

# Independent Evaluation of Australia – Nusa Tenggara Assistance for Regional Autonomy MANAGEMENT RESPONSE

Prepared by: Decentralisation Unit

## Aid Activity Summary

Aid Activity Name	Australia – Nusa Tenggara Assistance for Regional Autonomy (ANTARA)		
AidWorks initiative number	INF548		
Commencement date	March 2006	Completion date	31 December 2010
Total Australian \$	AUD30.8 million		
Total other \$	GOI supervisory resources – intermittent, uncosted		
Delivery organisation(s)	Cardno Emerging Markets as the Managing Contractor Richard Manning as the Program Director		
Implementing Partner(s)	MOHA (AKLN, Dit. Bangda and OTDA) Provincial government of NTT, NTB, Papua, and West Papua		
Country/Region	Indonesia		
Primary Sectors	Governance Rural Development		

### Aid Activity Objective:

ANTARA is a five year program commencing in March 2006 through 31 December 2010 with funding up to AUD30 million. Its objectives are to 1) improve provincial and district governance; 2) improve peri-urban and rural incomes; and 3) improve access to and quality of delivery of basic services. In pursuing these objectives, ANTARA is also tasked to:

- a) improve coordination and cohesion among current and future Australian development activities, and to help build greater synergy between these programs and the programs of other key donors to maximise their impact on poverty reduction;
- b) To pioneer initiatives to test “what works” in the region; and
- c) To strategically invest in local or international initiatives with a proven capacity or strong potential for impact and expansion.

## Independent Evaluation Summary

### Evaluation Objective:

The Independent Completion Report (ICR) aimed to assess the performance of the program, draw out lessons learned to inform other AusAID programs in Indonesia, and provide recommendations for the implementation of their successor programs.

### Key Findings

The ANTARA ICR focused on a number of key evaluation questions, with findings summarised below:

1. To what extent has ANTARA achieved its end-of-program outcomes?

Objective 1 was to improve provincial and district governance. The ICR found some limited progress was made at senior provincial level with public expenditure analysis and early trial of consolidated budget and planning tools by the executive budget team in BAPPEDA NTT and NTB. Engagement with local government performance evaluation teams (*tim Evaluasi Penyelenggaraan Pemerintahan Daerah* EPPD) established in provinces would usefully strengthen.

Objective 2 was to improve incomes and enhance food security. More than 15,000 households have improved incomes as a result of ANTARA sustainable livelihoods activities. Food security activities were effective and often innovative – in effect reintroducing risk management through integrated livelihood systems and linking this with improved nutrition, especially for mothers and children. More than 5,000 households have improved food security as a result of ANTARA. More could have been done to leverage successes by advocating for policy and program changes at provincial or district levels to achieve more sustainable and systemic change.

Objective 3 was to improve access to and quality of basic services. Some initial activities were delivered early on in ANTARA, but abandoned due to real concerns regarding sustainability. Some specialist health consultations and improved medical supplies had an impact on immediate beneficiaries, and some medical supplies outputs are sustained. Other activities such as 15 parallel schools built had an impact on immediate beneficiaries, and those assets are now owned by districts. However there is no evidence of systemic change.

2. What lessons can be applied in the implementation of the Australia Indonesia Partnership for Decentralisation, particularly in relation to the local governance and civil society components.

The Australia Indonesia Partnership for Decentralisation focuses on helping local governments to better allocate and manage their own resources to achieve better service delivery. The first lesson for AIPD is the need for a clear theory of change and program logic to provide a framework for flexible and responsive implementation. With a clear theory of change and systematic approach to quality at entry, a competitive framework is established for engagement with civil society groups active in targeted provinces and sectors – with a focus on scaling up what has already been proven to work. There is an important opportunity for AIPD to facilitate better communication between central agencies and the budget agencies in poor provinces and districts to ensure clarity about allocation to service delivery functions and consistent understanding between different stakeholders of what is possible and desirable.

3. What lessons from the income generation components (especially Business Enabling Environment and rural development activities) can be applied in the implementation of AusAID's proposed rural development program?

