkbox"/> Good</td> <td><input type="checkbox"/> Great</td> </tr> <tr> <td>Approach:</td> <td><input type="checkbox"/> Poor</td> <td><input type="checkbox"/> Okay</td> <td><input type="checkbox"/> Good</td> <td><input type="checkbox"/> Great</td> </tr> <tr> <td>Facilitator:</td> <td><input type="checkbox"/> Poor</td> <td><input type="checkbox"/> Okay</td> <td><input type="checkbox"/> Good</td> <td><input type="checkbox"/> Great</td> </tr> <tr> <td>Venue/logistics:</td> <td><input type="checkbox"/> Poor</td> <td><input type="checkbox"/> Okay</td> <td><input type="checkbox"/> Good</td> <td><input type="checkbox"/> Great</td> </tr> </tbody> </table> Any comment:			Content:	<input type="checkbox"/> Poor	<input type="checkbox"/> Okay	<input type="checkbox"/> Good	<input type="checkbox"/> Great	Approach:	<input type="checkbox"/> Poor	<input type="checkbox"/> Okay	<input type="checkbox"/> Good	<input type="checkbox"/> Great	Facilitator:	<input type="checkbox"/> Poor	<input type="checkbox"/> Okay	<input type="checkbox"/> Good	<input type="checkbox"/> Great	Venue/logistics:	<input type="checkbox"/> Poor	<input type="checkbox"/> Okay	<input type="checkbox"/> Good	<input type="checkbox"/> Great
Content:	<input type="checkbox"/> Poor	<input type="checkbox"/> Okay	<input type="checkbox"/> Good	<input type="checkbox"/> Great																			
Approach:	<input type="checkbox"/> Poor	<input type="checkbox"/> Okay	<input type="checkbox"/> Good	<input type="checkbox"/> Great																			
Facilitator:	<input type="checkbox"/> Poor	<input type="checkbox"/> Okay	<input type="checkbox"/> Good	<input type="checkbox"/> Great																			
Venue/logistics:	<input type="checkbox"/> Poor	<input type="checkbox"/> Okay	<input type="checkbox"/> Good	<input type="checkbox"/> Great																			
Improvement How could the course/ training/ workshop be improved?																							

A4. Back to Office Report Template

Example template – Engagement Areas may also follow more detailed reporting tailored to activity objectives

BACK TO OFFICE REPORT GUIDE			
Report Date:	Name:	EA/Work Unit:	Position:
Activity Name:	Activity Code:	Date(s) of Activity:	Location of Activity:
Travel Purpose and Description – Project, Activity, Sub-activity, Events:			
Travel Result Report: <i>Please describe the results from the completed travel, referring to the approved purpose for travel. Can be presented in bullet points highlighting the following:</i> <ol style="list-style-type: none"> 1. Objective of the travel: 2. Contributions made by the travelling staff: 3. Participants of the events (study visit/workshop/seminar/other events): 4. Results of the events: 5. Follow-up actions: 			
Issues/findings/possible risks/updates that need attention of Engagement Area Leader and/or Senior Management:			

A5. Annual Progress Report Template

Australia Indonesia Partnership for Economic Governance

Long-Term Adviser Annual Progress Report Guidelines

AIPEG Document Control

VERSION	DATE	SUMMARY OF CHANGES	AUTHOR	REVIEWER
4.0	4 November 2016	Update of Version 3.0 (October 2012) to include sections on partnership/cross-cutting issues and list of key documents.	M&E Adviser	Knowledge Management Economic Adviser
4.1	3 August 2017	Updated reporting period and AIPEG outcomes summary (Annex).	M&E Adviser	Knowledge Management Economic Adviser

Report cover page

**Australia Indonesia Partnership for
Economic Governance**

Annual Progress Report

Activity/Position Title

Month, Year

ANNUAL PROGRESS REPORT

Report Date:

Report Cover Sheet Details

Activity Title : Refer to Your Contract Terms of Reference

Long Term Adviser Name :

Date of Commencement :

Date of Completion :

Reporting Period : 1 January to 31 December 2017

This report must be a minimum of 5 pages and maximum 20 pages.

