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## Report on Quality at Entry and Next Steps to Complete Design for Local Governance Innovations for Communities in Aceh (LOGICA 2)

<b>A: AidWorks details</b> <i>completed by Activity Manager</i>			
<b>Initiative Name:</b>	Local Governance Innovations for Communities in Aceh (LOGICA 2)		
<b>AidWorks ID:</b>	INI166	<b>Total Amount:</b>	\$30 million (currently \$50,000)
<b>Start Date:</b>	1 July 2008	<b>End Date:</b>	30 June 2014

<b>B: Appraisal Peer Review meeting details</b> <i>completed by Activity Manager</i>	
<b>Initial ratings prepared by:</b>	Vic Bottini, Solstice Middleby, Tristen Slade and Isradi Alireja.
<b>Meeting date:</b>	29 July 2008
<b>Chair:</b>	Jenny Da Rin, A/g ADG IET
<b>Peer reviewers providing formal comment &amp; ratings:</b>	<ul style="list-style-type: none"> <li>– Tristen Slade, Peace, Conflict and Development Adviser, AusAID</li> <li>– Solstice Middleby, A/g Program Director, PNG Sub-National Governance Initiative, AusAID</li> </ul>
<b>Independent Appraiser:</b>	– Vic Bottini, Senior Social Development Adviser, World Bank Jakarta
<b>Other peer review participants:</b>	<ul style="list-style-type: none"> <li>– Helen McFarlane, Director, Policy and Analysis, IET</li> <li>– Jacqui Powell, Policy and Analysis, IET</li> <li>– Serin Werner, Policy and Analysis, IET</li> <li>– Irene Wettenhall, Gender, IET</li> <li>– Phillip Fradd, Performance and Information, IET</li> <li>– Brian Hearn, Design and Procurement Advisory Group</li> <li>– Sally Moyle, Gender Adviser, AusAID</li> <li>– Scott Guggenheim, Country Sector Coordinator, World Bank Jakarta</li> <li>– Dr Suprayoga Hadi, Director for Special and Less Developed Area, BAPPENAS</li> <li>– Luke O'Neill, Counsellor, Aceh and Education Unit, IET</li> <li>– Jeff Herbert, LOGICA Team Leader</li> <li>– Jivan Sekhon, Governance and Policy Coordination Unit, IET</li> <li>– Steven Barraclough, Political and Economic Branch, DFAT Jakarta</li> <li>– Dan Hunt, Aceh Governance Coordinator, AusAID</li> <li>– David Worner, Aceh Unit, IET</li> <li>– Jeremy Stringer, Aceh Unit IET</li> <li>– Isradi Alireja, Aceh Unit, IET</li> <li>– Lulu Wardhani, Aceh Unit, IET</li> <li>– Dian Puspitasari, Aceh Unit, IET</li> </ul>

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**C: Quality Rating Assessment against indicators***completed by Activity Manager / Peer Reviewers / Independent Appraiser*

Quality	Rating (1-6) *	Comments to support rating	Required Action (if needed)
1. Clear objectives	5	<p>Program objectives are highly appropriate for the post-conflict context in Aceh and support the priorities agreed in the AIP Country Strategy and those articulated in the draft Aceh framework. Nevertheless, the link between inputs, outputs and objectives could be laid out more clearly.</p> <p>The objectives generally address issues of social inclusiveness well. However, objective 3 could be strengthened by explicit reference to marginalized citizens and equitable access to services. This will help ensure the objective is inclusive and more conflict-sensitive.</p> <p>Before proceeding to implementation, a decision needs to be made on whether LOGICA 2 is going to develop something systemic that would be used across Aceh or it is going to be a free-standing, good, but small community development program.</p> <p>It seems that the program is trying to do too much within the available timeframe. There are some proposed activities that are very important but may not be appropriate for LOGICA 2.</p> <p>The presentation of goal and objectives should be consistent with AusAID current practice, i.e. perhaps rather than 'purpose' refers to objectives.</p>	<p>A log frame type matrix showing linkages the linkages between inputs, outputs and objectives to be included in the document.</p> <p>Objective 3 could be reworded "Government responds to priorities of all citizens, including the marginalized, through effective, transparent and equitable service delivery".</p> <p>A workshop to be conducted to clarify objectives, focus (i.e. whether to be a good small program or something systemic and replicable) and what is achievable within the timeframe.</p> <p>The document needs to reflect AusAID current terms and include a section (e.g. annex) on what will happen in five-year time. The program objectives should be able to tell us what the situation will be like at the end of the program. It should be telling us what will be achieved and it should be measurable. All of the objectives should be simple outcomes.</p>

