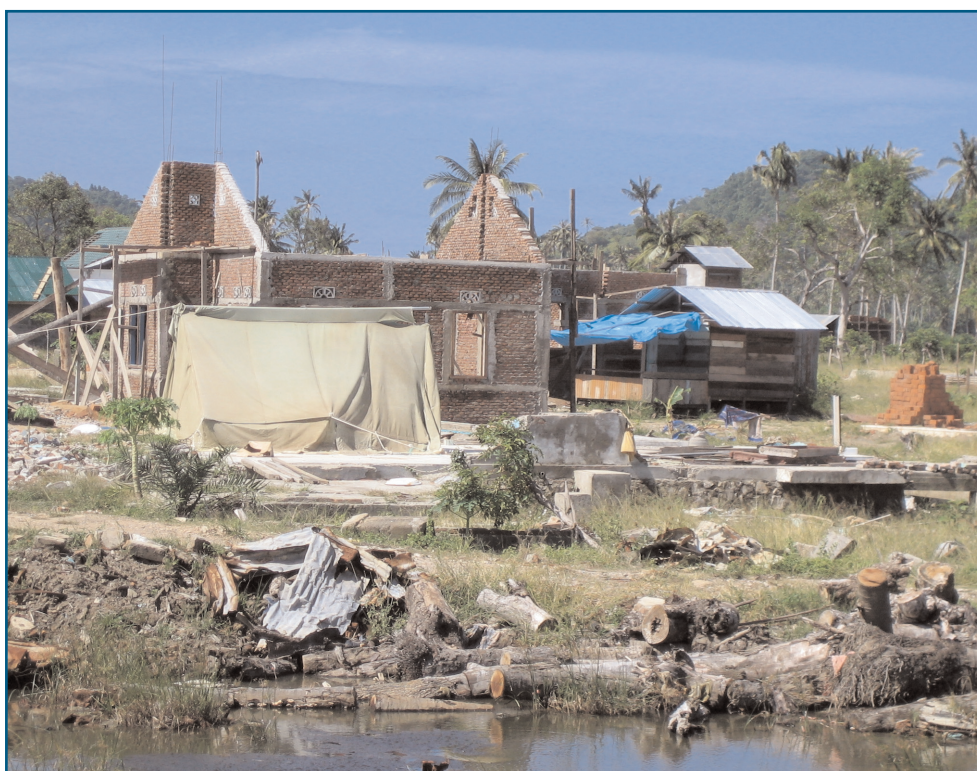


# EVALUATION OF DFID COUNTRY PROGRAMMES

## COUNTRY STUDY: INDONESIA

### FINAL REPORT

*Chris Barnett, Jon Bennet,  
Azis Khan, Jups Kluyskens  
and Chris Vickery*





**DEPARTMENT FOR INTERNATIONAL DEVELOPMENT**

**EVALUATION REPORT EV 680**

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Country Study: Indonesia  
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## List of acronyms and abbreviations

ADB	Asian Development Bank
ADF	Asia Development Fund
APPR	Annual Portfolio Performance Review
ASEAN	Association of Southeast Asian Nations
AusAID	Australian Agency for International Development
BAPPENAS	Ministry of Planning National Planning Development Agency
BHC	British High Commission
BPS	Central Bureau of Statistics, Government of Indonesia
BRICS	Brazil, Russia, India, China, South Africa
BRR	<i>Badan Rehabilitasi dan Rekonstruksi</i> (Reconstruction and Rehabilitation Agency)
BS	Budget Support
CAP	Country Assistance Plan
CBFM	Community-Based Forest Management
CBO	Community Based Organisation
CDD	Community Driven Development
CGI	Consultative Group on Indonesia
CHASE	Conflict, Humanitarian and Security Department (DFID)
CHAD	Conflict and Humanitarian Affairs Department
CIDA	Canadian International Development Agency
CPE	Country Programme Evaluation
CPRU	Crisis Prevention Recovery Unit
CSO	Civil Society Organisation
CSP	Country Strategy Paper
DAC	Development Assistance Committee
DDP	Directors' Delivery Plan
DFID	Department for International Development
DFIDSEA	DFID South East Asia, Bangkok, Thailand
DKN	<i>Dewan Kehutanan Nasional</i> (Indonesia National Forestry Council)
DP	Development Partner
DRR	Disaster Risk Reduction
DSF	Decentralised Support Facility
DWG	Decentralization Working Group
EC	European Commission
EITI	Extractive Industry Transparency Initiative
EMAAD	Europe, Middle East, Americas,

EPI	Expanded Programme for Immunisation
ERF	Emergency Response Fund
ERTR	Emergency Response and Transitional Recovery
EU	European Union
EvD	Evaluation Department (DFID)
FCO	Foreign and Commonwealth Office, UK
FHI	Family Health International
GCPP	Global Conflict Prevention Pool
GDP	Gross Domestic Product
GFATM	Global Fund to fight AIDS, TB and Malaria
GOF	Global Opportunities Fund
GoI	Government of Indonesia
GTZ	Gesellschaft für Technische Zusammenarbeit (Germany)
ICRC	International Committee of the Red Cross
ICT	Information and Communication Technology
IDA	International Development Association
IFI	International Financial Institution
ILRG	Initiatives for Local Governance Reform
IMF	International Monetary Fund
IMHI	Improving Maternal Health in Indonesia project (UNICEF)
IPF	Indonesian Partnership Fund (for HIV/AIDS)
I-PRSP	Interim Poverty Reduction Strategy Paper
ISP	International Strategy Paper
JICA	Japanese International Cooperation Agency
JRF	Java Reconstruction Fund
LG	Local Government
LIPs	Low Intensity Partnerships
LSP	Local Services Platform
M&E	Monitoring and Evaluation
MDF	Multi-Donor (Trust) Fund
MDG	Millennium Development Goals
MFP	Multi-stakeholder Forestry Programme
MIC	Middle Income Country
MMR	Maternal Mortality Rate
MoD	Ministry of Defence
MoF	Ministry of Forestry
MoFin	Ministry of Finance
MoH	Ministry of Health

MoHA	Ministry of Home Affairs
MoU	Memorandum of Understanding
MTDP	Medium Term Development Plan
NAC	National Aids Commission
NGO	Non-Governmental Organisation
NTB	Nusa Tenggara Barat
NTT	Nusa Tenggara Timur
OCHA	Office for Coordination of Humanitarian Affairs
ODA	Official Development Assistance
OPR	Output to Purpose Review
PCR	Project Completion Report
PFDP	Performance Framework and Delivery Plan
PM	Project Memorandum
PMTCT	Prevention of Mother to Child Transmission
PNPM	Program Nasional Pemberdayaan Masyarakat
PPA	Participatory Poverty Assessment
PPP	Purchasing Power Parity
PRP	Poverty Reduction Partnership Programme
PRSP	Poverty Reduction Strategy Paper
PS	Permanent Secretary
PSA / SDA	Public Service Agreement / Service Delivery Agreement
SIDA	Swedish International Development Agency
SPADA	Support for Poor and Disadvantaged Areas
SWAps	Sector-Wide Approaches
TA	Technical Assistance or Technical Assistant
TAF	The Asia Foundation
TB	Tuberculosis
ToR	Terms of Reference
UK	United Kingdom
UN	United Nations
UNDP	United Nations Development Programme
UNICEF	United Nations International Children's Fund
VCT	Voluntary Counselling & Testing
WB	World Bank
WFP	World Food Programme



## **Executive Summary**

S1 This is the report of an evaluation of the UK Department for International Development (DFID) country programme in Indonesia. It is the fourth in a round of five country programme evaluations (CPEs) commissioned in 2006/07. The evaluation addresses two central questions: firstly, 'What was the quality of DFID's country programme and processes (internal performance)?' and secondly, 'What has the programme achieved (development effectiveness)?'

S2 Since the economic crisis and political transformation of 1997-1998, Indonesia has made significant strides in poverty reduction and promoting democracy. Progress has been achieved against Millennium Development Goals (MDG) Target 1 (to halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day). From 1990, poverty fell from 20.6 percent to 7.2 percent in 2000. Nevertheless poverty in Indonesia is characterised by vulnerability, with 50 percent of the population – more than 100 million people – living on less than \$2 per day. Large numbers of people frequently move in and out of poverty, as is evident by the fact that poverty increased in 2006 despite strong economic growth. As Indonesia strives towards a more decentralised, democratic state, governance also remains a major challenge – especially in a country that spans some 18,110 islands across 3,200 miles from east to west. The country also remains subject to longstanding separatist disputes in the provinces of Aceh and Papua, as well as inter-ethnic and religious tensions. Recent natural disasters - the 2004 tsunami and Java earthquake – further complicate the development challenge.

S3 Over the years DFID has had a relatively small programme in Indonesia, especially in comparison to the major donors, Japan, USA, Australia and the World Bank (WB). In 2004 however, the country programme was rapidly scaled-up; in part due to the response to the tsunami and Java earthquake, but also as a consequence of a new strategic direction. The new country strategy led to a near doubling of ODA to over £30 million per year, alongside a twin-track focus on: (i) a 'flagship' governance programme, the Decentralised Support Facility (DSF), in response to the Paris Declaration on harmonisation and; (ii) a significant investment to address the off-track MDG targets in health related to maternal health, TB and HIV/AIDS. The following is a summary of the findings of the evaluation:

### **Findings – programme content & process**

S4 **Strategy.** DFID-Indonesia has a clear and focused country strategy, especially in health where it is unequivocally MDG-based. The country strategy addresses key national priorities in health, decentralisation and post-tsunami reconstruction. The strategy document (the Vision Paper) however resulted from strong corporate influence, and in the absence of a full Country Assistance Plan (CAP) it is not underpinned by rigorous external analysis. Furthermore the pre-eminence afforded to the DSF plays down the importance of existing interventions, and especially key achievements with 'IndoPov' through the

Poverty Reduction Partnership programme (PRP) and the Multi-stakeholder Forestry Programme (MFP).

S5 In general, the country strategy (the Vision Paper) is not results-focused; the overall objective structure and indicators at country-level are unclear and inconsistently used. Furthermore, the innovative nature of several interventions requires more innovative approach to M&E, including approaches that are able to test inherent assumptions behind aid instruments like multi-donor funds, can measure processes and institutional change and systematically consider progress in areas such as harmonisation and policy change.

S6 **Alignment.** The country programme is strongly aligned to the national context, especially in health where it is aligned to national targets in maternal health, TB and HIV/AIDS. It is also strongly aligned in humanitarian and recovery assistance, through the government's Reconstruction and Rehabilitation Agency (BRR). In situations where government policy is weak and not especially pro-poor, the forestry programme (MFP) demonstrates the value of an approach that addresses non-alignment through policy change – something of potential interest to other country contexts (e.g. fragile states).

S7 While the portfolio is broadly congruent with DFID policy, the outworking of sometimes competing corporate policies, like achieving MDG targets, harmonising donor working and reducing headcounts, is most acutely experienced at the country level. In Indonesia this has led to two distinct approaches: the DSF which focuses on donor harmonisation and Low Intensity Partnerships (LIPs) to address off-track MDGs. While the low intensity health partnerships are mostly positively received, they also demonstrate the limitations of such an approach; the more removed position from Government of Indonesia (GoI) decreases DFID's ability to advocate effectively for pro-poor change.

S8 **Partnerships.** DFID's choice of partners is mostly correct and well assessed. The choice of working closely with the World Bank appears justified given DFID's relatively low aid volume and the Bank's strategic position vis-à-vis the government. Increased closeness to the Bank may however begin to alienate other partners, especially around the DSF. In other areas, DFID's active engagement has had positive results, for example: DFID is widely acknowledged as playing an instrumental role in The Asia Foundation's (TAF) creation of a new stream of work around poverty reduction with local Muslim organisations – organisations with a long history of involvement with schools, health provision and local politics but that have been largely overlooked by international donors, except for a more 'post-9/11' concern about democracy and inter-faith dialogue.

S9 The notion of 'partnership' nevertheless needs to be more carefully examined by DFID-Indonesia, and on occasions requires a more intense engagement. Under PRP for example, DFID assumed that like-minded partners would automatically share DFID objectives. DFID's initial engagement was welcomed, but management of the partnership became more distant as time went on. Partners could have benefited from both greater supervisory and

strategic inputs in order to ensure that resources were used in line with the original objectives.

**S10 Influencing & communication.** DFID's approach to influencing is mostly indirect and not particularly well articulated, either in the strategy or in the subsequent allocation of resources and monitoring. DFID's key strategic focus on harmonisation (through the DSF) and working through partners, especially in health, has led to a reliance on other agencies to communicate with government – something that at times has been rather opaque. This has been particularly so with the planning ministry (BAPPENAS) which has responsibility for external aid.

**S11 Staffing.** The Indonesia office is a relatively small set-up, where capacity was especially tested during the tsunami and post-tsunami periods. The country programme oversaw an additional post-tsunami programme of £21.8 million and £18.7 million during 2005/06 and 2006/07 respectively. The deployment of regional advisors from DFID South East Asia (DFIDSEA) and the Conflict and Humanitarian and Security Department (CHASE) to the response was strong, matched by a small but strategically significant Ministry of Defence (MoD) input of staff and resources during the immediate relief phase. Following an initial period of intense engagement from CHASE personnel there was a subsequent 'strain' on DFID-Indonesia capacity. While this was offset by the deployment of two longer-term staff members, in some programmes (e.g. the Red Cross) changes in staffing across the emergency-recovery period led to a lack of DFID 'ownership', and even knowledge, of partner programmes. The evaluation team also notes information gaps and a possible disjuncture between DFID's local (country programme) and global (Institutional Strategy Paper, or ISP) funding for the same institution – in this case Office for Coordination of Humanitarian Affairs (OCHA) and the Red Cross agencies.

### **Findings – programme effectiveness**

**S12 Achievements.** The Indonesia portfolio has generally performed well over the 2000-2006 evaluation period. There have been notable achievements through the Poverty Reduction Partnership and Multi-stakeholder Forestry programme. Under PRP, the high quality analytical work of IndoPov (World Bank) has improved the understanding of poverty in Indonesia as well as influenced the restructuring of fuel subsidies and the development of poverty-targeted cash transfers – two major government interventions. In forestry, several recently conducted impact studies and evaluations of MFP have shown the programme to be highly effective. Impacts cited include the improved capacity of civil society, changes in attitudes between government and civil society, livelihood improvements and an instrumental role in influencing national policy which now enables communities to have tenure over state forest resources and makes explicit reference to community empowerment.

**S13** There are also potential 'successes' likely to occur through the tsunami Multi-Donor Fund (MDF) and across the health portfolio. The MDF, despite initial delays, has proven successful at not only pooling funds and developing common programmes, but as a policy forum for setting the agenda for BRR – with

leverage on interventions outside the trust fund. In maternal health it is still too early to draw significant conclusions about the Gesellschaft für Technische Zusammenarbeit (GTZ) and United Nations International Children's Fund (UNICEF) programmes although good progress has been made. The HIV/AIDS Indonesian Partnership Fund (IPF) has contributed to the increased institutional capacity and leadership of the National Aids Commission (NAC), something widely accepted as a key step in addressing the HIV/AIDS epidemic.

S14 The 'flagship' programme, the DSF, nevertheless remains a considerable challenge and risk to the portfolio. It is too early to assess the effectiveness of DSF, and while harmonisation between donors is beginning to be addressed, there are considerable hurdles still to overcome. These include: the need to define shared processes and procedures for a new organisation, an overemphasis on establishing the instrument (process) over visible results (outputs and outcomes), and still a lack of a well-articulated, coherent demand from the government for DSF's products and services.

S15 **Working with government.** Over the period, DFID-Indonesia has increasingly worked through partners including the World Bank, Asian Development Bank (ADB), UNICEF, GTZ, Asia Foundation and Oxfam, and has become ever more distant from the government. This has been especially marked with the present focus on harmonisation through the DSF. Indeed it is only in the past few months that DFID has introduced regular bilateral talks with the government. Improving bilateral dialogue is an important way of managing risk, and it may help forestall emerging problems and lead to greater cohesion. This is especially so for high-risk ventures such as DSF, where misunderstanding and scepticism is prevalent across government.

S16 **Harmonisation.** Harmonising donor practices has been slow in Indonesia, with notable exceptions through the MDF and positive signs for the HIV/AIDS IPF. While it is too early to judge the effectiveness of DSF, there remains a considerable challenge to achieve harmonised, strategic programming plus an urgent need to achieve 'buy-in' from government. Harmonisation in the MDF and HIV/AIDS IPF appears to have been more effective where there is: (i) a clear, single agenda around which to harmonise; (ii) strong government leadership on the agenda; and, (iii) a clear institutional setup which creates a single interface with government.

S17 **Performance assessment.** Across the country portfolio as a whole, it is difficult to assess performance. The objectives of the Vision Paper (the equivalent to a CAP) are mainly inward looking, concerned with either DFID's internal management or activities/outputs delivered by DFID, e.g. 'implement LIPs'. As such, there is a need for a clearer objective structure with indicators to measure outcomes over a three-plus year horizon.

S18 **Sustainability.** Over the evaluation period, the portfolio has become highly dependent on DSF Phase II, for which effectiveness is uncertain, and this predominance appears to have limited the options available to 'invest in success' based on actual results and past performance. In several cases, communication



around the exit process has left considerable uncertainty which may lead to a potential lack of sustainability, as partners have been unclear about plans for follow-up, scaling up, exiting or other means by which benefits could continue into the future.

### **Lessons and recommendations for DFID**

S19 This evaluation provides a good learning opportunity to reconsider the ‘additionality’ of DFID’s strategic approach. The DFID-Indonesia programme may appear inconsequential in terms of financial aid, and is further dwarfed by government revenues and direct foreign investment, yet the poverty/MDG challenge remains highly relevant especially given the vulnerability of 100 million people to poverty and their susceptibility to natural disasters and economic shocks. Indonesia’s recent achievement of Middle Income Country (MIC) status and the potential to use government revenues for poverty reduction alters the donor-recipient relationship. Indonesia may not be amongst the ‘BRICS’ countries,<sup>1</sup> yet it does share similarities around the need for DFID to engage in a different aid relationship – and one perhaps more defined by policy dialogue than resource flows.

S20 This report makes the following recommendations for DFID-Indonesia:

- If multi-donor mechanisms are the preferred approach, greater attention, backed by technical assistance, should be given to measuring the output/purpose of the mechanism itself, not just the projects within the mechanism.
- Given that much of the current portfolio is less directly attributable to impacts on poverty reduction and the MDGs, more attention needs to be paid to defining intermediate outcomes that can be measured over the medium term.
- The portfolio is becoming more risky as it depends to a greater extent on fewer interventions, and especially the DSF. DFID-Indonesia needs to consider different options for mitigating and managing this risk.
- As DFID focuses increasingly on DSF and achieving harmonisation, it becomes more (not less) important to reinvigorate the bilateral engagement with Gol – something that is now beginning to be addressed.
- Low intensity and other forms of partnership can be effective. Nevertheless, partnerships require more active engagement throughout their life cycle, with better ways to monitor and manage performance.
- Off-target MDG progress in health will require longer term funding to be effective and to build on the early promise of the initial investments, especially in maternal health and HIV/AIDS.
- Any future country strategy should be based on sound analysis, including in-depth analysis of the political economy, especially when embarking on new areas.

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<sup>1</sup> The so-called ‘BRICS’ countries are Brazil, Russia, India, China and South Africa. These are countries seen as having a growing influence and impact on regional and global issues, such as trade, conflict, energy security, climate change, infectious diseases, and aid.

- The 'recovery' and conflict-related elements of the portfolio should be more effectively incorporated into any future country strategy

S21 The following recommendations are directed towards DFID headquarters:

- Ensure that the scope and objectives of ISP funding for UN and Red Cross agencies are better understood by country offices and that partners are able to demonstrate added value of this core funding to improve performance on-the-ground.
- Make provision for Middle Income Countries that fall outside the BRIC strategy/support, using lessons learnt from existing and new forms of engagement around trade, climate change, etc.
- Consider options for replicating the MFP approach in other fragile (or weak) states across DFID policy and programmes.
- Take a strategic approach to developing cross-Whitehall working. New ways of working should be explored, such as retaining some in-country advisory capacity to support policy-making in areas such as trade, climate change and conflict.

## 1. Introduction

1.1 Over the past decade, the United Kingdom has developed a coherent and well-organised approach to development cooperation, and has made considerable progress through the Department of International Development (DFID).<sup>2</sup> In the coming years, the Department faces considerable challenges as it seeks to more than double its aid expenditure, while simultaneously reducing staff numbers as part of the HM Treasury Spending Review. The challenge to improve aid effectiveness while delivering 'more with less' is perhaps most acutely experienced at the country level – a level at which DFID channels most of its bilateral expenditure.

1.2 The way in which country programmes translate DFID's corporate objectives into operational plans for delivering development assistance is a logical objective of evaluation. This report summarises the evaluation of DFID's country programme in Indonesia; a programme that has innovatively sought to implement the Paris Declaration, especially on donor harmonisation, achieve 'more with less' through low intensity partnerships (LIPs) and shift towards a 'mature aid relationship' with a newly stated Middle Income Country (MIC). The Indonesia programme thus provides a valuable learning opportunity, highlighting the reality, strengths and limitations of making DFID corporate policy operational.

1.3 This study addresses two central questions: firstly, 'What was the quality of DFID's country programme and processes?' And secondly, 'What has the programme achieved?' The first is concerned primarily with internal processes within DFID's control, including the strategic direction, the choice of instruments and partners, and the portfolio of interventions. The second question examines the development results to which DFID has contributed, including issues of aid effectiveness, impact and sustainability.

1.4 **Methodology:** The Country Programme Evaluation (CPE) was conducted in three stages (see ToR, Annex A). The mission team leader and a two-person team from DFID's Evaluation Department (EvD) undertook an initial one-week visit to DFID-Indonesia in January 2007. The purpose of this visit was to brief country staff, hold preliminary meetings to identify salient issues for the main evaluation and to collect background documentation. The full team of four international consultants and one Indonesia-based consultant undertook the main visit to Indonesia from 19th February to 9th March 2007. An evaluation matrix that sets out a checklist of questions was used to guide this process (see Annex D). The third stage of the CPE was the drafting and finalization of the main report, including comments from EvD, DFID-Indonesia, and DFID South East Asia (DFIDSEA).

1.5 The main analysis of this evaluation deals with the period from 2000 to 2006, but events prior to that period are also taken into account in order to understand the context and factors influencing DFID's approach. Evidence was collected from three main sources: (i) A documentary review of file

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<sup>2</sup> DAC Peer Review (DAC 2006).

correspondence and programme records, including Project Memorandums, logical frameworks, major reviews/studies, Output-to-Purpose Reviews (OPRs) and Project Completion Reports (PCRs) (Annex C); (ii) Interviews with past and present DFID staff; and, (iii) Interviews with officials in government, with partners in other development agencies, and with representatives of NGOs and civil society organisations (Annex B).

1.6 The CPE methodology provides an important synopsis of existing reviews and evaluations, a systematic appraisal of perceptions from government and development partners (DPs), as well as an independent, external analysis of the evidence. The approach is nevertheless constrained in several ways.<sup>3</sup> Firstly, the limited number of performance reviews and evaluation reports available means that this study is not a meta-evaluation.<sup>4</sup> Secondly, no projects or programmes were visited in the field and no primary data collection or commissioned studies were undertaken. Thirdly, the evaluation is timed to fit in with the end of CAP cycle,<sup>5</sup> with interventions at different stages of implementation. Hence for some programmes the CPE can only provide a snapshot assessment – an important consideration when interpreting the findings for DFID-Indonesia’s ‘flagship’ programme, the Decentralised Support Facility (DSF). The limited extent to which the team has been able independently to verify the evidence needs to be borne in mind when reading the report.

1.7 **Report Structure:** The CPE report follows a standard structure that mirrors the evaluation matrix. Chapter 2 describes the country context in Indonesia, the level of development assistance and DFID’s own history of assistance since 2000. Chapter 3 then outlines the programme content and process, outlining the evolution of the strategy, its relevance and consistency with DFID policy, the choice of instruments and partners, and an assessment of the portfolio of interventions. Chapter 4 provides a review of the programme’s effectiveness; the results of different interventions and aid instruments, evidence of impact, sustainability, and the overall contribution to DFID’s Public Service Agreement (PSA) targets. Chapter 5 places the results of DFID’s support in the context of Indonesia’s overall development progress for the period under review. Chapter 6 presents conclusions, lessons learnt and recommendations from the evaluation.

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<sup>3</sup> The structure and methodology of the evaluation has evolved from earlier pilot studies (in Brazil, Cambodia and Romania) in which an increasingly rapid and light approach was tested. This approach relies heavily on existing documentation and reviews, as well as interviews with key stakeholders.

<sup>4</sup> In other words, not solely based on extant project and programme reviews.

<sup>5</sup> Most DFID country programmes have a Country Assistance Plan (or CAP). The Indonesia programme is different, with a CAP Approach Paper (ending in 2008) superseded by the Vision Paper (ending in 2011, but due for updating later in 2007). See paragraph 3.6 .

## 2. Context

2.1 This chapter provides an outline of the political, social and economic context of Indonesia, the flows of Official Development Assistance (ODA), and DFID's programme expenditure over the period 2000-2006.

### Political, social and economic context

2.2 Indonesia has made significant strides in reducing poverty and strengthening democracy since the economic crisis and political transformation of 1997-1998. However, a number of problems remain. From a total population of about 220 million, almost 18 percent (39 million) live below the nationally defined poverty line of US\$ 1.55 per capita per day (Purchasing Power Parity). According to the World Bank's US\$ 2 per capita per day yardstick, the percentage rises to 50 percent. The country ranks 108 of 177 countries in the United Nations Development Programme (UNDP) Human Development Report, 2006. A recent food security assessment indicates that the severity of poverty is most acute in Eastern Indonesia (*Nusa Tenggara Barat* (NTB), *Nusa Tenggara Timur* (NTT), Papua and Maluku), though in terms of spread, 75 percent of Indonesia's poor live on Java Island.<sup>6</sup> Although Aceh was a previous 'hotspot' and still exhibits many chronic nutritional indicators, it is a rice surplus area and the significant inflow of post-tsunami reconstruction aid has improved economic indicators.

2.3 After decades of authoritarian government, Indonesia is striving towards a more decentralised, democratic state with an appropriate balance between constitutional controls on executive power, and the strong leadership necessary to drive forward a complex reform agenda. The immediate post-Suharto period was marked by efforts to undo the old regime, including containing corruption, collusion and nepotism, making constitutional amendments and granting autonomy to regional districts. In September 2005, President Yudhoyono put in place substantive reforms to reduce fuel subsidies – a bold step on such a historically volatile issue.

2.4 In spite of significant achievements in terms of democracy and freedom, Indonesia's governance situation remains less than satisfactory. The size and scale of the country, with its 18,110 islands spanning some 3,200 miles from east to west, make it difficult to govern effectively. Accountability continues to be extremely weak and corruption has been hard to combat. The lack of a clear and coherent policy on decentralization, and competing centres of authority, have created a confused institutional environment both between central ministries, and between national and local government. Furthermore, in a country with over 300 ethnic groups and 350 indigenous languages, Indonesia remains subject to political instability and conflict. There are longstanding separatist disputes in the provinces of Aceh and Papua, as well as inter-ethnic and religious tensions in Maluku, North Maluku, West and Central Kalimantan and Central Sulawesi. Less high profile, but more widespread, and affecting large numbers of poor people are local-level violent conflicts; often over access to land and natural resources,

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<sup>6</sup> WFP/FAO/Government Food Security Assessment, December 2006.

