

MANAGEMENT RESPONSE
KOMPAK IPR NOVEMBER 2017

Summary of management response

The IPR provides a good reflection on what KOMPAK has done well and not-so well in its first three years of implementation. The review also provides a helpful basis for discussion with the Government of Indonesia through KOMPAK Steering Committee and Technical Committee. The 20 recommendations provide useful and practical suggestions for improvement of both the remaining period of Phase 1 and for the next phase of KOMPAK. DFAT agrees with 17 recommendations, and partially agree with three recommendations (3, 7 and 11). DFAT has discussed the management response with the Government of Indonesia through KOMPAK Steering Committee meeting on 12 February 2018. The meeting endorsed the management response as summarised below.

Management response to the individual recommendations

Recommendation	Response	Explanation	Action plan	Time-frame
Recommendation 1 Extension of KOMPAK The IPR strongly recommends KOMPAK continue into its planned second phase until 2022 (as envisaged when the program was tendered in 2014); because it is addressing highly relevant development challenges, has built strong relationships at all levels, and is performing well.	Agree	The KOMPAK program is uniquely placed to support Indonesia with a number of the difficult-to-implement reforms necessary for improvement in basic services and economic opportunities for the poor. Its extensive networks ensure visibility of emerging developments at a subnational level and its highly-regarded expertise provides an ability to influence policy directions. By continuing KOMPAK for another four years, we can be a catalytic partner and a source of innovation, ideas and expertise, helping maintain our position as a partner of choice in addressing Indonesia's development challenges.	Subject to delegate approval, KOMPAK program contract to be extended to cover the period July 2018 to June 2022.	February – June 2018
Recommendation 2 Overall Program Strategic Alignment and Relevance The structure and approach of KOMPAK remains strategically aligned and relevant to meeting GoI's development needs, and the IPR team recommends no changes to overall strategic approach of KOMPAK.	Agree	The IPR's findings confirm DFAT's view that KOMPAK's approach is appropriate and effective, although updates and improvements to the design (including as recommended by the IPR) will further strengthen impact.	KOMPAK's broad approach to be maintained.	Continuous

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Recommendation 3 Program Focus - End of Facility Outcomes (EOFOs) By end of the current Phase: EOFO3 be discontinued and EOFO2 intermediate outcomes (and the projects that support their achievement), be expanded to include a focus on achieving improved village governance of economic development.	Partially Agree	DFAT proposes EOFO 3 to be kept but with narrow focus i.e rural employment and economic development initiated at the village level and enabled by local government.	DFAT has discussed with the GoI through KOMPAC Steering Committee and agreed to keep the EOFO 3 with further revision on its focus and intermediate outcomes reflecting this narrower focus. A staged-approach will be used to review which activities will be continued and discontinued i.e. 1) to continue all existing activities under EOFO 3 until end of the current phase on 30 June 2018; 2) assuming delegate approves proceeding to second phase, KOMPAC will develop a transition plan for exiting from affected activities which are no longer relevant; and 3) to continue relevant activities under the new scope of Outcome 3 following further consultation with the GoI on key activities affected by the revision.	February – June 2018

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Recommendation 4 Strategic Partners <u>By end of current Phase:</u> KOMPAK and Strategic Partners should jointly develop improved ways of working at national and sub-national levels that build better working relationships.	Agree	DFAT has observed issues caused by lack of clarity on roles and responsibilities between KOMPAK sub-national team and strategic partners operating at the field level.	KOMPAK to strengthen its sub-national team capacity to perform coordination roles among and with the strategic partners.	February – June 2018
Recommendation 5 Strategic Partners <u>Phase 2:</u> Streamline the number of Strategic Partners and rationalise their purpose. Selecting only those that have demonstrated successes in delivering outcomes to date, and in working collaboratively at sub-national levels to ensure that their interventions are strategically aligned with KOMPAK's outcomes. One way to achieve the above is to ensure that sub-national teams are involved in the design of Phase 2 approaches, and that mechanisms for strong collaboration at sub-national level are institutionalised.	Agree	DFAT fully support the recommendation.	A health-check of the Strategic Partners will be undertaken by KOMPAK in March-April 2018 to help determine the rationale and purpose of engagement, and to rationalise the number if needed and as justified. The health-check will involve assessment of the strategic partners' results, ways of working, and their compatibility with KOMPAK's approach going forward. KOMPAK will develop a strategy on use of strategic partners for KOMPAK going forward including how and where the engagement will be managed.	March – June 2018
Recommendation 6 Strategic Partners The social accountability work should be redesigned so that local community-based organisations (CBOs) are contracted directly to the KOMPAK provincial offices who work collaboratively with them to redesign their work.	Agree		As above (for Recommendation 5)	March – June 2018
Recommendation 7 Governance Given the resources associated with maintaining relationships across Ministries, DFAT and GoI should	Partially Agree	DFAT enjoys a strong partnership with five GoI's Ministries represented in the KOMPAK Steering Committee (SC) and Technical Committee (TC) (Bappenas, Ministry of Home Affairs, Ministry of Finance, Ministry	DFAT will further consult with the GoI; primarily Bappenas as KOMPAK's Subsidiary Arrangement signatory and co-chair of the KOMPAK SC.	March – June 2018