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2. Monitoring and Evaluation	4	<p>The M&amp;E Framework incorporates both progress indicators and impact indicators and has a strong, and appropriate, focus on continuous learning and adaptation; as well as on progressive hand-over of M&amp;E systems to partners.</p> <p>While the 5 M&amp;E tools and 3 registries seem reasonable, there is some risk that the complexity of the M&amp;E system may overwhelm partners. There is inadequate attention paid to monitoring the impact LOGICA 2 may have on social cohesion and addressing any unintended negative consequences of the program; this is especially important as the program is implemented in an immediate post-conflict environment and focuses on changing dynamics within communities and between communities and governments. Addressing this would also help in monitoring the extent to which achievement of the objectives is contributing towards the overall goal.</p> <p>The M&amp;E system should include more community participatory monitoring. The citizens' surveys are valuable but these still are not the same as communities mobilized to monitor and report on what they experience or observe, based on indicators they have decided on themselves. The discussion on tools, especially in the annex, is clear, but the PDD does not go very far beyond the discussion of tools. The paper does define performance indicators, but there should be some level of some level of quantification (how much, when, etc.)</p>	<p>The M&amp;E system needs to be simplified.</p> <p>Include qualitative measures about whether marginalized individuals feel better integrated within their communities as a result of program interventions (e.g. in citizens survey).</p> <p>The M&amp;E system should include more community participatory monitoring and a fuller discussion on quantification of performance indicators, for each of the objectives (and outcomes etc.) As mentioned above, a traditional log frame might help in presentation.</p>
3. Sustainability	4	<p>The design document has a very strong focus on building stakeholder ownership (at community and government levels) and ensuring program roll-out is based on real commitment/ownership rather than arbitrary time lines. The three phase approach and successive roll-out of the program are sound.</p> <p>Sustainability will, nonetheless, still be a major challenge. In particular, many of the factors affecting government buy-in to the program and performance will be wholly outside the control of the program e.g. risks related to the slow/incomplete implementation of the LOGA and resulting problems disbursing the massive flow of funds coming into the province and translating these into development outcomes. These issues are at the heart of the governance challenges in Aceh and the program will need to be aware of and responsive to developments in this area.</p> <p>Implementation arrangements aim to better allow for systems to become known, capacities to grow, governments to buy-in, and for the assessment of results in order to guarantee some level of sustainability, especially "sustainable resourcing." However, it is not convincing that community level planning, networks and organizations established, and systems and mechanisms put in place will continue, especially without any discussion of local government co-financing and funding obligations.</p>	<p>Clearer articulation in the document of the risks to sustainability posed by the broader governance context in Aceh.</p> <p>More discussion and direct linkages to other programs and to special autonomy is needed. The program also needs to make sure that the local government guaranteed some level of funding to community priority investments.</p>

