

Indonesia Infrastructure Initiative (IndII)

An Australian Government Initiative

MONITORING AND EVALUATION PLAN

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Acronyms

ACR	Activity Completion Report
ADB	Asian Development Bank
APCR	Activity Progress and Completion Reports
AusAID	Australian Agency for International Development
Bappenas	Badan Perencanaan dan Pembangunan Nasional
CB	Capacity Building
CMEA	Coordinating Ministry for Economic Affairs
CPS	Country Program Strategy
FM	Facility Management
FRPD	Facility Review and Planning Document
GoA	Government of Australia
Gol	Government of Indonesia
IAT	Impact Assessment Team
IEG	Infrastructure Enhancement Grant
IEI	Immediate and Emerging Issues
IFGI	Infrastructure for Growth Initiative
IPM	Infrastructure Project Management
IndII	Indonesia Infrastructure Initiative
KRA	Ker Result Area
M&E	Monitoring and Evaluation
MC	Managing Contractor
MDB	Multilateral Development Bank
MoF	Ministry of Finance
P&R	Policy and Regulatory
PDD	Program Design Document
PI	Performance Indicator
SER	Strategic Engagement Report
SPS	Strategic Partnership Support
TA	Technical Assistance
ToR	Terms of Reference
TT	Technical Team

Executive Summary

The White Paper on the Australian Government's Overseas Aid Program identified economic growth as being critical to poverty reduction and making progress towards the Millennium Development Goals (MDGs). Infrastructure investment is one of the key drivers of economic growth. In response, the Australian Government launched the Infrastructure for Growth Initiative (IFGI) in 2007 to help regional partners address their pressing infrastructure needs. IFGI is directed towards helping regional partner government improve their infrastructure policies and finance high-priority infrastructure in conjunction with other international donors.

The Indonesia Infrastructure Initiative (IndII) has been developed within the IFGI framework and is supported by funding under IFGI. Accordingly, the development goal of IndII is to promote economic growth in Indonesia by enhancing the relevance, quality and quantity of infrastructure investment in Indonesia.

To support the achievement of the development goal and other key objectives, IndII has developed a Monitoring and Evaluation Framework (MEF) to capture performance information and data at two levels – through individual activities and through defined program outcome areas. M&E for IndII is primarily about ensuring that the program delivers quality activities through appropriate selection of activities. It is imperative that the program supports improved infrastructure priority setting and investment and to ensure resource allocation is appropriate between thematic and sectoral areas. It is also important that accountable and transparent systems are encouraged and facilitated through the Board around all activity selections for IndII

The MEF has evolved over a period-of-time and the M&E specialist has consulted broadly in developing an approach that meets the information needs of the IndII Office, the Government of Indonesia (GoI) through the IndII Board and Technical Team (TT) and AusAID. Importantly for M&E, each stakeholder has a specific responsibility and interest in M&E. The MC (SMEC) is responsible for activity level and process reporting, in addition to reporting against program result areas. The IAT is responsible for higher-level impact reporting at the Facility and Goal level and to incorporate results from the Board and TT. Overarching the program is the need for AusAID to report value for money considerations and effective harmonisation with other donors working in the infrastructure sector.

Each stakeholder with IndII has a specific focus and responsibility on the program and all will be involved in administering the selection process and guidelines to identify and fund activities. Proposal and reporting formats have been prepared to assist the IndII Office in the management of activities and this will be supported through an Activity Tracking System (ATS).

The program-level framework has five broad result areas against which information will be collected to demonstrate impact. The five broad areas are Capacity Development, Governance, Policy Setting and Implementation, Partnership Building and Performance and IndII Facility Management. A range of activities, under IndII funding, will contribute to these result areas and a results framework will be prepared for each activity by technical managers in the IndII Office to track progress against agreed objectives.

The methodology for the collection of results will involve activity reports (including advisor reports) that are routinely reviewed by IndII technical directors. Results are entered into the Activity Tracking System each month. Each year a maximum of five activities will be selected through consultation with Facility Management to participate in a detailed activity review/case study process. The Case Studies will

utilise a qualitative approach using a set standardised criteria (which is to be developed). The results will generate a statement of success/failure for the activity and the results will feed up into an Annual Outcomes review (using the program level framework and indicators). These results will contribute to the Facility Review and Plan Document (FRPD) and AusAID's Quality at Implementation (QAI) reporting.

The PDD made reference to an Independent Assessment Team (IAT). This IAT will be used to evaluate **progress** and performance against component objectives and the development goal and the IndII M&E Specialist will focus on the program and activity level frameworks. The IAT will also conduct a whole of program review using information derived from the Case Studies and Annual Outcomes Review. The IAT will be responsible for assessing the quality of facility management also.

A scheduling of cost, timelines and required resources is provided in the MEF for the input by the M&E Specialist and the IAT during the course of the program.

The Request for Tender (RFT) provided only limited time for M&E for IndII and this time was used up in the development of the MEF. It is recommended that additional time be provided to support the framework's ongoing M&E requirements. The MEF provides a scheduling of cost, timelines and required resources.

1.0 Background to the Indonesia Infrastructure Initiative (IndII)

IndII builds on the success of other AusAID programs, and aims to support the national and sub-national governments in addressing funding and implementation constraints for infrastructure investment and its efficient and effective delivery. IndII will provide funds to remove these constraints and to enhance the economic and social impact of selected infrastructure projects.

IndII is strategically positioned with the IFGI framework to contribute to economic growth in Indonesia by enhancing the relevance, quality and quantity of infrastructure investment. Underpinning this broader mandate, IndII will support policy and regulatory development, improve institutional capacity and facilitate infrastructure investment at the national and sub-national levels in Indonesia. IndII comprises three components:

- Infrastructure Project Management (IPM)
- Policy and Regulatory (P&R)
- Infrastructure Enhancement Grants (IEG).

The IPM component aims to contribute to more efficient and effective management government agencies in delivering infrastructure projects. The P&R component is designed to support the Government of Indonesia (GoI) objective of improving the policy and regulatory environment for infrastructure investment. The IEG component aims to improve the economic and social impact of GoI infrastructure projects by providing grants to these projects.

An important element of the facility approach proposed is the Immediate and Emerging Issues (IEI) and Strategic Partnership Support (SPS) sub-components. These sub-components support and enhance the dynamic and strategic approach of the facility as a whole while maintaining a level of flexibility to support the priorities of the GoI.

In addition to key activities under IPM, P&R and IEG, the Facility will also accommodate initiatives such as the Water and Sanitation Initiative (WSI) and IISTF into the broader MEF and plan. Whilst the MC will have a direct management role over the WSI, the IndII MEF still needs to measure the contribution and impact other infrastructure activities (IISTF) may have upon the program and GoI priorities as a whole. These issues and considerations will be discussed with AusAID later in the year.

M&E for IndII is measured at both the activity and program level and is primarily focused on measuring that the program as a whole selects the right activities to support key initiatives in the infrastructure sector. M&E involves ensuring activity selection procedures are accurate and appropriate, Board function and responsibilities are understood and that there is effective resource allocation between thematic and sectoral areas.

1.1 Overview of the IndII MEF – Consultation and Design

In designing the MEF for IndII, a series of consultations and mapping exercises were undertaken to review key strategic documents and to develop an appropriate framework and associated indicators to gauge performance. Initial consultations have been held with AusAID and GoI representatives and this has been followed with more intensive meetings with AusAID and IndII Office technical directors to define the scope and parameters of the MEF.

The proposed MEF for IndII is a simple framework aimed at generating results that can be assessed and understood by a range of stakeholders. There are two frameworks for the program. A program-level framework representing higher-level program outcomes and key result areas, and an individual activity framework (results framework) to assess individual activities funded under the facility. A copy of the Activity Results Framework is included as Attachment 1.

The focus of the two frameworks is to measure development effectiveness and impact and through this promote accountability and learning in implementation and management.

2.0 IndII MEF – Program and Activity Level M&E and Results Framework

IndII is expected to identify and support a range of infrastructure activities aimed at supporting the national and sub-national governments in addressing constraints impeding the efficient and effective delivery of infrastructure investment. In assisting this process, IndII will contribute to economic growth directly through financing important steps in infrastructure project development and implementation, reduce uncertainty in the policy and regulatory environment and improve capacity for infrastructure investment and management.

