

Department of Foreign Affairs and Trade

Activity Schedule 54 to the Record of Understanding
No. 14041

In relation to cooperation between the Department of Foreign Affairs and Trade (**DFAT**) and the Australian Treasury (**Treasury**)

To undertake the Treasury – Fiscal Policy Agency (FPA) Partnership Program.

This Activity Schedule 54 sets out the objectives of DFAT and Treasury (the **Agency**, together referred to as the **Partners**) in relation to the Treasury – Fiscal Policy Agency (FPA) Partnership Program (the **Activity**) through the Government Partnership Fund II which will be implemented under the Record of Understanding signed by the Partners on 31 January 2006 (**ROU**).

This Activity Schedule (including any attachments) details the scope of the Activity, as well as the contributions and roles of each Partner in relation to the Activity. Unless otherwise stated in this Activity Schedule, the provisions of the ROU will apply.

Signed on behalf of **DFAT** by:

Signed on behalf of **Treasury** by:

.....

.....

Name

Name

.....

.....

Designation

Designation

.....

.....

Signature and Date

Signature and Date

Activity	Treasury – Fiscal Policy Agency (FPA) Partnership Program. The Activity Details are included at <u>Attachment 4</u> to this Activity Schedule.
Commencement date	1 July 2017
Completion date	30 June 2018
Partner Country	Indonesia
Partner Government Agency	Fiscal Policy Agency (FPA)
Implementing Partners	The Agency will work with the following Implementation Partners in implementing the Activity: (a) N/A
Funds	The maximum amount payable by DFAT in respect of the Activity is AUD ...
DFAT Activity Manager	
Agency Activity Manager	
DFAT's Address for Notices	
Agency's Address for Notices	
Variations	This Activity Schedule can only be varied in writing signed by each Partner. The Partner proposing the variation should set out in writing: (a) details of the proposed variation to the Activity and reasons for the request; and (b) the impact the proposed variation will have on effective delivery of the Activity, and/or the budget.
Termination	This Activity Schedule can be terminated at any time by either Partner.
Overseas Personnel Arrangements	Details relating to Overseas Personnel are at <u>Attachment 1</u> to this Activity Schedule.
Reporting, Monitoring and Evaluation	Reporting, monitoring and evaluations will be done in accordance with the specific provisions described in <u>Attachment 2</u> to this Activity Schedule.

Financial Arrangements and Budget	Financial Arrangement and a detailed Budget for this Activity are included at <u>Attachment 3</u> to this Activity Schedule.
Risk Management	A Risk Register setting out the identifiable risks associated with the Activity is included in the Activity Details at <u>Paragraph 10 of Attachment 4</u> to this Activity Schedule.
Defined terms	<p>The following definitions apply to this Attachment:</p> <p>(a) <i>Long-term Posting</i> means a period of duty in an overseas country for longer than 12 months.</p> <p>(b) <i>Overseas Personnel</i> means Personnel who undertake Long-term Postings, Short-term Assignments or Short-term Missions.</p> <p>(c) <i>Personnel</i> means the personnel of the Agency who are engaged in the delivery of the Activity, including employees and contractors.</p> <p>(d) <i>Short-term Assignment</i> means a temporary absence from an employee's headquarters while on duty in another single location for a period greater than six months but no more than 12 months. In exceptional circumstances, the Agency's Secretary's delegate may determine an assignment of less than 12 months but greater than six months to be a Long-term Posting.</p> <p>(e) <i>Short-term Mission</i> means a temporary absence from an employee's headquarters while on duty in another location for a period of not greater than six months.</p> <p>(f) <i>WHS Act</i> means the <i>Work Health and Safety Act 2011 (Cth)</i>.</p>

Attachment 1

**OVERSEAS PERSONNEL ARRANGEMENTS AND LOGISTICAL SERVICE
PROVIDER ARRANGEMENTS**

1. OVERSEAS PERSONNEL TERMS AND CONDITIONS

- (a) The Agency will administer the salary and conditions of service package of Overseas Personnel in accordance with the Whole of Government Overseas Conditions of Service Policy, or its successor, and the salary and allowance calculator provided by DFAT or the terms and conditions for the Short Term Mission determined by the Agency.

**2. OVERSEAS PERSONNEL RECRUITMENT AND PRE-DEPARTURE
TRAINING**

- (a) Overseas Personnel remain employees of the Agency at all times;
- (b) Personnel recruited under this Activity Schedule should be selected in a transparent and merit-based way. Selection should be based on their skills and experience and ability to contribute to developing capacity in their partner organisations.
- (c) DFAT will advise on and/or provide relevant DFAT pre-departure training.
- (d) The Agency will organise security briefings and registration with the DFAT online Smartraveller service.