## Development assistance

2.5 Indonesia is not an aid dependent country. In 2005, Indonesia reached Middle Income Country (MIC) status for the purposes of DAC ODA reporting.<sup>7</sup> The country has the fiscal resources to self-finance expenditure for poverty reduction and the MDGs. Aid as a proportion of GDP represents less than 1 percent, with approximately US\$ 11 of ODA per capita compared to US\$ 23 in Vietnam and US\$ 38 in Cambodia. Alongside ODA, workers' remittances provide significant inflows, at US\$ 9 per capita, as does direct foreign investment, at US\$ 24 per capita.<sup>8</sup>

2.6 The prospects for growth remain reasonable provided a stable political environment, yet growth may not deliver poverty reduction. Significant regional imbalances in growth constrain poorer provinces (particularly Eastern provinces). This is compounded by the relative distance of more marginalised provinces from political and economic power. Inequality and poverty is also affected by unequal access to Indonesia's natural resources and the corrupt management of these resources. Conflict and natural disasters further entrench poverty.

2.7 The table below presents net ODA to Indonesia for the largest donors from 2000 to 2005. Over this period, the UK has been a relatively minor donor, with major bilateral disbursements from Japan, USA, The Netherlands and Australia – and the main multilateral assistance from the International Development Association (IDA), the European Commission (EC) and the Asia Development Fund (ADF).

**Table 1. Net ODA disbursements to Indonesia (US\$ million, current prices)<sup>9</sup>**

(\$ Million – current prices)	2000	2001	2002	2003	2004	2005	Average
Japan	970.1	860.07	538.3	1,141.78	-318.54	1,223.13	735.81
USA	174.19	141.01	225.75	210.88	68.87	160.78	163.58
Netherlands	143.96	119.65	127.27	76.89	-0.52	175.99	107.21
Australia	72.02	59.21	71.12	86.5	106.11	184.67	96.61
IDA	33.16	12.29	59.78	63.77	94.75	40.13	50.65
EC	37.68	28.37	23.94	27.97	42.59	72.13	38.78
Canada	26.45	18.78	11.55	21.63	9.25	95.89	30.59
Germany	6.38	29.92	78.39	-91.1	-8.59	164.67	29.95
Asia Devel. Fund	17.94	10.78	7.88	36.73	37.69	47.76	26.46
France	21.7	26.1	44.81	57.04	-28.24	29.3	25.12
United Kingdom	33.86	23.44	31.72	22.76	20.39	24.09	21.49
UNICEF	6.73	5.13	5.09	5.59	5.53	6.36	5.74
UNDP	3.15	3.82	4.11	5.89	7.84	8.15	5.49
Other donors	107.08	128.52	70.92	92.15	76.37	290.47	127.59
<b>Total</b>	<b>1,654.4</b>	<b>1,467.09</b>	<b>1,300.63</b>	<b>1,743.10</b>	<b>101.56</b>	<b>2,523.52</b>	<b>1,465.05</b>

Source: OECD-DAC International Development Statistics on-line: Database on annual aggregates. Destination of Official Development Assistance and Official Aid - Disbursements (Table 2a).

<sup>7</sup> See: DAC List of ODA Recipients, <http://www.oecd.org/dataoecd/43/51/35832713.pdf>

<sup>8</sup> Figures are for 2005. Source: World Development Indicators database, World Bank, April 2007.

<sup>9</sup> Note: These figures are less than those reported in Table 2 because they include data on loan repayments and sale of equities (CDC) which are not reported in SID. In any case the points remain valid: Table 1 illustrates the relative importance of UK ODA compared to other countries, while Table 2 clearly shows DFID's rapidly expanding country programme.

## DFID's bilateral aid

2.8 According to DFID's own measure (Statistics in Development),<sup>10</sup> aid flows to Indonesia have been between £16.5 and £19.8 million per annum, increasing substantially in the past two years (see table below). This increase is partly caused by the rapid scaling-up of humanitarian assistance for the tsunami and the Java earthquake, but also as a response to the new strategic direction taken in 2004: The Vision Paper proposed a near doubling of aid per year over the short term (£30 million per annum over 3 years), before reducing to £5 million in 2010/11. This increased investment is to be used to address off-track MDGs, as well as to provide a 'flagship' response to harmonisation, before the planned closure of the bilateral programme in 2010/11.

**Table 2. DFID bilateral programme spend to Indonesia (£ million)**

Country/Regional Programmes	Indonesia	South East Asia <sup>11</sup>	DFID-SEA %	Asia	Asia %	Global Total	Global %
2001/02	16.5	54.1	30.5%	488.9	3.4%	1,511.10	1.1%
2002/03	19.8	68.9	28.7%	542.8	3.6%	1,795.40	1.1%
2003/04	17.4	67.8	25.7%	784.5	2.2%	1,960.90	0.9%
2004/05	33.9	103.4	32.8%	807.4	4.2%	2,111.60	1.6%
2005/06	58.1	149.9	38.7%	943.1	6.1%	2,504.50	2.3%
<b>Total</b>	<b>145.7</b>	<b>444.1</b>	<b>32.8%</b>	<b>3,566.70</b>	<b>4.1%</b>	<b>9,883.50</b>	<b>1.5%</b>

Source: DFID Statistics in Development, 2001/02 - 2005/06. The figures include humanitarian assistance.

2.9 While the Indonesia country programme is relatively small, it does provide a good learning opportunity for testing the 'additionality' of DFID's strategic approach. However, internal pressures to achieve increasing effectiveness with declining staff numbers and resources linked to MIC status<sup>12</sup> have severely tested DFID's ability to add value. Over the period 2000-2006, the country programme has sought to address these challenges through different, innovative aid modalities: from the Multi-stakeholder Forestry Programme (MFP) to multi-donor trust funds, low intensity partnerships (LIPs), and an innovative approach to harmonisation, the Decentralisation Support Facility, (DSF). The DSF is a new institutional arrangement, a multi-donor office set up to test ways to coordinate international development assistance in support of Indonesia's decentralisation programme. LIPs are a way by which DFID, with minimal, yet strategic advisor support, provides substantial funding to bilateral/ multilateral agencies to scale-up existing programmes prioritising the MDGs. The MFP is a bilateral programme that supports national and local-level governance reform through strategic facilitation and a network of support, including the provision of small grants, for

<sup>10</sup> Note: The OECD-DAC figures differ from those provided by DFID (e.g. Statistics In Development). This is because they are not the same measure. The OECD-DAC figures are for actual expenditure (disbursement), in US dollars at current prices, from January to December for each year, and grants (or loans) *direct* to countries and territories. The figures since 2003 are much lower, and this is likely due to the increased flows of UK ODA through third parties (e.g. DSF, LIPs).

<sup>11</sup> This is a proxy figure for DFID-SEA, calculated from the sum of the country programmes in Burma, Cambodia, Indonesia, Laos, the Philippines, Sri Lanka and Vietnam.

<sup>12</sup> The PSA 2005-2008, Target 6 states that DFID should, "ensure that the proportion of DFID's bilateral programme going to low-income countries is at least 90%...". The remaining 10 percent is available for MICs.

NGOs, forest farmer groups, community-based organisations, unions, customary groups, research facilities, media groups and local governments.

2.10 This evaluation presents an opportunity to stand back and assess the relevance and effectiveness such approaches. Furthermore as the Indonesia bilateral programme moves towards planned closure, the onus is to rethink the development relationship. Therefore, while the DFID-Indonesia programme may appear inconsequential in terms of financial aid, and further dwarfed by government revenues and direct foreign investment, the need to find new ways to address the poverty/MDG challenge remain highly relevant, especially given the numbers of poor people and their continued vulnerability to disasters and economic shocks. Indonesia may not be amongst the 'BRICS' countries, yet it does share similar issues around the need for DFID to engage in a relationship defined more by policy dialogue than resource flows.



### **3. Programme Content and Process**

3.1 This chapter examines the quality of DFID's programme in terms of strategy, partners, aid instruments and the composition of the portfolio. It begins with an explanation of the strategic evolution from 2000-2006, followed by an assessment of relevance both to the Indonesian context and DFID's corporate policies. Next, the chapter considers the choice of partners and instruments, evaluating the extent to which these are appropriate. Finally, the chapter closes with an assessment of the portfolio of interventions, including the allocation of resources and the balance of risks.

#### **Country strategy**

3.2 The Indonesia country programme was previously run from DFIDSEA in Bangkok. A partially devolved office was established at the British Embassy building in Jakarta during 2004; although it continues to receive advisory and administrative support from DFIDSEA. This arrangement will cease in 2008 when DFIDSEA closes.

3.3 The period under review encompasses two strategic cycles: the Country Strategy Paper (CSP) in 2000, and the Country Approach Paper/ Vision Paper in 2004. The objectives of these strategies are set out in the table below.

**Table 3. Strategy evolution**

Dates	Strategy	Purpose	Key objectives
2000-2005	CSP 2000	Over the next five years, to work with other major development partners to strengthen international support to Indonesian efforts to reduce poverty.  (Pages 7-9)	<u>Pro-poor policies &amp; budgetary management:</u> (1) To work with the WB & others to support initiatives & encourage the adoption of a PRSP approach [PRP] (2) To support further participatory research into issues such as vulnerability... and, the role of community orgs. (3) To encourage dialogue & shared learning based on participatory poverty work [Comm. Recovery Prog.] <u>Governance:</u> (4) To establish the Partnership for governance reform, as a coordination mechanism & means to drive reform. (5) To work with other UK government departments & GoI to reform the security sector. (6) To work with UN agencies to build capacity to assess & respond to conflict & threats of conflict. <u>Forestry:</u> (7) To improve livelihood opportunities for poor people through developing policies, institutions & processes for sustainable & equitable forest management [MFP]
2004-2008	Country Approach Paper	No stated purpose or goal.  (Page 5)	<u>Health:</u> (1) To directly target vulnerable & off-track MDGs, with low intensity joint programmes. [Health, HIV/AIDS] <u>Governance &amp; poverty:</u> (2) To deepen already strong relations with WB & ADB, through <i>medium intensity</i> joint programmes [PRP] <u>Forestry &amp; civil society:</u> (3) To exploit the potential of learning across different partnerships, including with civil society ( <i>high intensity</i> )
2004-2011	Vision Paper	No stated purpose or goal.  (Page 2)	<u>Twin-track approach:</u> (1) To improve development effectiveness through harmonisation, focussing on <i>decentralisation &amp; the LSP</i> . (2) To provide funding to others with existing expertise/capacity in the <i>health sector</i> [maternal mortality, TB and HIV/AIDS]. <u>In parallel:</u> (3) To broaden the livelihoods beyond forestry and gradually integrate the MFP into the LSP framework (4) Mainstream conflict prevention into the LSP approach

3.4 The **2000 CSP** was the result of a ten-month consultative process that followed Indonesia's landmark election in June 1999. In August 1999 the process was launched with a weeklong workshop that included representatives from Government, civil society, donors and NGOs. Ideas were developed at further meetings and seminars, culminating in the first draft strategy in April 2000. DFID's Asia Director and the Permanent Secretary (PS) endorsed the strategy during visits in May and June 2000.

3.5 The CSP was largely developed around the existing portfolio that included interventions in governance, civil society, forestry, and livestock/ decentralisation. The strategy was marked however by three important new initiatives: support to the Poverty Reduction Strategy Paper (PRSP); the Partnership (an Indonesian-led organisation to support governance reform); and a multi-stakeholder programme in the forest sector. It is interesting to note that the Partnership for Governance Reform was originally envisaged as both a coordination mechanism and a means to drive reform – something now being pursued through the DSF.

The CSP (page 8) even mentions the Partnership as a “*think tank facility*”, a “*multi-donor trust fund*”, a mechanism “*to meet the demands of government and civil society*”, and designed to “*participate in the decentralisation debate*”.

3.6 DFID-Indonesia does not have a formal Country Assistance Plan (CAP),<sup>13</sup> but instead a **Country Approach Paper** that was eventually superseded by the Vision Paper 2004-2011. The process of developing a *full* CAP was started in December 2003. A series of consultations with stakeholders in DFID-London and Indonesia, and with multilateral partners were held and a target date for completion set for September/October 2004. However, in early 2004 attention turned to producing an Approach Paper for discussion during the visit of the Permanent Secretary, Suma Chakrabarti in May 2004 and the plans for the CAP were not realised. The Approach Paper went through several iterations, and early versions considered opportunities in poverty and governance, livelihoods, conflict, the environment, HIV/AIDS, maternal mortality and water.

3.7 The final Approach Paper contained three main elements requiring different levels of intensity in terms of DFID staff resources. The first focused on directly addressing off-track MDGs through *low intensity* joint programmes in HIV/AIDS, potentially with UNICEF and GTZ. The second element sought to deepen partnerships with the World Bank and ADB through *medium intensity* joint programmes, while the third, sought to exploit the learning potential, specifically using the MFP to broaden policy debate and facilitate participation of marginalised groups. This was seen as *medium to high intensity*.

3.8 Following the visit of the Permanent Secretary, the **Vision Paper** 2004-2011 replaced the Approach Paper. Staff views differ on the extent to which advisors were consulted in this process, but there is a general consensus that the main strategic themes were driven by a strong top-down, corporate imperative. The key drivers at the time included: (i) DFID’s leadership on the harmonisation agenda, following the Paris Declaration; (ii) Headcount pressures to do ‘more with less’; (iii) A clear signal from senior management that there would not be any more bilateral programmes in Indonesia; (iv) Indonesia’s emerging MIC status; (v) Strong relations in-country, especially with the World Bank; and, (vi) the planned closure of the country office in 2011.

3.9 The Vision Paper sets out a deliberate twin-track approach: *low intensity* partnerships in health, with *high intensity* engagement through a Local Services Platform (LSP). There is a clear intention to scale-up operations before closure; to address the off-track MDGs in the short-term, whilst simultaneously developing a ‘flagship’ (legacy) programme, the LSP. The visit by Suma Chakrabarti, followed by subsequent meetings with the World Bank, was instrumental in the strong emphasis given to the LSP.

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<sup>13</sup> The value of the DFID-Indonesia programme in 2004 fell below the £20 million per annum requirement for a formal CAP.

## Strategy assessment

3.10 Firstly, DFID-Indonesia has a clear and focused strategy, especially in health where it is unequivocally MDG-based. It is not however a strategy that is underpinned by a rigorous analysis of the country's needs, though it does still address the broad national priorities in health, decentralisation and post-tsunami reconstruction. Both the Approach and Vision papers were driven by corporate priorities, e.g. achieving 'more with less' and 'influencing donors through aid effectiveness', and while debated internally, the strategies do not contain the depth of country analysis that might be found in a full CAP document. This is particularly evident in the governance portfolio, where support for the Partnership for Governance Reform and the LSP/DSF have a prominent place in the CSP and Vision Paper respectively, even though they are not representative of the overall portfolio. The Vision Paper also introduces a new focus on 'decentralization', something not previously mentioned in the Approach Paper, not particularly evident in the existing portfolio, and not supported with any substantive country analysis.

3.11 Secondly, the pre-eminence afforded to the LSP/DSF, reinforced by the streamlined twin-track approach, has resulted in a strategy that plays down existing interventions, such as the PRP, MFP and the Partnership. The Vision Paper deals with this in terms of an 'in parallel' strategy (page 2), with an assumption that the existing programmes will be incorporated within LSP,<sup>14</sup> i.e.:

- *"The Multi Stakeholder Forestry Programme will seek to broaden the livelihoods approach beyond forestry and gradually integrate into the LSP framework by 2007/8".* (Vision Paper, page 2)
- *"We will also mainstream our work on conflict prevention through UNDP into the LSP approach within this timeframe".* (Vision Paper, page 2)

3.12 This assumption was never realised (see paragraphs 4.57 to 4.59 ). Yet, given the acknowledged innovative and high-risk nature of LSP/DSF, it is a notable omission that the possibility of delay (or failure) was not sufficiently considered. As a result the success of existing 'investments' was put at risk. Clearly, options were limited at the time, once the decision to no longer engage in bilateral agreements had been taken. The option of DFID forcing earmarked programmes through the LSP/DSF would have undermined the intellectual purity of its approach to multi-donor harmonisation.

3.13 Thirdly, neither the Vision Paper, nor the Country Approach Paper (2005-2008) are explicit on how humanitarian approaches fit with the overall strategy.<sup>15</sup> This is despite the fact that humanitarian assistance comprises a significant proportion of the country budget (see Table 6). More explicit mention is however made of conflict prevention (Approach Paper, page 9), partnerships with World Bank Support for Poor and Disadvantaged Areas (SPADA) and UNDP (Crisis

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<sup>14</sup> The Local Services Platform (LSP) later became the Decentralised Support Facility (DSF).

<sup>15</sup> The former was written well before the major humanitarian crises impinged upon DFID's programme, but the CAP was written after the tsunami.

Prevention Recovery Unit (CPRU) & Emergency Response and Transitional Recovery (ERTR)).

3.14 In giving special strategic emphasis to the governance programme, particularly the DSF, there is a danger that recovery programmes are subsumed under 'humanitarian' and therefore are regarded as short-term and of lesser importance in terms of the country strategy. The Country Approach Paper (2006-2008) refers to medium intensity joint programming with the World Bank and the ADB (paragraph 17), with specific reference to conflict programmes (Annex paragraph 3), but makes no other mention of either humanitarian or recovery programmes. The evaluation further notes that there was some initial tension between the DFID's Conflict and Humanitarian Affairs Department (CHAD) and DFID-Indonesia immediately after the tsunami, based precisely on a lack of strategic outlook regarding the scale and implications of the disaster.<sup>16</sup> One result was that "*the development of a strategy was in parallel with funding decisions already made*".<sup>17</sup>

3.15 By March 2005, £9.5 million of the original CHAD regional budget (£75 million) had been allocated to the delegated budget, managed by DFID-Indonesia. A substantial amount of this, and subsequent allocations, was earmarked for longer-term recovery programmes. For example, almost all programmes within the major trust funds, the Multi-Donor Trust Fund (MDF) and the Java Reconstruction Fund (JRF), will run for more than two years. The ongoing CPRU is of 7 years duration (£4.2m); and both SPADA and ERTR are of 3 years duration (£6m and £10m respectively). Each of these has governance elements, measurable indicators and tangible projects on the ground. DFID's choice of instruments is not therefore one of 'humanitarian' versus 'development' but rather a choice of partners and scope. Furthermore, the portfolio of projects within each of the above mechanisms has at least the merit of being measurable in terms of both processes and deliverables (see paragraphs 4.4 to 4.5 ).

### Results focus

3.16 In general, the Vision Paper is not results-focused, and in the absence of a CAP Part III, the objective structure and indicators are difficult to measure (see paragraphs 4.54 to 4.55 ). Furthermore, there is an inconsistent use of formats/tools for measuring performance across the portfolio for the period 2000-2006; from the use of Directors' Delivery Plan (DDP) indicators to Deliverables Tables and more recently the Performance Framework and Delivery Plan (PFDP). As the objectives and indicators change between years, it is not possible to systematically measure performance over time.<sup>18</sup>

3.17 There is also scope to improve the outcome-focus of the country office's performance management, especially over a time horizon of three plus years. As DFID-Indonesia works at a greater distance from government, it becomes

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<sup>16</sup> See Lockwood & Quentrec, 'Indian Ocean Tsunami: DFID/CHAD Review Mission Report', June 2005

<sup>17</sup> Lockwood & Quentrec, paragraph 48.

<sup>18</sup> For example, the number of Broad Outcome Areas change and increase (from four to seven) between the Deliverables Tables in 2005/06 and 2006/07.

increasingly important that intermediate outcomes, for example changed donor behaviour around harmonisation, are defined in the results chain; i.e. between what DFID delivers, and is accountable for, and the longer-term impacts, (e.g. changes in service delivery; MDGs/poverty indicators). While the Deliverables Tables provide a useful mechanism for internal work planning,<sup>19</sup> and groups outcomes under Broad Outcome Areas, there are no indicators to measure performance of these 'outcomes'. The PFDP is clearer and better defined, with 15 Performance Objectives. However, despite the improvements, indicators address different levels of the hierarchy: from outputs that can be delivered by DFID, to impacts beyond DFID's control, such as, "*National on-budget poverty reduction programme [PNPN] launched and benefiting over 20 million poor people*".<sup>20</sup>

3.18 In the individual 'sectors', DFID relies heavily on the monitoring systems of its partners. In health, these are regarded as results-focused and monitorable, with just a few concerns over rigour. There are particular strengths in the use of independent assessments for the two largest investments: A joint multi-stakeholder evaluation for the National Aids Commission (NAC); and, AusAID-contracted external M&E for the maternal health programmes of UNICEF and GTZ/BMZ.<sup>21</sup> Nevertheless, BAPPENAS views the reliance on partners for monitoring of diseases such as TB and Polio as insufficiently rigorous - and subject to potential bias - whereas MoH sees the performance and financial monitoring of NAC as weak. Such perspectives indicate a lack of buy-in from government into M&E processes, something that become apparent from the outset of the AusAID external health M&E, where not incorporating government engagement, capacity building and systems strengthening is seen as a missed opportunity. This gap is currently being addressed by GTZ.

3.19 In other 'sectors' the results focus is more mixed, especially where DFID is dealing with the challenge of working through multi-donor aid instruments and in more difficult areas like harmonisation and policy impact. Examples include:

- In the relief and recovery portfolio, there is a strong emphasis on output indicators at the expense of outcomes. For multi-donor mechanisms, DFID is one-step removed and reliant on the secretariat to initiate and implement procedures that ensure results-orientated interventions. The Secretariat for MDF/JRF is developing impact indicators for implementers, but these have yet to yield results across the board.
- The development of output-to-purpose indicators, including how these indicators relate to project outcomes, for the multi-donor mechanisms themselves has also been a weakness. These indicators should be management and process indicators, demonstrating the added value of

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<sup>19</sup> The Deliverables Tables assign responsibilities to the DFID team for 'expected deliverables' over a short time period (usually less than one year).

<sup>20</sup> Objectives tend to be either too low [outputs] or too high [impacts]. For example, the PFDP defines outputs/inputs [OP/IP] such as: "(1) Develop medium-term Vision" [OP]; "(4) Support to government-led reconstruction" [IP]; "(5) EITI launched" [OP]. Plus, impacts [IM] such as: "(2) Improved basic service provision to the poor (through harmonised support)" [IM]. Or a mixture: "(3) Support [IP] to poorly performing health MDGs [IM]".

<sup>21</sup> There is WHO internal monitoring for TB, and, UNICEF/ WHO internal monitoring for polio.

joint policy, co-funding, etc. However evidence of added value is at present is only anecdotal.

- In governance, several interventions, including the DSF and the Partnership, are highly process-orientated, especially in the early stages. This makes it difficult to set objectives – as evident in the very general objectives for DSF 1 and DSF 2 – and thus it is difficult to measure performance over this initial period. The portfolio is also very input-oriented, with DFID more actively involved in the preparation of projects, including defining logframes, providing analysis in discussions, and providing finance for particular components/ activities.
- The governance agenda in Indonesia is evolving and changing over time and this makes results-based management problematic, since changes may result in objectives becoming obsolete in a short period. The Annual Review of the Partnership for Governance Reform states that: “*DFID... established an organization to manage a flexible fund operating a challenge function... This approach developed due to the uncertain political environment... However, with changing political circumstances careful thought has to be given to the strategic impact/ influence of such interventions and assistance recast accordingly where appropriate*”.
- Policy influence is difficult to systematically measure and attribute. In PRP for instance, there is a relatively weak evidence trail linking the activities of each organisation to the programme purpose (Annual Review, September 2006, page 5). There are particular challenges in attributing impact, especially due to the volatility of the policy environment,<sup>22</sup> time lags, and difficulties in extrapolation.

#### Alignment with the national context

3.20 Overall DFID-Indonesia’s strategy is strongly aligned in health and for humanitarian assistance, increasingly aligned in forestry and shows some weaknesses in the governance portfolio. In Indonesia, the PRSP was never formally adopted, and the Medium Term Development Plan (MTDP) is regarded as the national plan.

3.21 The Government of Indonesia (GoI) is committed to the MDGs and hence DFID’s health portfolio is entirely in line with the MTDP. Through targeted low-intensity partnerships, DFID is providing financial support, primarily to competent agencies working to implement GoI’s national strategies, to achieve MDGs 4, 5 and 6 and with a view to both scaling-up interventions and catalysing increased donor harmonisation around GoI strategic priorities and systems. DFID specifically did not seek to build its own advisory support in these areas, and did not focus on nutrition and water/sanitation due to the strength of other development partners (notably UNICEF, Japan, WFP and AusAID).

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<sup>22</sup> The failure to impact on policy could be because either the work is not of good quality (poor design/ execution/ communication) or that the right time hasn’t arisen. The latter makes it particularly difficult to attribute ‘success’, as high quality policy dialogue and influence could have taken place, but the window of opportunity was not right or did not arise until much later.

3.22 In terms of humanitarian and recovery assistance, the alignment of the DFID programme with government priorities through the MDF is optimal. Firstly, projects are screened by *Badan Rehabilitasi dan Rekonstruksi*, a 'parastatal' agency which, though closing in April 2009, will hand over its portfolio to local government; and secondly, the MDF increasingly supports on-budget projects that, via BRR, are channelled through line ministries.

3.23 The forestry programme is now strongly aligned to current national policy, although it has also helped shift government policy (Regulation PP 6/2007) and demonstrates the value of not aligning behind weak, non pro-poor, government policies. In the early years (2000-2003), MFP presented a considerable challenge to the Ministry of Forestry (MoF). This, reinforced by weakness in coordination and communication, led to a programme moratorium in 2004. Ownership was then strengthened with a new MFP approach, namely: the promotion of MoF as programme holder (co-director), improved orientation towards national forest policy, sharpened focus in the regions on local priorities, involving the MoF's technical implementation units, improved dissemination of information, and encouraging multi-stakeholder dialogue, public consultation and policy research. The approach of MFP shows the value of facilitating a more pro-poor orientation as a precursor to achieving full ownership and alignment. MFP now shows a strong alignment with the vision of MoF in MTDP (Forestry) 2005-2009, i.e. "*forest management that guarantees sustainability and improves the people's welfare*", under which the MoF sets out five priorities namely: eradication of illegal logging, revitalization of the forest sector, rehabilitation and conservation of natural forest resources, people's economic empowerment inside and outside the forest area, and determination of the forest area.

3.24 The strategy for the governance portfolio shows limited alignment for some specific programmes. The portfolio consists of 10 projects under three categories: (i) one-off contributions to third parties or TA; (ii) grants put into trust funds managed by the WB which are sometimes part of WB projects; and (iii) grant support to the Partnership for Governance Reform and DSF. The projects managed by the WB in trust funds are closely aligned to Gol and poverty reduction. The grant to the Partnership for Governance Reform is institutional support to an organization that "*addresses... the governance gap*". The DSF, DFID's largest single investment in Indonesia, has however yet to fully align with government.<sup>23</sup> The overall emphasis on poverty and MDGs is clear in the Approach Paper but DFID states that the LSP will be the vehicle to realize this. LSP became the Decentralization Support Facility starting in year 2005. The DSF's focus is, amongst others, "*to support poverty reduction in Indonesia through improved outcomes from Indonesia's decentralization initiative.... and ....to support aid effectiveness through the harmonization of donor efforts in support of Indonesia's decentralization initiative*" (DSF, design summary page 1).

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<sup>23</sup> The evaluation team however wish to acknowledge that the DSF and its partners have been very active in engaging and continuing to engage with the Gol at the highest level. Indeed since the main evaluation visit further evidence of progress has come to light. For example, the three main ministries attended the most recent Management Committee (MC) meeting as well as the subsequent MC Retreat. Nevertheless, DFID-Indonesia accepts that the depth of Gol ownership and participation has so far fallen short of expectations.



3.25 The national development objectives are not given a lower priority in principle but decentralization and donor harmonization as vehicles to realize these objectives may have become goals in themselves, at least in the short term. At the time of writing, it is anticipated that the focal areas (by defining interventions) will begin to provide more substantive evidence of achievement. Nevertheless in the absence of process indicators it is difficult to show that harmonization has had a positive effect on poverty reduction to date.