This process poses some challenges from an M&E perspective. As with most facilities at program level, there is no pre-determined set of causal relationships between outputs and outcomes with matching indicators, as would be the case for a project approach. This is because:

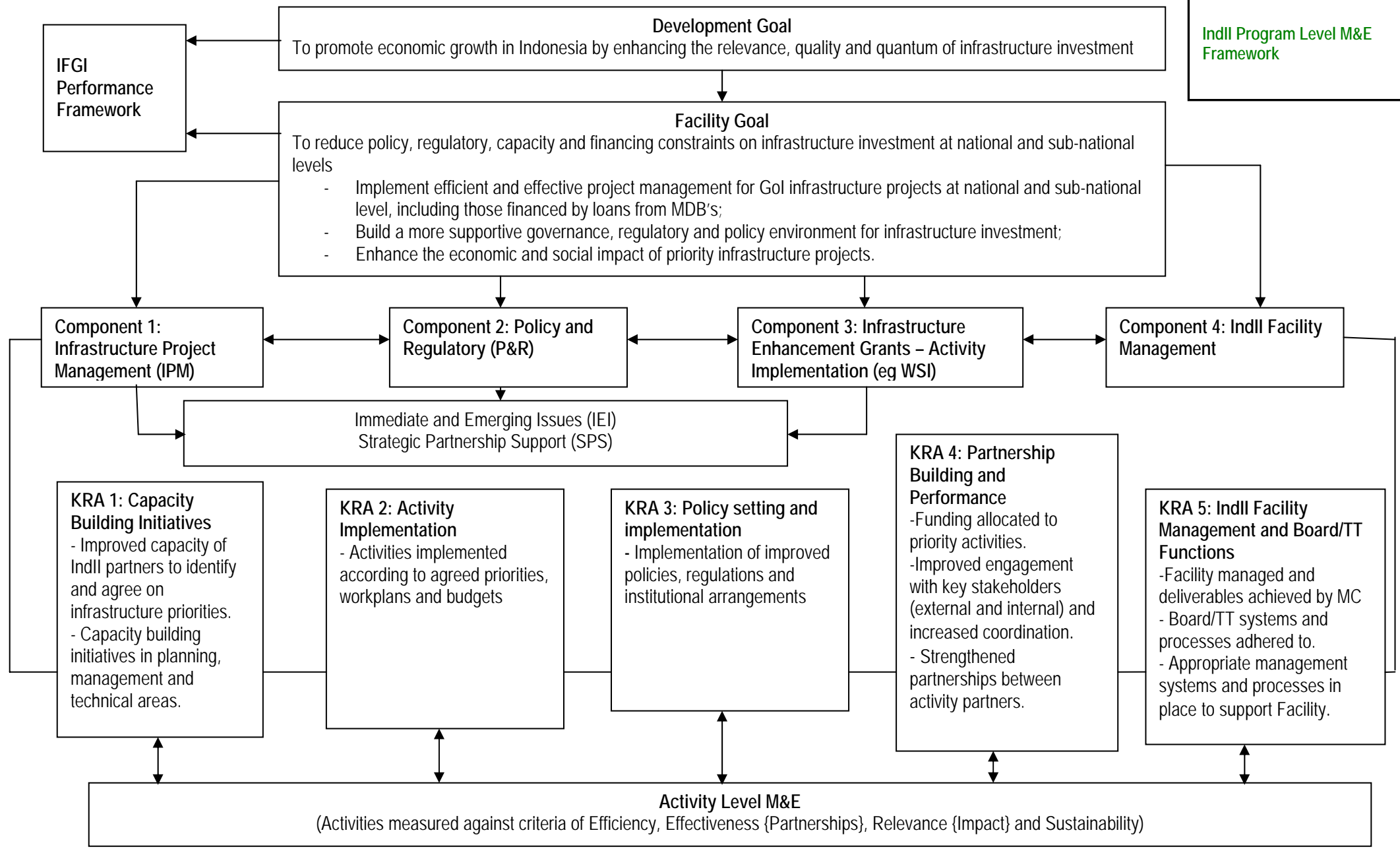
- There are no defined facility outputs or outcomes.
- The objective under each component is not those that can be measured using specific individual indicators, but rather using defined common themes (e.g. evidence of improved capacity to implement and manage infrastructure, strengthened regulatory and policy environments and coordination and interaction with other donors supporting infrastructure investment).
- Activities to be funded under the facility are not pre-determined but often based on agreed selection criteria and emerging priorities (as is the case with IndII).

Funding and implementation of activities will be determined by priorities defined by the GoI and in consultation with the IndII Office. Activities are selected using an Activity Screening and Preparation Process (Attachment 2) where by activities are identified and discussed with the technical team for endorsement. Once this has been received, detailed activity design and proposals are prepared which are then approved by AusAID for funding through the Facility. The IndII MEF needs to reflect this engagement and dialogue and the system is designed in such a way so as to:

- Contribute to lessons learned
- Reflect on the activities that work well and the factors which contribute to this success
- Promote joint ownership of development outcomes and impact
- Use existing systems at all times where possible
- Link in with other AusAID funded programs under IFGI and importantly with other programs funded through the World Bank and ADB
- Promote AusAID's gender and development and environment policies as key strategic documents guiding implementation and management.

Diagram 1 below highlights the program outcomes and associated indicators used to assess the achievement of facility objectives (Program Level Framework).

DIAGRAM 1:
IndII Program Level M&E Framework



Some general points about the framework:

- The M&E framework follows a logical sequence that has identified five program outcomes that have been refined following consultations with AusAID and the IndII Office. The five outcomes are: (1) capacity development of IndII partners; (2) governance for IndII partners; (3) policy setting and implementation; (4) partnership building and performance; and (5) IndII Facility Management and Board /TT team.
- Capacity Building is not focused solely on internal processes but rather how the program supports activities that promote capacity building at the individual level.
- An Activity Results Framework was also developed to complement the Program Framework (Attachment 1). The purpose of the Activity Results Framework is to capture performance information related specifically to the individual project(s). The results framework will be responsive to the specific activity being undertaken and information/results from these can be collated, analysed, and fed into the broader program framework. The inclusion of activity results frameworks allows the program to measure impacts more broadly. The activity framework will be applied to all projects funded under the facility and their results incorporated into the overall framework.

2.1 Proposed IndII MEF Methodology – Program and Activity Level

The proposed methodology for IndII is a simple process aimed at providing information and results that demonstrate achievements at the activity level through to impacts at the KRA level. The evaluation of component objectives, result areas and associated indicators will be the responsibility of the IndII M&E Specialist and IndII Office technical directors. There are two major elements to the proposed methodology (*in addition to ongoing basic activity level monitoring and reporting*):

- Case studies and annual outcome evaluations; and
- Whole of program review.

The use of these methodologies will be reviewed on an annual basis to ensure adequate results are being provided to the Board and AusAID.

Prior to outlining the proposed approach it is important to define key terms to be utilised for IndII. The Facility approach primarily focuses on three broad areas – partnerships, policy formulation and capacity building. Key definitions and their applicability to IndII are outlined below:

Partnerships - ‘collaborative relationship between entities to work towards shared objectives through a mutually agreed division of labour’. For IndII, partnerships are not an end in themselves but rather a *process* towards the achievement of Facility goals. The focus for IndII is on developing *new partnerships and strengthening existing relationships*.

Policy setting/reform - main focus of policy for IndII is on agenda setting, policy formulation and governance. For IndII, working with TT/Board to prioritise activities and recognise the need for policy and governance improvements are the key features of policy influence and reform. An *important distinction to be made is that IndII is not changing policy but measuring contribution towards identification of need for policy improvements and strengthened governance systems*

Capacity Building is ‘the process of developing competencies and capabilities in individuals, groups, organisations, sectors or countries which will lead to sustained and self-generating performance improvement’ For IndII, the emphasis of capacity building is on *exposing Gol partners and*

counterparts to new ideas and concepts in infrastructure (contributing to broader reform and priority setting). The focus for Indll is primarily at measuring capacity change at the individual level.

2.1.1 Case Studies and Annual Outcome Evaluation

The case study approach is a powerful qualitative tool for evaluating activity performance by reviewing progress of individual activities against agreed outcomes/KRAs. Activities to be evaluated will be selected based on discussions with Indll Facility Management. This will be done as part of the Annual Planning process. A maximum of five activities will be selected each year for review.

Activity case sampling will be carried out using a simple stratification approach that will ensure that the selected cases are representative of the broader population of activities. Stratification will most likely be by size and sector i.e. if 40 % of activities are from the transport sector, then roughly 40% of cases sampled will also be from this sector.

All activities will submit reports in accordance with the guidelines but the five selected activities will undergo a more detailed review and assessment. The specific criteria for the evaluation will be developed during the course of the year in consultation with AusAID. However specific questions and indicators to be addressed could include:

- What have been the key achievements of the activity? Was the design and associated objectives appropriate and relevant?
- Are objectives consistent with AusAID's Indonesia Country Strategy and the objectives for IFGI?
- How has the activity objectives contributed to the achievement of indicators for KRA's? Has the activity increased capacity, improved partnership arrangements and established clear roles and responsibilities;
- Has the overall activity management system been appropriate to deliver desired results?
- Has M&E for the activity succeeded in delivering results that can be quantified and supported with evidence?

Table 3 in the reporting section provides a more specific list of questions to be used for activity reviews. The aggregation of results and in-depth evaluation will provide sufficient evidence to make a statement of success for each activity. The statement will be made on the evidence provided and the review of activities as they relate to the program level KRAs.

