

Independent Evaluation of Australia Indonesia Partnership for Decentralisation (AIPD)

MANAGEMENT RESPONSE AND LEARNING AND DISSEMINATION PLAN

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Aid Activity Objective

Australia Indonesia Partnership for Decentralisation (AIPD) supported the Government of Indonesia (GOI) decentralisation program. The objective of the program was to 1) assist the national government agencies to develop policies on systemic issues that impede effective service delivery at the sub-national level; 2) strengthen the capacity, responsiveness and performance of selected subnational governments (SNGs) in Eastern Indonesian to deliver essential services, such as infrastructure, education, health, and water and sanitation in some of the poorest areas; 3) serve as a platform to DFAT's sectoral programs (health, education, infrastructure etc.) in strengthening the enabling environment (especially around sector planning, budgeting and resource allocation) required to help sector interventions achieve their objectives.

Aid Activity Summary

Aid Activity Name			
AidWorks initiative number	INJ122		
Commencement date	01 December 2010	Completion date	30 June 2015
Total Australian \$	AUD 68 million from DFAT		
Total other \$	0		
Delivery organisation(s)	Cardno Emerging Markets Pty LTD		
Implementing Partner(s)	Coordinating agency : Ministry of Home Affairs (MOHA), Implementing agencies: National Planning Agency (BAPPENAS) and Ministry of Finance (MOF) Sub-Nationals Governments Civil Society Organisations Universities		
Country/Region	Indonesia		
Primary Sector	Effective Governance		

Independent Evaluation Summary

Evaluation Objective: To provide information for DFAT and main stakeholders on: 1) AIPD key contributions towards improving the allocation and management of resources for better delivery of basic services in the targeted locations; 2) AIPD's effectiveness and efficiency in working within widespread geographical locations, including in performing its role as a sub-national development coordination platform;

and 3) Lesson learned related to AIPD accomplishment and/or contributions (or lack thereof) that are relevant for design of the new DFAT investment related to decentralisation.

This evaluation of the AIPD program was undertaken when the new DFAT decentralization program, KOMPAK, was at inception phase. Therefore, in addition to meeting the requirements of an independent completion report, a key aim of this evaluation was to contribute to broader agency learning and demonstration of results, including informing the inception phase of and further implementation of KOMPAK, in particular 1) identification of key strategic issues and areas of focus for support in decentralization; 2) appropriate governance arrangement that may be relevant to decentralization program; and 3) opportunities to streamline and/or implement bureaucratic reform issues.

Evaluation Completion Date: 28 August 2015

Evaluation Team:

1. Dr Linda Kelly - Team Leader and monitoring and evaluation specialist
2. Mr Diding Sakri - Public Financial Management (PFM) Specialist.

Helen Cheney, DFAT Counsellor, Performance & Quality, chaired the aide memoire presentation of this evaluation on 24 June 2015 which was attended by representatives from other DFAT development programs including education, health and infrastructure sections.

Key Messages

- AIPD built on the experience of the Australia Nusa Tenggara Assistance for Regional Autonomy' (ANTARA) program. Its central premise was the need for improved public financial management in order to increase resourcing for service provision at the level of district and subdistrict. The original program has been subject to several internal changes as well as considerable changes in the external operating context. After a significant restructure in 2013 the program shifted to a more deliberate focus on improved service delivery, accompanied by several changes in program implementation and management arrangements.
- It was a complex program with many activities and focus areas, implemented across various locations. The program focused on support for the GOI decentralisation agenda. It worked with three central GOI ministries, the Ministry of Home Affairs (MOHA), Ministry of Finance (MOF) and BAPPENAS. It operated in five provinces (East Java, Nusa Tenggara Barat (NTB), Nusa Tenggara Timur (NTT), Papua and West Papua), across 20 districts and with a selection of service units, civil society organisations (CSO), universities and communities.
- Over the life of this program the Indonesian Government introduced a number of new laws and given greater attention to more effective processes and approaches towards decentralization. These include bureaucratic reform legislation, accelerated reforms for the fiscal transfer system, a new national health insurance scheme and a new village law which has significant implications for fiscal transfers, service delivery and governance at the subnational level.
- The Australian Government's aid approach in Indonesia has shifted throughout the life of this program. More recently there has been a much greater focus on service delivery and support for the implementation of front line services. This is in line with Government of Indonesia focus and aligns well with the results focus now characterising the broader Australian aid program. That was not the clear focus at the beginning of AIPD.