#### Consistency with DFID policy

3.26 The portfolio is broadly congruent with corporate policy, and DFID-Indonesia has taken a strong lead in implementing the Paris Declaration and addressing off-track MDGs (PSA targets) in Indonesia. DFID-Indonesia has allocated £30 million over a four-year period to achieve donor harmonization and aid effectiveness through the DSF. All donors acknowledge DFID's leadership and role in implementing the Paris agenda, although all those interviewed within the Gol remain sceptical about the DSF resolving Indonesia's decentralisation issues. However, some Gol officials felt that DSF could provide access to additional resources without the need for a WB loan.

3.27 There are other corporate objectives that inhibit and shape the way in which these policies are interpreted and realised, including the increasing aid expenditure, headcount pressures, and restrictions on bilateral programmes. The outworking of sometimes competing corporate objectives has led to two distinct approaches in Indonesia: the DSF (donor harmonisation), and LIPs (off-track MDGs). While both approaches are consistent with DFID policy, they also show limitations around the extent to which policies can be realised.

3.28 In health, DFID's strategy is both in line with, and has been shaped by, the corporate and DFIDSEA priorities of achieving the MDGs whilst 'doing more with less'. It is also fully congruent with the Paris Declaration principle of donor harmonisation. Whilst Gol is held to be 'in the driving seat' this is perhaps somewhat undermined by the fact that senior MoH immunisation officials were initially unaware of the emergency response through WHO and UNICEF to the 2005 polio outbreak. DFID's decision to enter into a LIP with BMZ in Bonn rather than GTZ in Jakarta Indonesia was, in part, driven by the Paris Declaration principle of donor partner government-to-government harmonisation (though also by bureaucratic constraints to direct contracting of GTZ by DFID).

3.29 A disadvantage of this approach is that DFID's low profile, and once-removed position from Gol decreases DFID's ability to advocate with Gol, except through partners whose priorities, whilst broadly in line with those of DFID, may not share the same emphasis. For example, were DFID 'closer' to Gol, it would have been able to advocate more effectively for areas where DFID has a strong policy focus including:

- A sharper poverty focus in the maternal health interventions of UNICEF and GTZ (although this is developing).
- Planning the preparation for linkages between maternal health services.

- Better linkages between HIV/AIDS and TB services, and by extension the NAC and MoH.
- A stronger focus on stigma and discrimination within the NAC and the National Strategic Plan for HIV/AIDS, giving this area an emphasis more in line with that in DFID's global policy on its response to the epidemic: "*Taking Action*" (DFID, July 2004).
- Stronger political commitment to reducing maternal mortality rates (Priority 1 of "*Reducing Maternal Deaths: Evidence and Action. A strategy for DFID*", Sept 2004), especially in view of the striking international regional disparities.

### **Working with partners**

#### Choice of partners

3.30 DFID's choice of partners was in most cases correct and well assessed. The choice to work closely with the World Bank appears justified given DFID's aid volume in Indonesia and the World Bank's strategic position vis-à-vis Gol. DFID's increased closeness to the World Bank may however alienate other partners who do not share the Bank's vision on poverty and decentralization. This is a growing risk as the portfolio becomes increasingly dependent on the DSF. Indeed, the choice of the World Bank as a close ally in the DSF puts DFID in a difficult position: it seeks to influence Gol through the Bank at the risk of alienating other partners who are committed to the DSF and notably those, including Canadian International Development Agency (CIDA) and GTZ who see the Decentralization Working Group as the formal structure to engage in policy dialogue with Gol.

3.31 In other areas, DFID's choice of partners has underpinned the good progress achieved to date. In health, DFID's selection of partners was based on sound evidence of performance; technical, managerial and financial capacity; and long-established good relationships with Gol (UNICEF, UNDP, WHO, GTZ/BMZ, AusAID). These choices were entirely in line with DFID's objective of tackling the off-track MDGs most effectively, with the relatively modest funds available. Similarly, under its humanitarian and recovery portfolio, DFID had a judicious and appropriate mix of partners, although generous private funding of DFID's traditional partners, particularly NGOs, in the post-tsunami period quite severely restricted choices. DFID has an established in-country relationship with UNDP through the CPRU (since 2001), the Red Cross (since 2000) and with OCHA through the Emergency Response Fund (ERF) (since 2003) as well as a worldwide partnership with all UN agencies, the International Office of Migration (IOM) and several large International NGOs.

3.32 The notion of 'partnership' nevertheless needs to be more clearly examined by DFID-Indonesia, and on occasions requires a more intense engagement. Under PRP for example, DFID assumed that as they were working with like-minded partners, they would automatically share DFID objectives. DFID's initial engagement was welcomed, but management of the partnership became more

distant as time went on. Partners could have benefited from both greater supervisory and strategic inputs to help ensure that resources were used in line with the original objective.<sup>24</sup> Also by not adequately informing partners of the criteria DFID would use to measure progress and performance, there is limited evidence to confirm that achievements can be “*directly attributed to DFID’s resources*” (Annual Review 2006, page 7).

3.33 Where there has been greater engagement, especially in the early period of PRP, this had some positive results. The Asia Foundation for example cites DFID’s engagement, around Drivers of Change, then PRP, as instrumental in shaping their approach to poverty reduction, i.e., combining TAF’s established record in democracy and working with Muslim organisations, with DFID’s strong poverty focus. For over 100 years, Muslim organisations have played a significant role in schools, health provision and local politics in Indonesia, and yet few donors work directly with this part of civil society to address poverty.<sup>25</sup> DFID-Indonesia identified this as a key driver for change, and worked with TAF to develop an approach over several years. The programme is beginning to yield results, and develop ways to monitor processes and policy change, and yet there is considerable uncertainty about whether the work will continue to be supported by DFID, except possibly indirectly through the DSF.

3.34 Similarly, DFID inputs have been varied across the humanitarian and recovery portfolio; from being periodically intense, (e.g. CHASE in the relief phase), occasionally analytical, (e.g. DFID review of the ERTR programme in 2006), and strategic, (e.g. Crown Agents procurement assistance in BRR). Beyond this, regular substantive input has been restricted to just a few inter-agency bodies, (e.g. MDF Steering Committee), but not consistent across all funded programmes. More often than not DFID’s funding has been timely and flexible, creating much-needed leverage for other donations, (e.g. OCHA’s ERF). However, partnership with recipient agents has not been explicitly outlined, other than with respect to reporting procedures.

#### Influencing approach (policy dialogue)

3.35 DFID’s approach to influencing pro-poor change to government policy and programmes through policy dialogue is not particularly well articulated but appears to have four distinct elements:

- An explicit strategy to influence Gol through others, notably the World Bank. The Country Approach Paper (paragraph 16) states: “*We intend to deepen our already strong relations with the World Bank and the ADB. Both have*

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<sup>24</sup> Annual Review 2006, and PRP Final Report. For example, one weakness in the management arrangement was that, “*DFID had no responsibility to approve or disapprove proposals. Ceding full executive and administrative responsibility to the World Bank introduces the risk that the World Bank could use the PRP to follow its own organizational objectives and not necessarily the programme objectives*”.

<sup>25</sup> Post-9/11, donors have tended to concentrate on democracy and inter-faith dialogue with Muslim organisations.

*considerably greater access and policy influence with government, backed up by resources in excess of \$1.5bn pa*".<sup>26</sup>

- An explicit undertaking to assist the government, through the BRR's preferred mechanism the MDF, in coordinating the post-tsunami response and bringing it in line with national on-budget priorities. DFID's policy influence over the MDF is enacted through (a) Steering Committee membership and regular attendance, and (b) informal discussions with BRR.
- In health, there is no explicit strategy to influence Gol as this would be incompatible with the LIP approach. DFID's primary point of entry in health was the need to address off track MDGs, which led to the choice of partners. In each case this included an assessment of the agencies' mandates, track records, ongoing programmes, and by extension the way in which these agencies relate to government.
- In MFP, leveraging local and national policy change through entry points opened up by virtue of MFP's reputation based on tangible 'on-the-ground' success.<sup>27</sup>

3.36 Broadly speaking and with the exception of MFP, DFID-Indonesia has attempted to influence government in only an indirect manner.

### Communication

3.37 DFID-Indonesia's strategy to focus on harmonisation through the DSF and work through partners, especially in health, has led to a reliance on other agencies to communicate with government – something that at times has been rather opaque. For instance, officials from BAPPENAS point to the contrast between the (UNDP) CPRU's 'open' and the (World Bank/DFID) DSF's 'closed' approaches to liaison with government; yet the former receives money from DSF 'on behalf of the Government'. Similarly in health, senior officials in the MoH Expanded Programme for Immunisation (EPI) Division claim that they were initially unaware of DFID's contribution to WHO and UNICEF for the emergency response to the polio outbreak and that whilst WHO and UNICEF eventually informed them, these agencies would not give details of the budgets involved. Some BAPPENAS officials also feel that often DFID's contribution is 'invisible' within its partners' programmes and that some partners, notably the UN agencies, are less than forthcoming about DFID's financial contributions to their work. Some senior MoH officials were fully aware of DFID's funded interventions through partners, but not of the precise level of funds involved and asked the team to supply these figures.

3.38 The one exception to this is MFP, where despite earlier communication and coordination setbacks (2000-2003), this type of bilateral programme is clearly

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<sup>26</sup> In the case of the Partnership for Governance Reform, The UK Ambassador holds a seat on the board or committee. DFID's influence is therefore bound by the democratic principles used to govern the board. In the case of the DSF, the same principles apply though with one exception: the current arrangement is that the World Bank is a trustee, and DFID is the only donor providing funds. DFID therefore has a strong influence over financial resources allocated to DSF's focal areas and over those donors who take part in the focal areas' programmes.

<sup>27</sup> This is not dissimilar to the policy influence granted to many NGOs by virtue of their substantive field experience and proven interventions.

understood and valued by both BAPPENAS and the Ministry of Forestry. Various reasons are cited, including: (i) the fact that it is easier to administer as the receiving agency is in control of the grant and disbursements; (ii) that agreement on the criteria and procedures for the intervention is made with a single donor; and, (iii) that the counterpart ministry or agency has the opportunity to be more explicit about their needs. Apart from the intrinsic value of bilateral programmes, MFP’s approach to communication and relationship-building provides some useful lessons. Key features include the formalisation of the counterpart relationship, with an Indonesian Co-Director and MoF secondees, as well as the use of MFP facilitators at the central and six regional levels to engage with a range of parties across the country. The block grant to the MoF plus the smaller grants distributed to civil society organizations, have also been used as instruments to develop relationships and communication.

3.39 Lastly, in terms of communication with fellow development partners, DFID is regarded as a leader in implementing the Paris Declaration through DSF. However, even here DFID lacks a good communication strategy to effectively explain approaches to DPs and government. In other programmes, DFID is even less visible. Indeed, some DPs see DFID as just another bilateral and are largely unaware of its strategy, aims and objectives. It has for example low visibility in the Partnership for Governance Reform and has no direct involvement with civil society.

### Portfolio of activities

3.40 DFID-Indonesia has a relatively small portfolio compared with other country offices. Over the period 2000-2006, the portfolio has centred on a few key ‘sectors’; each dominated by relatively few, large investments. Out a total of 67

**Table 4. Number & value of interventions (PRISM)<sup>28</sup>**

	Non-humanitarian		Humanitarian interventions	
	Number	Percentage	Number	Percentage
Less than £1 million	11	34%	21	60%
£1 - £1.9 million	6	19%	5	14%
£2 - £4.9 million	5	16%	6	17%
£5 - £9.9 million	6	19%	2	6%
More than £10 million	4	13%	1	3%
<b>TOTAL</b>	<b>32</b>	<b>100%</b>	<b>35</b>	<b>100%</b>

interventions over the period, 32 are classified as non-humanitarian. Two-thirds (21) of these are commitments of £1 million plus including ten commitments of £5 million or more.<sup>29</sup> The early period was

dominated by the MFP in the livelihoods sector (£25m over 7 years), PRP in the ‘poverty sector’ (£19.4m over 6 years), and the Partnership for Governance Reform in governance (£4.7m over 4 years). This is being replaced by large investments in governance, the Initiatives for Local Governance Reform (ILGR)

<sup>28</sup> The total figures per year for 2004/05 and 2005/6 in Table 6 (DFID-SEA financial records) do not correspond to those provided in Table 2 (Statistics in Development, SID). The discrepancy is due to the inclusion/exclusion of humanitarian assistance, and because the figures in Table 6 are only available for dates close to (but not exactly at) year-end – and occasionally significant disbursements may be included/excluded close to year-end. SID also accepts that its published figures differ from those in DFID’s formal resource accounts (see Glossary, SID 2006).

<sup>29</sup> Source: PRISM figures.

and DSF Phases I and II (£6.8m, £5m and £25m respectively); and in health, maternal mortality, (£13.2m over 3 years) and HIV/AIDS, (£25m over 3 years).

3.41 This marks an overall shift from a focus on governance, poverty and livelihoods towards the increased dominance of governance and health (see tables below). Annual commitments from 2000/01 to 2002/03 show livelihood interventions represent some 50 percent of the portfolio, with other significant investments in civil society at around 20 percent, and increasingly in governance, up to 22 percent by 2002/03. The figures for annual spend 2004/05 to 2006/07 show a decline in livelihoods, with health dominating over 50 percent of the portfolio, and governance at between 15 and 30 percent.<sup>30</sup>

**Table 5. DFID annual commitments (£s), 2000/01 to 2002/03**

Sector/Item	2000/01		2001/02		2002/03	
	£s	%age	£s	%age	£s	%age
Livelihoods	5,300,000	50%	5,900,000	52%	6,500,000	49%
Governance	1,200,000	11%	1,500,000	13%	3,000,000	22%
Conflict	200,000	2%	200,000	2%	200,000	1%
Civil Society	2,200,000	21%	2,200,000	19%	2,400,000	18%
Poverty	200,000	2%	1,000,000	9%	1,000,000	7%
Other	1,600,000	15%	500,000	4%	300,000	2%
<b>Total</b>	<b>10,700,000</b>	<b>100%</b>	<b>11,300,000</b>	<b>100%</b>	<b>13,400,000</b>	<b>100%</b>

Source: CSP (2000), "Annex 3: Commitments for 2000/01 to 2002/03".

**Table 6. DFID annual spend (£s), 2004/05 to 2006/07<sup>31</sup>**

Sector/Item	2004/05		2005/06		2006/07	
	£s	%age	£s	%age	£s	%age
Livelihoods	4,190,466	26%	4,172,495	13%	4,034,699	18%
Governance	4,840,000	30%	4,663,807	15%	3,723,961	17%
Conflict	2,599,444	16%	1,450,000	5%	-	-
Poverty	4,202,475	26%	4,960,276	16%	349,363	2%
Health	75,932	0.5%	15,775,149	51%	14,255,100	64%
Other	146,407	1%	-	-	-	-
<b>Sub Total</b>	<b>16,054,724</b>	<b>100%</b>	<b>31,021,727</b>	<b>100%</b>	<b>22,363,123</b>	<b>100%</b>
Emergency <sup>32</sup>	0		13,734,659		10,699,979	
Tsunami-CHASE	0		8,033,854		8,013,271	
<b>Total</b>	<b>16,054,724</b>		<b>52,790,240</b>		<b>41,076,373</b>	

Sources: *Spend per year for 2004/05 to 2006/07*: Forecasting Sheets 2004/05 (24<sup>th</sup> April 2005), 2005/06 (31<sup>st</sup> March 2006), and 2006/07 (27<sup>th</sup> February 2007).

<sup>30</sup> Tables 5 and 6 provide two snapshots of the Indonesia country programme. The two tables are not directly comparable as the figures for actual spend were unavailable for the early period (2000/01 to 2002/03). As such, annual commitment figures have been used as a proxy measure.

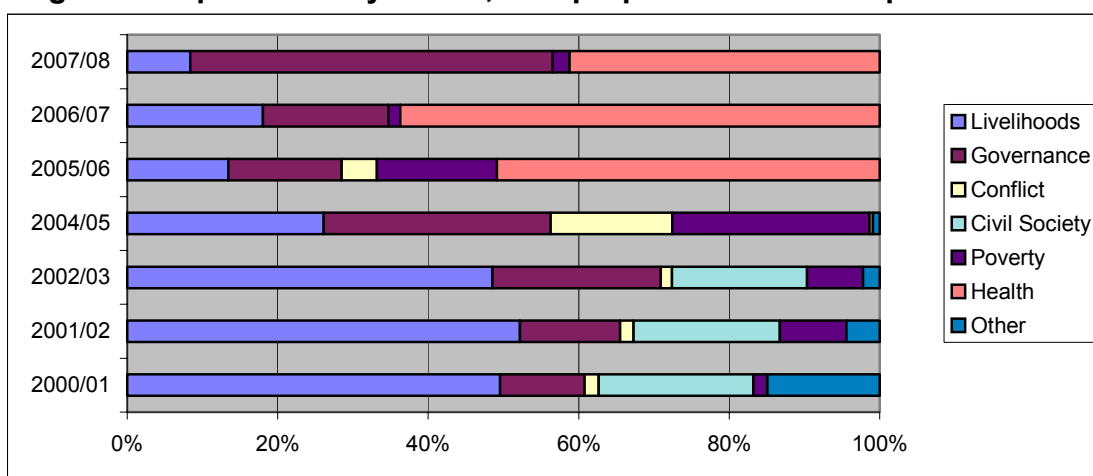
<sup>31</sup> The total figures per year for 2004/05 and 2005/06 in Table 5 (source: DFID-SEA financial records) do not correspond to those provided in Table 2 (source: Statistics in Development, SID). The discrepancy is due to the inclusion/exclusion of humanitarian assistance, and because the figures in Table 5 are only available for dates close to (but not exactly at) year-end – and occasionally significant disbursements may be included/excluded close to year-end. Furthermore, SID also notes that its published figures differ from those in DFID's formal resource accounts (see Glossary, SID 2006).

<sup>32</sup> Includes Tsunami for 2005/06 and 2006/07, and Yogyakarta Earthquake for 2006/07.

Sources: As per tables above, plus forecast figures for 2007/08 (Forecasting Sheet 2006/07, 27 February 2007). Figures exclude emergency assistance for Tsunami (£24.4m, 2005/06-2006/07) and Yogyakarta Earthquake (£5m, 2006/07).

3.42 While the portfolio has seen a shift across the sectors, there is still a significant time lag between the strategic decision to move towards a twin-track approach (Vision Paper 2004) and the eventual shape of the portfolio over this period. This demonstrates the limited extent to which any new country strategy can realistically alter the portfolio over the short term – and thus the importance of finding a balance between forward-looking objectives and building on past performance (see paragraph 3.12 ). Indeed, it is not until four years later, based on forecast figures for 2007/08, figure below, that the portfolio is beginning to really reflect the country strategy.

**Figure 1. Expenditure by sector, as a proportion of total expenditure**



Portfolio assessment

3.43 The balance of the portfolio is becoming increasingly dominated by the DSF and the health programme. The DSF in particular receives a large investment in comparison to other interventions. The resources allocated to the DSF restrict the development of other programmes in the portfolio and do not permit the continuous funding of successful interventions, including those outside the governance portfolio. As a consequence relatively successful programmes are being discontinued or are expected to be financed by other development partners. For example, IndoPov will continue for 3 years with fewer resources and without DFID funding. It is expected that the Partnership will not receive the same level of funding as it has received in phases 1 and 2. On a larger scale, the previously allocated £7 million (Forecast Tables 2004/05) for the follow-up to MFP was eventually dropped. Difficulties in gaining access to funds for MFP through the DSF have led to considerable uncertainty over how to build on the political capital and results already achieved.

3.44 The health portfolio is a broadly balanced mixture of low and medium risk interventions that are in line with several key GoI health priorities. The approach paper identifies an overall risk on page 8: “...consider that the biggest risks of this proposed approach are that the health and HIV/AIDS programmes we fund have serious design weaknesses that our light touch engagement does not pick up and that we over-estimate the extent to which we share objectives and

*organisational incentives with the lead partners and the extent of ownership of these with government”.*

3.45 The balance of the humanitarian/ recovery programme is also appropriate. Prior to the tsunami there was some ‘core’ funding for OCHA (Emergency Relief Fund), International Committee of the Red Cross (ICRC) (general protection issues) and the CPRU (post-conflict work in areas other than Aceh); but the bulk of funding came in 2005-06. Here, proxy bodies such as MDF/JRF have dominated the portfolio, allowing DFID to engage in co-funded programmes, primarily administered and monitored through a World Bank secretariat. Post-tsunami bilateral funding of NGOs was not as much as might be expected due to well-documented generous funding for the tsunami.<sup>33</sup> Because of the extraordinary levels of tsunami funding for the emergency period, and the likely bottlenecks in absorption, it was necessary to move swiftly into the recovery phase. Beyond the multi-donor mechanisms DFID funded pre-existing World Bank and UNDP programmes which already had established implementation capacity.<sup>34</sup>

#### Staffing

3.46 The Indonesia office is relatively small and with data available for only the last couple of years it is difficult to ascertain whether the office is unduly constrained or whether this is a more recent phenomenon. Administration, covering mainly staff costs, as a proportion of programme spend is at a similar level to other country programmes in the region (see table below). In 2005/06 and 2006/07 however, DFID-Indonesia oversaw an additional post-tsunami programme of £21.8 million and £18.7 million respectively (see Box 1).<sup>35</sup> According to the most recent figures for 2006/07, DFID-Indonesia looks more constrained in recent years with 13 staff to manage a portfolio of £48 million (including post-tsunami work), compared to DFID-Vietnam that has 30 staff for a portfolio of £50 million, and DFID-China that has 35 staff for £40 million, although the latter programme is much more policy orientated. These comparisons are further complicated by the use of Bangkok-based staff to support country offices in the region, and in Indonesia, several advisory posts that are funded under programme (MFP, DSF) rather than administrative budgets. These costs do not therefore appear in the country administrative budget – although in terms of providing additional office capacity, programme-funded staff are limited in the corporate-wide duties (portfolio management, performance reporting, etc) that they can perform.

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<sup>33</sup> CHASE did however provide bilateral NGO funding to the Mentor Initiative, IMC and Internews, totalling some £2million.

<sup>34</sup> “*Mid-Term Evaluation of the Supervision, Monitoring and Evaluation Systems and Procedures within the Multi Donor Fund for Aceh and Nias*”, European Commission, October 2006.

<sup>35</sup> Based on figures provided by DFIDSEA, see Table 6.



**Table 7. DFID South East Asia: Administration and Programme Resources**

DFID Country office	Admin. 2006/07 (£)	Programme 2006/07 (£m)	Admin/ Prog. %	Admin. 2007/08 (£)	Programme 2007/08 (£m)	Admin/ Prog.%
Sri Lanka	306,000	2.5	12.2	244,000	-	-
China	2,920,000	40.0	7.3	2,700,000	35.0	7.7
Cambodia	1,006,000	12.0	8.4	886,000	14.0	6.3
DFIDSEA	1,908,000	58.0	3.3	1,749,000	47.0	3.6
Indonesia	731,000	30.0	2.4	738,000	20.0	3.6
Vietnam	1,420,000	50.0	2.8	1,450,000	50.0	2.8
Burma	188,000	7.0	2.7	196,000	7.0	2.8
East Timor	5,000	4.0	1.2	5,000	4.0	1.2

Source: Financial cubes, Evaluation Department, DFID.

3.47 Senior advisory inputs have also been used to good effect. In health, the development of the LIPs to address the off-track MDGs is a considerable achievement bearing in mind that there is no health advisory presence in country. The Senior Health Advisor is based in Bangkok and is responsible for several other country health programmes in the region.

3.48 Over the evaluation period, the Senior Governance Advisor, 50 percent of whose time is allocated to Indonesia, was also based in Bangkok with another senior advisor located in the DSF. Given DFID's staffing constraints, the decision to base a governance advisor in country (albeit in the DSF) is seen as important, especially since the governance portfolio is complex and evolving over time. At the time however there was a strong focus on the DSF with the other governance programmes largely being managed to conclusion. This was particularly so under Phase I, where the DSF was mainly internally focused, addressing issues around the setup and institutional arrangements. DSF in effect 'overshadowed' the attention and management that other programmes (ILGR, the Partnership, etc) would have received if DSF were not present, e.g.: contributing to day-to-day changes in the political economy and governance agenda; enhancing DFID's options for influencing government at the 'right moment'; and, reinforcing relationships with DFID's preferred DP's (see paragraph 3.29 ). These issues are now being addressed with a governance advisor based in Indonesia with responsibility for the governance portfolio.

3.49 MFP, although a very different instrument, managed £25 million with mostly national staff (12 locally recruited facilitators, 4 seconded government staff and a grants administration team) and the inputs of only two DFID staff.<sup>36</sup> Given the effectiveness and political capital gained through the programme, MFP demonstrates the importance of balancing headcount pressures with the value and leverage gained through strategic engagement. Despite running costs of 19 percent, MFP has managed to leverage substantial local and civil society influence on national policy-making. This is a significant feat in a geographically vast, highly risky and politically fragile country. MFP's internal and external audits demonstrate that the programme managed to channel nearly two-thirds of the 560 grants to local NGOs (at an average value of £28,000) while retaining a very high level of transparency and accountability.

<sup>36</sup> See "Changing Forest Management to Improve the Lives of the Forest Dependent Poor", MFP Progress Report.

**Box 1: The importance of 'continuity' of staffing**

In terms of the tsunami, the deployment of regional advisors (DFIDSEA as well as CHASE) to the tsunami response was strong, matched also by a small but strategically significant MoD input of staff and resources in the immediate relief phase, the marginal costs for which were paid by DFID (CHASE).<sup>37</sup> Both CHASE and DFID-Indonesia have emphasised the often-understated importance of in-kind staff deployments at critical junctures of emergencies, and the tsunami was no exception. Staff and equipment were assigned, for example, to OCHA at a time when coordinating the international response was of paramount importance. Military and technical teams were also used alongside helicopters and bridge equipment. In the recovery phase, the deployment of Crown Agents to assist the BRR with their procurement for infrastructure was a much-appreciated initiative.

Following a period of intense engagement of CHASE personnel in the post-tsunami period (through April 2005), there was a 'strain' on DFID-Indonesia capacity for the remainder of 2005. To some extent this was offset by the deployment of a longer-term livelihoods staff member (March – October 2005) and conflict specialist (March-November 2005).

But in some programmes (e.g. Red Cross) the gap led to lack of DFID 'ownership', and even knowledge, of partner programmes established during or immediately prior to this period. For example, the PCR process for OCHA, ICRC and IFRC grants was delayed, and retrospective analysis of their impact is cursory, marked by generic logframe responses and little, if any, country office relationship with officers in the agencies responsible.<sup>38</sup> This is perhaps inevitable given the broad portfolio of humanitarian/recovery programmes, but the evaluation also noted that neither the DFID-I team nor the OCHA Indonesia team were aware of the Institutional Strategy Paper (ISP) core institutional funding made available to OCHA, and, indeed, to the Red Cross agencies.<sup>39</sup>

**Risk management**

3.50 Risks were generally well assessed and managed in relation to humanitarian/recovery and health, although the programme failed to plan for the risk of a major natural disaster throwing the implementation of the country strategy and major programmes such as DSF off balance. Risks relating to the MDF were clearly examined, especially in the formative months. To a large extent, the slow start of the MDF was due to a combination of capacity constraints on the ground and government administrative delays in transferring funds to on-budget projects.<sup>40</sup> There was some concern over the fact that from May-September 2005, only four projects were approved, all of which were to be implemented by the World Bank. Unlike the EC that had committed its entire Euros 250 million from the outset, DFID in May 2005 committed only £5.5m as a first allocation, with *"the 'in principle' desire to provide an additional £25m with transparency and anti-corruption improvements"*. It was clear that absorptive

<sup>37</sup> "Tsunami: Provision of Support for Humanitarian Assistance", Committee of Public Accounts (PAC), House of Commons, 30 October 2006.

<sup>38</sup> In the case of OCHA, this is more an observation on the quality of the PCR; OCHA itself was broadly satisfied with the relationship and levels of funding. By contrast, there was no relationship between the country office and ICRC or IFRC (including the British Red Cross representative in-country).