The review of activities and case studies will assist in the completion of an annual outcome evaluation. This evaluation will utilise the results from the activity review and provide further justification of the achievement of indicators within the each KRA. The annual outcome evaluation will assist the IAT in assessing the overall achievement of the Indll Facility and to validate the selection of KRAs and associated indicators.

The methodology for these reviews is low cost and is part of the scheduled inputs of the M&E specialist. The reviews will be qualitative using structured interviews with key partners following a desk review of reports. A questionnaire framework will be developed in the coming months that covers key criteria outlined above.

The tables below highlight a range of key performance questions to be used in assessing the achievement of higher order objectives/outcomes in the Program Level Framework. The Activity Level

Framework (Attachment 1) and reports will collect specific information that will be consolidated to measure impact and change against the Program Level Framework and results can be aggregated up to measure impacts at the program level.

Capacity development will be measured in terms of its contribution to individual capacity change. This is important as the skills and knowledge gained by individuals are not necessarily 'lost' by participants but are applied in new environment. Measures for capacity development generally will be broad based so that an overall viewpoint is gained.

Key Result Area 1: Capacity Building Initiatives
Performance Indicators: Improved capacity of partners to identify and agree on infrastructure priority activities. Capacity building initiatives in planning, management and technical areas.
Performance Questions: Is there agreement on all infrastructure priorities? Do partners agree on priority sectoral areas for work? Have partners made improved choices in selecting activities to implement? Do IndII partners demonstrate strengthened capacity to set strategic direction? Are activities with capacity building elements contributing to improved awareness regarding infrastructure investment and management?
Responsibility: IndII Partners (Technical Team and Board included) are responsible for the selection of sectoral infrastructure activities based on agreed priorities and workplans. The IndII Office is required to help partners improve capacity, particularly for infrastructure investment and management.
Process: Interaction between technical team representatives and IndII technical directors. Consultations at scheduled board meetings. There will also be a review of activities on the Activity Database that have specific capacity building outputs and objectives.

Key Result Area 2: Activity Implementation
Performance Indicators: Activities implemented according to agreed priorities, workplans and budgets
Performance Questions: Do IndII partners understand their roles and responsibilities as active participants in the selection of agreed activities? Have the right activities been selected in accordance with priorities? Have all activities, in the main, met agreed objectives and deliverables?
Responsibility: Activity selection criteria are the central theme to be measured here. Responsibility lays with the Board/TT and IndII management to ensure activity selections are consistent and align to agreed priorities and also that resource allocation between sectors and thematic areas is appropriate.
Process: Interaction between technical team representatives and IndII technical directors. Consultations at scheduled board meetings. Review activities on the Activity Database that have specific outputs and objectives

Key Result Area 3: Policy Setting and Implementation
Performance Indicators: Implementation of improved policies, regulations and institutional arrangements
Performance Questions: Have agreed policy and regulatory reforms been implemented? Has the program prioritised PPP-based projects? Have financing arrangements improved? Has policy reviews and regional planning processes improved? Have reforms contributed to improved efficiencies and decision-making processes with IndII partners?
Responsibility: The IndII Office is responsible for the management of activities that directly relate to policy and regulatory reforms. IndII partners are responsible for the ongoing reform process and the development and/or adjustment of policies in light of the reform process.
Process: Consultation between technical team and IndII Office on priority areas for regulatory reform and strategies to link reform to policy improvements. Specific results from IndII TA will be assessed through the activity level M&E which will provide information for reporting at the program level

Key Result Area 4: Partnership Building and Performance
Performance Indicators: Funding allocated to priority activities. Improved engagement with key stakeholders (external and internal) and increased coordination. Strengthened partnerships between activity partners.
Performance Questions: Has IndII facilitated the creation of new partnerships and strengthened existing ones? Are the sufficient resources available to promote partnership development? What influence has improved partnership had on activity quality? Have partnerships created opportunities for new engagements and interactions external to IndII? Does the coordination group promote activity partnerships?
Responsibility: IndII partners are responsible for identifying and exploring new partnership opportunities. IndII Office responsibilities are to facilitate and encourage partnership formulation and development.
Process: IndII partners to discuss partnership options and assess quality of partnerships during reporting phases.

Key Result Area 5: Facility Management and Board/TT functions
Performance Indicators: Facility managed and deliverables achieved by MC. Board/TT systems and processes adhered to? Appropriate management systems and processes in place to support Facility.
Performance Questions: Are activity components, objectives and the MEF still relevant? Is the purpose and objective of the program still consistent and appropriate? Are resources being allocated appropriately? Is there adequate feedback and communication between Board/TT and IndII management? Are IndII Office's internal management processes sufficient? Are activities adhering to the agreed selection criteria? Is there evidence of ongoing improvements to management processes and are good relations with IndII partners being maintained? Are cross-cutting themes and AusAID policies being applied to all development activities? Is the risk management strategy relevant and appropriate to Facility management?
Responsibility: Responsibility lays with implementing partners to provide appropriate feedback on their perceptions of the program. The IndII Office will also be responsible for reviewing management performance at agreed reflection events during the course of each year.
Process: Annual review of activities and annual reflection event. IAT to undertake review with IndII board and TT. A specific external evaluation could be considered where relevant and appropriate. Request for feedback from activity implementers on IndII Office performance.

2.1.2 Whole of Program Review

The whole of program review will be facilitated and conducted by the IAT. The purpose of the review will be to review Activity Selection Processes and Criteria (Attachment 2), review the MEF generally, and provide recommendations on the quality of activities funded, the use of program indicators and endorse the case study and annual outcome evaluation. The IAT will also assess the quality of activities funded and also the activity selection processes to ensure transparency and accountability is maintained.

Prior to the whole of program review, members of the MC will meet to discuss management and activity selection processes and reflect on the systems and processes that support the Facility and ultimately IndII partners. This internal review process will provide a basis for the IAT to review the internal management systems and identify issues that need to be addressed. The IAT will develop simple criteria to assess the results from KRA 5. The process will be an interview process with Facility management. Results will be consolidated into an IAT report that will feed into the FRPD.

Proposed discussions points to assess the whole of program performance could include (but is not limited to):

<i>Facility Performance Assessment</i>	General Considerations Are the Current Activities Contributing to the Facility Goal? Are the Current Activities Contributing to the Facility Objectives? Are the Current Activities contributing to the Board Strategic Direction? Are resources being allocated efficiently and effectively between sectoral and thematic areas? Overall Assessment and recommendations
Activity Performance Assessment	Context and Rationale Was the Activity Design Appropriate? Were the Specified Outputs Achieved? What Were the Results (Outcomes) of the Activity? Was the Activity Delivered Efficiently? What Lessons Were Learned? Overall Assessment and Recommendations on Quality of Activity
Facility Management	Responsiveness to IndII partners requests and activity selection processes Progress and partnership approach Secretariat role Participation in major MDB initiatives and events Application of AusAID's policies on cross-cutting issues Flexibility in using different approaches to help Partner Agencies address development constraints Role as a facilitator Role in transferring skills to counterparts Understanding of the Indonesia infrastructure context Handling of problems as they arise.

Table 1: Potential Questions for Whole of Program Review

Information and results from the activity reviews and case studies will also be provided to the IAT as part of the Whole of Program review process.

2.1.3 Activity Level M&E

Activity monitoring is a key function of ongoing program management. It is essential that activity-monitoring systems be established that address the information and reporting requirements of a range of stakeholders – namely the IndII partners, IndII Office and activity implementers. Activity monitoring for the IndII will be primarily the responsibility of technical directors in the IndII Office with support from activity implementers. Technical Directors will also have a responsibility for quality control of activities being implemented and to provide where necessary technical support and advice and assist in the preparation of reports.

A key feature of the Facility is that all activities are carefully designed and reviewed through the Activity Screening and Preparation Process and to allocate resources for priority activities accordingly.

Analysis of the contribution of activities to higher-level objectives for IndII (Program Level Framework) will rely on the information generated in response to the performance questions about each individual activity contained in individual activity results frameworks:

- What are the immediate results of the activity (all IndII partners will be asked to comment in their own style and based on their own views and impressions)?
- What factors have contributed to the 'success' of the activity?
- What contribution has the activity made to result areas such as partnerships, policy formulation and improved governance?
- Are benefits likely to be sustained?

Reporting requirements will be detailed in the activity proposals and design documents and adhered to. IndII Activity Proposal forms are included as Attachment 3. For activities lasting longer than six months, a progress report is required. Attachment 4 provides the format for the Progress Report. For those activities up to one year, an Activity Completion Report (ACR) is required and is included as Attachment 5. A maximum of five (5) activities will be identified each year to undertake a detailed case study process (please refer to Section 2).

The MEF for IndII at the activity level includes methods for data collection and analysis across four levels. IndII Office technical directors staff review activity reports against these criteria.