Poor people manage integrated systems to provide their livelihoods. Evidence from ANTARA, shows that a livelihood system approach does lift households out of poverty. Value chain analysis is an important tool in that support, but it is not enough by itself. Commodity-specific help only makes sense once participants are food secure and able to take the risks implicit in the journey towards being an entrepreneurial farmer.

Access to finance remains the greatest need – further support to micro-finance at village and *Kecamatan* levels is needed, followed by work with commercial banks to demonstrate how to engage with producer groups as their enterprises grow. The most successful groups could then start to use warehouse receipts and other innovations emerging in Indonesia.

4. Who were the main beneficiaries?

Activities benefited poor women and men in peri-urban and rural areas. The exact number of beneficiaries is not clear. ANTARA records identify participants for some activities and beneficiaries of others. It is not clear exactly how many net households benefited but summary data in the ANTARA Activity Completion Report for Objective 2 activities suggests 22,444 households benefited in NTT and NTB.

**Evaluation Completion Date:** 15 April – 24 May 2010

**Evaluation Team:**

1. John Fargher, M&E Specialist, Team Leader

2. Suhirman, Local Governance Specialist
3. Sofia Ericsson, AusAID P&Q Canberra
4. Arief Sugito, AusAID SPM for Aid Effectiveness

In addition, participating as Observers from the Government of Indonesia's Ministry of Home Affairs were Dr Parulian Siagian, Dr Jahluddin, Lily Latul, Marlina Agus and Dwi Ariyanti; as well as AusAID officers Niken Wardhani and Santi Handayani.

## Management Response

The report is a good piece of analytical work and identifies strengths and weaknesses of the ANTARA program, though arguably it did not sufficiently analyse the factors behind ANTARA successes. The ICR found ANTARA overall effectiveness to be satisfactory, despite difficulties faced in the first couple of years of implementation:

“After 2007, ANTARA effectively leveraged successes from elsewhere to do three things simultaneously – (1) prioritise relationships; (2) better understand government constraints and opportunities to improve governance systems; and (3) deliver activity level outcomes that have an impact on the lives of the people of NTT. Few governance focused activities have achievements in all three areas, but ANTARA seems to have made progress in all of them.” (p.v).

The ICR makes a number of recommendations that are relevant to the development and implementation of the Australia Indonesia Partnership for Decentralisation (AIPD) – which builds on ANTARA experience – and to the coherence of AusAID's Indonesia Program. It sensibly calls for greater situational analysis and mapping of activities to intended outcomes, and encourages better donor coordination and stronger partnerships with GOI. Particularly important going forward will be linking evidence from our engagements in the regions to national level reforms needed to embed changes in the Indonesian system. Some of the recommendations don't properly consider the difficulties of engaging with fragmented and developing GOI systems and institutions, as indicated below.

## General Recommendation – New Management Model

An important point that comes out in the ICR is that the AIPD will require a new management model. Although ANTARA was initially conceived to work in NTT and NTB (and then expanded further to Papua and West Papua), almost 90% of its resources were invested in NTT and a few districts. To scale-up to 5 provinces and many more districts under AIPD requires a different management model. The ICR suggests this could include:

- A change strategy and performance framework based on a realistic end of program outcome and tangible steps defining a roadmap of how to get there for each province.
- A Deputy Program Director/Provincial Coordinator in each province responsible for delivery of the change strategy and its related activities.
- Resident District Development Officers in each district as the agents of change to support learning by doing (i.e. by providing practical examples of successful change management cases, and link AIPD activities with sector programs)

Although not specific recommendations in the ICR, these actions are part of the proposed Management Response.

In addition, the ICR provides recommendations outlined below. Suggested AusAID responses are also provided.

### Recommendation One

**Ensure new initiatives have realistic end-of-program outcomes** – to manage risks and expectations it is recommended that AIPD has a realistic end-of-program-outcome and clear intermediary steps to get there. AusAID should now be in a position to map what would be required to get improved service delivery out of improved governance.