<sup>39</sup> DFID's institutional strategic partnership with OCHA is governed by an ISP covering the period 1999/00 - 2001/02 (£3 million per annum), with a further four-year extension from 2003. This has previously been evaluated independently (ITAD 2002). This is not to suggest inconsistencies as such, but rather to point out information gaps and a possible disjunction between local and international DFID funding for the same institution.

<sup>40</sup> Budget Execution Documents (DIPAs) are required. In some cases the executing agent (ministry) took more than four months to prepare a work plan and budget. Meanwhile, a restructure within the Ministry of Finance caused further delays. See: "18 Months Multi Donor Fund for Aceh and Nias: Progress Report", 21 December 2006.

capacities were low at this stage, so withholding funds would have no adverse effect.

3.51 In health, threats were primarily managed by the initial appraisal of the track record and potential of the partner agencies. The threat that other DPs would not join the Indonesian Partnership Fund (IPF) for HIV/AIDS was noted in the Project Memorandum (PM) submission as 'medium probability, low impact'. No other DPs have formally committed at the time of this evaluation, although there are encouraging signs that AusAID may commit (see paragraph 4.12 ). The threat of poor performance by UNICEF and GTZ in maternal health was judged to be low because of their good track record in Indonesia. In mitigation of the above risk to the HIV/AIDS IPF, the PM states that other DPs had "...expressed interest in supporting a partnership approach to HIV/AIDS in Indonesia" and DFID's "...support to the National Action Framework will allow us to take a lead on increased donor harmonisation on HIV/AIDS". The former was wishful thinking, not mitigation; the latter was very optimistic: there is a contradiction between 'leading' and engaging in a 'low intensity partnership' and the constraints on the Senior Health Advisor's time would appear to preclude a more proactive leadership role. This risk was probably underestimated both in terms of likelihood and impact, especially on sustainability, and insufficiently well mitigated. The low risk of poor performance by UNICEF and GTZ in maternal health was strongly and specifically mitigated by an independent M&E function funded through AusAID.

3.52 Across the governance portfolio, the risk assessments vary significantly. During the DSF II design phase, various political, institutional and social assessments were undertaken, although it is not evident how these assessments led to risk mitigation and management. In particular, many of the risks articulated in the logframes are not systematically selected and translated to strategic level management by the country office. For example, "*There is a risk that efforts by the DSF to engage with the government (or elements of the government) around decentralization policy will adversely affect relations with the Consultative Group on Indonesia (CGI), further dividing the international development community, and undermining the harmonization objective of the DSF. The Review Team has recommended that the relationship between the DSF and the CGI be renegotiated as a first step in establishing a more coherent approach to donor harmonization*".<sup>41</sup> Although the GoI has since abolished the CGI on political grounds, there is still a major risk that the DSF will not ultimately replace the CGI in terms of harmonised donor working on decentralisation. While the country office claims to have managed this risk through 'institutional links', several donors still perceive the Decentralisation Working Group (DWG) as the means of doing business on this issue, thus maintaining an interest in reviving an alternative in case the DSF fails. The DWG also holds legitimacy amongst the GoI, as it is chaired by Ministry of Home Affairs (MoHA). In the absence of a common DSF fund, bilateral relations through the DWG will still be a means through which many donors operate, especially with pressure to spend earmarked funds within

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<sup>41</sup> See Light Touch Review, final report.

any given financial year. It will only be when donors (i.e. apart from DFID) put resources through the DSF that the risk of creating a more fragmented donor community will have been mitigated.

#### **Summary of findings**

- \* DFID-Indonesia has a clear and focused strategy, though one that is dominated by corporate imperatives rather than underpinned by rigorous analysis. The opening up of new work on 'decentralisation' responds to a national priority, although harmonising around this agenda may not respond directly to a 'national need' – especially where fragmentation has served various Gol institutions well.
- \* The strategy does not explicitly address humanitarian approaches and while this is partly a result of timing there is a danger that the special emphasis on governance programmes, especially the DSF, leads to recovery programmes (often with a governance focus) becoming subsumed under 'humanitarian' or short-term work.
- \* In general, the country strategy (Vision Paper) is not results-focused, especially as the objective structure and indicators at country-level are unclear and inconsistently used. Furthermore, the innovative nature of several interventions requires more innovative M&E, including approaches that are better able to test inherent assumptions behind aid instruments like MDF, can measure processes and institutional change, and systematically assess progress in areas such as harmonisation and policy change.
- \* Overall the country programme is strongly aligned to the national context. In situations where government policy is weak and not especially pro-poor, MFP demonstrates the value of an approach that addresses non-alignment through policy change – something of potential interest to other country contexts (e.g. fragile states).
- \* The portfolio is broadly congruent with DFID policy. In some instances, competing corporate imperatives can limit achievements, e.g. achieving 'more with less' through low intensity health partnerships can hinder the attainment of DFID's pro-poor objectives.
- \* DFID's choice of partners was mostly correct and well assessed, although the notion of 'partnership' may on occasions require a more intense engagement.
- \* DFID's approach to influencing is mostly indirect and not particularly well articulated, either in the strategy or in the subsequent allocation of resources and monitoring. The reliance on other agencies to communicate with government has at times been rather opaque and distant.
- \* Too much emphasis is often given to forward-looking objectives rather than building on the existing portfolio and past successes. While the country strategy is by nature forward-looking, it should also be realistic about the extent to which the portfolio can be reshaped over a 3+ year period.
- \* In some programmes (e.g. Red Cross) changes in staffing across the emergency-recovery period have led to a lack of DFID 'ownership', and even knowledge, of partner programmes. There is also a disjuncture between core institutional (ISP) funding and country-level funding to partnerships.

## 4. Programme Effectiveness

4.1 This chapter assesses the effectiveness of programme implementation and the extent to which programmes and projects have delivered their objectives at output and purpose levels. It also considers the effectiveness of different aid instruments, including low intensity partnerships, multi-donor funds, the DSF and MFP. The chapter then goes on to consider sustainability and progress towards the outcomes stated in the country strategy (the Vision Paper).

### Results

4.2 The results of the programme are the extent to which interventions have achieved their objectives. This is assessed for the most part from Output-to-Purpose Reviews or Project Completion Reports (. Reference to project scores in this chapter relate to DFID's performance assessment system (PRISM).<sup>42</sup>

4.3 According to the PRISM, the portfolio has performed reasonably well with 9 percent of programmes over £1 million achieving a rating of '*completely achieved*' and 31 percent achieving a '*largely achieved*'. (see table below).<sup>43</sup> Only 15 percent achieved a score of 3 or less, with 3 percent regarded as '*too early to assess*'. A large proportion of interventions over the £1 million mark were not scored (15, or 43 percent), although in most cases there appears to be a sound explanation of why they were not scored. Of these fifteen, *one* is an old project (Mini-Hydro Project Grant, 1991-2000), *five* are recent initiatives (both maternal health projects; TB; DSF Phase II and ILGR), and *nine* are related to relief and recovery. Therefore this only raises concern about why substantial sums related to humanitarian assistance have not always been subject to the same internal performance assessment.

**Table 8. Purpose and output scores for latest review, 2000-2006**

	Output scores	Purpose scores				
	Total	> £1 million	£1+ million		Total	
1 - Completely	4	0	3	9%	3	4%
2 – Largely	11	0	11	31%	11	16%
3 – Partially	5	1	3	9%	4	6%
4 - Ltd extent	2	2	2	6%	4	6%
X - Too early	2	1	1	3%	2	3%
(blank)	43	28	15	43%	43	64%
<b>Total</b>	<b>67</b>	<b>32</b>	<b>35</b>	<b>100%</b>	<b>67</b>	<b>100%</b>

Source: PRISM data, all completed and operational projects, 2000-2006.

### Emergency and humanitarian assistance

4.4 In terms of successful outcomes, the **ERTR** and the **MDF** (1st year) both scored '1' in their respective Annual Reviews. Three external assessments have

<sup>42</sup> Five point scale: 1 – project will achieve all objectives; 2 – likely to achieve most objectives; 3 – likely to achieve some objectives; - 4 likely to achieve few objectives; 5 – unlikely to achieve any objectives. DFID's PSA Value for Money Indicator is for a rising proportion of projects rated 1 or 2.

<sup>43</sup> If the 'blanks' are excluded, then 70 percent (14 out of 20) of interventions are rated, "1: completely achieved" or "2: largely achieved".

been undertaken on the MDF<sup>44</sup> with a largely positive appraisal. DFID's Annual Review (August 2006) of the first year of the MDF scored '1'. However this score raises some concern about the grounds upon which such a positive assessment was made since the Annual Review itself points to serious delays in fulfilling objectives. The MDF performed considerably better in the second year, and lessons from the above evaluations, particularly on start-up, more rapid release of funds and how to overcome bureaucratic bottlenecks, have obviously translated into a more streamlined and efficient body in 2007.

4.5 With current improvements in monitoring, the MDF is likely to demonstrate qualitative and quantitative impact within 3 years and set the development agenda in Aceh for the next 10 years. For this reason, it should be given a higher profile within the next country strategy.

4.6 DFID had some reservations over the necessity of a multi-donor fund for the **Java earthquake** (JRF). This was mainly because, at the time of its formation, there was only one project concept note submitted, which DFID could have funded directly through the World Bank. Initial pledges made DFID (at £5 million) the third largest of six donors, and the JRF structure was very similar to MDF, in fact, using the same World Bank secretariat. It had only two sectoral priorities – housing and livelihoods – and a closure date of June 2009. Since the first project funds have disbursed only in late 2006/early 2007 it is too early to make an informed judgement on progress.

4.7 In the **CPRU's** conflict work there has been some tension between 'upstream' demands of some donors with respect to the tsunami response, and, by extension, the settlement of conflict in Aceh, and the 'downstream' orientation of the programme as a whole that looks at mainstreaming of conflict prevention in local government, etc. In short, the tsunami led donors to require UNDP to immediately shift its focus towards recovery work in Aceh, with a commensurate increase in the CPRU budget. Meanwhile, the 'regular' CPRU focus on *country-wide* conflict prevention, a policy priority emerging from the joint DFID/UNDP review of this project in 2004, had a temporary setback. However, the problem with a focus on prevention is that there is not (yet) a national government strategy, such as that of the Disaster Risk Reduction (DRR), upon which to pin a sustainable way forward.

4.8 The 'upstream/downstream' argument is also important in the context of how the CPRU is funded. DFID pushed for the 'Aceh Window' within the DSF (£3 million in addition to the first tranche of £5 million) for two reasons: first, the MDF was not able to accommodate projects with a conflict focus;<sup>45</sup> and second, by channelling this money through DSF it was able to immediately 'projectise' the entity. In fact, this £3 million is the only specific project money to have so far come from the DSF. Yet both these reasons may be counterintuitive: DFID was

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<sup>44</sup> (a) September 2006, EC commissioned mid-term evaluation of MDF; (b) October 2006, case study on MDF presented to the Asia Regional Forum on Aid Effectiveness, and (c) the multi-donor (including UK) review of MDTFs worldwide in which Indonesia was one of 9 case studies presented in December 2006.

<sup>45</sup> The Aceh Window was for conflict prevention, government capacity building and policy/analytical work, yet at that time the MDF focus was primarily on infrastructure and housing so an alternative channel had to be found.

already bilaterally funding the CPRU raising the question of what value would be added by funding through DSF, and the transfer of funds through the DSF added both time and transaction costs. Above all, it led to confusing existing partners (in this case, the UNDP) since the same donor, DFID, was funding them from two directions.

### Health

4.9 The only health objective in the country strategy is “*to implement low intensity partnerships to address failing MDGs*”. This has been achieved, though all LIPs are at a relatively early stage with the exception of the emergency polio intervention, which has finished. All partners appreciate the flexibility of DFID’s funding, its targeting and the low transaction costs.

4.10 In **maternal health**, due to the complex and time-consuming nature of the DFID/BMZ/GTZ reporting relationship, the first GTZ annual report is not presently available in a citable form. The GTZ Principal Advisor reports that as the programme has only been operational for one year, there has been no measurable progress against output indicators to date. However, there has been good progress against process indicators in all four areas of achievement, planning/M&E, referral, clinical services and empowering communities. For example, 25 district integrated plans and budgets have been finalised, several baseline studies have been undertaken including referral and human rights, a sharper poverty focus is being developed with poverty indicators identified and tested and data disaggregated by poverty, and in 10 districts in NTT local government spending on health has risen from 7.1 to 7.7 percent of total spend.

4.11 UNICEF’s Improving Maternal Health in Indonesia (IMHI) project was reviewed in January 2007 and scored ‘3’ overall, largely because like GTZ, it was judged too early to make a reliable assessment at that stage. Six of nineteen outputs scored ‘2’, the remainder ‘3’. As with the GTZ start-up phase, there was good progress in conducting baseline surveys and in TA supporting problem solving approach to district planning, training of midwives and birth preparedness.<sup>46</sup> However, it is too early to draw significant lessons from either of these two projects.

4.12 For the **HIV/AIDS IPF**, there have been two annual reports and a DFID annual review<sup>47</sup> that scored this programme ‘2’ for purpose and ‘2’ for output. Notable achievements have been the marked increase in coverage of STI and HIV prevention and care services, predominantly in reducing the risks of sexual and injection-related risks of transmission, to the point where they are very likely to reduce HIV incidence in key geographic areas and in vulnerable communities. The institutional capacity and leadership of NAC has increased dramatically and this is starting to be disseminated to some provinces, where progress so far is less clear. The IPF has also stimulated clear DP harmonisation in line with the National AIDS Strategy. In addition those interviewed in the MoH cite the IPF as favourable compared with the Global Fund to fight AIDs, TB and Malaria

<sup>46</sup> Annual Performance Review (APR) for IMHI, DFID, 31<sup>st</sup> January 2007.

<sup>47</sup> APR, Partnership programme for HIV/AIDS in Indonesia, DFID June 2006.

(GFATM), which is perceived as being far more stringent in its requirements, and is presently frozen pending an enquiry. Weaknesses in the IPF approach include the lack of firm commitment from other DPs to contribute to the IPF so far, although AusAID is considering contributing Aus \$1 million per year for 5-8 years, with some as yet unspecified conditionalities. There has been little/no alignment of GFATM and IPF, or MoH and NAC. Lobbying other DPs to contribute and more hands-on advocacy for MoH/NAC alignment are areas that might have benefited from a slightly higher intensity relationship.

4.13 For the technical and research interventions for **Tuberculosis** (with WHO), the first annual review took place Nov 2006. The overall score was '2', with WHO scoring for two outputs revised upwards by DFID after review.

4.14 **Polio**, Support to Emergency National Immunisation Days, has been completed with an overall PCR score of '2'. Whilst an ad hoc intervention, DFID's flexible and prompt response stimulated other DP and GoI contributions and succeeded in reducing negative media coverage about the vaccine, which had become a serious barrier in Indonesia, from 10 percent to 1 percent. The PCR also notes that political commitment was strengthened: DFID's contribution facilitated joint WHO/UNICEF working and reporting.

#### Governance

4.15 The overall country objective has been to increase 'aid effectiveness and donor harmonization' through the DSF, and this has become DFID's flagship programme. It is too early to tell whether these objectives have been achieved in either process or development terms. Nevertheless the DSF, by requiring significant resources, has shaped the governance portfolio with other interventions receiving less attention.

4.16 Some elements of **PRP** have proved to be highly effective. The programme aimed "*to strengthen the capability of central & local government in Indonesia to address the causes of poverty & vulnerability*", working through four partners: World Bank, Asian Development Bank, Oxfam and the Asia Foundation. The evidence (Annual Review, page 4) shows that the poverty focus of each organisation has been improved, with some impact on government policy, especially around loans. A particular success has been the work of IndoPov (World Bank) whose high-quality analytical work has assisted the restructuring of fuel subsidies and the development of poverty-targeted cash transfers. Also under PRP, TAF is engaging with Muslim organisations over democracy and poverty issues. Results will take time to emerge but early successes include changes to the Law on Halal labelling which impeded many small entrepreneurs, through corruption, in ensuring timely delivery of products to local markets. Nevertheless just as results are beginning to emerge, the programme faces uncertainty – there will be no direct follow-up, with DFID-funding possibly channelled indirectly through DSF.

4.17 The **Partnership for Governance Reform** is a uniquely Indonesian organisation. While it has achieved some results, it has also faced difficulties establishing a clear strategic direction and work plan, with significant internal



management problems. Indeed, many donors, including CIDA, The Netherlands and AusAID, are now ambivalent about the Partnership's effectiveness. One of the most visible successes has been the 20-point plan for the new government in 2004. The Partnership successfully capitalised on an opportunity to gain a commitment for accelerating governance reform, designing and discussing a reform plan with a variety of groups before taking it to the presidential candidates for endorsement. The plan focused on a reform agenda to be implemented within the first 100 days of the new Government's administration. To date, 16 of the 20 points have been adopted, although an external evaluation found that progress on implementation was slower than expected. Another significant achievement was the successful uniting of stakeholders from the Free Aceh Movement, the government, members of parliament, donors and civil society to produce a draft law on governing Aceh. This law has now been brought to the national legislative body. The Partnership also undertook work on anti-corruption, and a recent evaluation (March 2006) states, "...early work in anti-corruption was on facilitating the establishment of the Anti-Corruption Commission (KPK) at the national level. In 2002 and 2003, it [the Partnership] was thus instrumental in building the necessary political commitment to get the institution off the ground and in supporting the start-up of the commission".

4.18 The **ILGR** has been running for one year and it is too early to assess effectiveness. From the Annual Review (January 2007): "*The project has experienced significant setbacks due to delays in the national budgeting process and low capacity of the National Program Secretariat at the MoHA*". Twelve of the fourteen ILGR districts (86 percent) have demonstrated the capacity to meet pre-investment requirements/targets and are eligible to receive Year One poverty-targeted investment funds. The National Project Secretariat has verified that the 134 sub-projects in the twelve districts can be financed by ILGR. It is expected that the project will be on track by the end of 2007.

4.19 It is too early to assess the effectiveness of **DSF**. After DSF Phase 1, DFID was very aware that DSF had to begin delivering results. As the Light Touch Review (pages 3-4) states, "*The DSF will be adjudicated against its primary objectives of harmonization and alignment around decentralization... For harmonization to have been accomplished there should be evidence of donors working cooperatively around decentralization, indicated by a reduction in the number of individual agency programmes and an increase in the number of multi-donor programmes... For alignment to be successful, there should be a coordinated process of dialogue between the donor community and the government.*" Harmonisation between donors is beginning to be addressed, but against these criteria there is limited evidence of achievement (see paragraph 4.46 ).

#### Forestry and natural resources

4.20 The Multi-stakeholder Forestry Programme (MFP) is drawing to a close, and a number of recent impact and evaluation studies show it to have been highly effective. Firstly, there has been **improved capacity of civil society and communities**. Research on 'Participatory Poverty Assessment' (PPA), funded



*Timber raft from community-based logging suspiciously to be illegal, found in a creek of Mahakam River on the way back to Samarinda. April 2002*

the MFP, has led to communities improving their skills and living standards – a view supported by interviews with NGOs and civil society. The PPA in Gading Kembar, a village in Java, for instance, has led to people devising strategies to give their families and the poorest community members' better access to forest and land resources. This has resulted in people acquiring new skills as well as strengthening local

farmer organizations. Other activities, such as Shared Learning helped people develop new skills, mainly by exposing them to the experience of others. Each region developed its own focus, such as in agroforestry (Java), marketing non-timber forest products (Kalimantan) and conflict resolution (Sumatera). Also, in Java exchange visits between forest-user groups (called *Belajar Antar Petani*, or BAP) significantly increased the skills and knowledge of those involved.<sup>48</sup> Visits to Sumba provided forestry officers from Papua with new skills in conflict resolution and poverty assessment. As the Secretary General of MoF states, “*On the one hand, MFP has been very successful in terms of empowering communities at the grassroots. On the other, it has helped our own staff to improve their skill as facilitators and mediators when dealing with NGOs and local communities*”. (Aid that Works, Dec 2006)

4.21 Secondly, there have been notable **changes in attitudes and behaviour between government and civil society**. In an interview (Feb 2007) with the Secretary General of MoF it was stated that: “*in the past, we and our staff were very resistant and also reluctant to communicate with other organisations outside the MoF; we were always on the defensive. But now, we are much more accommodative and receptive to any ideas from outside*”. MFP funded the public consultation process used to revise the forestry legislation (PP 34/2002). It is widely acknowledged that this is the first time MoF have used a process to revise legislation in a way that captured and incorporated the views of community groups, indigenous people, and NGOs.

4.22 Thirdly, MFP has had a direct **impact on policy change**, not only through support to public consultation but also through changes in the policy content. MFP has encouraged civil society to participate in local and national decision-making processes. It is claimed by some interviewees that the MFP has influenced many local and national forestry policy-making processes, with local governments becoming more transparent and accountable for their policies. In

<sup>48</sup> See for instance, “*Belajar Antar Petani: Membangun Kapasitas, Menggalang Solidaritas*”, MFP Document No. 042/D.

addition, MFP has played a role in encouraging and supporting community-based forest management (CBFM). MFP's partners have been closely involved with the drawing up of some 70 new local regulations and at the national level, influenced policy reform with a new national regulation (PP 6/2007) replacing PP 34/2002. This new regulation enables communities to have longer tenure over state forests resources, and makes explicit reference to community empowerment.

4.23 MFP can also claim to have had an **impact on people's livelihoods**. Reform of forestry policy at the local level has provided access to forest resources and state land, helped resolve multi-dimensional conflicts and enforce forest resources governance. As 'Aid That Works' states: "*New regulations have helped to provide villagers with access to state land, and done much to reduce conflict and enable local people to improve their livelihoods*". In one example, dozens of families in a village are now able to grow profitable tree crops on state land. This has enabled them to significantly increase their incomes and improve the management of the hillsides. In another example in Kendari, many families now earn enough money to send their children to school and pay for medical care when they are sick – something that was not previously affordable. In general, villagers are now working with forest officers rather than struggling against them.



*Timber transportation found on the way to West Kutai, East Kalimantan. May 2003*

### **Effectiveness of aid instruments**

4.24 The DFID-Indonesia country programme is especially interesting because it provides several case studies of very distinct aid instruments, none of which are Budget Support or Sector-wide Approaches. This section focuses on four particular examples: (i) the Multi-Donor Fund (Tsunami, JRF); (ii) Low Intensity Partnerships (in health); (iii) the DSF approach to harmonisation; and, (iv) An innovative bilateral programme (MFP). Direct comparisons are problematic,

especially as each is at a different stage of implementation (see Annex H). Nevertheless, a number of interesting lessons can be drawn.

**4.25 Multi-Donor Funds.** DFID's chosen multi-donor instruments, notably the MDF& JRF, have proven successful, not only for pooling funds and developing common programmes, but also for sharpening and communicating common policy. Throughout 2005 there was some concern, aired by several donors including DFID, that the MDF was being slow in delivering against expectations. These doubts were quelled in 2006 as disbursements and programme completion rates accelerated. Now and without exception, all stakeholders interviewed during the evaluation, including government, expressed the opinion that the role of the MDF as a policy forum had an influence far wider than just the Fund projects. To a large extent it sets the agenda for the BRR, particularly in terms of processes like monitoring and procurement and in the sequencing of priorities including housing and infrastructure

4.26 DFID as a Steering Committee member is able to exercise a degree of 'leverage' since the MDF is, in practice, a consensual and not a voting body.<sup>49</sup> There is a degree to which this leads to lowest common denominator approaches – arguably, this happened in 2005 when construction projects with output indicators like numbers of newly built houses outstripped the more medium term, and less visible, livelihoods projects (TEC Synthesis Report, 2005). This was not a problem inherent to the MDF itself; the MDF simply reflected the kind of projects being submitted by partner agencies. By 2007, as policy-driven consensus had increased, the MDF was, for instance, taking a lead in encouraging capacity building and training projects for local government.

4.27 Partners in **low intensity partnerships** (UNICEF, UNDP, WHO, GTZ/BMZ, AusAID) unanimously value LIPs. DFID is seen as a uniquely courageous donor that is prepared to take risks and work in a hands-off way on the basis of trust. Several DFID-funded partners' non-directly engaged DPs and contractors, favourably contrasted DFID's low bureaucracy levels and transaction costs with those of their own agencies. From assessments so far, using LIPs to address failing MDGs provides an example of a successful 'more with less' strategy in action. Not only are the funds for LIPs valued for their flexibility, but also their relative size and targeting, in that they are not spread too thinly across the sector. There are financial costs to LIPs, for example UNDP take 13% of the PF budget as management costs, and serious constraints on the Senior Health Advisor's time. It is impossible to tell whether or not more concentrated advisor time would have led to different results, but it is argued that a case can be made for a more intense relationship which could have led to more effective lobbying for other DPs to contribute to the IPF. The weaknesses of the 'more with less' LIP approach are that: (i) DFID is one-step removed from GoI and so dependent on partners to influence GoI; (ii) however close to DFID's global policy and strategy the DPs are there are bound to be some areas of different emphasis, when viewed through the different partners' policy lenses (See Box 2).

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<sup>49</sup> In theory, decisions can be made through simple majority voting, but this has never been exercised.

**Box 2. Some limitations to LIPs: Policy differences between DFID & its partners**

- **Poverty focus in maternal health:** The poverty focus of the Maternal Health interventions of UNICEF and GTZ could be sharper – although in part due to DFID advocacy, both GTZ and UNICEF are presently developing their poverty focus.
- **Disconnect with DFID global policy on HIV/AIDS:** The focus on tackling stigma and discrimination (a serious problem in Indonesia) within the NAC and in the National Strategic Plan for HIV/AIDS is given a lower emphasis than in DFID’s global policy on its response to the epidemic (“*Taking Action*”, DFID, July 2004).
- **Political commitment to reducing maternal deaths:** There could be a stronger political commitment to reducing Maternal Mortality Rates (Priority 1 of “*Reducing Maternal Deaths: Evidence and Action: A strategy for DFID*”, Sept 2004), especially in view of the striking international and regional disparities.
- **Linking maternal health & HIV/AIDS:** Planning could be underway for the preparation of linkages between Maternal Health Services and Voluntary Counselling & Testing (VCT) and Prevention of Mother to Child Transmission (PMTCT) - although as UNICEF point out, with the exception of Papua, it is relatively early in the epidemic.
- **Institutional linkages between the National Aids Commission (NAC) & the Ministry of Health (MoH):** There could be better linkages between NAC (through IPF) and MoH (through GFATM) e.g. for better-coordinated HIV/AIDS and TB services.

4.28 It is too early to assess the DSF as an instrument in terms of effectiveness, except for its ‘teething problems’. It is also not possible to draw on evidence from similar instruments in other countries, unlike the MDF, SWAps or budget support. As an instrument for donor harmonization and alignment, DSF is a significant experiment for implementing the principles of the Paris Declaration. Its effectiveness may depend a lot on the final ‘shape’ of the instrument including processes, cost and duration, and its wider applicability dependent on a whole host of other factors from choice of country (LIC/MIC, etc) and topic or policy area addressed.

4.29 To date harmonizing international development activities and providing a coordinated response to Indonesian-led decentralization has been a challenge. Reasons include:

- Building a new organization with the majority of international partners in Indonesia has proved a difficult learning experience in terms of defining shared processes and procedures to achieve the objectives of the DSF
- In comparison to other instruments, the focus on the establishment of the instrument (the process) remains a dominant and time-consuming feature at the expense of visible results (the outputs and outcomes)
- DSF suffers from a lack of a well-articulated, coherent demand from the GoI for its products and services.