Overall Findings

The overall findings of the review indicate that AIPD worked effectively to align itself with GOI focus on decentralisation and has participated in key priority areas to both central and local governments. It has built effective working relationships with different areas of government and with key civil society actors. This approach is an important achievement that supports the Australian Government being well-positioned to work in partnership with the GOI support decentralisation.

The findings also suggest that future programs seeking to support decentralisation and improved governance need to be developed in response to the local context which includes attention to previous donor support, lesson learned and analysis of the drivers of change and opportunities. While this is far from a new conclusion, it continues to be relevant to effective support for governance, and in particular in a decentralised context.

Management Response

The evaluation team provided eight recommendations for DFAT to consider in any future decentralization program. DFAT fully agree in principle with seven recommendations and partially agree with one recommendation.

Recommendation One

Future programs that support decentralisation in Indonesia should be assessed for feasibility. The feasibility assessment should give attention to existing research and experience around effective decentralisation support in Indonesia and that related to effective governance programming in complex environments. The proposed program designs need to be tested to assess the likely achievement of outcomes, based on the clear lessons learned from decentralisation and governance research and programming to date.

Response: DFAT agrees with the recommendation

Actions: DFAT has taken into account this recommendation in assessing proposed activities under KOMPAK facility and other activities related to decentralisation. KOMPAK is a flexible facility being implemented using a design and implement approach. Much of its first year has been directed towards developing and consolidating the KOMPAK's overarching framework and governance arrangement. It promotes a problem driven iterative adaptation approach in implementing the program. This means that KOMPAK will not prescribe beforehand solutions to the identified issues. All activities and outputs will be revised and redesigned over time to contribute to the expected outcomes, ensuring a high level of adaptability and relevance to the local environment in the seven provinces in which it now operates. Quarterly review and reflection activities will allow for regular feasibility assessments.

Recommendation Two

Future programs seeking to work in governance and decentralisation in Indonesia need to avail themselves of suitably qualified staff, whether these include DFAT employees or those available through contractors. The staffs need to have core skills in change management, facilitation, cultural and social analysis and relationship building.

Response: DFAT agrees with the recommendation

Actions: DFAT will continue to ensure that KOMPAK, as well as other governance programs, recruit highly qualified and experienced staff with strong skills in the areas identified. Many of the staff of KOMPAK have been directly involved in donor-funded decentralization and community empowerment activities in Indonesia. DFAT will continue to ask KOMPAK to conduct regular training for and monitor performance of its staff to support effective program implementation.

Recommendation Three

DFAT should consider its rationale and aim for ongoing engagement in decentralisation in Indonesia. While decentralisation is an important process through which to influence service delivery it is a long term endeavour. Comprehensive outcomes are likely to take considerable time and will require investment across several levels of engagement (from National through to community). More focused investments will make a contribution but will not produce simple attributable and sustained results. DFAT needs to be clear about its intentions for decentralised engagement and the results it would consider worthwhile for the investment made.

Response: DFAT agrees with the recommendation

Actions: DFAT has a number of programs which support GOI's decentralisation agenda. In addition to KOMPAK, these include ongoing support to through the World Bank PNPM Support Facility. A number of other programs support that agenda indirectly, such as MAMPU, Peduli and MAHKOTA. DFAT will develop a strategic approach for those programs and take account of this recommendation. The approach will ensure those programs are coordinated and focused, in order to build upon each other's' strengths and to achieve the strongest outcomes.

Recommendation Four

Future programs ought to be accompanied from the point of initial concept development, by a detailed program theory of change, that examines the way in which decentralised government and service delivery in Indonesia is currently changing and the way in which a donor can most effectively engage with this dynamic and diverse situation. The theory of change will necessarily be iterative, being further developed throughout the life of the program and utilised as a basis for regular testing of assumptions and assessment of program progress.

Response: DFAT agrees with the recommendation

Actions: The first deliverable for the KOMPAK program, after it commenced in January 2015, was a detailed theory of change, as a component of its forward strategy. DFAT will ensure that regular cycle of review and reflection to facilitate reassessment of the theory of change is conducted on a quarterly basis. KOMPAK also has a Strategy Advisory Committee who are tasked to ensure that the broader strategic direction, underscored by the theory of change, remains appropriate to the program and the context and that its underlying assumptions are regularly re-examined. The design and implement approach enables KOMPAK to be a highly iterative and adaptive program, while its foundations in programs such as AIPD allows it to build on models and pilots which have already been tested and which can be scaled up and replicated.

Recommendation Five

Future program designs ought to specify strategies and resources for management of knowledge alongside requirements for research production and for standard monitoring and evaluation procedures.