**Response:** Agree.

**Actions:** AIPD will develop realistic end-of-program outcomes and intermediary steps to get there.

### Recommendation Two:

**Use a transition plan to refocus activities and establish relationships for AIPD** – the ICR team saw no evidence of a formal plan for the transition from ANTARA to AIPD. Since they are different initiatives, and the

context is different with changed roles for provincial levels from 2011, it is recommended that ANTARA work with operational staff in provincial and district BAPPEDA bureaux and offices of education and health to plan the transition from ANTARA to AIPD. This is especially important in NTT, but also in NTB. Engagement with partners to develop the transition plan will reduce risk and improve sustainability by increasing ownership and awareness.

**Response:** Partially Agree. Provincial work plans are being developed, but AIPD Districts will not be officially decided until after AIPD mobilisation.

**Actions:** Provincial work plans developed initially by AIPD team, then revised and agreed in consultation with relevant provincial government stakeholders.

### **Recommendation Three:**

**Develop and use a change management strategy** – lessons learned from ANTARA activities under Objectives 1 and 3 emphasise that institutional reform for improved service delivery is complex and high risk. It is recommended that AIPD works with its partners at national, provincial and district levels to develop a change management strategy that guides the process of change towards new individual, systematic and organisational performance. As shown schematically in the ICR Annex 3, this should identify which practices will end, how the transition to new practices will be managed and what implementation of new practices will look like. Engagement of provincial and district agencies to develop a change management strategy would improve sustainability by increasing ownership and establishing an agreed roadmap towards sustainable planning and budgeting for improved service delivery.

**Response:** Partially agree. There will not be one change management strategy. AIPD will develop change management strategies to address the specific targets identified with Provincial and District government partners.

**Actions:** AIPD targets to be determined by appropriate contextual analysis and agreement with relevant stakeholders.

### **Recommendation Four**

**Improved co-ordination for better outcomes** – lessons learned from ANTARA and other AusAID programs emphasise the need to better coordinate activities between national level governance programs and AIPD, as well as service delivery programs and AIPD. It is recommended that AusAID proactively coordinate programs in this way using a systematic approach developed with BAPPENAS, Ministry of Home Affairs and AIPD.

**Response:** Partially agree. AIPD will pro-actively coordinate with and leverage AusAID's national level governance and service delivery activities to influence national level reforms for better financial management and service delivery. AusAID will continue to encourage greater GOI leadership and better donor coordination.

**Actions:** AIPD will work with all relevant AusAID programs to develop common targets and joined-up approaches. AusAID will continue to encourage greater GOI leadership and better donor coordination.

### **Recommendation Five**

**Demonstrate links between planning/budgeting and service delivery** – lessons learned from ANTARA and the PNG Sub-national Strategy highlight the risks of too much focus on executive levels of government and planning processes. Planning and budgeting are only one part of the much more complex system that drives service delivery. It is recommended that AIPD use implementation cases to demonstrate in practice the connections between plans, budgets, resource allocation to service units and use of resources in those units to improve the quantity and quality of services delivered. These cases could be implemented in partnership with sector programs (eg Australia Indonesia Partnership for Maternal and Neonatal Health) and other partners (eg GTZ and UNDP).

**Response:** Agree

**Actions:** AIPD will develop tools to enable communities to monitor implementation of minimum service standards.

### **Recommendation Six**

**Use quality at entry analysis to maintain quality and focus** – flexible and responsive programs require a clear mandate with realistic objectives that establish a framework for quality at entry assessment. It is recommended that the team implementing AIPD work with their provincial and district partners to

systematically use rigorous quality at entry analysis as part of the process to select and guide activities for implementation.

**Response:** Agree

**Actions:** Quality at entry analysis will be developed as part of the AIPD M&E framework.

#### **Recommendation Seven**

**Have a clear exit strategy for AIPD activities** – ANTARA did not have an exit strategy for its activities. To manage risks and expectations it is recommended that all activities supported by AIPD have an exit strategy, informed by a realistic end-of-program-outcome and clear intermediary steps to get there. The exit strategy should be developed by partners with AIPD support and be reviewed and updated periodically.

**Response:** Agree

**Actions:** AIPD exit strategy will be developed as part of the inception plan.