4.30 While the MFP is a **bilateral programme**, the manner in which it has been structured and implemented provides several important lessons for supporting bottom-up change and policy influence in a weak or fragile state. This has wider relevance both beyond forestry and Indonesia, and especially in relation to weak states where instruments such as Budget Support are deemed inappropriate. MFP’s features include an approach that sought to identify organizations and



individuals in civil society and government who will work together and with local communities (the multi-stakeholder process) to bring about policy reforms that lead to poverty alleviation and better resource management. This has been achieved through providing small grants direct to local CSOs and additional investments in the facilitation process. In some cases, the grants have led to immediate and tangible improvements in people's livelihoods; in others, the grants have stimulated processes that have led to changes in local government policy, which in turn have created conditions for better governance, a fairer allocation of resources and the alleviation of poverty.<sup>50</sup> In total, MFP has supported a wide range of organizations and individuals at national and local levels, alongside the formation of networks and mechanisms to share information and experiences. The investment in the process, together with tangible local level achievements has provided MFP with significant leverage at the national level, particularly within the MoF.

### **Partnerships, relationships and influence**

4.31 Relations between the UK government and Indonesia have in recent years gained a higher profile. Britain has a strong interest in seeing Indonesia develop into a transparent and stable democracy, to both strengthen the Association of Southeast Asian Nations (ASEAN) as well as reinforce stability in South East Asia as a whole. Following the visit of British Prime Minister Tony Blair in March 2006, it was agreed to establish a regular Indonesia-UK Partnership Forum to be chaired by the Foreign Ministers, with the aim of promoting 'strategic dialogue on bilateral, multilateral and global issues'. The first Forum, held in London on 31 January 2007, resulted in a Joint Communiqué between the governments of the UK and Indonesia. DFID's Permanent Under-Secretary of State participated in the Forum, in which development issues and the DFID programme featured significantly. The Communiqué (page 3) states that "*the two countries looked forward to working closely together in agreeing future priorities for the UK's development assistance programme for Indonesia*"

4.32 DFID-Indonesia is based in the British Embassy building, and has a working relationship with the Foreign and Commonwealth Office (FCO) across several programmes. Apart from the tsunami, joint initiatives include the Global Conflict Prevention Pool (GCPP), the Global Opportunities Fund (GOF) and a forthcoming DFID/FCO climate change programme. For GCPP, DFID is nominally responsible for the conflict strand, with FCO and MoD responsible for the political and military strands respectively. While DFID participates in the monthly working committee meetings, it does not presently have an active portfolio as part of its strand. Under GOF, FCO is providing consultants for the forthcoming climate change programme, with DFID contributing much larger programme funds (£5 million). The intention is that FCO will take the lead on political lobbying in country, building on the political capital and networks already established under MFP. In addition there has been close coordination, sharing of knowledge and/or complementarity between DFI technical support and FCO

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<sup>50</sup> See "Aid That Works", page 17.

political lobbying on a range of other issues including the Extractive Industries Transparency Initiative, Avian Influenza, anti-corruption, and development in the provinces of Papua and Aceh.

4.33 Inter-governmental working has many advantages, especially as DFID moves towards a 'mature aid relationship' in Indonesia around extractive industries, illegal logging, climate change, etc. While the current batch of joint initiatives are in their formative states, there are few lessons to be learnt to date about inter-governmental working. Nevertheless, DFID is valued for its programme funds (FCO does not have access to the same level of funding) and the technical quality of its staff. Future initiatives may however be constrained by what different departments can agree, and if DFID no longer has a country office presence, as per the Vision Paper, then there is a possibility that DFID's on-the-ground influence on distinctive pro-poor matters may lose its importance, particularly in cases where DFID does not contribute substantial funds and/or does not have the in-country presence and influence of senior advisors. For example, under the GCPP, DFID undertakes responsibility for the conflict strand, including policing, yet while this resonates with pro-poor development issues like governance and justice it is not of the same magnitude in terms of development thinking, influence and effectiveness as other parts of the DFID governance portfolio. While there are other reasons for this, inter-governmental working may also require compromise.

4.34 In terms of **Government** relations, DFID-Indonesia has been largely distant apart from the MFP. This is one of the limitations of the increased working through other agencies, particularly the DSF and the health partners. The absence of a bilateral agreement with BAPPENAS, the government's national planning ministry and would-be preferred counterpart, has also led to some coordination problems, such as the lack of discussion over DFID priorities in the country and a failure to record all projects on the BAPPENAS 'database'.<sup>51</sup>

4.35 Without an overall DFID agreement with the GoI,<sup>52</sup> there are instead individual agreements with GoI Ministries or partners in relation to specific DFID's programmes. In the case of MFP this is a straightforward bilateral agreement between DFID and the Ministry of Forestry. However, with much of DFID-Indonesia's country programme undertaken through partners, it becomes incumbent upon these partners to inform and liaise with government, something that has not always worked well.

4.36 Therefore while it is not technically necessary for DFID to have a legal agreement with GoI, where funding is channelled through a third party, improving *bilateral dialogue* with government may forestall emerging problems and lead to greater cohesion – something that is beginning to be addressed by the current Head of Office. For example, an enhanced relationship with BAPPENAS might lead to greater cohesion in use of DFID's committed funds for Disaster Risk Reduction (DRR). DRR is now an integral part of the BAPPENAS annual plan,

<sup>51</sup> BAPPENAS has a system for pipeline (Blue book), approved (Green book) and completed projects (Red book).

<sup>52</sup> DFID does not usually sign of formal MoU with the national government, except in more political sensitive cases such as Rwanda and Sierra Leone.

and they are currently requesting technical and financial assistance in communicating the National Action Plan for Disaster Reduction (2006-2009) to provincial and district levels. Making use of the 10% of tsunami funds set aside for DRR activities, DFID is providing £4.5m to UNDP's 'Safer Communities through DRR' programme in Indonesia, working with Gol to implement the new Disaster Management (Risk Reduction) legislation and national plan. This will help bring about a more open dialogue with Gol, which may act as a counterbalance to high risk, politically sensitive interventions such as DSF.

4.37 Effective **influencing** around policy change with Gol has been indirect and at a distance. In health, DFID's influence on Gol was 'at one remove' through the policy lenses of partners; the LIPs design never intended to have a stronger Gol influencing function. Overall DFID has had some, though limited influence on DPs, for example dissuading UNDP from duplicating UNAIDS technical role in the establishment of the IPF; encouraging GTZ and UNICEF to adopt a sharper policy focus; increasing the profile of neonatal health within the Making Pregnancy Safer Programme. DFID has also *indirectly* influenced government through these partnerships (see Box 3). In PRP, DFID has indirectly opened the opportunity for policy dialogue through IndoPov, though this is relatively small in comparison to the overall governance portfolio. As the PRP Annual Review (2006) states, "*PRP has had a significant impact on partners' approach to poverty, and on how they have influenced government policy in some significant areas. It is difficult to fully attribute these successes to DFID's engagement, but there is significant anecdotal evidence*". Given the high political risk to the Gol in lifting the fuel subsidy, IndoPov was instrumental in using the windfall to effectively fund cash transfers.

**Box 3: Using partnerships to indirectly influence government**

- GTZ was already working with MoH at central level (Social Health Insurance; Human Resources for Health) and district level (District Health Strengthening). One of DFID's aims in supporting Gol's Making Pregnancy Safer programme was to build upon this, leveraging increased advocacy by GTZ with Gol. GTZ accepts this role, has been fully aware of it from the beginning of the partnership and has used DFID project funds to recruit a Reproductive Health Coordinator to work in MoH as a central level "influencing" link.
- UNICEF's work on Safer Motherhood was developed following extensive discussions with Gol and reflects an increased understanding, on the part of UNICEF and communicated to Gol, of the need to take a broader sector approach. DFID directly influenced UNICEF to take this approach and to agree it with Gol and required both GTZ and UNICEF to build their projects around MoH's "Making Pregnancy Safer" strategy, and to use the national safer motherhood M&E framework.
- DFID's influencing strategy in HIV/AIDS was more explicit: to support key agencies (e.g. UNAIDS with its existing successful programmes) in their influencing efforts to sustain Gol focus on prevention and 'scaling up'; and to support UNAIDS influence on Gol to strengthen the National AIDS Commission (NAC). Whilst this was already in progress, DFID's financial, and by extension 'political', support contributed to the overall influencing effort. UNDP wanted to strengthen its capacity to address HIV/AIDS and to engage directly with Gol, originally wanting to recruit technical expertise to do this. However, DFID discouraged this approach since UNAIDS already had the mandate and capacity to do this, and developing additional and parallel capacity in UNDP would have been counterproductive.



4.38 DFID-Indonesia cooperates with **civil society** in relief and recovery operations, and perhaps most innovatively, through the MFP (see Box 4) and under PRP through Oxfam and The Asia Foundation. DFID-funded programmes with a specific civil society focus include UNDP's Crisis Prevention and Recovery Unit and its tsunami-specific Emergency Response and Transitional Recovery programme. The former works through civil society and local government in crisis-prone areas throughout Indonesia to reduce community vulnerability to conflict; it has benefited from DFID evaluative inputs and advice. The latter, through its cash-for-work programmes, has been an innovative attempt to rejuvenate local economies through community-identified projects in Aceh. DFID's support (£4 million)<sup>53</sup> to the Asia Development Bank's Community Water Services and Health Project addresses water, sanitation and hygiene behaviour in selected low-income communities in rural Aceh and Northern Sumatra. It also works through civil society structures.

4.39 As the Indonesia country portfolio shifts towards working through partners, in health, and the DSF, interaction with civil society will be increasingly by proxy. In health, DFID worked closely with civil society in the design phase. Since then all civil society interaction has been through partners, predominantly in maternal and neonatal health (UNICEF and GTZ/BMZ), HIV/AIDS (UNDP, UNAIDS, Family Health International (FHI), IHPCP) and polio (UNICEF and WHO). There has been less interaction in TB as the funding is for technical inputs and research. In governance, DFID has attempted to work with civil society through the Partnership for Governance Reform, as well as directly with Oxfam and the Asia Foundation. As the DSF becomes more dominant, these relationships will weaken and will be left to be picked up through the DSF Focal Area 3.

**Box 4: Lessons on working with civil society**

MFP demonstrates a successful approach of working at the interface between civil society, local government and central institutions, through the use of grants and facilitation support in six regions. MFP attempted to balance top-down and bottom-up approaches: by taking any centrally based initiatives downstream to the local people, and at the same time, taking initiatives from the local levels upstream to central government. In practice, MFP enabled and strengthened government and other stakeholders to enter into a serious and constructive dialogue with one another. As Aid That Works says, "*MFP is not just about providing grants. MFP is about linking different group and different levels of government and improving their capacity to interact*".

**Achieving harmonisation**

4.40 The harmonisation of donor priorities and practices has been generally sluggish in Indonesia, with the notable success around the post-tsunami MDF where there was clear government leadership and positive early signs with the IPF (HIV/AIDS). For DFID-Indonesia's 'harmonisation flagship' (the DSF), it is still too early to draw particular conclusions.

4.41 Table 10 provides a comparison of MDF, IPF and DSF based on interviews and documentary evidence. With each instrument at a different stage of implementation such a comparison has its drawbacks. Nevertheless, the table

<sup>53</sup> This was initially a contribution through the CHASE fund, but now falls under DFID-I responsibility.

does draw out a number of interesting findings: Both the MDF and IPF demonstrate the importance of harmonising around a single, clear agenda (currently being worked out through the DSF focal areas); the central role of strong government leadership; and, the importance of a single government interface. Findings on the DSF are of course tentative, as there is still considerable political pressure to make DSF work.<sup>54</sup>

**Table 9. Comparing MDF, IPF and DSF approaches to harmonisation**

	<b>MDF (Post-Tsunami)</b>	<b>IPF (HIV/AIDS)</b>	<b>DSF (Decentralisation)</b>
<b>Agenda</b>	One donor agenda/event around which to harmonise	Single issue (HIV/AIDS epidemic)	Multiple donor interests, broad 'decentralisation' agenda
<b>Leadership</b>	Strong government leadership	Improving capacity & leadership of NAC	Fragmented leadership
<b>Institutional structures</b>	Single client interface (BRR)	Single interface (NAC) with strong ministry links (MoH)	Several ministries (MoHA; BAPPENAS; MoFin; local government)
<b>Costs</b>	Below 2% costs	High management charge (UNDP 13%)	High transaction costs, financial & non-financial (to date)
<b>Results</b>	Real, tangible projects/results	Not (yet) proven effective	Not (yet) proven effective
<b>Donor commitment</b>	Multi-donor commitments	Potential multi-donor commitments (AusAID)	No multi-donor commitments (to date) <sup>55</sup>
<b>Leverage</b>	High level leverage on programmes outside MDF	Limited leverage (to date)	Limited leverage on programmes outside DSF (to date)

**4.42 The MDF:** There is a great deal of evidence that, particularly in the first year (2005) post-tsunami aid was uncoordinated. *"With more than enough money to spend, some INGOs preferred to hold on to information as an exclusive entry point to a client population. This led to much 'vertical' reporting to donors/headquarters at the expense of 'lateral' coordination around the effective use of resources and common strategic planning within and between sectors"*.<sup>56</sup> Despite key donors like USA and Japan remaining outside a harmonized system, though minimally within the MDF, DFID's choice to channel aid through MDF (and JRF) strengthened harmonization through:

- Pooling un-earmarked funds<sup>57</sup>
- Allowing common priorities to be set by a steering committee comprising key donors and government
- Accepting that the majority of funds from year 2 (2006) onwards were on-

<sup>54</sup> The political support of the Permanent Secretary and DFID headquarters, and the legacy effect of the planned phasing out by 2011.

<sup>55</sup> Between the main evaluation visit (February-March 2007) and the finalisation of the report (June 2007), AusAID has now made a commitment to DSF and CIDA is likely to follow.

<sup>56</sup> Bennett J et al, 'Coordination of International Humanitarian Assistance in Tsunami Affected Countries' Tsunami Evaluation Coalition, July 2006, p.8.

<sup>57</sup> Some fungibility of funds creates confusion and attribution issues. For example, DFID funds infrastructure projects through MDF (co-funded) and directly through UNDP (ERTR). But UNDP also gets money through MDF, which is co-financed by BRR and partially from DFID. This is not a question of duplication, but rather of coordination and attribution, because BRR is not always able to trace and cross-reference funding sources.

- budget, directed through the BRR (with a ratio of co-financing by BRR being 1:2 i.e. for most projects, BRR contributes twice that of MDF donors)
- Were timely - DFID's final instalment in 2007 of £33m brings the total to £38.5m, and now means the MDF is 100% funded according to original pledges.
  - Allowed predictability. Full funding of MDF now allows at least 3 years for disbursements prior to closure of MDF.
  - Through strengthening joint project appraisal, allayed fears of duplication.
  - Had disproportionate influence on policy direction of BRR, and by extension local government - MDF is only 10% of total post-tsunami aid to Indonesia, but to a large extent sets the agenda for BRR policy.

4.43 Although there was no explicit DFID-Indonesia policy to work through multi-donor mechanisms in relief/recovery the approach was endorsed from the Secretary of State downwards. This approach has given DFID a high profile as a 'harmonizing' donor (£58m for recovery, almost all of which is through inter-donor bodies). It has therefore given added weight and a demonstrable impact.

4.44 Similarly, DFID has contributed to harmonisation through its rapid response to the Yogyakarta earthquake of May 2006. It was the first donor to sign a contribution agreement to the Java Reconstruction Fund established in October 2006. Although other donor pledges were in place (\$76m pledged), the first £5m (\$9.6m) from DFID enabled infrastructure and housing projects, primarily through the World Bank, to be underway before the end of the year.

4.45 In **health**, the establishment of IPF and the rapid development of NAC and its multiple partners has provided a sound basis for the harmonised response to the emerging HIV/AIDS epidemic. The only downside was a degree of resentment within MoH of the 'relaxed' funding to NAC compared with the very 'controlled' GFATM funding to MoH. According to a senior BAPPENAS official this has widened the 'gap' between NAC and MoH. It is still early days, but if the potential AusAID contribution is confirmed then this will represent a significant step in donor harmonisation for HIV/AIDS.

4.46 For **DSF** it is too early to tell. The challenge of harmonisation is in the focal areas where strategic programming could lead to a shared vision on a particular problem or issue related to decentralization and poverty reduction. At the time of the evaluation, projects were being identified in each of these Focal Areas, with only Focal Area 1 having an approved programme. These projects will then have to be appraised to ensure quality, and subsequently approved by the management committee. Certain donors have strong comparative advantage and influence in certain areas: for example, the World Bank in intergovernmental relations and fiscal decentralization. Some donors also 'fear' that as a World Bank-administered Trust Fund, the Bank may impose its own quality criteria and stringent procurement practices on the Focal Areas.<sup>58</sup> Other donor participants

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<sup>58</sup> The World Bank is perceived as dominant since it manages the Trust fund and has a substantial amount of staff seconded to the DSF. For some donors it is a challenge to abide by the standards and procedures and they feel that the Bank does not allow them to pursue their approach to combating poverty in Indonesia. The World Bank is also seen as

could then be left behind as they may have difficulty meeting the criteria and requirements. Still, a lot of the programming in the focal areas comes down to personalities, and a willingness to put aside individual donor interests (see Box 5 on donor behaviour).

**Box 5: Harmonising donor behaviour**

DFID has taken the lead in strengthening harmonization across donors and committed £30 million over four years to achieve this goal. DFID's leadership and courage in initiating the DSF is widely acknowledged and appreciated by the donor community. However, donors who are currently committed to DSF remain sceptical about the chances for its success. A number of key issues emerge:

- **The level of harmonization is strongly dependent on donors' flexibility** in their respective strategies, programmes and resources. Furthermore, the creation of joint donor procedures, for example on procurement and audits, may meet headquarters' resistance due to concerns about accountability. If audits and procedures for procurement are laid down by the home country and approved by Parliament, then this will be very difficult to change. This is the case for some bilateral donors, including USAID with its procurement rules that stipulate that goods must be purchased in the US.
- DSF as a vehicle for donor harmonization **may bring donors closer to shared objectives and collaboration but donors may not fully align themselves with the DSF**. There is a serious risk that donors may develop parallel programmes and distance themselves from the DSF. Pressure for disbursement of donor's resources in a given year may contribute to such behaviour. For example, AusAID supported the Sofei regional office and intends to work on a joint programme with CIDA. The Sofei regional office is, to date, not an integral part of DSF. It is not a focal area, or part of a focal area and some donors interpret this as potentially undermining the DSF. If more donors are pressured to disburse outside the DSF, then the DSF as a mechanism for coordinated donor support (a one-stop-shop for Gol) could become increasingly eroded.<sup>59</sup>
- **Some donors fear that donors' real motivation to participate in the DSF is to have access to additional funds** (provided by DFID) for programmes that they themselves cannot fund. The focal areas also run the risk of creating projects in addition to projects already being implemented – a kind of 'project factory' which is counter-intuitive to the harmonization objective.<sup>60</sup>
- **Seconded staff have dual identities:** they are on the one hand associated with the vision and deliverables of the DSF, and on the other hand represent their donor organization. This is a particular problem at the level of the focal areas where strategic programming takes place based on DSF's role and vision. While this may not represent a conflict of interest per se, some donors have been able to develop a comparative advantage within the programming process. For example, GTZ has worked in many projects at the LG level and has gained insight and experience in such areas that may not be shared by others.
- **Some donors expect the World Bank to benefit most from the DSF resources** over the next 3 years and fear that this will enable the Bank to pursue its own agenda at the costs of a shared vision and approach to decentralization.

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dominant in discussions with Gol, as they have access at the highest levels. This is sometimes an advantage, but may also mean that particular bilateral concerns are given a lesser priority by going through the DSF.

<sup>59</sup> The corollary to this is the Tsunami MDF, where despite larger sums being disbursed outside this 'harmonised' mechanism, it is still able to assert substantial leverage and influence on these 'external' disbursements. Despite this, it is still incumbent on DSF to prove itself as a credible mechanism for policy dialogue and coordination, and until then, there remains a risk of being undermined.

<sup>60</sup> A point made by the Light Touch Review (page 3).

4.47 The most important and urgent issue from the donors' perspective is the unconditional 'buy in' from Gol. There are many factors limiting government ownership of the DSF. Firstly, they were not involved at the inception of DSF (under Phase 1) and have only very recently been represented at the Management Committee meetings.<sup>61</sup> As the DSF is not a legal entity, the Gol are presently uncertain about how to relate to the DSF. This reduces opportunities for policy dialogue on decentralization and poverty reduction with Gol.<sup>62</sup> Secondly, the DSF is not accountable to Gol. Some Gol interviewees were concerned that DSF is making 'all kinds of plans for the government' but without their involvement. Furthermore, concern was expressed about how decisions are taken within the DSF, and if the Gol are not part of this process, how the DSF will meet the goals of the MTDP since the £25 million is off-budget. Thirdly, the Gol is fragmented in terms of the regulatory and management responsibilities of the decentralization agenda – split between three different Ministries (BAPPENAS, MoHA, MoFin). The DSF is faced with a difficult choice: favouring a particular Ministry would undermine DSF's harmonization process. Fourthly, DSF's success depends on whether it can become credible after the abolishment of the CGI and on working in close cooperation with the Decentralization Working Group. The latter is currently chaired by the CIDA and has formal responsibility for policy dialogue with Gol around decentralization – although this is presently in limbo due to the end of the CGI structures. And finally, improved decentralization is perceived by donors as a key issue in relation to Gol's objectives and poverty reduction, but is regarded as an overly ambitious goal. Some donors mentioned that they would have preferred a more sectoral approach to harmonization or one of joint programming based on their comparative advantages in relation to Gol's demand for assistance.

4.48 In **forestry**, the MFP did not seek to actively address harmonisation between donors, rather to facilitate government and civil society and leverage changes in the policy environment. The achievements of the MFP do now however provide a basis around which to harmonise for subsequent work, and this is being pursued. MFP is also involved with the WB through the Donor Forum on Forestry (DFF). The Bank is the convenor of this group.

### Crosscutting issues

4.49 **Mainstreaming gender:** An Indonesia-specific gender action plan is yet to be developed from the Gender Action Plan for SE Asia. There is, however, a fairly high level of gender mainstreaming within partner programmes. Highlights include:

- Within the DSF, a multi donor review of how gender is addressed by CDD programmes, with a focus on recommendations for Program Nasional Pemberdayaan Masyarakat (PNPM).

<sup>61</sup> Since the evaluation main visit (February-March 2007), the Gol has participated in the recent Management Committee meeting.

<sup>62</sup> The legal status of DSF is currently being addressed, with DFID playing an important role in taking this forwards.

- An engagement with Women's Muslim Based Organisation, through DFID's work with the Asia Foundation.
- DFID-Indonesia ensures that gender disaggregated indicators are included in all Health programmes
- PRP's focus on women migrants.
- MFP deals with gender issues in activities related to the development plan even at the grass root level.

4.50 The MDF Steering Committee was instrumental in encouraging the BRR to develop its own gender policy in conjunction with civil society. Acehese women's groups grew much closer to BRR as a result. Indirectly – but equally important in terms of gender impact – DFID was instrumental in pushing for land title issues to be in the MDF portfolio.<sup>63</sup> Nevertheless, there are still some serious omissions in MDF monitoring with respect to gender, notably within some UN programmes.<sup>64</sup> Flexibility within DFID's funding has allowed for initiatives that would otherwise not have been possible including, the Women's Peace Building Network in Aceh which was funded through the DSF 'Aceh Window'. This programme also benefited from in-house DFID social development advisor support.

**4.51 Mainstreaming HIV/AIDS:** This was for the partner agencies to decide. There is no evidence of mainstreaming of HIV/AIDS into DFID's health portfolio and it was not considered. The epidemic is at an early stage in Indonesia, and DFID's principle intervention is to strengthen the National Aids Commission in preparation for a government-led response.

**4.52 Mainstreaming environment:** There is no explicit mainstreaming policy for the environment. Up until December 2006, the senior Bangkok-based Rural Livelihoods Advisor acted as the main point of for communicating on policy issues, e.g. for Parliamentary Questions. The Senior Advisor in MFP is a programme-funded post which limits the scope to take on corporate-wide responsibilities like mainstreaming. For most of the portfolio, there is limited environmental concern with the principle direct focus through MFP, which was environmentally screened, and has funded environmental projects such as forest conservation in Leuser Reserve and waste management under UNDP's ERTR. In the humanitarian field, BRR has developed environment policies with donors participating in policy related working groups. In this respect it can be said that environment is mainstreamed in the humanitarian field.

### **Progress towards CAP objectives**

4.53 It is difficult to assess progress against a set of strategic objectives, as DFID-Indonesia does not have a formal CAP with a Part III that sets out a

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<sup>63</sup> In the early days of the tsunami reconstruction, DFID provided a strong contextual analysis of crosscutting themes, including civil society, which was to inform subsequent programming. (See: Adam Burke, "Current society and politics in Aceh: key trends, local figures, and other issues", 21 July 2005).

<sup>64</sup> "Mid-term Evaluation of the Supervision, Monitoring and Evaluation Systems and Procedures within the Multi Donor Fund for Aceh and Nias", European Union, October 2006, p.27.

performance framework. In the absence of a CAP, the Vision Paper 2004-2011 provides the main strategic overview. The Vision Paper sets out six, three-year commitments for the period 2004-2007, and these provide a set of objectives against which to measure progress (see table below).<sup>65</sup>

**Table 10. Assessment of Vision Paper commitments, 2004-2007**

Objectives	Indonesia Progress (CPE assessment)	DFID Contribution (CPE assessment)
1. Promote Government of Indonesia leadership on harmonisation for improved development effectiveness.	<p>This is a broadly defined objective that is problematic to assess even in very general terms. There is also a wide variance between 'sectors'. For example:</p> <p>(i) <b>High (humanitarian)</b>: Structures setup by the government for the purpose of improving harmonisation generally performed well (e.g. BRR; JRF).</p> <p>(ii) <b>Modest (governance)</b>: Fragmented Gol leadership for decentralisation with responsibilities shared between 3 ministries, as well as local government. The commitment of Gol to harmonised donor approaches to governance/ decentralisation (e.g. DSF) remains ambivalent.</p>	<p>Again, it is necessary to assess DFID's contribution by 'sector':</p> <p>(i) <b>Substantial (humanitarian)</b>: DFID has supported harmonised approaches though structures set up for this purpose (MDF).</p> <p>(ii) <b>Modest (governance)</b>: DFID has made a significant contribution to establishing DSF, although DSF's contribution to harmonisation (&amp; Gol leadership in this area) remains unresolved. Gol itself is fragmented over regulatory responsibilities for decentralization, and the Donor Working Group on Decentralization is the formal channel for policy dialogue.</p> <p>(iii) <b>Low (health)</b>: The rationale behind the LIP approach means that DFID does not engage directly with Gol, so DFID's contribution to Gol leadership is less visible &amp; difficult to substantiate.</p> <p>(iv) <b>Low (forestry)</b>: MFP has not sought to explicitly improve Gol leadership on harmonisation. This may change with the follow-up to MFP that may be funded through a multi-donor programme.</p>
2. Develop a joint Country Strategy with the World Bank and ADB.	<b>N/A.</b>	<p style="text-align: center;"><b>N/A.</b></p> <p>A formal joint Country Strategy with the World Bank and ADB never materialised. DFID continues to work closely with the World Bank (DSF, MDF), and it is widely accepted that a joint strategy is no longer appropriate.</p>
3. Develop the Local Services Platform and encourage other donors to join.	<p style="text-align: center;"><b>Low.</b></p> <p>This objective is difficult to assess in terms of Indonesia's progress. This is because the objective relates to an output (the creation of the LSP) rather than a development outcome that can be measured in terms of Indonesia's progress and DFID's contribution to that progress. In terms of Government involvement and its contribution to developing the LSP (now DSF), this is generally regarded as low.</p>	<p style="text-align: center;"><b>High.</b></p> <p>The Local Services Platform (LSP) concept evolved into the Decentralised Support Facility (DSF). DFID is the major driver behind the DSF, and currently the only contributor (£25 million over 3 years). Many donors are committed to the principles of donor harmonization (e.g. through the Focal Areas), but DSF still has to prove its added value in terms of a significant contribution to decentralisation and poverty reduction in Indonesia. The establishment of DSF and getting donor commitment has taken longer than anticipated, and results not yet visible.</p>

<sup>65</sup> In the absence of other objectives, it is assumed that the "three-year commitments" provide a reasonable benchmark. Indeed, these were used to assess progress at a recent country office retreat (November 2006).