3. OVERSEAS PERSONNEL INSURANCES

Long-term Posting or Short-term Assignment

- (a) The Agency will provide the following insurances for Overseas Personnel whilst they are overseas:
 - (i) medical, dental, personal effects, travel and evacuation (medical or otherwise) insurance.

Short-term Mission

- (b) The Agency will provide the following insurances for Overseas Personnel whilst they are overseas:
 - (i) medical, dental, personal effects, travel and evacuation (medical or otherwise) insurance.
- (c) The Agency, via a LSP will provide appropriate insurance for any Indonesian counterpart agency officials travelling for the purpose of this Activity.

4. WORK HEALTH AND SAFETY (WHS)

Duties and Implementation of Work Health and Safety

- 4.1 The Agency acknowledges that:
- (a) it is responsible for exercising the primary duty of care owed by the Commonwealth to Agency Personnel;
 - (b) DFAT will assist the Agency to meet its duty by providing assistance as outlined in this Activity Schedule; and
 - (c) to the extent that the Commonwealth has control over the work to be performed in relation to the Activity, such control is exercised by the Agency.
- 4.2 The Partners will work together to ensure that the work conducted by each of them and any of the Personnel complies with all applicable laws, standards and policies, and provisions of the Activity, that relate to the health and safety of Agency Personnel, DFAT officers and third parties.
- 4.3 The Partners will ensure that:
- (a) the Commonwealth complies with its obligations under any applicable WHS law; and
 - (b) so far as is reasonably practicable, that their officers and workers (as defined by applicable WHS law) comply with their obligations under applicable WHS law.
- 4.4 The Partners will ensure, so far as it is reasonably practicable for them to do so, the health and safety of:
- (a) workers engaged, or caused to be engaged by the relevant Partner; and
 - (b) workers whose activities in carrying out work are influenced or directed by the relevant Partner;
- while the workers are at work in relation to the Activity.
- 4.5 Each Partner will ensure, as far as is reasonably practicable for it to do so, that the health and safety of other persons is not put at risk from work carried out to implement the Activity.
- 4.6 The Partners will consult, cooperate and coordinate with each other in relation to the Commonwealth's work health and safety duties. The Partner who has the duty under the WHS Act towards the worker will facilitate this consultation.
- 4.7 Without limiting this Activity Schedule, either Partner will, on request by the other Partner, give all reasonable assistance to the other Partner by way of provision of

information and documents, to assist the Commonwealth and its officers (as defined in the WHS Act) to comply with the duties imposed under the WHS Act.

- 4.8 The Partners will work together to ensure that workers who are, or are likely to be, directly affected by a matter relating to WHS, are consulted about those matters. The Partner who has the duty under the WHS Act towards the worker will facilitate that consultation.
- 4.9 Either Partner may request the other Partner to take specified measures in connection with that Partner's work under this Activity Schedule that the requesting Partner considers reasonably necessary to deal with an event or circumstance that has, or is likely to have, an adverse effect on the health or safety of persons. The Partners will discuss the request as soon as practicable after it has been made and determine the steps to be taken, having regard to the capacity of each Partner to practically and adequately deal with the relevant event or circumstance.
- 4.10 If an event occurs in relation to the Agency's work under this Activity Schedule that leads, or could lead, to the death of, or injury or illness to, a person (Notifiable Incident), the Agency will:
- (a) immediately report the matter to DFAT, including all relevant details that are known;
 - (b) notify the regulator (Comcare) as per the requirements of the WHS Act, unless the injury occurs at an Australian diplomatic post, in which case the Agency will consult with DFAT before any Party notifies the regulator;
 - (c) as soon as possible after the Notifiable Incident, investigate the Notifiable Incident to determine, as far as it can reasonably be done:
 - (i) its cause; and
 - (ii) what adverse effects (if any) it will have on work under this Activity Schedule, including adverse effects on risks to health and safety;
 - (d) as soon as possible after the Notifiable Incident, take all reasonable steps to remedy any effects of the Notifiable Incident on health and safety;
 - (e) as soon as possible after the Notifiable Incident, take all reasonable steps (including by instituting procedures and systems) to ensure that an event or circumstance of the kind that led to the Notifiable Incident does not recur;
 - (f) within 7 business days after the Notifiable Incident, give the other Partner a written report giving further details of the Notifiable Incident, including a statement of the steps the Partner has taken or that the Partner proposes to take as required by **Paragraphs 4.10 (d) and (e)** above; and

- (g) within 3 months after the Notifiable Incident, give the other Partner a written report giving full details of its actions in relation to the Notifiable Incident.
- 4.11 Each Partner will fully co-operate, at its own cost, with any investigation by any government agency (including Comcare) with respect to a Notifiable Incident, including parliamentary inquiries, boards of inquiry and coroner's investigations.
- 4.12 The Agency will not enter into a contract with respect to this Activity Schedule unless the contract obliges the contractor to comply with equivalent provisions to those contained in this **Paragraph 4**.
- 4.13 For the purposes of this **Paragraph 4**, "applicable WHS law" means any applicable occupational health and safety law, including any corresponding WHS law (as defined in Section 4 of the WHS Act).
- 4.14 A word or expression in this Paragraph 4 that is:
 - (a) used or defined in an applicable WHS law; and
 - (b) is not otherwise defined in this **Paragraph 4** or elsewhere in this Activity Schedule, has, for the purposes of this **Paragraph 4**, the meaning given to it under the applicable WHS law.