1. Introduction

Guidance: Objectives, background and brief description of your role (Refer to ToR). Please list the annual objectives and anticipated outcomes at the start of the reporting period.

2. Overall assessment

Guidance: This section summarises your assessment on progress of activities in general, how successful you have been in terms of meeting objectives and generating good outcomes and whether these are sustainable.

3. Achievements against the AIPEG outcomes framework

Guidance: This section summarises progress made during the reporting period and outlines planned follow-up actions. Elaborate on progress/achievement against the AIPEG outcomes framework (a summary is included in the Annex and more details are available from the M&E Team). Please focus on areas that have improved or changed as a result of your placement.

3.1 Intermediate Outcome 1

3.2 Intermediate Outcome 2

3.3 Intermediate Outcome 3

4. Unexpected outcomes

Guidance: This section summarises your observation as regards any outcomes that have happened unexpectedly, with/without AIPEG support. To what degree AIPEG contributed to the achievement of these outcomes? Leave blank if there are none.

5. Notable developments outside the AIPEG outcomes framework

Guidance: From time to time there may be substantive work done at a partner agency's request to assist in areas outside planned activities. Please list those initiatives. If there are none, then leave blank.

6. Partnership and cross-cutting issues

Guidance: This section includes information on engagement with Indonesian government counterparts and other stakeholders. It also describes how issues of gender equality and social inclusion (e.g. disability, poverty, etc) were addressed.

6.1 Engagement with GoI counterparts

6.2 Engagement with other DFAT programs, other donors and the private sector

6.3 Impact on gender and social inclusion

7. Documents

Guidance: List all reports, briefs, proposals, guidelines, publications, regulations, etc, produced and links to where they can be accessed.

No.	Document Title	Link (accessible at)
1.		
2.		
3.		

8. Changes and Lessons Learned

Guidance: This section should focus on what was the most significant change observed and what was particularly successful and why; what went wrong and why.

9. Management Services

Guidance: Please provide feedback in relation to AIPEG's operational management. Topics could include recruitment, contracting, mobilization, work environment, supervision, and performance management amongst others.

10. Recommendations

Guidance: Possible follow-up activities and actions to ensure sustainability of the outcomes generated by you, also recommendations to improve AIPEG support or management.

Date:	Consultant/Adviser:	Signature:
Date:	Approval of Lead Adviser:	Signature:
Date:	Received by M&E Team member:	Signature:

Annex: AIPEG outcomes summary

Please focus on your contribution to 'intermediate outcomes' in this report

Goal: To support strong, sustainable and inclusive economic growth through increased competitiveness

Long-term outcomes	Intermediate outcomes	AIPEG Engagement Area
Well-functioning markets	Reduced barriers to trade and investment	Markets
	Reduced cost of market entry, operations, exit	Markets
Stronger economic institutions	Improved economic policy framework	Economic support team
	Increased financial system stability	Finance
	Deeper and more diversified financial sector	Finance
Better management of public resources	Better spending policy	Spending
	Better budget systems	Spending
	More effective revenue policy	Revenue
	More effective revenue administration	Revenue
<i>Economic support team (cross-cutting): Addressing issues of institutional capability, infrastructure and gender equality</i>		

A6. Input Completion Report Template

Australia Indonesia Partnership for Economic Governance

Short-Term Adviser Input Completion Report Guidelines

AIPEG Document Control

VERSION	DATE	SUMMARY OF CHANGES	AUTHOR	REVIEWERS
4.0	1 November 2016	Update of Version 3.0 (October 2012) to include sections on partnership/cross-cutting issues, list of key documents and more feedback on management services.	M&E Adviser	Knowledge Management Economic Adviser
4.1	3 August 2017	Refined ICR template format.	M&E Adviser	Knowledge Management Economic Adviser

Report cover page

**Australia Indonesia Partnership for
Economic Governance**

Input Completion Report

Activity/ Position Title

Month, Year

INPUT COMPLETION REPORT

Report Date:

Report Cover Sheet Details

Activity Title : Refer to Your Contract Terms of Reference

Consultant / Firm Name :

Date of Commencement :

Date of Completion :

Number of Inputs (days) :

This report should be up to 5 pages in length.