- Efficiency – measures the outputs (qualitative and quantitative) of an activity in relation to its inputs. It is a term to signify the best approach used to achieve desired results.
- Effectiveness – is a measure of the extent to which an activity attains its individual outcomes and purpose.
- Impact – refers to the positive and negative changes produced by an activity (both intended and unintended).
- Relevance – extent to which an activity is suited to the priorities and development goals of the broader program framework.
- Sustainability – concerned with measuring if the benefits of the activity are likely to continue after donor funding has been exhausted

3.0 IndII M&E Processes and Indicators – M&E Management

The program framework outlined in Diagram 1 provides an indication of the higher-order outcomes to be assessed in the achievement of Facility objectives and goals. The associated tables present a detailed methodology on how these indicators will be assessed over the life of the program.

The Independent Assessment Team (IAT) will assess the facility goal and associated objectives. A draft ToR is included as part of this MEF. The IAT should ideally be independent of the MC however, a proposed solution is for AusAID to select a team of consultants proposed by the MC and for the MC to contract and mobilise the team. The IAT would work closely with the IndII M&E Specialist and the IAT will be responsible for the development of appropriate assessment tools to gauge change and impact.

The IndII M&E specialist through a six-monthly review as part of the overall reporting process will assess component objectives and result areas. Information relating to the management of the facility will be derived from advisor monthly reports and also through six-monthly reflection and review sessions

aimed at reviewing systems and processes and their contribution to the management of Facility activities.

Results at the activity level will be derived from reporting against individual activities in individual reports. Activities will not be aggregated since they are varied and disparate, however, they will be grouped under specific key result areas.

In summarising the overall approach, Diagram 2 outlines the various levels of influence and responsibility within the IndII MEF. The IAT will be responsible for higher level impact M&E across the MEF. The IndII M&E Specialist will focus efforts at the program framework and activity framework and generate results to feed into the higher-level evaluations and studies.

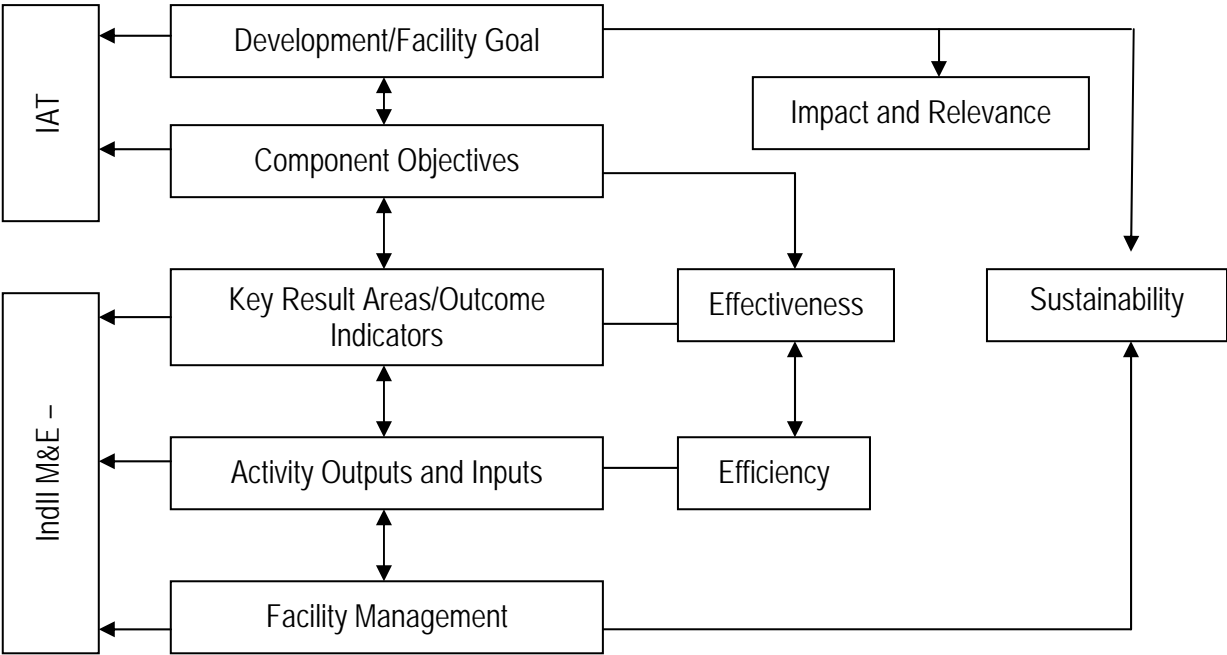


Diagram 2: IndII M&E Summary – Flow of information and level of responsibility

3.1 Evaluation of Facility Goal and Associated Objectives (Impact)

The evaluation of the IndII goal and objectives is a long-term exercise and results are not anticipated until at least the end of the program and more than likely beyond that time. The IAT will be responsible for the assessment of achievements against IndII goal and objectives. Reviews should occur on an annual basis with a detailed review at the completion of the program in June 2011. It is proposed to have one visit in 2009 by the IAT to endorse the current IndII MEF and to undertake an initial review of progress against the program level framework

The review process will look specifically at the contribution made by the IndII Office and the Facility as a whole towards supporting IndII partners and in improving capacity development, governance, policy formulation and implementation and partnership across the program.

The IAT will also assess the impact the board has had in influencing national and sub-national partner agencies; developing partnerships between larger donor agencies and the contribution of the IndII partners to improved infrastructure investment and implementation.

The IAT will complete these tasks as part of its 'Whole of Program' review (Please refer to Section 2)

4.0 Reporting

The IndII M&E system will generate a number of reports over the course of the program including:

- Monthly Activity and Advisor Reports
- Activity Completion Reports
- M&E Summaries for the FRPD
- IAT Independent Performance Reports.

4.1 Monthly Activity and Advisor Reports

A copy of the report format is provided as Attachment 4.

4.2 Activity Progress Reports

Where an activity exceeds one year, a progress report should be prepared. The report format is presented as Attachment 5. The progress reports could also potentially act as a mid-term review if deemed necessary as it will provide an opportunity to modify or add objectives/components. Specially, the reports will address, at a minimum, the following aspects:

	Performance Questions
<i>Activity Objectives</i>	Whether the activity's main objectives are still current and valid Whether there have been any changes to GoI or GoA priorities Whether there have been any changes to Partner Agency priorities
<i>Activity Design and Approach</i>	Whether the initial design is still valid and effective Whether the activity approach is still appropriate Whether the adviser's workplan is still relevant
<i>Achievements</i>	Progress against the workplan and implementation schedule Budget Outputs achieved to date Assessment of progress with skills transfer Assessment of progress with cross-cutting issues Evidence of quality requirements being met Evidence of stakeholder critical success factors being demonstrated
<i>Sustainability</i>	Whether the risk management plan is still valid Whether the required outputs are likely to be delivered within the original time frame Evidence of changes in individual and organisational behaviour
<i>Recommendations</i>	Unanticipated positive or negative effects of the activity Lessons learned Recommendations for changes during the remaining period of the activity to improve outcomes Outline of any additional inputs that may be required.

Table 3: Sample performance questions for Activity Reporting

4.3 Program Reporting

Results will be aggregated into six monthly reports that will be prepared in June and January each year. The January report will be the annual outcome review and will feed into AusAID's QAI reporting processes due in February each year. The reports will also contribute to the Facility's FRPD.

The June report will contain the case study information derived from the M&E input in April each year. Activities will be selected prior to these inputs and the criteria for interviews established.

5.0 IndII Activity Tracking System

The IndII Activity Tracking System (ATS) will be a key component of the overall IndII MEF. The database contents and the information generated will necessarily evolve over time to encompass not only M&E and reporting requirements, but also additional information needed by IndII as part of its internal management processes. A preliminary indication of the M&E data that will need to be collected in the database is presented in Table 4.

Section	Field Description	Explanatory Notes and Comments
Activity Classification Data	Activity Number	Sequential number assigned to each activity
	Activity Description	As per proposal/design documentation
	IndII Component	As per IndII project design document, i.e. IPM, P&R, IEG
	Activity Type	Technical assistance (TA), capacity building (CB) or IEGs
	Sector Focus	Transport, (roads, rail and sea), Water and Sanitation, and Telecommunications, Low-income housing to be monitored
	Thematic Focus	Implementation of improved PPP regulations, policies and institutional arrangements; Establishment of improved infrastructure financing arrangements; Further development of the PSO policy framework; and Medium-term infrastructure sector development planning.
	Location(s)	IndII's priority regions are Nusa Tenggara Barat, Nusa Tenggara Timur, Papua, and Papua Barat
	Name of Partner Agency	
	IndII Responsible Officer	IndII Officer responsible for the activity
	Counterpart	Counterpart person in the Partner Agency
	Lead Adviser	Where there is a Lead Adviser working in the Partner Agency
	Strategic partnership support (SPS) description	Where the activity is classified as SPS
	Type of Capacity Development	Enabling environment, Organisational development, Individual or Group skills transfer and development
	Key Dates	<ul style="list-style-type: none"> • Proposal received & assessed • Assessment sent to & received back from Partner Agency • Technical Team approval granted • Design finalised • Design sent to & received back from Partner Agency • Design submitted to AusAID for approval • AusAID approval granted • Mobilisation • Commencement • Mid-term review • Final review with Partner Agency
	Approved Activity Start and Finish Dates	
Approved Activity Budget		
Activity In Progress Data	Data from the Adviser Monthly Reports	See Attachment 6
	Data from the Activity Evaluation template (closed- and open-ended questions)	Activity Reports
Activity Completion Data	Data from the activity evaluation template (closed- and open-ended questions)	Activity Reports

Table 4: Proposed Activity Tracking System (ATS) for IndII

For each individual activity, data will be collected along with important activity results framework data (from Attachment 1).