5. **PERSONNEL TRAVEL**

Long-term Posting or Short-term Assignment

- (a) Where Overseas Personnel travel internationally as part of an Activity, whilst on a Long-term Posting or Short-term Assignment, the Agency will, in the first instance, undertake logistical arrangements in support of the travel, including, but not limited to:
 - (i) visas, passports, flights and accommodation; and
 - (ii) the payment of per diems, reimbursements, travel and other overseas allowances.
- (b) Where Overseas Personnel travel internationally (departing from Indonesia) and domestically within Indonesia as part of an activity, DFAT via a LSP will assist Overseas Personnel, if requested by the Agency, for undertaking logistical arrangements in support of the travel, including:
 - (i) visas, flights and accommodation; and
 - (ii) the payment of per diems, reimbursements, travel and other overseas allowances.

Short-term Mission

- (c) Where Overseas Personnel travel internationally as part of an Activity whilst on a Short-term Mission, the Agency will, in the first instance, undertake logistical arrangements in support of the travel, including, but not limited to:
 - (i) visas, passports, flights and accommodation; and
 - (ii) the payment of per diems, reimbursements, travel and other overseas allowances.

Counterparts

- (d) DFAT via an LSP will provide logistical arrangements in support of the travel for any Indonesian counterpart agency officials travelling overseas and within Indonesia for the purpose of this activity.

6. OVERSEAS PERSONNEL CONDUCT

- (a) The Agency will use all reasonable endeavours to ensure that Overseas Personnel act in accordance with the Agency's Enterprise Agreement or Australian Workplace Agreements (whichever is relevant), the Australian Public Service Code of Conduct and the DFAT Code of Conduct for Overseas Service.
- (b) DFAT will refer information it receives pertaining to the Overseas Personnel involvement in:
 - (i) potential breaches of operational procedures or determinations; or
 - (ii) other behaviour or incidents that potentially compromise the delivery of the Australian Government's activities under this Activity Schedule,to the Agency for their management.
- (c) DFAT will consult with the Agency to investigate any concern that the behaviour of any Overseas Personnel or their recognised dependant/s is damaging or is likely to damage the reputation of the Australian Government or the Australian aid program overseas. The Agency will negotiate with DFAT on the appropriate course of action including whether to suspend or terminate their involvement in the Activity. Where such a scenario is likely to have significant and immediate effect, DFAT will refer the matter to the Head of Mission/Head of Post (i.e. the senior officer leading the relevant Australian embassy, high commission, consulate or representative office).

- 6.2 The Agency will be responsible for informing the Activity Manager with at least two weeks' notice of planned travel by its Personnel to a Partner Country in relation to the Activity, including: title of the Activity and Activity Schedule number, name(s) and designation(s) of the Personnel travelling; travel itinerary of the Personnel travelling, and a brief statement of the objectives of the travel.

7. LOGISTICAL SERVICE PROVIDERS

(a) Two LSPs will provide operational and logistical support to the Agency:

- (i) Snowy Mountain Engineering Company Pty Ltd (SMEC) for operational and logistical support relating to Activities; and
- (ii) HK Logistics Pty Ltd for overseas personnel in-country operational support.

These LSPs are contracted by DFAT and report to DFAT; however, the Agency can directly contact the LSP at any time to request support in relation to the undertaking of the Activity.

(b) DFAT will manage the Service Order with the two LSPs.

(c) SMEC, through the Australia Indonesia Partnership for Economic Governance Facility, will be responsible for:

- (i) Arranging workshops (in Indonesia only) including:
 - a. Venue and catering arrangements for workshop and training;
 - b. Accommodation for speakers and participants;
 - c. Honoraria and allowance arrangements for speakers and participants (if applicable and in accordance with Government of Indonesia standards issued by DFAT in line with Ministry of Finance regulation);
 - d. Transportation arrangements or reimbursement for district/provincial participants;
 - e. Workshop material translation and production and kit production (e.g.: note, folders, banners, etc);
 - f. Simultaneous translation arrangements; and
 - g. Other logistical support related to workshop arrangement.
- (ii) Arranging Short-term Missions for Overseas Personnel to Indonesia and Indonesian Government Officials to Australia including:
 - a. Flights (international/domestic), including local transport arrangements;
 - b. Accommodation for speakers and participants;
 - c. Allowance arrangements (for Indonesian officials and GPF Overseas Personnel, when requested);
 - d. Travel insurance for Indonesian officials;
 - e. Australian visa application support (for Indonesian officials only); and
 - f. Other logistic arrangement related to Short-term Missions.