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streamline the number of Ministries on the Steering Committee from five to four.		of Villages and Coordinating Ministries for Human Development and Culture). Whilst managing these multiple relationships is indeed quite complex and resource intensive, any decision to reduce the number of Ministries will need to be a joint decision with the GoI. Any changes to the structure will be reflected in the extension of KOMPAK's Subsidiary Arrangement between DFAT and the GoI.		
Recommendation 8 Strengthening the Facility Modality <u>By end of Phase 1</u> KOMPAK to put in place a set of principles and criteria that strengthens the requirement for strategic alignment between KOMPAK and TA, and articulates a robust proposal and decision-making process for responding to GoI requests for new activities and new locations, and the use of technical assistance (TA) to GoI ministries. Accompanying communications products should be developed that better articulate use of TA, as well as outlining assessment criteria and decision-making processes for new activities, locations, etc to GoI partners.	Agree	Action has already been taken to strengthen principles and criteria for new activities, new locations, and TA; following agreement on this issue at the December 2017 steering committee meeting.	KOMPAK team to prepare criteria and consult and communicate with DFAT and GoI stakeholders at the national and sub-national levels.	February – June 2018
Recommendation 9 Strengthening the Facility Modality <u>For Phase 2</u> KOMPAK to continue as a Facility Model, drawing upon its internal design and processes and the relevant governance committees for ongoing decision-making	Agree	As noted above, the KOMPAK steering committee has endorsed a strengthened approach to decision-making and selection of activities, locations and TA.	Governance arrangements will be specified in the subsidiary arrangement for KOMPAK's second phase, and will build on arrangements already in place.	by June 2018
Recommendation 10 Strengthening the Facility Modality Upscale the KOMPAK approach to replication of successes at the district and provincial levels, developing	Agree	Replication and scale up are separate but related priorities; both aim at ensuring	KOMPAK team to develop a replication and sustainability strategy.	March – May 2018.

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and drawing upon a range of replication strategies and shifting from piloting good ideas to a focus on their roll-out.		sustainability of KOMPAK's long-term potential impact.		
Recommendation 11 Strengthening the Facility Modality DFAT should consider piloting a model for establishing KOMPAK as a platform for sub-national administrative and coordination for all other DFAT programs in that geographical area. This would see KOMPAK "house" administrative, office, and logistics functions for all of DFAT sub-national investments within a province, as well provide value-adding coordinating support to leverage joint work across investments. The pilot should be designed jointly with relevant DFAT programs to ensure it meets their needs.	Partially agree	DFAT agrees KOMPAK can play an important role as Australia's major sub-national development program in strengthening coordination of the range of sub-national activities supported by Australia. However, DFAT does not agree the proposal to combine administrative, office and logistics functions. Each DFAT program has its own contractual arrangements for sub-national offices and activities, and merging these under the KOMPAK contract would be administratively complex, with limited benefits beyond those which can be achieved through strengthened coordination arrangements.	DFAT will request KOMPAK further improve its coordination and partnership with other DFAT programs as well as other donor programs in areas where potential increased impact are identified.	Continuous
Recommendation 12 Efficiency and Value for Money <u>For Phase 2:</u> The IPR team recommends that KOMPAK Phase 2 design should consider a further shift in resources towards sub-national implementation, particularly in the areas of M&E, learning, replication activities, and gender.	Agree	DFAT agrees these are key areas requiring further strengthening with appropriate resource allocation.	DFAT will request KOMPAK team to reflect increased resources for sub-national implementation in these areas in the proposal for phase 2 budget and activities.	May – June 2018
Recommendation 13 Theory of Change <u>For Phase 2:</u> The IPR team recommends that the Program Logic and the Theory of Change be revisited and brought together in a single model.	Agree	KOMPAK's current strategic framework needs further revision following agreed response to Recommendation No. 3 and experience to date, including revision to the Theory of Change.	To be updated in the next iteration of KOMPAK's living design document.	May – June 2018