Attachment 1: Indll Activity Level M&E Framework

Activity Goal			Performance Indicators	Activity Inputs	Means of Verification	Critical Assumptions	Activity Criteria Efficiency, Effectiveness (Partnerships), Relevance (Impact) and Sustainability	
	Capacity Building Initiatives	Strategic Objective 1						
		Intermediate Result 1.1						
	Activity Implementation	Strategic Objective 2						
		Intermediate Result 2.1						
	Policy setting and implementation	Strategic Objective 3						
		Intermediate Result 3.1						
	Partnership building and performance	Strategic Objective 4						

Criteria	Sample Key Performance Questions for IndII Activities
Efficiency	<p>Have the stated outputs of the activity been achieved against the original activity objective?</p> <p>How well is the implementation of activities managed?</p> <p>Has the partner/counterpart managed the activity effectively?</p>
Effectiveness	<p>Has the activity achieved its stated objective and key deliverables within the agreed timeframe?</p> <p>Were all outputs relevant in achieving the desired activity outcome? If not, could the outputs have been reduced or refined to achieve the same outcome?</p>
Impact	<p>Are there any negative impacts – if so can they be minimised?</p> <p>Are there any positive impacts – if so can they be maximised?</p> <p>To what extent has this activity contributed towards the broader program objectives and key result areas?</p> <p>Have effective partnerships been established as a result of the activity?</p>
Relevance	<p>Are the project goal and outcomes consistent with and supportive of GoI policies and priorities?</p> <p>Does the results framework clearly show how activities will achieve results and impact?</p> <p>Are activities, outputs and outcomes appropriate to achieve key objectives and outcomes?</p> <p>Has the design and proposal been supported by key stakeholders?</p> <p>Have relevant cross-cutting themes and issues been taken into account and mainstreamed across the activity?</p>
Sustainability	<p>Is the activity financially and/or technically sustainable?</p> <p>What is the level of ownership of the activity by local partners and will the activity continue after support from IndII?</p> <p>What is the level of support provided and the degree of interaction between the activity and policy level?</p> <p>How well is the activity contributing to institutional and management capacity?</p>

Attachment 2: Activity Screening and Preparation Process

Introduction

This paper presents an improved process for screening initial requests for IndII assistance and for further developing those requests that are deemed to merit funding. Its primary focus is on requests for technical assistance and capacity building support, although it may also be used with some adaptation as a framework for assessing requests for Infrastructure Enhancement Grants.

The key stages in the process are summarized in Table 1 and are described in greater detail below. It is intended that they will be subject to periodic refinement in the light of lessons learned from their application and of further guidance on priorities from the Advisory Board.

Stage 1: Screening of Initial Activity Requests

Initial Activity Requests

Initial Activity Requests are prepared by agencies seeking IndII support, and are submitted to Bappenas and to the Managing Contractor (MC). Upon receipt, the MC logs the request, uploads the document file or scanned image to the IndII restricted access website, and checks to ensure Bappenas has received a copy. Bappenas likewise ensures that any requests that have been addressed to it alone are copied promptly to the MC.

Initial Activity Requests may be in English or Bahasa Indonesia, and may be transmitted by letter, email or fax. It is desirable but not essential to use the IndII standard format (see Attachment 1). Requests should provide sufficient information to enable a meaningful assessment to be made of the merits of IndII funding.

The MC is responsible for presenting each incoming request in the standard format (where not already used) and for assembling any supplementary information considered essential.

Screening

The MC conducts screening for the purposes of assessing whether:

- the request is consistent with IndII's objectives, scope, and priorities and takes appropriate account of any other recent, ongoing or proposed assistance on the subject issues;
- the institutional positioning is appropriate, the envisaged approach is sound, and the indicative budget estimate (where provided) is realistic.

Table 1: Summary of Screening, Preparation and Review Process

Stage	By	Outputs / Recommendations / Outcomes
<p>Screening of Initial Activity Request (all Requests) The main purposes of screening are to assess: (a) consistency with IndII's objectives, scope and priorities; (b) appropriateness of the institutional positioning, envisaged approach and indicative budget; (c) how best to proceed with further preparation.</p>	MC	<p>Possible main recommendations: (a) Proceed to preparation of Activity Design (small and simple activities, including those <A\$100,000) (b) Proceed to preparation of Activity Proposal (through a diagnostic–scoping study for complex activities) (c) Explore proceeding with different partner agency/additional partner agency; (d) Extend screening period to enable assembly of needed additional information; (e) Reject (for defined reasons).</p>
Review of Screening Recommendation	GOI TT & AusAID	<p>Possible decision outcomes: (a) Approve recommendation (b) Approve recommendation with conditions/qualifications (c) Reject recommendation (with reasons and instructions for follow-up action by MC)</p>
<p>Prepare Activity Proposal (for large / complex activities) An Activity Proposal describes an activity in sufficient detail to enable an informed funding decision to be taken. The information provided should be commensurate with its size and complexity and with the identified risk issues</p>	Partner Agency with MC	Activity Proposals should be submitted to the TT and AusAID under a covering recommendation letter from the MC. The letter should highlight any issues considered to require special attention at the review and/or during subsequent development of an Activity Design.
Review Activity Proposal	GOI TT and AusAID	<p>Possible decision outcomes: (a) Approve recommendation (b) Approve recommendation with conditions / qualifications (c) Reject recommendation (with reasons and instructions for follow-up)</p>
<p>Prepare Activity Design (all activities) An Activity Design advances an approved activity request or proposal to the stage where it is ready to be contracted. The design package should include TOR, a procurement plan, a refined budget estimate, and an implementation management and monitoring plan at an appropriate level of detail.</p>	Partner Agency with MC	Activity Designs should be submitted to AusAID under a covering recommendation letter from the MC.
Review Activity Design	AusAID	<p>Possible decision outcomes: (a) Approve proceeding to implementation (with or without conditions) (b) Require revision; (c) Refer for back to joint TT-AusAID review (in the event of material changes)</p>

Based on the screening, the MC prepares a recommendation for review and decision by the Technical Team (TT) and AusAID. This should include a recommendation on how best to proceed with further preparation if the request is considered to merit IndII support. The recommendation should be prepared and sent within seven working days of a request being received.

Since screening may result in recommendations for initial activity requests to be rejected, the process must be transparent and defensible. The adopted approach involves testing a request against a set of questions. Ideally, the use of these questions would lead any objective assessor to reach identical conclusions for any given activity. In practice, this will not be possible, but the intent nonetheless should be to narrow the scope for subjective judgment. The proposed process involves five basic questions plus supplemental questions for activities involving support to sub-national agencies and/or preparation of PPP projects. Together these questions provide a framework within which the MC can present and explain its interpretations and judgments, and against which the TT and AusAID may question them.

Basic Questions

Question 1: Does the requested assistance fit with IndII's objectives, scope and priorities? IndII's objectives, scope and current sector and thematic priorities are described in the Project Design Document and are refined progressively through guidance from the Advisory Board. At present, all infrastructure sectors and all-important thematic areas are eligible for IndII support, and consequently few activity requests submitted by infrastructure agencies are likely to be rejected solely on the basis of this question. However, this may change as priorities are further sharpened.

In cases where the objectives and scope of an activity are not clearly defined in the incoming request, the MC should use its best efforts to assist with their further refinement as part of the screening process.

Question 2: Does the requested assistance take appropriate account of other recent, ongoing or committed assistance? IndII should not fund assistance that overlaps with or duplicates recent, ongoing or committed assistance funded from other sources. The MC should therefore use its best efforts to identify any such assistance and to assure itself that the requested IndII activity would provide complementary or supplementary support.

Where it appears that there is potential for overlap or duplication, the MC should if necessary request an extension for completing the screening or recommend further consideration be given to the issue during activity design.

Question 3: Is the institutional positioning sound? Technical assistance activities are unlikely to deliver timely and effective outcomes unless they are managed by an agency that is legally empowered to implement or utilize their envisaged outputs. In general, sector-specific activities should be undertaken for the respective sector agency, while cross-sector thematic activities should be undertaken by the appropriate planning or economic policy agency.

If a requested activity is otherwise deemed to merit IndII support but appears to come from an agency other than the one that would be expected to utilize its outputs, the MC should flag the possibility of proceeding with a different agency or with joint 'ownership'.