1. Introduction

Guidance: Objectives, background and brief description of the Consultancy (Refer to ToR). Please list the initial placement objectives and anticipated outcomes at the start of the assignment.

2. Overall assessment

Guidance: This section summarises your assessment of how the consultancy progressed in general, how successful it has been in terms of meeting its objectives and generating good outcomes and whether these are sustainable.

3. Achievements against the ToR

Guidance: This section summarises outputs delivered and includes a brief description of how they were developed.

3.1 Task / Deliverable 1:

3.2 Task / Deliverable 2:

3.3 Task / Deliverable 3:

3.4 Task / Deliverable 4:

4. Partnership and cross-cutting issues

Guidance: This section includes information on engagement with Indonesian government counterparts and other stakeholders. It also describes how issues of gender equality and social inclusion (e.g. disability, poverty, etc) were addressed.

4.1 Engagement with Indonesian government counterparts

4.2 Engagement with other DFAT programs, other donors and the private sector

4.3 Impact on gender and social inclusion

5. Documents

Guidance: List all reports, briefs, proposals, guidelines, publications, regulations, etc. produced and links to where they can be accessed.

No.	Document Title	Link (accessible at)
1.		
2.		
3.		

6. Changes and Lessons Learned

Guidance: This section should focus on what was the most significant change observed and what was particularly successful and why; what went wrong and why.

7. Management Services

Guidance: Please provide feedback in relation to AIPEG's operational management. Topics could include recruitment, contracting, mobilisation, work environment, supervision, and performance management, amongst others.

8. Recommendations

Guidance: Possible follow-up activities and actions to ensure sustainability of the outcomes generated by you. Also, recommendations to improve AIPEG support or management.

Date:	Consultant/Adviser:	Signature:
Date:	Approval of Lead Adviser	Signature:
Date:	Received by M&E Team member:	Signature:

A7. Indicator Tracking Matrix (Excerpt)

Note: As a facility, AIPEG can make a valuable contribution to outcomes but is not the only factor controlling the outcomes. We track outcomes to see if our activities are contributing to change and prompt analysis of why/why not.

OUTCOME/INDICATOR	BASELINE	YEAR (BASELINE)	CURRENT	YEAR (CURRENT)	STATUS	DATA COLLECTION METHOD/ SOURCE	NOTES
Goal: Strong, sustainable, and inclusive economic growth							
High economic growth	4.8%	2009	5.0%	2017	STABLE	Desk review; analysis of public data (BPS Indonesia).	2017 target = 5.1% (state budget); 2019 target = 7-8% (RPJMN).
Sustained economic growth	5.1%	2000-2009	5.5%	2010-2016	GOOD	Desk review; analysis of public data (Average annual GDP growth, BPS).	Decade before AIPEG versus AIPEG lifetime
Reduced poverty rate	14.2%	2009	10.6%	2017	GOOD	Desk review; analysis of public data (National poverty rate, BPS)	2017 target = 10.5% (state budget)
Increased human development index	0.656	2009	0.689	2016	GOOD	Desk review; analysis of public data (Human Development Index, UNDP)	Based on life expectancy, years of schooling, GNI per capita 2017 target = 0.701 (state budget)
Reduced inequality	0.378	2010	0.393	2017	OFF-TRACK	Desk review; analysis of public data (Gini ratio, BPS).	Inequality in urban areas increased more sharply over the period (0.38 in 2010, 0.41 in 2016), 2017 target = 0.39 (state budget)
EXCERPT							
Intermediate Outcome: Increased financial system stability							
Progress in IMF Financial Sector Programme Assessment (FSAP)	Banking relatively sound; better supervision needed	2010	Resilient financial system; low systemic risk	2017	GOOD	Desk review; analysis of public data (IMF FSAP report).	2017 Assessment: macro performance robust, stable financial system. Good to see financial crisis law passed and set up of OJK. Areas to improve, conglomerate supervision, financial crisis law (bail in provision), financial sector development (capital markets, insurance)
Reduced 'loans at risk'	7.2% (Q4 2013)	2013	11.7% (Q4 2016)	2016	OFF-TRACK	Desk review; analysis of public data; AIPEG calculation based on OJK data.	Non Performing Loan + Special Mention Loan + Performing Restructured Loan over total loans. Covering data for 16 listed banks. Data only available from 2013.