## Programme Effectiveness

<p>4. Implement low intensity partnerships to address failing MDGs.</p>	<p style="text-align: center;"><b>High.</b></p> <p>It is assumed that this objective relates specifically to health. The objective is difficult to assess for Indonesia, because 'implement low intensity partnerships' is an activity, whereas 'addressing failing MDGs' refers to a longer-term development impact. In terms of Indonesia's progress against the off-track MDGs and the implementation of LIPs, progress can be regarded as high. It is nonetheless too early to expect measurable changes in MDG indicators.</p>	<p style="text-align: center;"><b>High.</b></p> <p>DFID has made a significant contribution to the formation of Low Intensity Partnerships (LIPs) and specifically: (i) the IPF with the National Aids Commission (NAC), and; (ii) partnerships with GTZ and UNICEF to address maternal mortality. Therefore, although very early in the process in terms of a contribution to addressing the off-track MDGs for HIV/AIDS and maternal mortality, this objective is rated as high.</p>
<p>5. Establish a mechanism to support CSOs within the framework of the LSP, and support the creation of an effective enabling environment.</p>	<p style="text-align: center;"><b>Modest.</b></p> <p>The DSF as a fully functioning mechanism is still 'work in progress'; Focal Area 3(a) has been established to support CSOs but it remains at an early stage.</p> <p>In other areas, there is significant CSO support through SPADA, CPRU, ERTR and PRP projects. Funding for conflict aspects of these programmes is through the DSF 'Aceh Window' with the main (non-conflict) programme receiving direct DFID funding.</p>	<p style="text-align: center;"><b>Substantial.</b></p> <p>DFID has made a substantial contribution to DSF Phases I and II, including seconded staff. The extent, to which CSO's are represented at the DSF and how they can voice their needs, is not yet clear. Focal areas 3(a) and (b) are both attempting to address this problem.</p>
<p>6. Work to integrate the majority of the core team and programmes under the LSP by 2007/8.</p>	<p style="text-align: center;"><b>N/A.</b></p> <p>This is an inward looking objective that refers to the Country Office's internal management. It is therefore not appropriate to assess in terms of Indonesia's progress.</p>	<p style="text-align: center;"><b>Modest.</b></p> <p>In terms of the <i>core team</i>, two advisors are integrated under DSF, but other posts remain under the Country Office – except MFP, which is due for closure.</p> <p>In terms of the <i>country programme</i>, the decision to fund DSF, and no bilateral programmes, means that over time the portfolio becomes increasingly concentrated around DSF. Yet, a significant proportion of resources continue to fall outside DSF, under health, recovery and reconstruction, and the integration of existing programmes (MFP, PRP) into DSF has not been achieved.</p>

Notes: Assessment by the evaluation team using a four-point scale: High → Substantial → Modest → Low.

4.54 There are several key messages to draw from this analysis. Firstly, the assessment of progress in Indonesia (column one) is mostly rated low/modest or 'not applicable'. This is because several of the country strategy objectives are inward looking, concerned either with DFID's internal management (e.g. integrate the core team under LSP), or activities/outputs delivered by DFID (e.g. establish the LSP/DSF; implement LIPs). These are not development objectives (outcomes/impacts). The only possible exception is health, but even here there is disjuncture between on the one hand 'implementing LIPs' and on the other hand, 'addressing failing MDGs'.

4.55 Secondly, the assessment of DFID's contribution (column two) is mainly higher, being rated modest/substantial/high. Here, DFID has made a significant contribution in implementing LIPs in health (objective 4) and establishing the LSP/DSF (objective 3). As a measure of DFID's performance however, the objectives do not permit a robust assessment of DFID's effectiveness in



achieving improved harmonisation, aid effectiveness and addressing health outcomes.

### Sustainability

4.56 It takes considerable time for results in terms of improved governance and pro-poor policy change to prove sustainable over the long term. DFID's support to the Partnership has yielded some positive results in terms of anti-corruption measures, civil society, legislative changes, etc (see paragraphs 4.16 to 4.17 ). Yet, it takes time to ensure that these changes are beneficial over the longer term. Likewise, it has taken MFP years to establish the necessary networks and political capital to enact policy change (paragraph 4.22 ). Indeed, for many this is precisely the time when follow-up work is required, such as to ensure that the national policy changes achieved under MFP are now adopted and incorporated into local regulations.

4.57 The decision to shift the portfolio away from bilateral funding means that over the period 2004-2006 the country portfolio has become increasingly dependent on the success of DSF Phase II. At the time of writing the country strategy in 2004, the DSF was a new and rather undefined instrument and yet it was assumed that the DSF could accommodate follow-up to several existing programmes. In the end, this assumption proved incorrect, especially given the highly experimental nature of DSF. Specifically it was not correct to assume that: (i) DFID funds in DSF would cater for the financial needs of second-generation programmes or other follow-up work, e.g. the £5 million originally allocated for MFP, (ii) Gol would agree with such approach; and, (iii) current DFID projects would be a 'good fit' to the DSF. Therefore despite the effectiveness and impact of programmes like MFP and IndoPov, sustainability could have been better guaranteed in the 'handover process' (see examples in paragraph 4.59 below). It thus seems incumbent on any future country strategy to place greater priority on addressing DFID's own 'good practice principles' for transforming or closing bilateral programmes.<sup>66</sup> These include:

- Partner participation: The briefing states, "*With any form of transition, the guiding principle is that transforming the development partnership depends on working with your partners at all stages of the process*". Contrast with paragraphs 3.32 and 4.16 .
- Assessing performance: "*DFID needs to regularly assess partner country needs and our programme performance in order to make judgements*".
- Communication: "*DFID needs to involve partners wisely*", and, "*it is beneficial to invest time and resources in aligning the whole DFID office behind the decision*". Contrast with paragraph 4.60
- Risk management: "*DFID's reputation in the partner country, and our future opportunities and relationships with other donors, are all put at risk by the decision and process of closure*".

<sup>66</sup> See: "Good practice in transforming or closing bilateral programmes", A DFID Practice Paper, July 2006.

- Managing the transition: “...to plan and prepare well and to have effective management resources available”. Contrast with paragraph 3.12
- Sustaining the agenda: “A gradual process of closure can allow time for consultation with partners about the future of DFID financed initiatives. It also enables staff to arrange for the transfer of established projects...”

4.58 Furthermore, to place too much emphasis on the aid modality of MFP as a bilateral programme tends to undermine its potential value-added as an approach. Indeed MFP has much to offer DSF in terms of a decentralised and multi-stakeholder approach to development. DSF, while being heralded as a ‘new modality’, still tends to follow the present approach to decentralisation in Indonesia – to be largely centrally driven as well as more oriented to the region or province rather than the district level, as is the current situation with the replacement of Law No. 22/1999 with Law No. 32/2004.

4.59 As a consequence of DFID’s strategic decision to focus on LSP/DSF, the country office limited the options by which it could invest in its own success, i.e. investments based on actual performance. It is not that the decision was necessarily incorrect, but that far greater attention could have been paid to exit strategies and especially communication with partners. Furthermore, where monitoring and evaluation evidence is weak, there is more likely to be an underlying tendency towards the next corporate imperative - rather than balancing this with building on evidence of success and results in a particular country context. Nevertheless some of the lessons from the existing portfolio will continue albeit in different forms. For example, aspects of MFP are likely to become incorporated in the forthcoming FCO/DFID programme on climate change, while the IndoPov component has obtained limited funding under a Dutch Trust Fund. MFP has also put considerable effort into addressing sustainability issues prior to closure, including the systematic gathering of evidence around impact, and the setting up of ‘Local Foundations’ to continue funding the work. It is however too early to judge the extent to which these foundations will continue the work.

4.60 Communication with government and partners around closure has not always been well timed or well managed. As programmes reach the end of their allotted period it is essential that partners are clear about DFID’s decisions. This provides partners with the necessary information to plan follow-up work, scaling-up, exiting or other means to ensure that benefits are continued into the future. The uncertainty, and to some extent anxiety created, is apparent across many aspects of the DFID portfolio, from MFP to PRP, and the Partnership for Governance Reform. For MFP, the Gol partner has in general accepted the programme’s closure but still finds this difficult to reconcile with MFP’s perceived success - a message strongly confirmed by DFID itself. Bilateral funding is a clearly understood instrument, yet there is a lack of clarity about DFID’s country strategy and why it is no longer possible to advocate for another bilateral programme. For PRP, several interviewees expressed concern that DFID had chosen to invest in this programme and yet now seem disinterested despite its relative success. It is not necessarily that partners are seeking follow-up

programmes, but they were concerned at DFID's apparent laissez faire attitude to ensuring that successes are continued in some form or another. For example the PRP funding of IndoPov is seen as highly successful but largely left to be picked up by the Dutch and then with only limited funding. The humanitarian/recovery portfolio is also largely defined by closure rather than continuity. For example, OCHA expressed concern that DFID's decision to discontinue funding for ERF was not clearly outlined. While this is contested by DFID, the evaluation team were unable to find supporting documentary evidence. ERF was designed as a 'revolving fund' to address Indonesia's frequent natural and political humanitarian needs - not solely for the tsunami but for Indonesia as a whole.

4.61 These communication issues are also highly relevant for the present portfolio, such as the institutional sustainability of NAC and the scaled-up response necessary at this stage of the HIV/AIDS epidemic. This depends on funding, either commitments from other donors, as envisaged in the design, significant Gol increases in funding, and/or further DFID funding.<sup>67</sup>

**Box 6. The sustainability of Multi-Donor Funds for reconstruction**

Despite the MDF's marked success in leverage with BRR, the latter is a short-lived entity created by a Presidential decree and due to close in April 2009. Investment in the hand-over of the BRR, and by extension, MDF, programmes to local government is underway, but stakeholders are acutely aware of pending problems with respect to Acehnese governance and capacity issues. More than US\$ 2.5 billion worth of projects are to fall under the remit of Provincial and District authorities, which will have had less than three years to be reconstituted after the tsunami.

The distortions in the national political economy are amplified in Aceh: mid-level government ministry departments are driven by project funds, and the incentive to harmonize is lacking. Here, capacity building is often built into projects. At higher levels of government, capacity building from the BRR may be treated with suspicion; but if done through donors, it could be more acceptable. Given that the management and recurring costs of some post-tsunami projects will be a huge burden on local government, the MDF, with its project focus, is at present ill-equipped to address the challenge.

4.62 Finally, the lack of sustained inputs over a period beyond the usual 3-4 year cycle can have negative impacts for the poor. For example, the UNICEF and GTZ maternal health programmes are building sustainability, strengthening national, provincial and district health planning and budgeting capacities and scaling-up, but only a minority of districts will be ready to 'graduate' after this phase of funding. Those districts with the weakest capacity, poorest populations and most remote areas are unlikely to 'graduate' within this period – a bias that tends to favour the more capable local governments.

<sup>67</sup> No DP has yet committed to join the IPF, but AusAID are considering a proposal to contribute Aus\$ 1m per year for 5-8 years, possibly with conditionality.

### Summary of findings

- \* The Indonesia portfolio has performed reasonably well over the 2000-2006 period, with potential 'successes' most likely to occur through the MDF and health portfolio – and clear impact already achieved through PRP and MFP. Nevertheless, the flagship programme (DSF) remains a considerable risk.
- \* It is difficult to draw direct comparisons between different aid instruments, but:
  - o The MDF has shown that it can be an instrument for considerable leverage beyond the trust fund.
  - o LIPs demonstrate a successful 'more with less' approach, valued for their flexibility, size and good targeting.
  - o MFP demonstrates how bilateral programmes can succeed in moving forward policy and governance in a difficult political environment.
- \* In terms of relationships, DFID-Indonesia has been largely distant from government. Improving bilateral dialogue – now being addressed with the introduction of regular bilateral talks with Gol - may help forestall emerging problems and lead to greater cohesion.
- \* As the portfolio shifts towards working through partners (health, DSF), the interaction with civil society will be increasingly distant and by proxy.
- \* Harmonising donor practices has been sluggish in Indonesia, with notable exceptions through the MDF and positive signs for the HIV/AIDS IPF. While it is too early to judge the effectiveness of DSF, there remains a considerable challenge to achieve harmonised, strategic programming plus an urgent need to achieve 'buy-in' from government.
- \* Harmonisation appears to have been more effective where there is: (i) a clear, single agenda round which to harmonise; (ii) strong government leadership on this agenda; and, (iii) a clear institutional setup which creates a single interface with government.
- \* Across the country portfolio as a whole, it is difficult to assess performance. The objectives of the Vision Paper, the equivalent to a CAP, are mainly inward looking, concerned with either DFID's internal management or activities/outputs delivered by DFID. As such, there is a need for a clearer objective structure with indicators to measure outcomes over a three-plus year horizon.
- \* Over the evaluation period, the portfolio has become highly dependent on DSF Phase II, for which effectiveness is uncertain, and this predominance appears to have limited the options to 'invest in success' based on actual results or past performance.
- \* In several cases, communication around the exit process has left considerable uncertainty - and a potential lack of sustainability, as partners have been unclear about plans for follow-up, scaling up, exiting or other means by which benefits could continue into the future.

## 5. Development Progress

5.1 This chapter provides an overview of Indonesia's social and economic progress, including progress towards the MDGs and Public Service Agreement (PSA). The chapter also considers DFID's contribution to aid effectiveness in Indonesia.

### MDG progress

5.2 The table below summarises Indonesia's progress towards the MDGs. It shows that while many are on target, significant intractable problems remain. In particular, Indonesia fares less well against MDG 1 (child nutrition), MDG 5 (maternal mortality), MDG 6 (HIV/AIDS and TB), and MDG 7 (forest loss; access to safe drinking water and sanitation). There are also significant regional disparities.

**Table 11. Progress towards Millennium Development Goals**

MDG	Indonesia Progress to 2005
<b>One</b> Eradicate extreme poverty and hunger	<b>Potentially off-track.</b> Population below \$1 per day consumption is ahead at 7.5% (2002). Progress towards <b>MDG 1</b> (child nutrition) is however off-track, though the rate of decline is moderate and severe malnutrition seen between 1989 and 2000 has been halted and partially reversed.
<b>Two</b> Achieve universal primary education	<b>On-track.</b> Net enrolment ratio in primary education (both sexes), 94.3 percent in 2004. This is ahead of the target.
<b>Three</b> Promote gender equality and empower women	<b>On-track.</b> Gender Parity Index for primary level enrolment at 0.98 in 2004. This is ahead of the target.
<b>Four</b> Reduce child mortality	<b>On-track, but significant regional variations.</b> Infant and under-five mortality rates of 35 and 46 per 1,000 live births suggest Indonesia may be on track to achieve MDG 4 (child mortality). However, regional variation in both these figures is high and infant mortality is three times more likely to occur among the poorest than it is among the richest. Newborn deaths (in the first month of life) account for 45% of under-five deaths. <sup>68</sup>
<b>Five</b> Improve maternal health	<b>Significantly off-track.</b> The rate of decrease between 1991 and 1995 has slowed, as has the rate (MMR) of increase in skilled attendance at birth. On current trends Indonesia's MMR will be 226 per 100,000 live births compared to its target of just over 100 per 100,000 live births. <sup>69</sup> Indonesia is also far behind several regional neighbours in progress towards MDG 5, e.g. Malaysia (<50/100,000 live births) and Vietnam (<100/100,000 live births).
<b>Six</b> Combat HIV/AIDS, malaria and other diseases	<b>Potentially off-track.</b> Indonesia is on the brink of a rapidly escalating HIV/AIDS epidemic and already has a generalised epidemic in Papua. <sup>70</sup> Indonesia has the third largest TB caseload in the world and the numbers are increasing. Conversely, HIV/AIDS prevalence is reportedly low, but as seen in other places in the world these two diseases are often related. UNAIDS estimates that 170,000 people are living with HIV in Indonesia today.
<b>Seven</b> Ensure environmental sustainability	<b>Off-track.</b> MoF data (2006) indicates that <b>forest degradation</b> is about 54.6 million hectares. Forest loss in Indonesia is almost 1.9 million hectare per year, followed by Myanmar, Cambodia, the Philippines, Malaysia and the Democratic People's Republic of Korea. <sup>71</sup> Access to <b>safe water and sanitation</b> in rural areas is only 48%, against 78% in urban areas. Eighty percent of the rural poor and 59% of the urban poor do not have access to septic tanks, while less than 1% of all Indonesians have access to piped sewerage services.

<sup>68</sup> Source: BAPPENAS: *Indonesia's Progress Report on the MDGs*, 2005.

<sup>69</sup> Source: UNICEF: *First annual report*, January 2007.

<sup>70</sup> Source: NAC: *Scaling-up the Indonesian AIDS Response*, January 2006.

<sup>71</sup> Source: FAO (2007), *State of the World's Forests*.

5.3 The indicators used to measure MDG 1 tend to mask the complexity and depth of poverty in Indonesia. For instance, Indonesia compares favourably against Target 1 (i.e. to halve, between 1990 and 2015, the proportion of people

**Table 12. Summary of regional progress for MDG 1**

	1990: % below US\$1/day	2000: % below US\$1/day	2000: Population (millions)
Indonesia	20.6	7.2	15.3
Myanmar	(no data)	23	11.4
Vietnam	51	13.6	10.9
Philippines	19	13	10.4
Cambodia	49	36	4.5
Laos	53	35	1.9

Source: Discussion Paper on MDGs (DFIDSEA 2004).

whose income is less than one dollar a day); with poverty having fallen from 20.6 percent in 1990 to 7.2 percent in 2000. This is much lower than the average for South East Asia in 2000 (37 percent), as well as other neighbouring countries. And yet, the actual numbers of poor people is much higher in Indonesia than regionally (see table), estimated at 15.3 million for the one-dollar a day measure and 40 million below the national poverty line. Poverty in Indonesia is characterised by vulnerability, with 50 percent of the population – more than 100 million people – on less than \$2 per day. Large numbers of people frequently move in and out of poverty, as was evident in the fact that poverty increased in 2006 despite strong economic growth, due to an increase in rice prices.<sup>72</sup>

#### Assessment of progress towards PSA targets

5.4 The Public Service Agreement targets 2005-2008 reflect DFID's corporate perspective on the MDGs over the medium term. The table below sets out the PSA targets covering poverty, education and health in Asia, with an assessment of progress in Indonesia and DFID's contribution to that progress.

<sup>72</sup> *Making the New Indonesia Work for the Poor*, World Bank, 2006

Table 13. Assessment of DFID's contribution to PSA targets, 2005-2008

PSA OBJECTIVE II: PSA Target 2: Reduce poverty in Asia (2005-08)	Progress in Indonesia (CPE assessment) [Ahead → On course → Slippage] <sup>73</sup>	DFID contribution (CPE assessment) [High → Medium → Low contribution]
1) A reduction in the proportion of people living in poverty of 5 percentage points in East Asia and the Pacific against the 1999 baseline.  <i>Baseline 18.6% est. (1999)</i>	<b>Ahead</b> , though actual numbers of poor people, malnutrition and vulnerability remain high. There are also significant regional differences.  1996: Population below \$1 (PPP) per day consumption, 13.9%  2000: 7.2% 2002: 7.5%	<b>Low.</b> Indonesia is not an aid dependent country, and DFID is a relatively small donor. Given this, and that much of DFID's portfolio addresses poverty indirectly, a rating higher than 'low' would not be expected. This is not the same as saying that DFID does not make a contribution to poverty reduction – only that given the indirect approach, attribution is low.
2(a) An increase in net primary school enrolment by 8 percentage points against the 2000 baseline.  <i>Baseline 81% (2000)</i>	<b>Ahead.</b> 2000: Net enrolment ratio in primary education (both sexes), 93.9%  2001: 95.0% 2002: 95.3% 2003: 94.6% 2004: 94.3%	<b>N/A.</b> MDG targets in education are ahead, and DFID does not specifically address Education.
2(b) An increase in the ratio of girls to boys by 5 percentage points.  <i>Baseline 84% (2000)</i>	<b>Ahead.</b> 2000: Gender Parity Index in primary level enrolment, 0.97  2001: 0.98 2002: 0.98 2003: 0.98 2004: 0.98	<b>N/A.</b> MDG targets in education are ahead, and DFID does not specifically address Education.
3(a) A reduction in under-5 mortality rates for girls and boys by 24 per 1000 live births.  <i>Revised baseline: 81.3 deaths per 1,000 (2000)</i>	<b>Ahead.</b> 2000: Children under five mortality rate per 1,000 live births, 48  2004: 38 <i>(This is the most up to date figure, with the next DHS in 2007/2008).</i>	<b>Low.</b> This is an on-target MDG, and not specifically addressed by DFID. DFID's work on polio does not significantly affect child mortality.
3(b) An increase of 15 percentage points in the proportion of births assisted by skilled birth attendants.  <i>Baseline 41%(2000)</i>	<b>Slippage</b> , but data unreliable. 2004: Births attended by skilled health personnel, 71.5%  2006: 66.3 % <i>(Although MoH measured this in a slightly different way. The next comparable figures will be the 2007/08 DHS (UNICEF)).</i>	<b>Medium.</b> The attribution of DFID's contribution to increasing the proportion of births assisted by skilled birth attendants is highly problematic. However, through Low Intensity Partnerships (LIPs) with UNICEF and GTZ, DFID is helping to improve services in 33 districts.
4(a) Prevalence rates of HIV infection in vulnerable groups being below 5%.	<b>Potential slippage</b> – too early in epidemic to predict accurately.  2001: People living with HIV, 15-49 years old, 0.1%  2003: 0.1% (male-female ratio 4.7:1) 2005: 0.1% <sup>74</sup> 2006: 0.17% (1.03% for Papua-IJB) <sup>75</sup>	<b>Medium.</b> DFID has made an important contribution to strengthening the institutional capacity of the National Aids Commission (NAC). This is generally accepted as an important step in addressing the HIV/AIDS epidemic. Prevalence rates are currently low, but Indonesia is potentially on the brink of a generalised epidemic and the potential for the MDG to remain off-track remains high.

<sup>73</sup> Criteria based on that used for DFID's Autumn Performance Report 2006 (see Annex I).

<sup>74</sup> This figure has been questioned ("Concept Paper: Support to Indonesia for HIV/AIDS 2007-2012", AusAID, Feb 2007).

<sup>75</sup> Figures from AusAID survey.

<p>4(b) A tuberculosis case detection rate above 70%.</p> <p><i>Baseline 32% (2000)</i></p>	<p><b>On course.</b> 2000: Tuberculosis detection rate under DOTS, 20%</p> <p>2001: 21.5% 2002: 30.7% 2003: 37.7% 2004: 53.2% 2005: 66% (to be published in the WHO Global TB report 2007, to be released on World TB day 24/3/07).</p>	<p><b>Low.</b> DFID contributes around £2 million to three niche areas of research and technical inputs. These are considered to be important, and will help measure progress in 5-10 years time. It is impossible to disaggregate DFID's contribution but Indonesia has surpassed treatment success targets for the past 5 years and the detection rate target was only just missed in 2005. The 2006 data is not yet finalised but may cross the 70% target.</p>
<p>4(c) A tuberculosis cure treatment rate greater than 85%.</p> <p><i>Baseline 86% (2000)</i></p>	<p><b>Ahead.</b> 2000: Tuberculosis treatment success rate under DOTS, 87.4%</p> <p>2001: 85.7% 2002: 86.2% 2003: 86.7% 2004: 90% (to be published in the WHO Global TB report 2007, to be released on World TB day 24/3/07).</p>	<p><b>Low.</b> See above.</p>

Sources: PSA Targets 2005-2008; MDG Indicators, United Nations Statistics Division.

5.5 Overall, Indonesia is achieving good progress against the PSA targets, with most ahead or on-target. There is slippage against the proportion of skilled birth attendants and potentially against prevalence rates of HIV/AIDS infection. In addition, although the headline poverty rate appears to be ahead, the measure used does not adequately capture the actual high number of poor people, the huge regional disparities and high vulnerability to economic and other shocks.

5.6 The ratings for DFID's contribution are generally low to medium. This should be expected however, given that programme resources at £30 million per annum, are too small to directly impact on PSA/MDG targets. This does not necessarily mean that DFID has made inappropriate strategic choices, but rather the links to addressing the PSA/MDG targets is indirect. Instead this analysis clearly demonstrates the importance of defining specific intermediate outcomes and measuring process indicators (see paragraph 5.54). By doing so, this will in future allow DFID to show that its selected interventions are effective and making a difference, even where the attribution to development impact and poverty reduction is weak.

### Aid effectiveness

5.7 The overall effectiveness of aid in Indonesia is difficult to assess. ODA contributions are relatively small compared to government revenue and therefore national policies and programmes can overshadow any changes. Indeed trade/exports and foreign direct investments provide many times more revenue than aid. The effectiveness of aid in Indonesia will therefore need to increasingly be judged against the adoption, and scaling-up, of innovative, pro-poor approaches, programmes and policies.

5.8 As already demonstrated (paragraphs 5.4 to 5.6), DFID's direct contribution to development progress has been low to modest. Yet, in terms of aid effectiveness, DFID-Indonesia has made some significant and courageous contributions. However these contributions have been offset by insufficient



attention being paid to ensuring long-term predictability<sup>76</sup> and re-investing in results. A World Bank statement recently highlighted that, “*over one billion dollars has been invested in development assistance to Indonesian forestry in the past two decades by more than forty donors. Yet, management and governance continue to be weak and forest continues to be lost*”.<sup>77</sup> While undoubtedly there is still a long way to go, MFP has at least achieved more than most in its contribution to governance and poverty reduction through direct activities with civil society, local government and local people. In health, DFID has also taken the lead by strengthening the institutional capacity of NAC – an institutional setup widely regarded as necessary to effectively address the HIV/AIDS epidemic. The Partnership for Governance Reform has achieved some visible results since its creation and is perceived by donors as a valuable Indonesian partner for making progress on the governance agenda.

5.9 Indonesia will continue to be subject to periodic disasters and all donors are aware of the need to retain flexibility within their portfolio to respond appropriately to events as they arise. Arguably, the relatively large humanitarian and recovery portfolio has given DFID-Indonesia a ‘footprint’ that: (i) enhances its profile vis-à-vis other donors, and (ii) provides an entry point to broader discussions with partners and government over issues like governance. In evaluative terms it would be difficult to quantify the implied degree of leverage, but there is evidence that the accumulative effect of the international responses to the tsunami, the opening up of Aceh and the coincidence of the reform agenda in Indonesia have been mutually reinforcing.

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<sup>76</sup> For example in health, the decision to invest in the ‘failing MDGs’ is only now (after 3 years) beginning to show results. Clear communication and a commitment to predictable, longer-term funding (whether through DFID or others) are necessary to realise the potential of such initial investments. While this is certainly true for NAC (HIV/AIDS), it also resonates with several past investments such as PRP or MFP. The Paris Declaration not only promotes harmonisation but also predictability of aid and managing for results.

<sup>77</sup> “*Sustaining Economic Growth, Rural Livelihoods, and Environmental Benefits: Strategic Options for Forest Assistance in Indonesia*”, page xvii.

**Summary of findings**

- \* While many MDGs are on-target, there remain significant intractable problems, especially in child nutrition, maternal mortality, HIV/AIDS and TB. Forest loss and access to safe water and sanitation are also off target.
- \* The headline indicator used to measure MDG 1 (eradicate extreme poverty and hunger) tends to mask the depth and complexity of poverty in Indonesia. This should be borne in mind when assessing the relevance of the DFID programme.
- \* Good progress is being achieved against the PSA targets (2005-2008), with most ahead or on-target. However, DFID's contribution is generally low, though it would be difficult to expect otherwise in a country with access to much larger resources. For DFID-Indonesia, this clearly demonstrates the importance of defining intermediate outcomes against which to measure progress.
- \* DFID-Indonesia has made some significant and courageous contributions to improving aid effectiveness in Indonesia, such as through the DSF. Nevertheless, where DFID has proved to be most effective this has at times been offset by insufficient attention to longer-term predictability and reinvesting in results.
- \* Arguably, it is the humanitarian/ recovery portfolio, plus potentially the health portfolio, that provide DFID's greatest 'footprint' to date, both in terms of improved harmonisation and aid effectiveness.