Question 4: Is the envisaged approach sound? Activity requests will vary considerably in terms of their scale and complexity. At one end of the spectrum are small and simple studies or advisory tasks that require very limited inputs and do not pose significant methodological or management challenges. At the other are large and complex activities whose conduct requires the mobilization of large consultant teams and the careful sequencing of multiple inter-linked tasks. For the former, and particularly for most

activities estimated to cost up to A\$100,000, it will often be appropriate to proceed directly to activity design. For the latter, it will generally be appropriate to commence by conducting a rapid diagnostic–scoping study, one of whose main purposes will be to assist preparation of an activity proposal for downstream support. This is an approach that IndII is explicitly designed to accommodate. For other requested activities lying between these two extremes, it will be appropriate for the requesting agency to proceed to prepare an activity proposal with guidance and assistance from the MC.

The MC should recommend which of the above options is appropriate and explain its reasoning.

Question 5: Is the indicative budget realistic? For small and simple activities, it should be readily possible to assess the reasonableness of indicative budget estimates. For larger and more complex activities, formulation of a realistic budget estimate will only be possible as part of activity proposal preparation.

In the outer years of the facility, attention should be given to the remaining timeframe and budget for IndII when considering Questions 4 and 5.

Supplemental Questions for Requests involving assistance to Sub-national Agencies

It is envisaged that there will be two broad types of request for assistance to sub-national agencies:

- those made by national agencies and typically involving provision of assistance to a group of sub-national agencies (PEMDAs or BUMDs); and
- those made by individual sub-national agencies.

IndII is explicitly intended to support the efforts of sub-national agencies to accelerate infrastructure development in their regions. However it is recognized that this can pose special challenges and could be very costly.

For requests made by national agencies, the key supplemental questions are:

- is the rationale for selecting the target group of sub-national agencies sound?
- have the individual sub-national agencies confirmed their desire and capacity to participate as envisaged?

Such multi-partner activities will generally be large and complex, and it is anticipated that these questions would accordingly need to be explored in greater detail during activity proposal preparation.

For requests made by individual sub-national agencies, the key question concerns the justification for supporting a single kabupaten or kota. Preparation and oversight costs will typically likely be high relative to the direct costs of the support, while benefits may be limited and risks difficult to manage.

It is accordingly proposed to support requests from individual sub-nationals only where:

- the initiative is expected to serve as an important 'break-through' pilot or model that will be amenable to replication in other regions and/ or to support the preparation of an investment project which is proposed for donor financing and whose broader objectives align with IndII's; and

- the requesting sub-national agency's ownership of the activity and commitment to good governance are perceived to be strong.

Supplemental Questions for requests involving preparation and tendering of PPP Projects

In screening incoming requests relating to the preparation and tendering of PPP projects, the MC will first seek Bappenas' view as to whether the request should be considered for support under the ADB-funded PPP Project Development Facility or under IndII.

In view of the high transaction costs associated with PPP projects, it proposed that any project with an estimated contract value below A\$ 15 million (in net present cost terms) should not be eligible for IndII support.

In formulating its recommendation, the MC should present its initial assessment of the merits of the project and the prospects for a successful PPP implementation.

Recommendations

The MC should prepare its recommendation, including supporting justification and comments, and send by email to members of the Technical Team and to AusAID within 7 working days of the incoming activity request being received. Reference should be made to any supplementary information and clarification obtained from the requesting agency or other sources.

The following types of recommendation are envisaged:

- Proceed directly to prepare Activity Design (for small and simple activities, including those budgeted at < A\$100,000);
- Proceed to prepare Activity Proposal (either with or without a diagnostic–scoping study);
- Explore possibility of proceeding with an alternative or additional partner agency;
- Permit extension of screening period to permit assembly of additional information;
- Reject (for clearly defined reasons).

Where the MC recommends proceeding to prepare an Activity Proposal or Activity Design, it should flag any issues thought to require special attention during the preparation process and provide an estimate of the time required for its completion.

Stage 2: Review of Screening Recommendation

Following receipt and review of the MC's recommendation, members of the TT and AusAID may express their disagreement with it by email within five working days. In the absence of any disagreement, the recommendation will be deemed approved subject to any comments provided being considered during activity proposal or design preparation. If there are any objections, the MC's recommendation will be tabled for discussion at the next TT-AusAID meeting. It is very important that agencies proposing activities for IndII support are quickly notified of the outcome of the screening recommendation. Where the initial activity request is approved for activity design or further

preparation, the MC should communicate this directly to the agency and continue to work with the agency as required. Where the initial activity request is rejected then BAPPENAS should formally communicate this decision to the agency and provide reasons in support of that decision.

Stage 3: Prepare Activity Proposal

The Activity Proposal is the key decision document for large and complex activities and must describe an activity in sufficient detail to enable an informed funding decision to be taken. The information provided should be commensurate with the activity's size and complexity and with the identified risk issues.

The Activity Proposal will normally prepare the partner agency with guidance and assistance from the MC, and must be presented in the standard IndII Activity Proposal format (Attachment 2). Particular care should be taken to address any issues identified by the MC during the screening process and any comments provided by TT members or AusAID in their review.

In many instances it will be desirable or necessary to commission a short diagnostic-scoping study to support the preparation of an Activity Proposal to the needed standard. Such an approach is generally indicated where the activity is particularly large and/or complex, where important facets of the initial activity request were unclear, or where the activity is expected to require very highly specialized technical skills. The scope of such studies may extend to preparation of inputs to the design stage (e.g. drafting of terms of reference).

Although the MC is expected to work closely with the partner agency in preparing the Activity Proposal, it is also required to prepare an independent and objective assessment of its adequacy before submitting it for approval. This assessment should address questions including but not limited to:

- Are the objectives clearly defined, realistic and consistent with the initial activity request?
- Are the outputs / deliverables clearly defined and aligned with the objectives?
- Are the expected beneficiaries clearly identified?
- Are the proposed approach, phasing, and component tasks soundly defined?
- Is the costing consistent and commensurate with the proposed approach and outputs?
- Is there demonstrated ownership on the partnership agency?
- Is there a demonstrated understanding of the constraints and potential risk issues?

A guiding principle for the Activity Proposal is that it should develop the activity to a stage where there should be no unpleasant surprises during activity design. The Activity Proposal and MC's recommendation letter are submitted by email to members of the Technical Team and to AusAID.

Stage 4: Review Activity Proposal

The primary purpose of the Activity Proposal review process is to decide whether it is sufficiently robust to permit proceeding to design, or whether further refinement is needed. For the Technical Team, this is the final stage of the activity approval process and its members must accordingly be satisfied that information provided is commensurate with the proposed funding commitment. For this reason it is envisaged that all Activity Proposals will be tabled at a TT-AusAID meeting.

It is considered unlikely that an Activity Proposal would be rejected outright if the screening process is working well, although this possibility cannot be totally discounted. However, for most cases the review outcomes are expected to be an instruction to:

- Proceed to design (with or without conditions); or
- Further refine the Activity Proposal.

Stage 5: Prepare Activity Design

The purpose of the design stage is to advance the activity to the stage where it is ready for implementation. The process should take account of conditions or guidance stemming from the preceding review.

For small activities, including diagnostic-scoping studies, the key components of the design package will comprise:

- Terms of Reference
- An Implementation Plan comprising a detailed budget estimate and disbursement schedule, a procurement plan, an implementation timetable, and a management and supervision plan.

It is envisaged that the Implementation Plan for simple activities would not exceed three pages in length.

Larger and more complex activities will require more extensive designs, with careful attention being given to issues such as sequencing of component tasks, risk mitigation, safeguard and gender policies. Activity Designs should be a joint product of the partner agency and the MC, and the MC should accordingly assure itself that all key issues have been addressed satisfactorily before submitting it to AusAID for review.

Stage 6: Activity Design Review

AusAID reviews the design to satisfy itself that it has been prepared to a satisfactory standard and is materially consistent with the preceding approval. For this purpose it uses a 'Readiness for Implementation' checklist (Attachment 3).

The possible outcomes of this review are:

- Issue of a 'no objection' to proceed with implementation (with or without conditions);

- Instruction to refine or amend the design;
- Referral back to the TT (in the event of material changes subsequent to the preceding review).