M&E Framework							
OUTCOME/INDICATOR	BASELINE	YEAR (BASELINE)	CURRENT	YEAR (CURRENT)	STATUS	DATA COLLECTION METHOD/ SOURCE	NOTES
Steps along the way							
Regular meetings of financial stability forum - Ministerial level (quarterly), technical level (monthly)	No forum	2009	Regular meetings	2017	GOOD	Desk review; analysis of public data; meeting records; semi-structured interviews of Gol officials; media reports.	Started 2007, disbanded in 2008. Formally started again with OJK law 2012, reinforced with financial crises law 2016. FSSK meets formally quarterly, but working committees more regularly.
Operation of the financial crisis law enhanced by OJK, LPS and BI implementing regulations	No law	2009	Law + 3 out of 4 regs.	2017	GOOD	Desk review; analysis of public data (Laws, OJK and LPS Regulations).	Financial Crisis Prevention and Resolution Law issued in 2016 (see PAF report). OJK issued reg. on Bank Recovery Planning in 2017. LPS has issued 2 x regulations on Systematically Important Banks (Domestic and Non-Domestic). Still outstanding: LPS Reg. on bank restructuring
Crisis simulations progress effective cooperation between 4 agencies (BI, OJK, MOF, LPS)	No crisis simulations	2009	Regular simulations led by Gol	2017	GOOD	Desk review; analysis of internal data (Observer reports) and public data (press reports).	Refer Evaluation case study for history & significance. AIPEG assisting with 2 x simulations in 2017: LPS Crisis Simulation Workshop (Aug). Full 'dress rehearsal' crisis simulation with FSSK (Sept)
Supervision of conglomerates (prudential regulation)	No conglomerate supervision	2009	Draft reg. & new OJK division	2017	GOOD	Desk review; analysis of public data (OJK Regulations, IMF FSAP report); semi-structured interviews with Gol officials,	Refer to Adviser reports for summary of interventions and results.
Supervision of market conduct (competition & consumer protection)	No market conduct supervision	2009	Internal OJK division	2017	STABLE	Desk review; analysis of internal data (OJK organisation structure and internal documentation); semi-structured interviews with Gol officials,	Law change in 2016. Now internal division at OJK (ideally 2 separate agencies like Australia - APRA and ASIC - but this is a good step forward). Major companies also do self assessment of market conduct risk (20 companies fill out questionnaire)
Improved complaints handling in financial sector	Complicated & overlapping complaints handling	2009	Consolidation underway	2017	STABLE	Desk review (AIPEG reports analysis of public data); semi-structured interviews with Gol officials,	Current complaints process (only 100 complaints across Indonesia, process involving 6 ombudsmen – low likelihood of resolution in complainants favour). Merger process for External Disputes Resolution into one financial ombudsman is progressing and work on raising awareness with financial institutions is expanding to regional-level.