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4. Implementation & Risk Management	4	<p>LOGICA (1) is a stellar program, but the follow on program should be designed to support partner programs more directly, down playing Objective 1 and stressing the other three, with an even greater emphasis on linking community efforts and plans to the supply side, to local government development programming and budgeting, to local government service delivery. The AIP Country Strategy seems to make this a priority for its engagement in Aceh.</p> <p>For instance, LOGICA (2)?, based on experience over the last few years in Aceh, can go a long way to improving quality of PNPM Mandiri nation-wide. In doing so sustainability is better addressed and the impact on the ground enormously increased. PNPM is a GOI local governance program supported by the World Bank).</p> <p>The budget seems realistic and the phasing of the program is sound, though the 5 year implementation period for 4 cycles seems tight and leaves little room for adjustment if needed. The management arrangements are appropriate, particularly the Advisory Board as a means of providing ongoing and technically focused inputs to the program from a range of perspectives. There should be stronger emphasis on promoting social cohesion/do no harm in the implementation arrangements given the post-conflict context and goal of promoting peace and stability.</p> <p>Risk section/matrix needs to include consideration of former combatants as they pose a real challenge to stability in Aceh and improving attention to their needs/access to appropriate services can help minimize the risk they pose to stability.</p> <p>In the annex to the PDD, the most serious risks (re likelihood and consequences) to do with piloting and a too quick roll-out and with not enough time and effort towards capacity building for communities. Not enough discussion about the next two items regarding government buy-in and "long-term resourcing." The challenge will be to work at the community level, empowering citizens, including women and marginalized groups, the entry point of the project, but to influence and change how local government decide and use their funds, sustainably.</p>	<p>The program should be linked to the existing programs, such as PNPM, and aimed at improving the quality of planning. Further consideration needed on program phasing geographically or focusing on areas of concern, e.g. promoting gender equality, involvement of marginalized people, addressing complaints, training for better village-level formulation of demand and priorities, and linking those priorities to local government development funding during the project and "sustainably."</p> <p>Networking and linkages to CSOs will help, in particular but not solely for business advisory services and livelihoods.</p> <p>Include the promotion of social cohesion as a guiding principle for the program; include do no harm analysis as part of the inception phase (in the 'Critical Path of Activities') to ensure the program adopts a conflict-sensitive approach. Include discussion of former combatants and extent to which program will seek to address their needs (recognising there are many programs focusing explicitly on them). Include discussion of risks the political transition in Aceh (both the democratic transition and the challenges associated with fiscal and administrative decentralization of service provision and massive special autonomy funds to districts) poses for the program.</p> <p>Risks associated with sustainability, i.e. local government buy-in, funding of community sub-projects and provision of supply side needs should be assessed more cautiously.</p>
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5. Analysis and lessons	5	<p>The discussion and assessment of the situation in Aceh, post-tsunami, post-conflict and almost "post recovery period" is good and convincing. The discussion at times attributes most problems to lack of capacity; thus more attention should be given to the issue of rights and authority/control/power (over funds, social suasion etc.), though the analysis moves in this direction with the discussion of networking and complaints handling, for example.</p> <p>The document does not convey a clear sense of the flavour of change between LOGICA and LOGICA 2. When LOGICA started there was no government structure. Now there are a large number of existing programs, government structures and different kinds of delivery systems. There needs to be more reference to the existing programs, the overall government system and how LOGICA 2 fits into that. Some of the contextual information, such as decentralisation and the challenges particular to Aceh in terms of its autonomy arrangements, is not clear from the document.</p> <p>The section on "Remaining Challenges" provides a solid overview of the potential drivers of instability in the current environment. However, the next section ("Problem Analysis") is not convincing, especially in the part about "communal tensions related to frustration." This could be strengthened by discussing the very high and largely unmet expectations of newly elected (in many cases ex-GAM) officials to deliver accountable, transparent governance and tangibly improve the lives of ordinary Acehnese. These are critical outcomes expected to be delivered as a result of the peace process and the capacity of governments to deliver will have a major (decisive) impact on whether stability prevails. Having a clearer analysis of the current conflict/instability dynamics and how LOGICA 2 is squarely aiming to address some of them would strengthen this section and provide a very sound rationale for the program.</p>	<p>The design document needs to incorporate more analysis, particularly on the unique aspects relevant to Aceh that could be drawn out. It needs to articulate how the machinery of government works, and how we identify the right level to engage.</p> <p>The design needs to articulate what else is happening in Aceh and accommodate a strong link between LOGICA 2 and other similar donor/government programs in Aceh, such as PNPM.</p> <p>Re-work the "Remaining Challenges", "Problem Analysis" and "Rationale for AusAID Involvement" sections to articulate more clearly the potential drivers of conflict related to governance (particularly government legitimacy and capacity to deliver development outcomes) and how LOGICA 2 is aimed at addressing these. The document need to integrate social cohesion outcomes and include a strong conflict analysis, linked to service delivery.</p>
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6. Gender Equality	5	<p>Gender issues are built into components, management arrangements, principles of operation, resourcing and risks. The focus on gender equality and social inclusion are very appropriate for the Acehese context. This new program could have a huge impact focusing on and assisting PNPM Mandiri to realize commitments to gender equality and the involvement of marginalized groups.</p> <p>However, it is strongly recommended that a gender-related outcome be identified.</p> <p>The M&amp;E tools selected are well adapted to collecting gender equality results. However, the need to capture gender equality results (more than just collecting sex disaggregated data) needs to be clearer. Consideration should be given to having targets and performance indicators for female participation as ACCESS has done. The draft PDD says the methodology used to achieve the four program objectives should be designed to maximise participation of women and marginalised groups. It also says LOGICA2 will allocate resources and develop strategies to promote active involvement of women in problem analysis, problem solving, advocacy and decision making. The experience of ACCESS and other programs is that this is most likely to be achieved when targets are set.</p> <p>Under Objective 3 (support for better governance and government service delivery), PDD says where relevant LOGICA 2 will provide TA to assist local government develop procedures and guidelines for human resources management and financial administration. At the very least, it needs to include very simple anti-discrimination and equal employment opportunity practices.</p> <p>This should also include TA to help implement gender equitable processes in public service agencies (in line with Presidential Instruction 9/2000 on Gender Mainstreaming) and pilot gender sensitive budgeting, both of which are mentioned in the new Country Strategy. LOGICA 2 can learn from the experience of IASTP III in promoting gender mainstreaming in the civil service and gender responsive budgeting.</p>	<p>A gender-related outcome needs to be identified and strengthen the M&amp;E tools to collect gender equality results.</p> <p>The gender strategy should be reviewed and updated annually. The strategy should not just be a stand alone document but should be reflected in other implementation plans with key activities identified to promote gender equity by component and output. Roles, responsibilities and timeframes should also be assigned.</p> <p>As above, link the program directly to PNPM and improve the quality of gender equality commitment and the involvement of marginalised groups.</p> <p>Include very simple anti-discrimination and equal employment opportunity practices and TA for promoting gender mainstreaming in the civil service and pilot gender sensitive budgeting.</p>
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**\* Definitions of the Rating Scale:**