- (iii) Arranging medium/long term visits to Australia from Indonesian Government counterparts to undertake internships/secondments including:
 - a. Flights (international/domestic), including local transport arrangements;
 - b. Allowance and full medical and travel insurance arrangements, in coordination with the host agency;
 - c. Australian visa application support (for Indonesian officials only); and
 - d. Other logistic arrangement related to internship/secondments.
 - (iv) Training document shipment from Australia to Jakarta.
 - (v) Procurement of goods and services related to GPF activities.
 - (vi) Provide quarterly, six-monthly and annual financial report on the activity logistical support specified in this Clause 7 to the GPF II Secretariat and the Agency.
- (d) HK Logistics, through Deployee Support Services for Indonesia, will be responsible for:
- (i) Security: including provision of security support to Overseas Personnel and their dependants in-country on a 24 hour, seven day a week, 365 day a year basis, security briefings to Overseas Personnel, provision of communications, inspections of residential accommodation, advice on and where necessary arrangements for security of residential accommodation can be obtained, emergency demobilisation and formulation of a GPF Security Plan;
 - (ii) Preparation and Mobilisation: including, as required, transport of personal effect, assistance with in country language training, insurance for uplift and storage, providing in-country briefing and assistance;
 - (iii) Ad-Hoc Recruitment Services: facilitating, as directed, the engagement of locally engaged personnel, including assisting in the recruitment process: the sourcing and short-listing of candidates.
 - (iv) Residential Accommodation: provision of residential accommodation that facilitates the Overseas Personnel's achievement of their deployment objectives with due consideration to issues of safety and security, Work Health and Safety and value for money;

- (v) Work Related Assets and Vehicles for Overseas Personnel: provision of assets and vehicles primarily for work-related purposes, as directed;
- (vi) Demobilisation: including transport of personal effects, short-term accommodation, transport, and insurance (as required);
- (vii) Services for Ad-Hoc and Emergency Deployments: provision of elements of the above services in an accelerated time frame; and
- (viii) Pastoral Care: access to pastoral support or counselling services as reasonably required by Overseas Personnel and their dependants.

8. ADDITIONAL LONG TERM POSTING OPERATIONAL SUPPORT

- (a) Where an Agency representative named here (or as advised from time to time) has determined, in their sole discretion, that the evacuation of Overseas Personnel is warranted, a request from the Agency representative/alternative for the provision of support services relating to security and WHS will not require the approval of DFAT. The Agency will keep DFAT informed of such requests and the circumstances that gave rise to them.
 - (i) The Agency representatives are: ...
- (b) The Agency may instruct the LSP, HK Logistics, directly on the provision of services related to security and WHS.
- (c) DFAT will provide the Agency with copies of:
 - (i) the Services Orders with the two LSPs as amended;
 - (ii) the Risk Management Plan, as amended, prepared by the LSP, HK Logistics, pursuant to the Services Order;
 - (iii) the Operating Procedures Manual for DSSI, as amended, prepared by the LSP, HK Logistics, pursuant to the Services Order;
 - (iv) Security and Natural Disaster Management Plan, as amended, prepared by the LSP, HK Logistics pursuant to the Services Order; and
 - (v) information relating to the performance of the LSP, HK Logistics, sufficient to satisfy The Agency that the LSP is providing security support to Deployees and their dependants in-country on a 24 hour, seven day a week, 365 days a year basis.

Attachment 2

REPORTING, MONITORING AND EVALUATION

1. REPORTING, MONITORING AND EVALUATION

- 1.1 Both Partners note that it is essential to ensure the performance and impact of Activities are adequately and effectively monitored and assessed, and as such will undertake reporting, monitoring and evaluations in accordance with this Attachment.
- 1.2 DFAT is committed to managing for measurable results and accordingly, to monitoring and reporting for measurable results. The Agency will support DFAT's performance reporting requirements.
- 1.3 Furthermore, unless specifically excluded in an Activity Schedule, the Agency:
 - (a) will conduct systematic and regular evidence-based assessment and reporting on the performance and quality of Activity;
 - (b) will focus on results at all stages, including working collaboratively with other agencies, where relevant, to strengthen a results focus, applying lessons learnt to improve the focus on results for Activity;
 - (c) will cooperate fully with DFAT and its agents should the Activity be subject to an evaluation; and
 - (d) will commit to taking action to improve, including responding to requests to prepare and submit a Performance Improvement Plan, or cancel any Activity that is found to be performing unsatisfactorily.