Attachment 3: Indll Activity Proposal Forms

Purpose			
Background		Approach, Tasks and Outputs	

Submission by	Implementation by	Indicative Budget		Timing
		Fees (up to XX days at AUDX,XXX)	XX,XXX	To commence early XXX 2009. Draft report to be submitted within one calendar month of mobilization.
		Travel, accommodation & other expenses:	<u>XX,XXX</u>	
		Total	XX,XXX	

Expected Impacts and Results

Cover Sheet

Activity Title:	
-----------------	--

Objective:	
------------	--

Partner Agency:	Unit:	
-----------------	-------	--

Sector Focus	
<input type="checkbox"/>	Roads Infrastructure
<input type="checkbox"/>	Transport (Road / Rail / Maritime / Air)
<input type="checkbox"/>	Telecommunications
<input type="checkbox"/>	Public Housing
<input type="checkbox"/>	Water Supply / Resources
<input type="checkbox"/>	Sanitation
<input type="checkbox"/>	Energy / Power & Gas
<input type="checkbox"/>	Cross-sector / Multi-sector

Thematic Focus	
<input type="checkbox"/>	Public Service Obligations (PSO) & Tariff Policy
<input type="checkbox"/>	Other Policy & Regulatory Reform
<input type="checkbox"/>	Planning (Inc. medium term and master planning)
<input type="checkbox"/>	Public Private Partnerships (PPPs) & Private Sector Participation (PSP)
<input type="checkbox"/>	Infrastructure Financing and Risk Management
<input type="checkbox"/>	Procurement and Audit
<input type="checkbox"/>	Project Identification, Feasibility, Preparation and Implementation
<input type="checkbox"/>	Environmental and Social Safeguards

Assistance Type	
<input type="checkbox"/>	Technical Advisers/Advisory Services
<input type="checkbox"/>	Policy, Planning or Feasibility Study
<input type="checkbox"/>	Diagnostic / scoping Study
<input type="checkbox"/>	Training in-country
<input type="checkbox"/>	Training out-of-country
<input type="checkbox"/>	Grant
<input type="checkbox"/>	Other (specify)

Proposed Indll Budget	A\$ '000
Fees	
Travel	
Accommodation & subsistence	
Other expenses	
Total	

Anticipated Start Date / Duration:	/	
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Background to Activity Proposal:

Section 1: Background (This section should expand the information provided in the Initial Activity Request)

--

Section 2: Description of Proposed Support (This should describe the main tasks and their envisaged management and sequencing)

--

Section 3: Expected Outputs / Deliverables (This should describe the nature of the main technical products. Please link to IndII Program M&E Framework – Capacity Building, Governance, Policy Setting and Implementation and Partnership Building and Performance)

--

Section 4: Expected Benefits (This should describe the expected impacts of the activity and identify the expected beneficiaries)

--

Section 5: Gender Aspects (This should identify how the activity design might be shaped so as to maximize benefits for women and children)

--

Section 6: Linkages to Other Donor Initiatives (This should identify any other recent / ongoing / planned assistance which is directly relevant)

--

Section 7: Risks Issues (This should identify risks which could negatively impact effectiveness / sustainability and outline suitable mitigation measures)

Description of Risk	Envisaged mitigation measure

Section 8: Estimated inputs and Timing (This should link to the proposed IndII budget shown on the Cover Sheet)

--

Section 9: Partner Agency Participation (This should describe counterpart staffing arrangements and any in-kind support to be provided)

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Section 10: List of Supporting Documents on File

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Section 11: Proposal Endorsement

Proposing Agency		IndII Technical Director / Lead Adviser	
Name:		Name:	
Position:		Position:	
Date:		Date:	

Attachment 4: Activity and Technical Advisor Monthly Report Format

Activity Number:	Month:	Year:
Activity Name:		
Activity Start Date:	Activity End Date:	
Partner Agency (or Agencies):	Adviser Name(s) and Position(s):	
Summary Objectives of the Activity (from Activity Design and/or extracted from Workplan):		
1.		
2.		
3.		
General Description of Support to be Provided:		
•		
•		
•		
Performance Indicators (List of Indicators in Activity Design and Workplan and Any Data Collected to Date):		
•		
•		
•		
Progress against Specified Outputs/Tasks to be Delivered (from Activity Design and/or Workplan):		
(a)		
(b)		
(c)		
Actions taken this Month to Transfer Skills to Counterparts:		Evidence of Effectiveness of Actions:
(a)		(a)
(b)		(b)
(c)		(c)
Implementation Issues Arising this Month:	Actions Taken (or proposed) in Response:	Evidence of Effectiveness of Actions:
(a)	(a)	(a)
(b)	(b)	(b)

Cross-cutting Issue ¹ Considerations: (a) (b) (c)	Strategies Implemented (or proposed): (a) (b) (c)	Evidence of Effectiveness of Strategies/Actions: (a) (b) (c)
Sustainability Considerations: (a) (b)	Strategies Implemented (or proposed): (a) (b)	Evidence of Effectiveness of Strategies/Actions: (a) (b)
Lessons Learned and How These Will Be Applied in the Coming Months:		

Certification:

This report provides an accurate picture of the progress of the activity during the month. Every reasonable effort has been made to complete/conduct the specified outputs/tasks associated with the activity to a satisfactory standard and in alignment with Partner Agency objectives. Where possible, outputs/tasks have been undertaken in such a way as to transfer skills to counterparts and team/working group members.

Signed:

Adviser(s)

Date:

¹ Cross-cutting issues include gender, HIV/AIDS, environment, child protection and good governance (e.g. anti-corruption and donor harmonisation).

Attachment 5: Activity Progress Report Format (for activities longer than six months) Final Completion Report (for activities less than six months)

The activity progress report is to be used for six-monthly reporting for ongoing activities under IndII. The report format will also be used for small-scale activities that do not require a detailed completion report or have an implementation period of less than six-months. When a larger scale activity is completed IndII advisors/staff should use the Activity Completion Report format in Attachment 5)

1. General Information

1.1 Project Name:	
1.2 Project Code	
1.3 Activity Location(s):	
1.4 Implementing Partner(s):	

2. Activity Outputs (as detailed in the Proposal or Design Document) – Please link outputs to specific indicators/milestones

IndII Priority Areas (Output Results)	Indicators	Activity Achievements
Capacity Building	Detail agreed targets	What has been achieved to date or in the reporting period?
Activity Implementation		
Policy Setting and Implementation		
Partnership Building and Performance		

2.1 Activity Output Ratings (Please rank the achievement of outputs to date based on your observations, any surveys and report information from partner agency – using Activity Result Framework)

Outputs	Rating Achievement (1 poor, 2 needs improvement, 3 satisfactory, 4 good, 5 very good)
Strategic Objective 1	
Intermediate Result 1.1 etc	

3. Activity Revisions (has any aspect of the activity changed? If so please state the new and/or revised outputs and state the reason for the change)

Activity Revisions	Reasons for Revision

4. Project Achievement Narrative (Please provide details on the achievement of the outputs – using the Activity Results Framework as a guide. Please also discuss the impact project activities and inputs have had in contributing to the achievement of IndII program outcomes. Also include details on cross cutting issues.)

5. Successes and Difficulties (Please detail specific successes and difficulties you have experienced during the reporting period for the activity. Please provide details on how you have addressed difficulties as well)

Successes	Difficulties

6. Lessons Learned (What lessons have been learned to date and what impact have these lessons had upon the activity – i.e. what has changed?)

Lessons Learned	Impact upon Activity

7. IndII Comments and Analysis (comments to be provided by IndII based on information provided from counterpart, contractor and management processes – IndII and Board, summary of results and overall success/failure of activity)

8. Financial Budget and Expenditure (Please provide an updated income and expenditure statement if required and appropriate)

	Budget	Actual	Variance
IndII Subsidy			
Implementing Partner Subsidy			
TOTAL			

Attachment 6: Activity Completion Report (ACR) Format

This format is to be used for activities funded over a period of 12 months or more or have a financial value in excess of \$500,000. Reports should be kept to a minimum of 12 pages + attachments.

Table of Contents

Major and minor headings

Acronyms

List of Acronyms

Basic Activity Data

- Activity location (a map of the activity area as appropriate)
- Names of the implementing agency and Australian implementing contractor (delivery organisation)
- Key dates (design, commencement, review(s) completion etc.)
- The approved and actual cost of the activity (a table showing funds from all sources)

Executive Summary

Include:

- A brief outline of the activity
- List of key outcomes/outputs as detailed in the ADD
- Development impact
- Sustainability
- Conclusion (especially validity of the activity rationale)
- Lessons learned

1. Background

1.1 Context and rationale

Provide background to the geographical location where the activity is implemented – social, income, environmental etc.

Why was the activity selected, i.e. what need/issue was it addressing?

What were the expected benefits from the activity?

Does the activity comply with Indonesian and Australian standards and policies?

1.2 Preparation arrangements

- List key preparation steps and dates (e.g. design mission, project proposal approval etc.)
- Detail participation of stakeholders, particularly implementing agencies and beneficiaries, in the design process.

2. Implementation Performance for the Activity

2.1 Activity objectives

Provide:

- A summary description of the activity objectives at design (include the Activity Results Framework as an attachment)
- A summary of significant changes to objectives during implementation

Outline strengths and weaknesses of the activity objectives.

Activity Objectives Rating

Based on implementation experience, the objectives of the activity were satisfactory.

Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree

Explain succinctly the key consideration in making your rating.

2.2 Activity achievements

Report activity achievements against the higher order results framework matrix objectives and indicators (eg the outputs, component objectives, purpose and goal). These data can be presented in a narrative or tabular form as below and also refer to the Activity Results Framework:

Activity Outputs	Performance Indicators	Activity Achievements
Detail agreed outputs	Detail agreed targets	What has been achieved over the life of the Activity?

Explain activity achievements (eg extend of overall achievements as compared to design and how and why it has deviated from planned) and discuss actions required to improve future performance.