<b>Satisfactory (4, 5 and 6)</b>		<b>Less than satisfactory (1, 2 and 3)</b>	
6	Very high quality; needs ongoing management & monitoring only	3	Less than adequate quality; needs to be improved in core areas
5	Good quality; needs minor work to improve in some areas	2	Poor quality; needs major work to improve
4	Adequate quality; needs some work to improve	1	Very poor quality; needs major overhaul

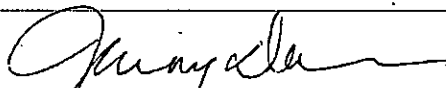
**D: Next Steps** *completed by Activity Manager*

Provide information on all steps required to finalise the design based on <i>Required Actions</i> in "C" above, and additional actions identified in the peer review meeting		Who is responsible	Date to be done
1. AusAID will circulate Record of Meeting and Actions to Improve to all participants		Aceh Unit	Early August 2008
2. A workshop will be held to clarify objectives, focus and what is achievable within the timeframe		Aceh Unit	Mid August 2008

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<b>D: Next Steps</b> <i>completed by Activity Manager</i>		
3. The design consultant will redraft and refine the draft PDD, taking into account consideration, advice and decision given by AusAID Jakarta, peer review appraisers and during the peer review meeting.	Aceh Unit	Late August 2008
4. AusAID will circulate the revised PDD	Aceh Unit	September 2008

<b>E: Other comments or issues</b> <i>completed by Activity Manager</i>
<ul style="list-style-type: none"> <li>AusAID will facilitate the work of the design consultant by providing additional information required, including access to relevant expertise within AusAID.</li> </ul>

<b>F: Approval</b> <i>completed by ADG or Minister Counsellor who chaired the peer review meeting</i>		
On the basis of the final agreed Quality Rating assessment (C) and Next Steps (D) above:		
<input checked="" type="checkbox"/> <b>QAE REPORT IS APPROVED</b> ; and authorization given to proceed to:		
<input type="radio"/> <b>FINALISE</b> the design incorporating actions above, and proceed to implementation.		
or: <input type="radio"/> <b>REDESIGN</b> and resubmit for appraisal peer review		
<input type="checkbox"/> <b>NOT APPROVED</b> for the following reason(s):		
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Jenny Da Rin	signed: 	27/10/2008

**When complete:***(A/ADG IET at the time of the peer review meeting)*

- Copy and paste the approved ratings, explanation and actions (table C) into AidWorks
- The original signed report must be placed on a registered file