## 6. Conclusions and Lessons

6.1 The findings for the evaluation are summarised at the end of each chapter. The following chapter sets out DFID's contribution and added value, plus key lessons and recommendations for the country office and DFID headquarters.

### DFID's contribution and added value

6.2 As DFID-Indonesia seeks to develop a different 'aid relationship', with a middle-income country, understanding its comparative advantage becomes important. Underpinning the 2004 Vision Paper is a bold attempt to address the key poverty challenges of off-track MDGs and decentralisation in Indonesia *before* the cessation of the bilateral programme in 2010/11. Yet as the poverty challenge is likely to remain for foreseeable future, DFID-Indonesia is faced with rethinking its engagement – something further compounded by internal constraints on staff (headcount pressures) and resources (MIC status). Initiatives such as Extractive Industry Transparency Initiative (EITI) and cross-Whitehall working on climate change are emerging as responses to this challenge. Meanwhile DFID's added value is also important as the country programme looks to further refine its strategy, operations and resources.

6.3 In interviews with partners and government, several common themes emerged with regards to DFID's added value as a development partner. Firstly, the **flexibility of DFID's funding**, with an explicit emphasis on non-earmarked, co-funding with other donors, e.g. flexible funding to the Partnership for Governance Reform; the HIV/AIDS Partnership Fund, the ILGR grant to the WB Trust Fund to facilitate management; the MDF<sup>78</sup>. This contrasts with some donors who insist on project earmarking and sector-specific funding. At times DFID has been particularly responsive to emerging issues, such as contributions to the UNDP Trust Fund for the 2004 elections, and on humanitarian issues, for example the placement of Crown Agents procurement advisers to support BRR.

6.4 Secondly, and especially in health, funds have been not only well targeted but substantive. Partners were specifically identified where LIP investments would bring most added value, e.g. the selection of UNDP as the management agency for the IPF, and the selection of UNICEF and GTZ's whose strong existing maternal health projects provided the opportunity to invest in scaling up.

6.5 Thirdly, DFID exhibits **professional, innovative 'thinking' and leadership** on key development issues. Several development partners claim that no other donor would have taken, or been able to take, the lead on donor harmonisation through the DSF. Such initiatives are nevertheless the result of more than just the quality of DFID's advisors. Unlike most other bilateral donors, where development goals are subsumed within their national foreign policy, DFID stands as a separate department focused on poverty reduction with political support from the highest levels of the UK government. This makes a difference. In dealing with Muslim-based organisation in Indonesia for example, The Asia Foundation cite DFID's approach as fundamentally different from most other

<sup>78</sup> Source: EC evaluation of MDF, plus interviews with MDF Secretariat.

donors – and instrumental in developing innovative work around a clear pro-poor agenda (under Drivers for Change, and PRP). Most other bilateral partners prefer to support TAF programmes concerned with foreign policy objectives, including ‘post-9/11’ concerns about democracy and inter-faith dialogue.

6.6 Fourthly, DFID enjoys **relative geo-political neutrality** in Indonesia. This is particularly apparent in comparison with other major donors in the region, such as AusAID, USAID and JICA. While DFID’s portfolio may be relatively small, it still has the potential to leverage other donors towards a pro-poor focus that is less compromised by geo-political interests.

6.7 There is however a tendency to underplay the value of DFID’s poverty focus, its relative independence from foreign policy, and the importance of its contribution to the development agenda. The ‘Vision for South East Asia’ envisions DFID as no longer running bilateral programmes in the region or engaging in independent policy dialogue. Instead by 2011, DFID would capitalise on the investment in harmonisation, with DFID no longer directly engaged with the national government. Other vision work also considers radical options for the region:<sup>79</sup> with no DFID country offices after 2015, but instead substantial transfers through multilateral core funds, or at second best, a regional allocation to multilateral agencies. DFID would then corporately invest more in oversight and accountability of the multilateral systems, and strengthen representation in Washington, Manila and New York. Secondments to multilateral agency country offices would take place where required.

6.8 The lessons from Indonesia show that development change requires both active, strategic engagement (PRPs, LIPs), and often an on-the-ground presence (MFP, EITI). Even in health, more advisor presence may have resulted in a greater influence on partners and GoI. UNDP’s view was that it might have assisted in lobbying for other contributors to the IPF, and GTZ felt that more advisor presence would have sharpened the poverty focus within UNICEF’s maternal health project. An experienced consultant on the NAC review team was convinced that such an enhanced presence would have strengthening the stigma and discrimination content of the national strategy and within NAC.

### Lessons

6.9 As DFID increasingly work through proxy relationships then it **should not assume an exact match between a partner’s approach and DFID’s policies and objectives** (e.g. PRP). Active engagement is required throughout the life of a partnership, involving partners in the design of interventions, as well as at critical points. This would also enable DFID to manage results more effectively and take informed decisions about continued support and exit strategies – something especially important where evidence and attribution is highly problematic.

6.10 **Low intensity does not necessarily mean low engagement**, and a balance needs to be found. Across the health LIPs, this has been generally well

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<sup>79</sup> “Vision for DFID’s work in South East Asia”, DFIDSEA.

managed, but some additional intensity, including staff time at critical points, could potentially reap greater results. Recent work under EITI demonstrates the importance of on-the-ground engagement especially when working with government.<sup>80</sup>

6.11 Harmonisation is difficult to achieve on a grand scale, and the political, and sometimes personal, behaviour of donors can undermine courageous attempts by individual donors. **Harmonisation without the buy-in of government runs the risk of alienating government and individual development partners.** It is therefore important to balance and sequence the objectives of the Paris Declaration – a declaration that sets out much more than harmonisation including government ownership and the predictability of aid.<sup>81</sup> For the DSF, the risk of alienating government could have serious consequences for DFID's profile and reputation in Indonesia. It is therefore essential that DFID-Indonesia manage this risk, using for instance a more active dialogue with government to offset the high political risk – something that is beginning to be addressed.

6.12 Indeed, **as DFID increasingly 'works at a distance'**, through low intensity partnerships, multi-donor trust funds and harmonisation through the DSF, **there is a tendency to become disengaged from government.** While direct involvement may be better achieved through one of DFID's partners, e.g. the World Bank's access to high-level government, it is still essential that DFID maintain a bilateral dialogue with government, for example with BAPPENAS. DFID otherwise has limited accountability to the national government of the country in which it operates.

6.13 Across the portfolio, sustainability has not been ensured in the 'handover process' especially with the advent and dominance of DSF including IndoPov and MFP. While forward-looking, strategic decisions are important to rationalise and shape the future portfolio, the existing programme of interventions are still operational – and mostly within the life of the forthcoming 3-4 year strategic cycle. It is therefore important that **the country programme should invest more in its own successes, based on performance.**

6.14 As DFID becomes increasingly removed from direct project interventions, different approaches to M&E should be considered. The focus on **harmonisation, aid effectiveness and leveraging policy change, requires more innovative approaches to M&E.** By working through new aid modalities and partners, DFID's M&E role becomes twofold: (i) to ensure the partner or instrument (e.g. MDF) implements activities/ projects that are *results-focused*; and, (ii) to measure and manage the process of establishing an *effective* partnership or aid mechanism (e.g. DSF, MDF). The latter is likely to require more emphasis on process indicators, as well as testing the inherent assumptions behind instruments – are multi-donor funds really more effective?

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<sup>80</sup> Following slow initial progress, a secondee based in the World Bank has been appointed to take forward the EITI. In terms of working with stakeholders in government and elsewhere, then it is said that this has already made a difference

<sup>81</sup> In a review of five countries, Beloe, T. (2005) also notes that, "*the second most persistent and partial interpretation of the Paris Declaration is that it is about donor coordination. Although there is a strong focus on donor coordination within the declaration – it is again only part of it*".

6.15 DFID's new 'way of working' increasingly makes it more problematic to attribute investments directly to poverty reduction and the achievement of the MDGs. **Improved performance measurement is essential to ensure accountability, to assess value for money, and manage the portfolio more effectively.** The gap in systematic evidence of outcomes, especially over a three-plus year horizon, is a key omission – though it is now being addressed with the Performance Framework and Delivery Plan.

### Recommendations

6.16 The recommendations set out here are primarily directed towards DFID-Indonesia. They follow from the findings and lessons in this evaluation and build on points raised across the portfolio.

#### Recommendations for DFID-Indonesia:

- If multi-donor mechanisms are the preferred approach, **greater attention, backed by technical assistance, should be given to process indicators that measure the output/ purpose of the mechanism itself**, not just the projects within the mechanism. *Recommendation: Work with DFID headquarters, or use technical assistance, to develop process indicators and appropriate methods for monitoring different aid mechanisms.*
- Given that DFID-Indonesia's current portfolio is less directly attributable to impacts on poverty reduction and the MDGs, **more attention needs to be paid to defining intermediate outcomes that can be measured over the medium term.** *Recommendation: Update the current Vision Paper, and develop a clear objective structure so that progress can be measured over a 3-5 year period.*
- The portfolio is becoming more risky as it depends to a greater extent on fewer interventions, and especially the DSF. DFID-Indonesia needs to **consider different options for mitigating and managing this risk.** This may include: engaging in a more active bilateral dialogue with Gol (see below), diversifying the portfolio away from DSF (given that the assumption of merging programmes under DSF did not transpire), and, focusing on managing partnerships throughout their life-cycle (see below). *Recommendation: Set in place, resource and manage a risk mitigation strategy that addresses risks across the portfolio.*
- As DFID focuses increasingly on DSF and achieving harmonisation, then it **becomes more (not less) important to reinvigorate the bilateral engagement with Gol.** This has already started and it is essential that DFID-Indonesia remains active, explaining to Gol DFID's strategy/objectives and choice of programmes - thereby building a relationship based on mutual trust and understanding. *Recommendation: Continue to seek and develop opportunities to engage in bilateral dialogue with Gol on a regular basis.*
- Low intensity and other forms of partnership can be used effectively, especially with the right choice of partner. Nevertheless, **partnerships can require more active engagement throughout their life cycle**, with ways to monitor performance and the resources in terms of staff and funds to ensure the appropriate level of management. Options to empower advisors to make

strategic, relatively inexpensive interventions should also be considered; for example access to 'smaller pots of money' alongside larger, multi-year programmes. *Recommendation: Identify key partnerships for the coming years, with assigned responsibility and resources to manage these relationships.*

- Off-target MDG progress in health will require **longer term funding to be effective and to build on the early promise of the initial investments**, especially in maternal health and HIV/AIDS. *Recommendation: Assess progress and the potential for follow-up (3+ year) programmes in maternal health and HIV/AIDS, or seek alternative ways to ensure longer-term funding commitments, e.g. lobbying other donors.*

- **Country programmes that fall below the threshold requirement for a full CAP should still adhere to some basic standards.** Any future country strategy should include a sound analysis, including in-depth analysis of the political economy, especially when embarking on new areas. Provision should also be made for a clear objective structure with indicators (see above). *Recommendation: Update the Vision Paper (as planned for late 2007) with an appropriate level of political-economic analysis, assessment of partnerships, and a performance framework.*<sup>82</sup>

- **The 'recovery' and conflict-related elements of the portfolio should be more effectively incorporated into any future country strategy** based on decisions around the choice of partners and the scope of work. *Recommendation: Re-assess the strategic relevance of on-going interventions/partnerships in post-emergency work, and incorporate subsequent decisions in an updated country strategy.*

#### Recommendations for DFID headquarters:

- Ensure that the **scope and objectives of ISP funding for UN and Red Cross agencies, for instance, are better understood by country offices** and that partners are able to demonstrate added value of this core funding to better performance on-the-ground. *Recommendation: Consider ways in which country-level funding can be used to complement and inform ISP funding, so that multilateral effectiveness is improved on-the-ground.*

- **Make provision for Middle Income Countries that fall outside the BRIC strategy/support**, using lessons learnt from existing and new forms of engagement around trade, climate change, etc. For example, are there lessons to learn from DSF about the preconditions necessary before embarking on donor harmonisation? *Recommendations: Develop appropriate support mechanisms for country offices involved in new forms of engagement and develop 'mature aid relationships' building on the work of DFIDSEA.*

- **Consider options for replicating the MFP approach in other fragile (or weak) states**, based on DFID's guide to good practice (Principle 10: Lesson-learning and institutional memory). *Recommendation: Regional directors and*

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<sup>82</sup> The CAP guidance identifies a mandatory minimum of: Part I – Poverty context; Part II - UK Partnership Plans over the Poverty Strategy period; Part III - Performance Framework and Delivery Plan; and, Part IV - Statistical annex.

*Evaluation department could play a lead role in developing lessons and approaches for future work in other countries.*

- **Take a strategic approach to developing cross-Whitehall working.** While clearly there is strong political backing for intergovernmental working, DFID should ensure that its pro-poor agenda does not become sidelined at the country-level. This is especially important for the coming years, as the size of the country programme is expected to decline. New ways of working should be explored, such as retaining some in-country advisory capacity to support policy-making in areas such as trade, climate change and conflict. *Recommendation: In conjunction with EMAAD, develop a clear strategy in preparation for the planned phasing out of the country programme to ensure that inter-governmental work is given sufficient priority and resources within DFID.*



# EVALUATION OF DFID COUNTRY PROGRAMMES – COUNTRY STUDIES PROGRAMME 2005-6

## TERMS OF REFERENCE FOR CONSULTANCY ASSISTANCE

### 1. Introduction

- 1.1 DFID's Performance management system is supported by periodic independent evaluations at project, programme, sector and thematic level. A recent NAO report suggested that performance management could be strengthened by periodic evaluation of DFID's country programmes (CPEs).
- 1.2 DFID's Evaluation Department (EvD) has recently undertaken independent pilot studies in four countries during which an evaluation framework evolved. This framework (Annex A) will form the basis of future evaluation studies.
- 1.3 These terms of reference (ToRs) are for the next stage in a rolling programme of CPEs covering EvD's requirements for the next 12 months, with a possible extension of up to 12 months. As each CPE is finalised, the ToRs may be refined to reflect country context.
- 1.4 Countries proposed for evaluation in 2005/6 are Rwanda, Ghana, Mozambique and Bangladesh. The timing of these may require some studies to run concurrently.
- 1.5 The evaluation will examine the countries' most recent Country Strategy Paper (CSP), or related policy documents. The lessons learned will contribute to DFID policy, including Country Assistance Plans (CAPs).

### 2. Background

- 2.1 DFID has increasingly targeted development assistance at the county level and become a highly decentralised organisation. Country offices have replaced regional development offices and decision-making and financial authority have been delegated to country programme heads. The purpose of this shift is to improve the relevance and coherence of development assistance programmes while at the same time maximising opportunities for partnership, influencing and donor harmonisation around a nationally owned programme for poverty reduction. The way in which country programmes (e.g. as described in a CSP) translate DFID's corporate objectives into operational plans for delivering development assistance is therefore a logical object for evaluation.

### 3. Overarching objectives

3.1 The main objective of the CPE is to assess the country programme in terms of:

#### DFID Processes

- The **appropriateness** of country programme objectives and the logic behind them given domestic policy objectives for poverty reduction, as well as DFID's own corporate level objectives;
- The **relevance** of programme interventions given overall objectives (i.e. the cause and effect link between interventions and objectives), the governance and institutional setting, and DFID's comparative advantage and human resource availability;
- The **efficiency** with which programme plans are translated into activities, including human resource and office management, collaboration and harmonisation with other stakeholders, policy dialogue and influencing, the use of financial instruments, and the quality of DFID as a development partner;
- The **effectiveness** of the overall programme in achieving intermediate poverty reduction outcomes and the systems for measuring and monitoring success;
- The success with which the programmes had mainstreamed the cross-cutting issues of **poverty, gender, HIV/AIDS and environment** into all of its activities. What were the variables influencing the process of inclusion? What was the impact on the achievement of wider programme objectives?

#### Outcomes and Impacts

- What can be said about **impact and sustainability** and at what level this occurs. What changes intended or unintended can be attributed to the interventions.

3.2 The evaluation seeks to draw the cause and effect links between:

- **Programme direction and the poverty outcomes to which they are linked** - Does the programme have clear direction? How does this relate to DFID's corporate objectives on the one hand and the country-specific environment on the other? What development theory and evidence underpins the programme direction? Why were certain investment decisions made over others? What are the results/outcomes of these linkages?
- **Choice of instruments and objectives** – What are the “development instruments” in use? What are the factors/variables that impact upon efficiency? Are the choices being made the best

possible choices, given those factors/variables?

- **DFID as a development partner** – What is the nature and quality of DFID's partnerships with the country government and other development stakeholders? How do these different stakeholders perceive DFID as a development partner? What are the factors/variables that impact/influence those relationships?

#### 4. **Outputs & Timing**

- 4.1 The consultants will produce one study report and executive summary for each country. The report shall be approximately 30-40 pages long (excluding annexes).
- 4.2 EvD will carry out the initial data collection, with support from the consultant, which will produce a programme history. DFID will produce an initial context summary which will provide additional background information and outline issues identified by key stakeholders, other donors and DFID country staff. The consultants will work to the evaluation framework for the study (Annex A) as well as addressing country-specific issues raised by the EvD team in the context summary.
- 4.3 The consultant will:
- identify key issues for the evaluation, including understanding the development environment and history of DFID's recent programme
  - identify key stakeholders, internal and external to DFID, who they will interview
  - set up and plan the main field visit (lasting 2 weeks) including consulting with local DFID staff and getting their support
  - identify and engage a consultant locally as part of the evaluation team
- 4.4 The consultants will work to strict deadlines, to be agreed by the Evaluation Manager, however, the First Draft report will be required to be delivered to EvD within 2 weeks of the Field Visit.
- 4.5 Following a dissemination seminar in which the consultant will present the findings of the report, the consultant will produce the Final Report, incorporating any resulting comments from the seminar, within 6 weeks of the Field Visit.
- 4.6 On completion of the final report, the consultants will produce an evaluation summary (EvSum), of approximately 4-6 pages, which will include the response from the relevant DFID office/Department.
- 4.7 The Rwanda CPE is the first in the programme, with field visit dates set

for 6 –17 June. The Bangladesh CPE is planned for the end of August and the Mozambique CPE is planned for late in 2005. The Ghana CPE will take place in early 2006.

## **5. Competence and Expertise Requirements**

- 5.1 One consultancy organisation will be appointed to deliver the outputs described above. The team should be balanced in terms of gender and must include a strong national/regional component.
- 5.2 A full-time managing consultant with extensive evaluation experience, and a record of managing country/strategic level evaluations will be required to manage the planning and delivery of this study. The individual will also be expected to have strong written and oral communications skills as he/she will play a major role in communicating lessons learned both to country programme personnel and to a wider DFID audience.
- 5.3 Each country team will need to be familiar with country programme evaluation, monitoring and performance management issues. The team will be made up of a combined skill set covering economics, social and institutional development and human resource management.
- 5.4 The consultancy team will have responsibility for:
  - maintaining ethical standards in implementing the evaluation
  - the timely production of evidence based conclusions and recommendations
  - managing logistics in country

## **5. Reporting**

- 5.1 The consultants will report to the Evaluation Manager/Senior Economist (Nick York) or the Deputy Programme Manager (Lynn Quinn) in DFID Evaluation Department.

## **6. Timing**

- 6.1 The consultancy should start around May 2005 and outputs will be produced to firm timetable.

## EXAMPLE DRAFT COUNTRY PROGRAMME EVALUATION MATRIX

CRITERIA	MAIN QUESTIONS	SUB QUESTIONS / TASKS	LEAD RESPONSIBILITY
<b>1. CONTEXT: what were the significant features of the context in which the programme was designed and implemented?</b>			
1.1 Country Office 2000-2004		<ul style="list-style-type: none"> <li>• timeline</li> <li>• significant features.</li> </ul>	
1.2 DFID 2000-2004		<ul style="list-style-type: none"> <li>• timeline</li> <li>• significant features.</li> </ul>	
1.3 1996 -2000		<ul style="list-style-type: none"> <li>• significant historical factors</li> </ul>	
<b>2. PROGRAMME QUALITY: what was the quality of DFID's programme and process?</b>			
2.1. Strategy	<ul style="list-style-type: none"> <li>• Was DFID's strategy(s) appropriate?</li> </ul>	<ul style="list-style-type: none"> <li>• Summarise evolution &amp; content</li> <li>• appropriately harmonised with, and communicated to, other donors?</li> <li>• clear, results-focussed and monitorable?</li> <li>• relevant, appropriate and aligned to context/PRS?</li> <li>• consistent with DFID policy and guidelines?</li> <li>• adequate consultation with, and communication to govt, CS and NGOs?</li> </ul>	

<p><b>2.2 Relationships</b></p>	<ul style="list-style-type: none"> <li>• how was DFID viewed by other development partners?</li> <li>• how effectively did DFID pursue their 'influencing' agenda?</li> </ul>	<ul style="list-style-type: none"> <li>• ID key partners and change over time</li> <li>• general approach to influencing</li> <li>• DFID – government</li> <li>• DFID – civil society</li> <li>• DFID – bilaterals</li> <li>• DFID – multilaterals</li> <li>• DFID – FCO</li> <li>• DFID – Country office-regional office</li> </ul>
<p><b>2.3 Activities</b></p>	<ul style="list-style-type: none"> <li>• what portfolio of activities and instruments did DFID implement?</li> <li>• How did DFID appropriately balance its support for government and civil society?</li> <li>• How did it implement the cross-cutting issues of gender, poverty, HIV/AIDS and environment?</li> </ul>	<ul style="list-style-type: none"> <li>• financial and staff inputs by CSP outcome and instrument</li> <li>• justification for activities and instruments by outcome</li> <li>• mainstream gender?</li> <li>• mainstream environment?</li> <li>• mainstream poverty?</li> <li>• mainstream HIV/AIDS</li> <li>• harmonised with other donors?</li> <li>• cross-cutting rights-based approach?</li> <li>• government ownership?</li> <li>• civil society ownership?</li> <li>• Balance between govt. and CS?</li> <li>• M &amp; E of initiatives and instruments?</li> </ul>



3.5 Unanticipated Outcomes	<ul style="list-style-type: none"> <li>Were there any unintended consequences (positive or negative) from DFID's activities?</li> <li>Were any missed opportunities identified?</li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>
<b>4. DEVELOPMENT PROGRESS: what development progress has been achieved in country?</b>		
4.1 Development progress 2000-2004	<ul style="list-style-type: none"> <li>What overall progress has been made towards the MDGs etc.?</li> <li>What has been the contribution of the development assistance?</li> </ul>	<ul style="list-style-type: none"> <li>Economic and development progress</li> <li>Contribution of development assistance?</li> </ul>
<b>5. CONCLUSIONS, LESSONS AND ISSUES</b>		
5.1 DFID contribution and value added	<ul style="list-style-type: none"> <li>What has been DFID's overall value added/contribution?</li> </ul>	
5.2 Strengths and weaknesses of DFID programme	<ul style="list-style-type: none"> <li>What have been the strengths of the DFID programme?</li> <li>What have been its weaknesses?</li> </ul>	
5.3 Explanatory factors	<ul style="list-style-type: none"> <li>what explains DFID's contribution and the strengths/weaknesses of the programme?</li> </ul>	
5.4 Issues and lessons	<ul style="list-style-type: none"> <li>what lessons can be learned for the [country] programme, Regional Office, DFID and donors?</li> <li>what issues of wider interest are raised by the [country office ] experience?</li> </ul>	

The framework will include the following:

- List of acronyms
- Terms of Reference
- Timeline(s)



- Outcome matrices
- Financial analysis
- Persons met
- Documents consulted

**Annex B:**

**Country Programme Review Timeframe**

Activity	Timeframe
Letter/ToRs sent to Country Office	2 months +
EVD Scoping/Documentation Collection	1 week
Inception/Hand-over to Consultants	3 – 5 weeks
Field Visit	2 weeks
Draft paper	3 weeks
Seminar	2 weeks
Final Report/EvSum	2 weeks

## **Annex B. People Consulted**

### **DFID-Indonesia**

Aruna Bagchee	Governance Advisor, DSF
David Lloyd-Davies	Programme Officer
Fenni Rum	Programme Assistant
Gus McKay	Deputy Head of Office
Lanny Jauhani	Programme Officer
Martin Dawson	Former Deputy Head of Office
Mike Harrison	Senior Advisor & Co-Director, MFP
Nita Herita	Programme Assistant
Sarah Sanyahumbi	Former Head of Office
Shalini Bahuguna	Social Development Advisor, DSF
Shan Mitra	Head of Office
Smita Notosusanto	Governance Advisor
Tji Mie Mie	Office Manager (HR)
Wong Mey Lan	Programme Officer

### **DFIDSEA, Bangkok**

Caroline Phillips	Regional Management Officer
Chris Pycroft	Senior Governance Advisor
Liam Docherty	Deputy Programme Manager
Marshall Elliot	Head of DFIDSEA
Michael O'Dwyer (Dr.)	Senior Health Advisor
Nalinee Binmahmood	Programme Support Unit
Paul Walters	Economics Advisor
Paula Barrett	Programme Support Unit
Sasinapa Asavaphanlert	Programme Support Unit
Srimeena Uapatikul	Acting Office and Finance Manager

### **DFID, FCO & Crown Agents**

Charles Humfrey	HM Ambassador, British Embassy
Christine Marsh	Crisis Response Desk Officer, CHASE
Colum Wilson	Tsunami Response, CHASE
Deborah Baglole	Field Team Indonesian Earthquake, CHASE
Ian Howard-Williams	Head of Operations Group, CHASE
Jack Jones	Team Leader, Humanitarian response, CHASE
Jeremy Larnar	Counsellor & Director of Trade and Investment, British Embassy

John Steer	Crown Agents
Jon Goodwill	Field Team Indonesian Earthquake, CHASE
Novianti Oei	Projects Manager, GCPP, British Embassy
Piers Cazalet	Counsellor (Political/Economic), British Embassy
Stuart Jarvis	Defence Attaché, British Embassy

### **Programme staff**

Agus Setyarso	Program Administrator, MoU Illegal Logging
Anthea Mulakala	Operations team, DSF
Christian Ray	Manager, Multi-Donor Fund
Georgia Wimhofer	Multi-Donor Fund
Hasbi Berliani	Former NFP Regional Facilitator Nusa Tenggara
HS Dillon	Former staff of Partnership for Governance Reform, now Senior Governance Advisor CAPS
Irfan Bakhtiar	Former MFP Regional Facilitator, Jawa, Madura and Bali
Nonette Royo	Former MFP Jakarta Facilitator, CBFM Team Leader
Sabine Joukes	Multi-Donor Fund
Sri Kuntari	SPADA Team Leader
Tri Nugroho	Former MFP Jakarta Facilitator

### **Government of Indonesia**

Agus Justianto	Ministry of Forestry (former MFP Secondee)
Bastian S. Sihombing	BRR
Boen Purnama	Secretary General of Ministry of Forestry
Camelia Basri (Dr.)	TB control programme, Ministry of Health
Ceppie Sumadilaga	Director of Bilateral Foreign Cooperation, BAPPENAS
Chondir Ermiullah	DG Debt Management (Ministry of Finance)
Dadang Rizki Ratman (Dr.)	BAPPENAS (public health and nutrition)
Delthy Simatupang	BAPPENAS
Eddy Purwanto	BRR
H. Yusharmen (Dr.)	Director, Epidemiological Surveillance and Immunization, Ministry of Health
Hagar Ligtovet	Second Secretary for Tsunami Reconstruction
Heru Prasetyo	BRR
I Nyoman Kandun (Dr.)	HIV/AIDS programme, Ministry of Health
Ibu Ria	BAPPENAS
Ir Deddy Koespramoedyo	Director or Regional Autonomy, BAPPENAS
Ir Suprayoga Hadi (Dr.)	BAPPENAS