Outline strengths and weakness of the activity's achievements

Achievement Rating

Based on performance against the logframe indicators, the achievements of the activity were satisfactory.

Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree

Explain succinctly the key consideration in making your rating.

2.3 Development impact at Program Level

Has the activity had a positive impact on infrastructure? Please detail your reasons? What program level outcomes has the activity contributed to? What have been the results?

Outline strengths and weaknesses of impacts on the activity.

Impact Rating

The activity will probably have a satisfactory overall impact.

Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree

Explain succinctly the key consideration in making your rating.

2.4 Poverty reduction

Provide an assessment of the impact of the activity on poverty. Provide quantifiable data (e.g. numbers and incomes) if possible. Refer to any baseline studies used for the activity.

Poverty Reduction Rating

The impact of the activity upon poverty was satisfactory.

Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree

Explain succinctly the key consideration in making your rating.

2.5 Cross-cutting Impacts (Environment and Gender)

2.5.1 Environment

Please outline the positive environmental impacts derived from the activity? If there have also been negative social impacts please outline and explain how they were resolved?

Social Impact Rating

The management of social impacts was satisfactory for the activity.

Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree

2.5.2 Gender

How has gender been mainstreamed for the activity? Has the outcome been successful? Please explain.

The differential gender impacts of the activity and gender components were satisfactory.

Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree

2.6 Monitoring and Evaluation

Has the activity been effectively monitored and evaluated? What strategies and tools were used to monitor and evaluate the activity?

The monitoring and evaluation of the activity was satisfactory.

Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree

2.7 Risk management

Where risks effectively managed for the activity? What risks emerged during the activity's implementation and how were they dealt with?

Risk management for the activity was satisfactory.

Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree

3.0 Activity management

Was the activity effectively managed by the partner agency? Indll Facility? Please provide details on the coordination arrangements and what issues (positive and negative emerged).

Activity management was satisfactory overall.

Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree

3.1 Partner Agency

Discuss the performance of the partner government/agency in implementing the activity

The performance of the partner agency was satisfactory.

Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree

3.2 Implementing Agency

Discuss the performance of the MC (SMEC) in supporting the activity (if relevant) – this includes the Indll office.

The performance of the implementing agency was satisfactory.

Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree

4.0 Sustainability

5.0 Indll Comments and Analysis (comments to be provided by Indll staff based on information provided from counterpart, contractor and internal management processes)

6.0 Financial issues

Please discuss the financial arrangements for the activity. Did the activity provide value for money? Please attach a final income and expenditure statement for the activity.

The activity is financially sustainable.

Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree

7. Conclusions, Recommendations and Lessons Learned

7.1 Conclusions and Recommendations

This section should:

- Note major strengths/achievements and/or weaknesses/failings
- Discuss factors for success or failure
- Note any actions/measures which should be incorporated into future activities of similar nature
- Make a conclusion as to the overall merit of the activity
- Provide an overall rating of the activity

Recommendations should indicate responsibilities for action and resources implications where possible.

Overall Rating Matrix

	Weak	Marginally Satisfactory	Satisfactory Overall	Fully Satisfactory	Good Practice
Appropriateness of Activity Design					
Achievement of Activity Objectives					
Activity Management					
Activity Sustainability					
Overall Activity Assessment					

7.2 Lessons learned

Drawing on the conclusions, succinctly state the lessons learned from the activity that may assist in improving the quality for other activities.

Lessons Learned	Impact upon Activity

Attachment 7: Draft ToR for IAT Review

Background

The Indonesia Infrastructure Initiative (IndII) has been developed in response to the Infrastructure for Growth Initiative (IFGI) and seeks to promote economic growth in Indonesia by enhancing the relevance, quality and quantum of infrastructure investment in Indonesia. IndII will contribute to economic growth directly through financing important steps in infrastructure project development and implementation and through funding enhancements, and indirectly through reducing the uncertainty in policy and regulatory environment and improving the capacity for infrastructure investment and management.

IndII has developed a program level Monitoring and Evaluation Framework (MEF) to measure performance of the program in achieving key component objectives and contribution to higher level Facility and Development Goals. A key component of the MEF is the review of program achievements by an external team on an ongoing basis to provide recommendations to strengthen the framework and to guide the strategic setting of indicators to ensure quality reporting to IndII partners and AusAID.

The IAT is primarily responsible for reporting to AusAID on the:

- Impact of selected SPS and IEI engagements – that is what has changed as a result of the IndII engagement;
- Contribution of these engagements have made to the IndII objectives and collectively over time the contribution IndII has made/is making to the CPS and IFGI objectives;
- Value added of the IndII compared to alternative approaches that AusAID could have taken to supporting infrastructure investment in Indonesia.

Specific Terms of Reference for 2009 engagement

One visit is proposed by the IAT in 2009. The assignment will be specifically to:

- Review and endorse the current IndII MEF;
- Undertake a landscape review and baseline data collection on IndII partner systems, process and policies related to infrastructure investment currently.
- Review the performance of Facility management in accordance with KRA 5

Specifically the IAT will:

- Review the MEF approach and associated result areas and indicators and determine if these are feasible and appropriate to the needs of IndII;
- Review the relevance and linkages between proposed Key Result Areas and the development and facility goal;
- Provide guidance and recommendations on ways in which the IndII MEF can be strengthened and/or improved;
- Recommend additional systems and processes which could be considered to assist in data collection and presentation of that data;
- Undertake a whole of program review of current systems and processes currently used by IndII partners and assess the quality and relevance of governance, partnerships and selection processes;
- Provide recommendations and guidance on how baseline information can be applied to IndII MEF.

Attachment 8: ToR for IndII M&E Specialist

1. Overview

The M&E Specialist will take overall responsibility for the implementation of the Monitoring and Evaluation Framework (MEF) for IndII. The role encompasses all aspects of M&E design and planning, monitoring the quality of Activity Proposals, collection of data for whole-of-Program monitoring and evaluation, collection of data from selected external Activity outcome evaluations, aggregation of data from internal Activity monitoring and evaluation activities conducted by Partner Organisations, and presentation of MEF findings and recommendations for action in six monthly reports to the Technical Team, Board and AusAID.

Specific services include the following areas.

a) Preparation of the Annual M&E Plan (Month One)

Using the MEF as a framework, develop an annual M&E plan that includes a detailed design for annual evaluation activities, a schedule for all monitoring and evaluation activities, identification of tasks and persons responsible for implementation, and identification of resources and budget requirements. Criteria for the evaluation of activities will also be developed.

b) Quality Assurance of Proposal Selection Process (Month 6 and 12)

Six monthly, aggregate the results from the review of activities and case studies against KRAs to measure progress and success. Annually, review Activity Selection Criteria and processes, and interview Technical Team members and work with IAT to support their review. Prepare reports on Quality of Activities and IndII FRPD report to support AusAID QAI processes.

c) Individual Activity Monitoring (Months 6 and 12)

Annually, review Activity Progress and Completion Reports and collate findings. Prepare a report addressing implementation issues and lessons learned from Activity implementation experiences and make recommendations for future action for the Program as a whole.

Review the quality of the database annually and check reports generated from the database are meeting the needs of the Secretariat. Include a summary of Activity Status in six monthly M&E report.

d) Internal Activity Outcome Evaluations (Months 6 and 12 or as required)

Review complex Activity Detailed Proposals to ensure they meet the requirements of good M&E standards for IndII. Provide some limited support to improved Activity Design when required.

Review all Activity Completion Reports six-monthly (or as required on more complex Activities) and prepare a report on lessons learned for whole-of-Program performance. This would include recommendations for future action by the Program, and is to be included in the six-monthly M&E and FRPD reports.

e) External or Independent Outcome Evaluation of Activities

As part of the annual M&E Plan identification of what Activities will be selected for Outcome Evaluation, the objectives of each case study, the overall design, identification of relevant decisions or utilisation of findings, and resources required. Other ad hoc small evaluation studies are also required that will need to be addressed under the whole-of-Program evaluation. A simple budget is required for all evaluation studies planned.

Submit a report of evaluation findings and recommendations for each evaluation, and a summary report for inclusion in the M&E annual report and PSLP annual report.

f) Whole-of-Program Quality of Implementation and Achievements

Review Mid-Term Review methodology to ensure it meets the required standards for M&E under this Program. Work with the IAT to conduct the review. This review will focus on the effectiveness and efficiency of Program management, financial and administrative systems. This can be carried out at the same time as the review of the Quality of the Selection Process.

2. Duration of the Assignment

The duration of the assignment will continue up to April 2011. The assignment has been allocated 104 person days.

3. Reporting Requirements

The Contractor must provide the following reports:

- (a) One Annual M&E Plan;
- (b) Two Six Monthly M&E Reports in accordance with information requirements described in the MEF; with information in a suitable format to include directly in the FRPD six monthly report;
- (c) One Annual M&E Report in accordance with information requirements described in the MEF; with information in a suitable format to include directly in the FRPD annual report and AusAID QAI reporting.