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Recommendation 14 Monitoring and Evaluation <u>By end of Phase 1</u> The IPR recommends that KOMPAK invest in getting their MIS operational, including by bringing in an M&E expert with substantial skills in the design and management of databases and information systems, to ensure that the system is set-up correctly, and training all staff in its use.	Agree	DFAT strongly supports the Recommendations related with KOMPAK's Monitoring and Evaluation (No. 14 – 17). Action has already been taken to strengthen M&E.	The KOMPAK Team assisted by DFAT-engaged M&E experts has already commenced revisiting all elements of KOMPAK's M&E system. A diagnostic M&E workshop held in February identified clear follow up actions related to: 1. MIS and its use (Recommendation 14) 2. Revision of measurable indicators (Recommendation 15) 3. Improvement in provincial M&E and its added-function to support feedback policy loop (Recommendation 16) 4. M&E tools (Recommendation 17) KOMPAK will recruit an additional M&E expert to help expedite the process (Recommendation 14).	Feb – June 2018
Recommendation 15 Monitoring and Evaluation <u>By end of Phase 1</u> It is recommended that KOMPAK revisit the indicators and targets for 2019 to make them more realistic, and strengthen the indicators associated with the intermediate outcome level.	Agree			
Recommendation 16 Monitoring and Evaluation <u>By end of Phase 1</u> The IPR team recommends that KOMPAK ensure timely delivery of collated data to the provinces to feed into their regular workshops and meetings	Agree			
Recommendation 17 Monitoring and Evaluation <u>By end of Phase 1</u> The IPR team recommends that the existing M&E tools be reviewed with a view to improving their ability to measure change – in knowledge, attitudes and practices of the people within systems, and then measure the consequences and impacts of those changes on populations.	Agree			

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Recommendation 18 Gender Equality and Social Inclusion By end of Phase 1 and ongoing into Phase 2 KOMPAK needs to give higher priority to issues of gender equality and women's empowerment, including increasing resourcing and expertise to strengthen its twin track approach (i.e. both mainstreaming gender into all initiatives and undertaking specific gender equality and women's empowerment initiatives); and ensuring provincial teams have a better gender balance across levels of seniority	Agree	DFAT agrees issues of gender equality and women's empowerment need further attention and greater prioritisation in KOMPAK's approach.	The twin track approach to gender and social inclusion will be strengthened and better resourced. Integration of gender equality and social inclusion (GESI) activities into annual work-plans and budgets should also be maintained. KOMPAK to revise its GESI strategy, increase GESI-related activities and budget, and recruit and re-position the GESI advisory role to a more senior position.	April – June 2018
Recommendation 19 Innovation <u>By end of Phase 1</u> The IPR team recommends that the KOMPAK team scope out possible directions for "big-bang" type of innovations that could be developed or imported into the Indonesian context – particularly innovations in e-governance and the use of digital technology for poverty alleviation.	Agree	DFAT supports the recommendation however further discussion with the GoI and other stakeholders should be held to assess feasibility and KOMPAK role in supporting "big-bang" type innovations. KOMPAK has introduced innovations related to the use of technology for e-governance and community development, such as the Ministry of Village's <i>Ruang Desa</i> and Village Information System. While these have indeed shown good results in improving policy, planning and budgeting process especially through the use of good data/information, significant technical assistance and capacity building activities has been required to get them up and running, and ensure they are effectively used.	KOMPAK to develop an innovation strategy. Any new type of "big-bang" innovation which can be feasibly introduced by KOMPAK, should be accompanied by a capacity building program with appropriate resources allocated.	April – June 2018

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Recommendation 20 Innovation <u>For Phase 2</u> In keeping with the continuous process of evolution through iterative adaptation, KOMPAK should increasingly move away from piloting and testing of new methods and approaches and increase its emphasis on replication across village, sub-districts, districts and provinces. This is particularly important for those innovations that have already achieved national policy backing but are being constrained by implementation capacity at sub-national levels	Agree	DFAT agrees that at this stage of KOMPAK implementation, attention should increasingly shift from piloting to replicating (see also explanation for Recommendation 10 on Replication)	KOMPAK to develop a replication and sustainability strategy.	March – May 2018