A8. M&E Reporting Matrix

AIPEG Key Documents and levels of reporting within the M&E Framework

LEVEL	DOCUMENT	REPORTING DESCRIPTION	TIMEFRAME	LEAD RESPONSIBILITY
DELIVERY OF PROGRAM ACTIVITIES	AIPEG Activity Update	Regular circulation of updates on AIPEG activities across the whole program – internally across AIPEG engagement areas and to DFAT and CMEA.	Weekly, Monthly	MST Executive Assistant to circulate within AIPEG and to DFAT. Senior Project Officer at CMEA further disseminates to CMEA key counterparts.
	Training/Workshop Evaluation Report	A summary of workshop results to be compiled by Senior Project Officer/Manager highlighting: Relevance, Effectiveness, Lessons Learned, Theory to Practice, Efficiency, and Improvement.	Within 5 working days after each training	Program Officer/Manager to submit to Lead Adviser and inform Knowledge Management Team.
	Back to Office Report	A brief Back to Office Report to be compiled by Senior Project Officer/Manager upon completion of benchmarking organised through AIPEG.	Within 5 working days after end of travel	Traveling staff to submit to Lead Adviser with copy to Project Officer/Manager for info to Knowledge Management Team.
	Input Completion Report	Upon completion of assignment, each Short Term Adviser (Individual/Firm) is required to submit to their EA/MST Lead, an Input Completion Report that outlines how the consultancy progressed overall and what it achieved.	Within 5 working days upon STA's end of assignment	Short-Term Adviser to submit to Lead Adviser with copy to Project Officer/Manager for info to Knowledge Management Team.
	Annual Progress Report	An Annual Progress Report to be completed by Long Term Advisers throughout their contracted inputs. Progress Reports shall document progress to date against the AIPEG outcomes framework, with a particular focus on outputs delivered since the last progress report.	Jan 2018	Long-Term Adviser to submit to Lead Adviser with copy to Project Officer/Manager for info to Knowledge Management Team.
	Record of Transfer (Berita Acara Serah Terima/ BAST)	Indonesian government financial reporting requirement for government partner agency to report on actual expenditure of provided goods and services.	Upon request of Indonesian government partner agencies	Deputy Facility Director (Management), supporting DFAT reporting.

M&E Framework

LEVEL	DOCUMENT	REPORTING DESCRIPTION	TIMEFRAME	LEAD RESPONSIBILITY
ACHIEVEMENT OF INTERMEDIATE OUTCOMES	Performance-based Milestones Report	This report will be delivered by AIPEG Senior Management to DFAT for the purposes of: (i) reporting milestones achieved during the specified period; and (ii) submission of proposed milestones for the next period.	Jul 2017 Jan 2018 (final)	AIPEG Senior Management
	Six-monthly Progress Report	This document will be a collaborative effort between AIPEG Senior Management and EA Leaders/Senior Advisers, and shall report on Indonesian economic policy and AIPEG's engagement and support to economic agencies. The report also outlines the development of AIPEG's governance and operations, activities, performance, improvement, and brief report on financial and risk management.	Jul 2017 Mid-Feb 2018 (final) – combined with Completion Report	Knowledge Management Economic Adviser
	Aid Quality Check Self-Assessment	The Aid Quality Check-based Self-Assessment will be conducted by AIPEG Senior Management in purpose of evaluating program achievements against DFAT's Aid Quality Check criteria.	Jan/Feb 2018	Knowledge Management Economic Adviser
	GPF-AIPEG Advisory Board Papers	Thematic board papers covering rationale for work area, achievements, plans, challenges and opportunities, together with updates to AIPEG Engagement Design Documents (as required).	Upon request of GPF-AIPEG Board	Facility Director
CONTRIBUTION TO LONGER-TERM OUTCOMES	DFAT Performance Assessment Framework (PAF)	DFAT Performance Assessment Framework (PAF) articulates Australia's development cooperation goals through four strategic objectives, ten outcomes and twenty-four indicators. AIPEG, as a DFAT implementing partner is required to assist to align and incorporate the framework into investment-level M&E providing robust data and evidence for indicators.	On-going assessment of progress towards longer-term outcomes	Knowledge Management Economic Adviser
	Facility Evaluation Report	An End of Facility Evaluation to determine: (i) the significant economic policy or institution changes that have occurred as a result of AIPEG's contribution; and (ii) how AIPEG as facility has progressed towards achieving its outcomes. Report has been delivered by two independent experts and dissemination will occur with stakeholders.	Summary presentations to Australian and Indonesian governments Jun-Aug 2017 Report publication by DFAT in Q3/Q4 2017	Knowledge Management Economic Adviser
	Completion Report	A compliance report that draws on the AIPEG End of Facility Evaluation for reporting on effectiveness and also summarises management, operational and finance information for the life of the program.	Mid-Jan 2018 (draft) Mid-Feb 2018 (final)	Deputy Facility Director (Management)