2. GOVERNMENT PARTNERSHIP FUND II REPORTING, MONITORING AND EVALUATION REQUIREMENTS

Six-monthly progress reporting provides information on progress towards achievements of the GPF work-plan and will be due on **31 January 2018 and 31 July 2018**. These six-monthly reports need to include relevant Performance Assessment Framework (PAF) indicators and an evaluative summary based on **Aid Quality Check (AQC)** criteria: Relevance; Effectiveness; Efficiency; Sustainability; Gender Equality and Monitoring & Evaluation.

Following are the GPF Program **PAF indicators** relevant to the GPF Program:

- Improvements to market efficiency, regulation and financial systems;
- Number of women and men trained in areas related to economic governance;
- Improved spending and revenue policies and practices of central and sub-national governments.

It is essential to ensure the performance and impact of GPF activities are adequately and effectively monitored and reported. These six-monthly progress reports are usually prepared in consultation with GOI partners. These reports should provide information on the quality, reach and coverage of key outputs or deliverables, as well

as an overall assessment of progress toward outcomes as outlined in the GPF July 2017 to June 2018 proposal. The results should be verifiable and provide information on how activities are tracking and any significant achievements during the reporting period, emerging opportunities and risks, summary on the disbursement against budget, any other issues in implementing the activities.

The GPF Six-Monthly report should include the following:

- Analysis of resilience of the government to government partnerships;
- Policy influence and uptake needs to be documented using the Significant Policy Change technique as part of the PAF;
- Overall development contribution being made by this GPF partnership to Indonesia's reform priorities, through (training, short courses, Australia Awards placements etc) to institutional capacity building;
- Information on the cross cutting development themes, including in gender equality and disability inclusiveness and other emerging issues; and
- Financial report comprised of a fund acquittal of all tranches paid under ROU and reimbursement under LSP to support activities and the reasons for under/overspending, if there is any.

DFAT will provide a template for the six-monthly reports closer to the due date.

Attachment 3

FINANCIAL ARRANGEMENTS

1. FINANCIAL ARRANGEMENTS

- 1.1 Payment to the Agency will be made within 30 days of receipt by DFAT of a correctly rendered invoice.
- 1.2 Any unexpended part of Funds will be refunded to DFAT unless alternative arrangements are negotiated between the Partners.
- 1.3 Any assets acquired under this Activity will be disposed of as mutually determined between the Partners.
- 1.4 The maximum amount payable by DFAT in respect of the Activity is **AUD...** of which:

- (a) **AUD...** will be paid through this Activity Schedule to the Agency; and
- (b) up to **AUD...** will be paid to the LSP on a reimbursement basis.

DFAT will not be liable for any amount, costs or expenditure incurred by the Agency in excess of this amount.

1.5 If:

- (a) an acquittal identifies that the Agency has unspent monies from a previous payment; or
- (b) in DFAT's opinion, the Agency has not made satisfactory progress against the mutually decided benchmarks and milestones for the Activity,

DFAT, may, after consultation with the Agency, reduce the amount of any future payments (and the overall amount of the Funding). Changes to this Activity Schedule will only be effected if mutually determined in writing and signed by both Partners in the form of a Variation to the Activity.

2. INVOICING

- 2.1 Invoices will be submitted when due in accordance with this Activity Schedule, in a form identifying this Activity Schedule title and its number. Invoices should also contain the Payment Event number(s) notified by DFAT; the amount of funding to be paid by DFAT together with any requisite substantiating material; and the name of the DFAT representative.
- 2.2 All invoices will be made to DFAT.
- 2.3 Invoices should be sent to the above address and the Activity Manager. Alternatively, DFAT will accept electronic invoices. These can be sent to ...@dfat.gov.au and a copy sent to the DFAT Activity Manager.

3. **ACTIVITY BUDGET**

n.a

ACTIVITY DESCRIPTION AND RISK PLAN

**GOVERNMENT PARTNERSHIPS FUND Phase II
(GPF II)**

**PROGRAM PROPOSAL
July 2017 – June 2018**

Proposal Title

Australian Treasury – Indonesian MoF partnership

Submitting Agencies

Australian Treasury

Submission Date

28 June 2017

PART A – PROGRAM OVERVIEW

1. Australian Organisation (including ABN)
The Treasury (ABN: 92 802 414 793)

2. Indonesian Counterpart Organisation(s) (identify the lead organisation if more than one):
Indonesian Ministry of Finance including: Fiscal Policy Agency (FPA) - lead, Central Transformation Office (CTO), Vice Minister Office, Pushaka (Minister of Finance Office).

3. Contact Officer Details (name, position, phone, fax, email and postal addresses):
GOA (Indonesia):

GOA (Australia)

GOI:

4. Program Implementation Dates:

Planned Start Date: 1st July 2017

Planned Finish Date: 30th June 2018

5. Summary of Proposed Program:

GPF is a whole-of-government program that strengthens government-to-government partnerships and policy dialogue between Australia and Indonesia. The goal of the GPF is to support: *“Indonesian government agencies implementing effective economic and public sector management policies”* while its purpose is to: *“apply Australian public service skills and experience to the implementation of priority Indonesian economic and public sector reforms”*.