Response: DFAT agrees with the recommendation

Actions: DFAT recognises the need for greater effort in knowledge management across its programs and is currently exploring a number of mechanisms to facilitate that. On decentralisation specifically, future activities under the PNPM-Support Facility will develop and disseminate a knowledge repository of research, information and lessons from the many years of the PNPM program, which will be linked to other related historical programs. This will be complemented, more broadly, with work under DFAT's Knowledge Sector Initiative.

Recommendation Six

Future programs to support decentralisation should be underpinned by a performance approach which draws from existing research and knowledge about how to assess change in complex program environments. This is likely to require a multi-level performance framework that uses a mixed methods approach and a strong framework for high quality analysis. It will be supported by a detailed program analysis which acknowledges the complex operating environment and allows for an iterative assessment approach.

Response: DFAT agrees with the recommendation

Actions: DFAT will continue to work with the KOMPAK program team to strengthen KOMPAK performance framework.

Recommendation Seven

There is considerable merit in including collaborative program arrangements in future programs focused on improved service delivery in a decentralised context. This is likely to draw together both sector and governance programs in any given location to achieve shared outcomes. Program leadership should be delegated according to best fit in the context and the overall intent of the collaboration. Performance incentives and penalties need to be included in any contractual support provided for programs to ensure outcomes are achieved.

Response : DFAT partially agree with the recommendation

Actions: DFAT will continue effort to build a strong Community of Practice, through a range of formal and informal engagements, among its poverty, social development and human development/service delivery programs around particular topic areas including Decentralisation. This will form the basis for a more formalised sub-national platform coordination role which has been assigned to KOMPAK. Building on the lessons of AIPD, KOMPAK will pilot a sub-national coordination platform in NTB province in late 2016. Having considered complexity of this collaborative program arrangement hence a pilot will be conducted, it is not appropriate to apply performance incentives and penalties in the contract for this approach.

Recommendation Eight

Future programming to support bureaucratic reform needs to avoid top down and single focus approaches. Future programming will need to draw from a range of strategies and combine this with high-quality and skilled program implementation staff or partners who have good understanding of the influences of culture, politics and context upon change processes.

Response: DFAT agrees with this recommendation

Actions: Insight from this independent completion review will be considered in programing activities under Australian development programs, including KOMPAK, KSI and AIPEG.

Learning and Dissemination Approach

Target Audiences

Internal DFAT

- Indonesia program Jakarta Post, including the AIPHSS, KOMPAK, Basic Education, AIPEG and Performance and Quality Unit
- Indonesia Desk in Canberra

Relevant Indonesian Government Agencies:

- Ministry of Home Affairs (MOHA)
- National Development Planning Agency (BAPPENAS)
- Ministry of Finance, Directorate Fiscal Balance, (MOF-DJPK)
- Regional Development Planning Agency (BAPPEDA) in provincial and district levels

Implementing partner:

- Cardno Emerging Markets Ltd Pty

Dissemination Approach:

The ICR and Management Response will be publicly accessible through the DFAT website.

The ICR was distributed to DFAT Jakarta Post in Education, Health, Frontline, and Aid Management Unit for comments.

The final ICR report will be shared with relevant Indonesian government agencies as identified in the distribution list.

Learning and Dissemination Actions

Public Release:

- The AIPD ICR will be available and ready for public release via DFAT internet in September 2016. This will be shared with key Indonesian Government partners.

Distribution List:

Stakeholder	Management Response Included?	Distribution Method
Internal DFAT	Yes	Soft copy
Indonesian Government Partners	Yes	Hard and soft copies
Australian Public	Yes	Uploaded onto DFAT website

Learning and Dissemination Activities:

Activity	Target Audience	By When?	Who Responsible?
Presentation of Aide Memoire	DFAT Jakarta Post	23 June 2015	Evaluation manager
Circulation of draft 1 ICR to DFAT Jakarta Post	DFAT Jakarta Post, Health, Education, Governance and Social Development, Aid Management Unit	07 August 2015	Evaluation manager
Circulation of draft 2 ICR to DFAT Jakarta Post	DFAT Jakarta Post and Aid Management Unit	19 August 2015	Evaluation manager

Activity	Target Audience	By When?	Who Responsible?
Circulation of Final ICR to DFAT Jakarta Post	DFAT Jakarta Post	4 September 2015	Evaluation manager
Release of final ICR and management response to the public via DFAT website	General Australian public	September 2016	DFAT Communication Section, Canberra