At its core, GPF Treasury, together with its lead partner in the Fiscal Policy Agency (FPA), works to improve the capacity of the Indonesian Ministry of Finance (MOF) to carry out its function of providing high-quality fiscal policy analysis and advice to the Minister of Finance. This is primarily achieved through building the MOF – Treasury partnership. From the base of a trusted partnership, public policy practitioners in both countries can share their skills and experiences.

GPF Treasury supports the MOF across multiple economic policy areas. The team also works on cross-cutting organizational transformation objectives. These cross-cutting activities recognise that improving the enabling environment is vital to the sustainability of improved organizational performance.

An overarching objective of GPF Treasury's engagement is to assist FPA officials improve their economic policy advising skills. This is achieved through direct advice from deployees, connecting parties with other development partners and by drawing on support from Canberra Treasury based experts. In 2016, GPF Treasury facilitated 10 Australian Treasury officers visiting Jakarta to provide policy advising classes to the MOF¹.

GPF Treasury Deployees' have public policy practitioner backgrounds. As such, 'just in time' informal discussions and formal workshops/ seminars are complemented by consideration of the political economy context. This ensures the FPA's policy advice considers how the political economy might impact the proposal ahead of just focusing on the economic rationale for change.

Key activities for 2017-18

- The GPF Treasury Team will build on the successful secondment of six MoF officials to the Australian Treasury over the last 12 months during 2017-18. These secondments will target developing a tax expenditure statement and preparing an intergenerational report for Indonesia (building on the '3Ps' work done by a 2016 secondee).
- Building on the successful pilot in S1 2017, the GPF Treasury Team will again host FPA Policy Advisers (2 officers - 6 months each) to the GPF Treasury Team over the next 12 months. This will provide opportunities for mutual learning. This is a low cost but high impact investment that highlight the maturity of the partnership between the GPF Treasury and FPA.
- The 4th Annual Economic Policy Dialogue will take place in Q4 2017. Budget is sought for this important Institution-to-Institution event to take place in Canberra. This is considered a high impact event for the relationship.

¹ Additionally, the Australian Treasury Secretary and his Deputy visited the MOF in February 2017. This visit involved meetings with the Vice Minister and previous MOF deployees to Australian Treasury.

- As in previous years, revenue sustainability is a key priority. Drawing on our comparative advantages, GPF Treasury's assistance will focus on developing a Tax Expenditure Statement (TES) implementation plan, further enhancing the fiscal advising capacity of revenue officials and advising on the implications of alternate structures for revenue policy institutions. These activities build on work already underway. Continued collaboration with other development partners will be critical.
- While GPF Treasury has played a direct and ongoing role in supporting the managerial and leadership development of MOF staff, training in this area was formalised in 2017 by developing a MoF-specific, APSC-developed and delivered management training program. The program focused on assisting new Echelon IV's manage and lead their teams through improving their team communication, knowledge management, work flow prioritisation and delegation skills. This investment will provide an enduring management skill development resource for the broader MoF. A further two deliveries of this course (covering 40 FPA staff) is planned for 2017-18.
- Budget support for up to three (3) Canberra based Treasury officers running Jakarta based workshops/ discussions in 2017-18 is sought. This will provide flexibility to respond to specific requests.
- In addition to directly supporting the FPA, GPF Treasury also provides support to the Central Transformation Office (CTO). Support for the CTO, which commenced in 2016, continues to focus on cross-cutting MOF organisational transformation initiatives.
- A looming pressure is the MOF hosting of the 2018 IMF/WB Annual meeting. Senior counterparts have already asked how Australian Treasury might be able to assist noting that Australian Treasury successfully hosted the G20 Finance Minister's stream.

6. Total estimated cost to GPF (AUD) ²

Year	Total Estimated Proposal Cost	Total Amount that will be Spent for the period July 2017 – June 2018
2017-18		

PART B – PARTNERSHIP PROGRAM DETAILS

Program objectives:

GPF Treasury continues to retain its strong focus on assisting the Indonesian Government achieve its economic reform agenda by enhancing the policy formulation and advising capabilities, the institutional environment that supports these capabilities and the management/ leadership capabilities of the emerging leaders of the organisation. **The key focus remains on the development of a strong, strategic and lasting partnership between the Indonesian MoF and Australian Treasury.**

Central to program success is the existence of an open collaborative relationship between GPF Treasury and the MOF. To deliver this, GPF Treasury works in close partnership with MOF senior management to mutually identify, and deliver, agreed activities. The partnership has now reached a stage of maturity where parties can discuss divergence from planned goals and flexibly respond within the year.

GPF Treasury's comparative strength is in our ability to respond to a broad range of requests from an economic policy practitioner's perspective. Our staffing profile and reach-back to the Australian Treasury, as well as a physical has cemented our position as a 'drop-in' centre for just-in-time economic advice. This has been evidenced through the volume of approaches for advice by FPA (and MOF) officials the team receives.

Despite the successes of the MOF-Treasury relationship through the program, developing a critical mass of capacity across the MOF is an ongoing challenge. For this reason, we will continue to prioritise enhancing the enabling environment.

The Partnership:

The FPA and Australian Treasury have now held three Economic Policy Dialogues in Canberra (August 2014, August 2015 and October 2016). These dialogues have been an important forum for the two agencies to engage in a robust discussion on policy matters of mutual interest. Both agencies recognise the value of deepening the engagement, which has led to

² indicative budget for 2017, subject to funding availability, using AIPEG standardised costing for 2017 budget planning (2017 AIPEG-GPF Budget Ref – 8 Sept) and 2016 budget as baseline.

increasing opportunities to collaborate on economic policy matters internationally. A Ministerially signed MOU between the Australian Treasury and Ministry of Finance (2012) adds weight to the partnership.

As evidence of the close collaboration between the Treasury and FPA, over the last 12 months (end March 2016):

- GPF Treasury hosted ten presenters to the MOF from the Australian Treasury;
- The Secretary of Australian Treasury (and Deputy) met with the Vice Minister and had a coffee discussion with past MOF deployees to the Australian Treasury in Jakarta;
- GPF Treasury facilitated the secondment of five FPA and one CTO official to the Australian Treasury; and
- GPF Treasury facilitated 3 delegations to Australia (2 revenue focused and the 3rd EPD)

GPF Treasury also seeks to encourage collaboration between other partners supporting the MOF. Recognising the benefits of sharing information/coordination, GPF Treasury connects other GPF Agencies and development partners (such as AIPEG and the World Bank) with the FPA's priorities and the public information they share.

Strategic Priorities:

The return of Sri Mulyana Indrawati as Indonesia's Finance Minister provides an exciting opportunity for the FPA and Indonesia. As the premier Agency for economic reform in Indonesia, the FPA is best placed to identify and develop policy advice around reform opportunities which the new Finance Minister can champion. Ibu Menteri made it clear at the MOF DG Head Retreat (Dec 2016) that she sees the FPA as the 'nerve centre' of the FPA.

GPF Treasury support aims to assist MOF build capability in those areas that are considered to of high priority by the Minister of Finance / MOF and/or where GPF Treasury identifies significant potential for positive reform e.g. improving the enabling environment. Underpinning our choice of areas to support, GPF Treasury considers if:

- The areas we support have significant implications for economic policy in Indonesia (and by extension, the welfare of Indonesians);
- There is genuine prospect that reform progress is achievable - that is, there are MOF officials who want our support and will carry reforms forward; and
- GPF Treasury has the technical skills, experience and capability to deliver in these areas.

Relevance of Australian Government expertise:

As the FPA is the primary agency for providing economic advice to the Indonesian Minister, it is important that Australia government officials have a record of providing high quality advice across a range of policy areas.

In terms of skills and expertise, deployees have been selected their capacity to demonstrate the following:

- Strong-interpersonal skills, cultural sensitivity and ability to work effectively with Indonesian and Australia government stakeholders;
- A high degree of initiative, flexibility, resourcefulness and ability to deal with uncertainty;
- Strong analytical capabilities, with extensive experience in economic and fiscal policy development as well as experience applying these skills across a broad range of policy issues; and
- An understanding of the policy development process within Treasury and Treasury's role in whole of government policy development.

Program effectiveness:

The 2017-18 program proposal continues to broaden the scope of engagement beyond the FPA noting the significant resources being committed to the FPA by other Development Partners.

The MOF, and FPA particularly, holds a high level of ownership regarding the proposed 2017-18 activities to be undertaken. The FPA head mutually prioritised activity requests with the GPF Team Leader after considering written submissions from Centres.

Substantial program support is provided by the International Policy and Engagement Division of Australian Treasury. Their support is critical when we reach back to utilise Canberra Treasury resources.

After every engagement, GPF Treasury undertakes a debriefing of what worked well and what didn't work well. We constantly strive to ensure that we deliver a quality and timely product.

Like S1 2017, GPF Treasury expects to disburse its funds effectively through 2017-18.

Monitoring & evaluation

In 2016-2017, GPF Treasury implemented a formal M&E system for the first time. This Excel based system was sourced from the World Bank SEMEFPA Team. The data in the system is updated by the GPF Treasury office manager on an ongoing basis. This data set, which is verified by the GPF Team Leader, provides evidence of the outputs of the GPF Treasury team. Over time, we hope to improve our M&E system to better capture program outcomes.

In the interim, the GPF Treasury Team will continue to regularly engage with FPA staff and other stakeholders to receive, and respond to, feedback on our performance.

Key cross-cutting issues

The GPF Treasury team will continue to have regard to key cross-cutting issues such as gender equality, anti-corruption and disability inclusiveness. The existing team will review related policy documents and ensure new starters understand the importance of these issues.

Engagement with other donors

GPF Treasury will continue to build its relationship with other development partners so as to best assist the MOF. For 2017-18, the focus will be on working with AIPEG who have deep expertise in a number of areas where the MOF has requested assistance.

Proposal Planning Process:

To ensure buy in to the forward work plan, GPF Treasury wrote to the FPA on 22 February 2017 seeking their input on the activities that should be prioritized in 2017-18. A template for 'bids' was provided and the prioritization framework explained.

GPF Treasury received 21 written proposals requesting new support from the FPA and one proposal from the Central Transformation Office (CTO). All eight (8) Centre's in the FPA submitted proposals. These proposals, and ongoing support requested e.g. annual MOF-Treasury events, were initially screened by the GPF team using a prioritisation framework.

On 30 March, GPF Treasury presented the proposals and our assessment to Pak Suhasil, the head of the FPA, for further prioritization against his and organizational needs. Based on his input, a list of new and ongoing activities was developed. This list is a significant reduction compared to the original requests made. Through April, the GPF Treasury team engaged with other development partners and Australian Treasury to work out what could be delivered.

PART C – DETAILED ACTIVITY WORK PLAN

Financial Year July 2017- June 2018

No.	Activity Proposed	Timeline	Estimated Cost	Detailed description (including number and the level of officials involved in seminar, exchange visits, logistic arrangement required, etc)
1.	Tax Policy – 3 Month Secondments of 2 GOI Officials	H2 2017		Support the FPA as they consider developing a Tax Expenditure Statement (TES) for Indonesia.
2.	Repeat of the APSC Management Workshop (2 Workshops)	1xH2 2017 1xH1 2018		Assist with two more deliveries of Australian Public Service Commission (APSC) management training (training at least 40 new FPA managers). ⁴
3.	Tax Policy – GOI delegation	TBC		<i>See Activity 1 description</i>

⁴ Note - subject to assessment of pilot and discussion with APSC

No.	Activity Proposed	Timeline	Estimated Cost	Detailed description (including number and the level of officials involved in seminar, exchange visits, logistic arrangement required, etc)
	to Australia			
4.	Economic Policy Dialogue in Canberra	Q4 2017		This will be the 4th Economic Policy Dialogue (EPD) between the FPA and Treasury. The EPD is an event prescribed in the Memorandum of Understanding between the Australian Treasurer and the Indonesian Finance Minister (2012).
5.	Annual Bali Growth Conference	Q4 2017		The Bali Growth conference is a DFAT and Government of Indonesian funded event where international experts discuss current and future policy matters relating to Indonesia. GPF Treasury proposes to budget for a senior Canberra based Australian Treasury officer to attend in 2017.
6.	GOA Visit to Run a Tax Policy Workshop – Tax Expenditure Statement	H2 2017		<i>See Activity 1 description</i>
7.	Support the Development of an Intergenerational Report through a 2 Month Secondment	TBC		Building on a 5 month '3Ps' secondment undertaken in 2016, assist the Indonesian MoF improve its knowledge of the steps required to develop an IGR for Indonesia.
8.	High Level Policy Dialogue	H1 2018		The HLPD is a DFAT funded event where senior policy makers and academics discuss current policy matters of importance to Indonesia. GPF Treasury proposes that a senior Canberra based Australian Treasury officer attend the 2018 event.
9.	Treasury Expert Program (3 Visitors)	TBC		<p>GPF Treasury proposes to budget for up to three (3) Australian Treasury officer's to share knowledge in Jakarta in 2017-18. These visitors could be at junior or senior levels.</p> <p>Potential topics might include:</p> <ul style="list-style-type: none"> • international event hosting/ international event preparation; • using superannuation/ pension fund financing for long term investment (with Department of Finance); and • improving governance practices (with Department of Finance).
10.	BKF Seconded to GPF Treasury Team	Ongoing		Building on the successful pilot in S1 2017, the GPF Treasury Team will again host FPA Policy Advisers (2 officers - 6 months each) to the GPF Treasury Team over the next 12 months. This will provide opportunities for mutual learning.
11.	Revenue Policy Support	Ongoing		Ongoing presence in PKPN. Depending on resourcing explore more time there.
12.	Junior Staff Workshop in the Revenue, Macro & International Divisions	Ongoing		Continuing workshops for junior/ mid-level staff.

No.	Activity Proposed	Timeline	Estimated Cost	Detailed description (including number and the level of officials involved in seminar, exchange visits, logistic arrangement required, etc)
13.	GPF Treasury Seconded Alumni Events (2)	1xH2 2017 1xH1 201		Convening of the MOF secondeed alumni (pilot events).