Jane Soepardi (Dr.)	Immunisation and epidemiology division, Ministry of Health
Kemal Siregar	Deputy of Program Development, National AIDS Commission
Lukita Dinarsyah Tuwo	BAPPENAS
Made Suwandi (Dr.)	Director of Regional Autonomy, MoHA
Max Pohan	Deputy Minister for Regional Development and Local Autonomy Affairs, BAPPENAS
Nafsiah Mboi (Dr.)	Secretary, National AIDS Commission
Nuryanto (Dr.)	Kepala Pusat Administrasi Kerjasama Luar Negeri Sekjen Depdagri
Pungki Sumadi	Director for Poverty Reduction, BAPPENAS
Rachmi Untoro (Dr.)	Director Child health and Nutrition
Sigit Priohutomo (Dr.)	HIV/AIDS Programme, Ministry of Health
Sri Hermiyanti (Dr.)	Director Maternal health
Sutaryo Suriamihardja	Director of Seed for Forest Plantation, DG Land Rehabilitation and Social Forestry, Ministry of Forestry (formerly MFP Co-Director)
Tonny R Suhartono	Director Biodiversity Conservation, DG Forest Protection and Nature Conservation, Ministry of Forestry
Yuswandi A. Temenggung (Dr.)	Kepala Biro Perencanaan & Anggaran Sekjen Depdagri
Yuyu Rahayu	Head of Foreign Cooperation and Investment, Ministry of Forestry (former Seconded and Acting Co-Director of MFP)

### **Development Partners**

Abdul Haq Amiri	UN-OCHA, Deputy Head
Allison Sudrajat	AUSAID
Andre Bald	World Bank
Arie Pratama	UNDP
Bardan Jung (Dr.)	WHO, Medical Officer, EPI
Barend Frielink	Principal Programs Coordinator, Asian Development Bank, Indonesia Resident Mission
Bill Wallace	World Bank/DSF
Blane Lewis	World Bank/DSF
Bob Magnani	FHI
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Bruce Howell	CIDA
Bryan Morris	UNAIDS
Caroline Aberg	Programme Officer, Governance Unit UNDP

Dennis Lazarus	UNDP Deputy Res Rep
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Galuh Wulan	ILO, Programme Officer
Jamie Uhrig	Consultant and NAC review team member
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Justine Shone	UNDP, CPRU
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Kindy Marina	UNFPA, Programme Officer
Kristanto Sinandang	UNDP, CPRU
Kusuma Adinugroho	UNDP, CPRU
Leni Dharmawan	World Bank
Lixin Gu	World Bank
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Molly Gingerich	USAID
Monica Kerrigan	UNICEF Project Officer, MCH and nutrition
Thomas Moran	WHO, Communications and external relations officer
Nick Mulder	CIDA
Nina Schuler	GTZ/DSF
Nurina Widgado	Assistant resident Representative/ Head of Governance Unit, UNDP
Oliver Lacey-Hall	UNDP
Paul Ymkers	Head of Political Department, Netherlands Embassy
Pierre Phillippe	Head of Operation, EU
Rachmi Untoro (Dr.)	GTZ
Ratna Kurniawan	USAID
Richard Hough	Director of Programming, USAID
Robin Taylor	AUSAID
Rosalind Coleman	Counsellor (Development), CIDA
Scott Guggenheim	World Bank (Operations Manager, DSF)
Sri Astuti Soeparmanto (Dr.)	GTZ
Sri Hermiyanti (Dr.)	GTZ

Ted Weohau	World Bank
Tim McKay	Team Leader, IHPCP HIV/AIDS programme
Tina Boonto	UNAIDS
Veera Mendoca	UNICEF, Programme Officer
Vera R. Hakim	UNDP
Vivi Alatas	World Bank
William Corkill	Country Representative, British Red Cross

### **NGOs & Civil Society**

Abdon Nababan	Forest Watch Indonesia (FWI), MFP National Partner
Bambang Setiono	CIFOR Researcher (former Coordinator of MFP-funded Finance Institution & Forest Sector Project)
Bob Purba	Executive Director Forest Watch Indonesia (FWI), MFP National Partner
Borithy Lun	Operations and Finance Advisor, UNDP/ Kemitraan (Partnership for Governance Reform)
David McDonald	Country Programme Manager, OXFAM
Diah Rahardjo	Member of National Forestry Council (DKN), former MFP SC Member
Douglas Ramage	Country Representative, The Asia Foundation
John Brownlee	Director, Islam & Development, The Asia Foundation
Mohamad Sobari	Partnership for Governance Reform
Muayat Ali Mushi	National Coordinator, Forest Community Forum (FKKM), MFP National Partner
Piet Soeprijadi	Director of Administration, Kemitraan (Partnership for Governance Reform)
R. Alam Surya Putra	Program Officer, The Asia Foundation
Rezki Wibowo	Transparency International
Rina Agustine	Forest Watch Indonesia, MFP National Partner
Sharon Thangadurai	Area Programme Manager, OXFAM





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## Annex D. Evaluation Matrix (Indonesia)

EVALUATION CRITERIA	SUB-CATEGORIES	QUESTIONS	COMMENTS On Approach and Evidence Base
<p>I(a)</p> <p><b>I. Relevance</b></p> <p>How far did DFID do the right thing?</p> <p>Drawing on following DAC Criteria</p> <p>“The extent to which the aid activity is suited to the priorities and policies of the target group, recipient and donor.</p> <p>In evaluating the relevance of a programme or a project, it is useful to consider the following questions:</p> <ul style="list-style-type: none"> <li>☆ To what extent are the objectives of the programme still valid?</li> <li>☆ Are the activities and outputs of the programme consistent with the overall goal and the attainment of its objectives?</li> <li>☆ Are the activities and outputs of the programme consistent with the intended impacts and effects? “</li> </ul>	<p>Overall strategy and areas/sectors selected for intervention</p>	<ul style="list-style-type: none"> <li>• Does DFID have a clear and focussed country strategy that explains the rationale for the programme? (e.g. options considered, choices made and why, prioritisation, selection of sectors etc)?</li> <li>• <b>How far is the country strategy aligned with development needs and policy priorities of the partner country, e.g. is the programme aligned with the PRS/ MTDP?</b></li> <li>• How far was the country strategy based on a realistic analysis of the PRS/ MTDP, and to what extent did it attempt to address gaps in the PRS/ MTDP?</li> <li>• What progress has the country made on the MDGs?</li> <li>• Which are the off-track MDGs?</li> <li>• How did the country strategy aim to address off-track MDGs?</li> <li>• Were some national development objectives given lower priority by DFID?</li> <li>• <b>To what extent is DFID strategy for this country in line with corporate priorities, and how did the CAP balance country context and corporate policy?</b> <ul style="list-style-type: none"> <li>☆ Senior mgmt focus on “more-with-less”?</li> <li>☆ Role/ priorities of regional office (DFID-SEA)?</li> <li>☆ Paris declaration (aid effectiveness agenda)?</li> <li>☆ HMG priorities (climate change, terrorism/ security)?</li> </ul> </li> <li>• What are the merits of the twin-track approach (high &amp; low intensity)? Was this the right strategic choice?</li> <li>• Is the portfolio sufficiently balanced (high/low risks, short/long term impact; governance/service delivery)?</li> </ul> <p><b>[MTDP = Mid Term Development Plan]</b></p>	<p>(Triangulated interviews will be essential)</p> <p>(Should include <b>analysis of other development partners’ programmes</b> and areas of focus). (Understanding of political economy; and <b>mix of governance and service delivery objectives</b> is critical)</p> <p>Country office or stats can supply this information</p> <p>(eg Gender, WatSan, HIV and Aids etc also senior management focus on “more-with-less”)</p> <p>Should focus on one key area?</p>

1(b)		DFID's choice of aid instruments	<ul style="list-style-type: none"> <li>How was the balance between different aid instruments (mix of financial aid and technical assistance) <u>determined</u>? What were the key drivers? <ul style="list-style-type: none"> <li>☆ Bilateral Programmes (MFP)?</li> <li>☆ Multi-donor Trust Funds (Tsunami, DSF)?</li> <li>☆ Joint Programmes (health)?</li> <li>☆ Trust fund for World Bank (PRPP)?</li> <li>☆ Etc...</li> </ul> </li> <li>How far was the political economy and governance context taken into account in determining the aid instruments to be used?</li> <li>How far did the actual mix of instruments reflect the plans?</li> <li>What were the reasons for any departures from the planned mix?</li> </ul>	Need to reflect advice to DFID Ministers and their position at the time.  Drivers of change, analysis of political risk and fiduciary risk all important here.
1(c)		DFID's partnership strategy	<ul style="list-style-type: none"> <li>To what extent did DFID have an explicit strategy for influencing Government? <ul style="list-style-type: none"> <li>☆ And, in what ways (implicitly) did DFID seek to influence Government?</li> <li>☆ Was influencing work adequately resourced and effectively managed?</li> </ul> </li> <li>To what extent did DFID seek to strengthen harmonisation across the <u>donor community</u>?</li> <li>To what extent did DFID have an explicit strategy for influencing and collaborating with individual donors? <ul style="list-style-type: none"> <li>• <b>Is DFID's choice of multilateral/ bilateral partners appropriate against its objectives?</b></li> </ul> </li> <li>To what extent did DFID have an explicit strategy for working with <u>civil society</u>?</li> <li>• <b>How far did DFID <u>communicate its aims and objectives to all development partners, civil society and government</u>?</b> <ul style="list-style-type: none"> <li>☆ <b>Seek donor, government &amp; civil society views on DFID's strategic choices (with specific examples)</b></li> <li>☆ To what extent did DFID <u>consult</u> other development partners on its strategic choices?</li> </ul> </li> </ul>	Country office <b>may need to recreate where documentation is limited.</b>  Triangulation will be critical for justifiable conclusions.  [Country Office Communication Strategy?]
1(d)		DFID's approach to	<ul style="list-style-type: none"> <li>Did DFID have a strategy for mainstreaming crosscutting</li> </ul>	

			cross-cutting themes	issues such as gender, social exclusion, governance and environmental protection? <ul style="list-style-type: none"> <li>How far was the strategy/approach consistent with corporate policy on crosscutting issues?</li> </ul>	
I(e)			Level and allocation of resources	<ul style="list-style-type: none"> <li>Was the country strategy appropriate to the level of resources available?</li> <li>How far did spending and use of staff time reflect country programme objectives?  <ul style="list-style-type: none"> <li>☆ Assess Country Office – DFIDSEA relationship (use of regional Advisors &amp; other support)</li> </ul> </li> </ul>	
I(f)			Results focus (CAP Part 3) <b>[Deliverables Tables + DDP Indicators]</b>	<ul style="list-style-type: none"> <li><b>How far were DFID's planned interventions sufficiently results-focused and monitorable?</b></li> <li>Did the country office use a results based performance framework to assess progress?</li> <li><b>To what extent did DFID identify and use intermediate outcome indicators to track results?</b></li> </ul>	Intermediate = intermediate to attainment of PRS outcomes (which are themselves intermediate to MDG outcomes)
I(g)			Risk Management	<ul style="list-style-type: none"> <li>How systematically did DFID assess the external risks (i.e. political governance and economic) and the internal threats to the country strategy?</li> <li>How comprehensive was the DFID risk minimisation strategy?</li> </ul>	Need to distinguish the unexpected from more predictable changes that could have been foreseen
<b>II. Effectiveness</b>					
II(a)	<p>"How far did DFID do what it said it would do?"</p> <p>Drawing on following DAC criteria:</p> <p>"A measure of the extent to which an aid activity attains its objectives.</p> <p>In evaluating the effectiveness of a programme or a project, it is useful to consider the following questions:  <ul style="list-style-type: none"> <li>☆ To what extent were the objectives achieved / are likely to be achieved?</li> <li>☆ What were the major factors influencing the achievement or non-</li> </ul> </p>	Overall strategy and areas selected for intervention	<ul style="list-style-type: none"> <li><b>How far were objectives set out in the country strategy achieved in practice?</b></li> <li>What were the areas of success/failure and what lessons have been learned?</li> <li>How far were CAP performance indicators achieved in practice?</li> <li>To what extent was the programme that DFID implemented different to the one set out in its strategy?</li> <li>What factors and rationale explain areas of divergence from the initial country strategy?</li> <li>How effectively did the country office manage the risks that emerged?</li> <li>Were there any unexpected outcomes?</li> </ul>	Performance indicators used by DFID office and relevant data from Government need to be accessed. Need to ensure change can be attributed to DFID. Preparatory work may be needed to collect and synthesise.	

	achievement of the objectives? “			Timelines need to be examined: both planned and actual events. Description of main political changes and Government decisions needed.
II(b)		DFID's choice of aid instruments	<ul style="list-style-type: none"> <li>• How effective was the mix of aid instruments in achieving planned objectives?</li> <li>• <b>What is the evidence about the relative effectiveness of the different instruments?</b> <ul style="list-style-type: none"> <li>☆ <b>Compare different instruments (donor perceptions of effectiveness; DFID's added value) → use specific examples</b></li> <li>☆ To what extent has 'more-with-less' been achieved in the short-term? (Transaction costs: financial, advisor time, etc)</li> <li>☆ What lessons can be learnt from the different instruments? (Strengths; Weaknesses)</li> </ul> </li> <li>• Were the different instruments used sufficiently complementary?</li> </ul>	<p>Feedback from country offices on relative success is needed.</p> <p>[See also: <b>Matrix Comparing Aid Instruments?</b>]</p>
II(c)		DFID's partnership strategy	<ul style="list-style-type: none"> <li>• What has been achieved from efforts to influence Government?</li> <li>• Has DFID been effective in pursuing its influencing agenda with Government?</li> <li>• <b>Was harmonisation strengthened?</b></li> <li>• To what extent did DFID work effectively with other donors to achieve common objectives or to change their policy? <ul style="list-style-type: none"> <li>☆ <b>How do other donors perceive DFID?</b></li> <li>☆ <b>What is DFID's added value (use specific examples/ evidence)?</b></li> <li>☆ Has DFID pushed the agenda too hard (too fast)?</li> </ul> </li> <li>• <b>How have the two different approaches to partnerships in DFID I (light touch and intensive aka DSF) worked?</b> <ul style="list-style-type: none"> <li>☆ What are the positive/ negative results of increased working through other donors?</li> </ul> </li> </ul>	<p>Important to document changes in Government policy that can be attributed to DFID and donors.</p> <p>Triangulated interviews may be only way to do so.</p> <p>[See also: <b>Matrix on Harmonisation issues?</b>]</p>

			<ul style="list-style-type: none"> <li>☆ Reduced dialogue with government?</li> <li>☆ Over-reliance on multilateral effectiveness?</li> <li>☆ Lack of coordination?</li> <li>☆ Etc...</li> </ul> <ul style="list-style-type: none"> <li>• To what extent did DFID work well with civil society?</li> <li>• To what extent was DFID effective in communicating its aims and objectives to all development partners, civil society and government?</li> </ul>		
II(e)	DFID's approach to cross-cutting themes		<ul style="list-style-type: none"> <li>• Were issues of <b>gender, HIV/AIDS</b>, social exclusion, governance and <b>environmental protection</b> addressed as planned? <ul style="list-style-type: none"> <li>☆ <b>To what extent has gender, HIV/AIDS and the environment been specifically addressed in the country portfolio?</b></li> <li>☆ <b>To what extent has gender, HIV/AIDS and the environment been mainstreamed in the country portfolio?</b></li> </ul> </li> </ul>	[ <b>Checklists</b> for Gender, HIV/AIDS, Environment?]	
II(f)	Level and allocation of resources		<ul style="list-style-type: none"> <li>• Was DFID's actual disbursement of aid to the country in line with expectations and according to the prescribed timetable?</li> <li>• Was the sectoral allocation of resources consistent with the country strategy?</li> <li>• How far did HQ spending targets influence country allocations?</li> </ul>	Country office can provide financial data	
II(g)	Results focus		<ul style="list-style-type: none"> <li>• <b>Were the results of DFID interventions adequately monitored and acted upon by country office managers</b> (e.g. to make mid-course corrections to the country strategy or individual programmes)? <ul style="list-style-type: none"> <li>☆ What tools have been developed by the Regional/ Country Office?</li> <li>☆ How effectively are these tools (frameworks, indicators, etc) being utilised by staff?</li> </ul> </li> <li>• How has the quality and performance of the overall portfolio changed over time?</li> <li>• Have efforts been made to consolidate and improve the performance of the portfolio?</li> <li>• <b>How far were the objectives and performance indicators</b></li> </ul>	Results frameworks may be available and can be supplied by country office.  Selective examination of interventions needed including field visits?  Portfolio data can be collected through PRISM	



			<p><b>for main programmes achieved?</b></p> <ul style="list-style-type: none"> <li>• Have results frameworks for different instruments (MDTFs, Joint Programmes, DSF, etc) been used and what is the performance record?</li> <li>• How well does DFID monitor multilateral effectiveness and impact (e.g. through Joint Programmes with UNICEF, or Trust Funds with the World Bank)? <ul style="list-style-type: none"> <li>☆ What are the strengths/ weaknesses of current processes to-date?</li> <li>☆ What lessons can be learnt?</li> </ul> </li> </ul>	and country office.
III(a)	<p><b>III. Efficiency</b></p> <p>“How efficiently did DFID deliver its objectives?”</p> <p>Drawing on following DAC criteria :</p> <p>“Efficiency measures the outputs - qualitative and quantitative - in relation to the inputs. It is an economic term which signifies that the aid uses the least costly resources possible in order to achieve the desired results. This generally requires comparing alternative approaches to achieving the same outputs, to see whether the most efficient process has been adopted.</p>		<ul style="list-style-type: none"> <li>• Was the skill mix and continuity of staff planned and then aligned with the country strategy?</li> <li>• <b>Compared to other country programmes over the same evaluation period, what was the ratio of administrative to programme spending?</b> (Allowing for different programme contexts; also unexpected events such as the Tsunami). <ul style="list-style-type: none"> <li>☆ To what extent has DFID-Indonesia faced particular challenges in delivering programme spend with a small contingent of staff?</li> <li>☆ How well has the regional support (DFIDSEA) worked? To what extent does this provide a model (or not) for delivering smaller country programmes?</li> </ul> </li> <li>• Were there any significant delays in disbursing programme funds?</li> <li>• What effort was made to ensure the monitoring system could cope with the size of the programme?</li> <li>• How far were the results of monitoring reports used to reconsider resourcing and staff allocation priorities?</li> </ul>	<p>This comparative question is left in, but recognising that comparative data will have to be provided by DFID, and that the comparisons are a synthesis task in the main.</p> <p>[Though recognising that DFIDSEA will close in 2008]</p>
IV(a)	<p><b>IV. Sustainability</b></p> <p>“Are the reforms/changes supported by DFIDs country programme moving in the right direction and are they likely to be sustained / difficult to reverse”?</p>		<ul style="list-style-type: none"> <li>• <b>To what extent has DFID put in place mechanisms that are sustainable (beyond the life of a particular programme or instrument)?</b> <ul style="list-style-type: none"> <li>☆ Bilateral programmes (MFP)?</li> <li>☆ Multi-donor Trust Funds (Tsunami, DSF)?</li> <li>☆ Joint Programmes (UNICEF, GTZ, WHO)?</li> <li>☆ Trust fund for World Bank (PRPP)?</li> <li>☆ Etc...</li> </ul> </li> </ul>	



	<p>Drawing on following DAC criteria:</p> <p>“Sustainability is concerned with measuring whether the benefits of an activity are likely to continue after donor funding has been withdrawn.”</p> <ul style="list-style-type: none"> <li>☆ To what extent did the benefits of a programme or project continue after donor funding ceased?</li> <li>☆ What were the major factors which influenced the achievement or non-achievement of sustainability of the programme or project?</li> </ul>		<ul style="list-style-type: none"> <li>• To what extent has local capacity been built?</li> <li>• To what extent have the policy and Governance environment been strengthened?</li> <li>• To what extent has government taken steps to earmark the budget needed to maintain mutually agreed areas of priority?</li> <li>• <b>To what extent has government developed effective programming, budgeting and service delivery systems?</b> <ul style="list-style-type: none"> <li>☆ National budget based on PRS/MTDP?</li> <li>☆ Adoption of medium term budgeting (MTEF) integration (capital/recurrent; etc)?</li> <li>☆ Improved budget execution?</li> <li>☆ Spending increased in pro poor areas?</li> <li>☆ Service delivery improvements?</li> </ul> </li> <li>• <b>To what extent has transparency and accountability increased?</b> <ul style="list-style-type: none"> <li>☆ Improved information flows?</li> <li>☆ Responsiveness to public on service delivery?</li> <li>☆ Action on corruption and reduced wastage of public resources?</li> </ul> </li> <li>• Has there been a sustainable improvement in the responsiveness of Government to civil society and the poorest members of society?</li> </ul>	<p>[includes SAIC]</p> <p>[Some concern about how far this can be taken, as difficult to assess with the limited time available. It will depend on preparatory work and available evidence that can be collected]</p> <p>(should agree with country office on a selective approach)</p>
<p>V(a)</p>	<p><b>V. Outcome</b></p> <p>“Taking into account criteria I through IV, was the net result of DFID intervention satisfactory?”</p>		<ul style="list-style-type: none"> <li>• How far did the country programme achieve the objectives set?</li> <li>• Did DFID achieve sufficient positive outcomes to justify the financial and human resources used in the programme?</li> <li>• <b>What overall rating can be given to the country programme?</b></li> </ul>	<p>Last question depends on deriving a suitable categorisation acceptable to DFID. <b>Table of DFID-Indonesia’s contribution to PSA Targets?</b></p>
<p><b>VI. Attribution</b></p>				

VI(a)	"A discussion of the factors influencing the observed development outcome and the relative importance of DFID's contribution to that outcome".	Country context	<ul style="list-style-type: none"> <li>To what extent is the country's political economy conducive to efforts to reduce poverty and improve governance?</li> <li>What factors beyond the control of development partners – natural disasters, civil disturbances, terms of trade shocks, etc – had a positive or negative effect on the outcome of DFID's interventions? (E.g. Tsunami, earthquake, etc)</li> <li>Given the direction of travel and external factors, overall how far did the country programme make a positive contribution to poverty reduction?</li> </ul>	Requires careful judgement & use of an implicit counterfactual. Assessment will require evidence of positive impact on Government use of resources & service provision.
VI(b)		Government actions	<ul style="list-style-type: none"> <li>How effective was the government in preparing, implementing and monitoring DFID-supported operations?</li> </ul>	
VII(c)		Actions by DFID	<ul style="list-style-type: none"> <li><b>How effective was DFID at identifying and delivering added value from its interventions?</b></li> <li>To what extent was DFID's policy framework adapted to the needs of the country?</li> <li>How did DFID's HR and operational procedures and practices affect the implementation of the strategy?</li> </ul>	
VII(d)		Actions by other development partners	<ul style="list-style-type: none"> <li><b>How effective were other development partners in supporting DFID-supported operations?</b></li> </ul>	

## Annex E. List of interventions (PRISM)

MIS Code	Title	Sector	Actual start	Planned end	Actual end	Commitment	Expenditure	Risk	Stage	Review date	Review type	Purpose score	Output score
150518015	Energy Efficiency	Economic	01/Apr/1996	01/Mar/2001	21/Mar/2001	1,350,000	1,104,784	Low Risk	Complete	13/Nov/2001	PCR	2	X
150990004	1991 Mini-Hydro Proj Grnt	Economic	01/Jul/1991	01/Oct/2000	01/Oct/2000	6,265,000	6,256,584	Not Stated	Complete				
150550019	Education Management Training	Education	01/Nov/1997	01/Feb/2000	24/Nov/2000	450,000	279,270	Not Stated	Complete				
150550020	Curriculum Capacity Project	Education	01/Nov/1997	01/Dec/2000	20/Mar/2001	800,000	642,251	Not Stated	Complete	22/Oct/1999	Progress	X	3
150516003	Environ Biotechnology Project	Environment	01/Jan/1995	01/Jun/2000	30/May/2001	1,840,497	1,797,632	Medium Risk	Complete	09/Aug/2001	PCR	2	2
150542005	LAN: Civil Service Training & Reform Project	Governance	01/Apr/1996	01/Apr/2000	15/May/2000	670,000	654,262	Not Stated	Complete	03/May/2001	PCR	3	2
150542009	Support to Governance Reform	Governance	16/Jan/2003	31/Aug/2007		4,700,000	4,699,009	Low Risk	Operational	26/Apr/2006	Annual	2	1
150542010	Decentralised Quality Service Learning Project	Governance	07/Aug/2001	01/Dec/2002		330,000	285,914	Not Stated	Complete				
150542013	Poverty Reduction Partnership Programme	Governance	01/Jun/2002	31/Mar/2008		19,400,000	17,145,045	Medium Risk	Complete	01/Sep/2006	Annual	2	2
150542014	Trust Fund 2004 elections	Governance	28/Nov/2003	01/Dec/2004	19/Aug/2003	1,500,000	1,500,000	High Risk	Complete	28/Feb/2006	PCR	2	2
150542015	Gov Support to UNDP	Governance	01/Jul/2003	01/Jul/2005		250,000	0	Medium Risk	Complete				
150542016	Initiatives for Local Governance Reform	Governance	05/Jan/2006	01/Sep/2009		6,840,000	1,368,000	Medium Risk	Operational				
150542017	Decentralisation Support Facility	Governance	23/Mar/2005	01/Aug/2006		5,050,000	5,056,110	High Risk	Operational	30/May/2006	PCR	3	3
150542018	Drivers of Change	Governance	02/Sep/2005	01/Dec/2005		100,000	47,258	Low Risk	Operational				
150542020	DSF Phase 2	Governance	21/Sep/2006	01/Jul/2009		25,000,000	3,025,033	High Risk	Operational				
150555004	Health Sector Preparation Fund	Health	11/Aug/2004	01/Apr/2006		200,000	100,115	Medium Risk	Operational				
150555005	HIV and AIDS	Health	01/Jul/2005	01/Mar/2008		25,000,000	20,000,000	Low Risk	Operational	29/Jun/2006	Annual	2	2
150555006	Improving Maternal Health in Indonesia	Health	17/Feb/2006	01/Mar/2008		9,000,000	3,155,100	Medium Risk	Operational				
150555007	Improving Maternal Health	Health	16/Mar/2006	01/Jan/2009		4,200,000	1,000,000	Low Risk	Operational				
150555008	National Immunisation Days - Polio	Health	01/Sep/2005	30/Apr/2007		1,000,966	1,000,966	Low Risk	Operational	31/Jul/2006	PCR	2	2
150555009	Tuberculosis Control in Indonesia	Health	20/Dec/2005	01/Mar/2008		2,000,000	750,000	Low Risk	Operational				
150542007	ILO Trade Unions	Social	01/Jan/1999	30/Jun/2003		1,075,000	1,075,000	Medium Risk	Complete	01/Mar/2004	PCR	2	2
150542012	CRC Victim Support	Social	16/Oct/2001	01/Dec/2001		1,200,000	1,200,000	Not Stated	Complete	22/May/2002	PCR		
150542021	Java Reconstruction Fund	Social	22/Nov/2006	01/Mar/2007		5,000,000	5,000,000	Medium Risk	Operational				
150559002	Community Recovery Prog	Social	01/May/1999		30/Jun/2003	7,050,000	7,029,781	High Risk	Complete	01/Mar/2004	PCR	3	3
150680011	Needs of Children - JFS 1665	Social	23/Feb/2001	01/Mar/2001	23/Feb/2001	75,750	51,150	Not Stated	Complete				

150500017	Animal Health Post Project Support Programme	Rural Livelihoods	01/Aug/1994	01/Apr/2001	01/Apr/2001	814,073	Low Risk	Complete	15/Dec/2001	PCR	4	4
150500018	Development of Decentralised Livestock Services (DELIVERI)	Rural Livelihoods	07/Aug/1995	01/Mar/2001	01/Mar/2001	4,767,702	Not Stated	Complete	01/Nov/2001	PCR	1	1
150502008	Tropical Forest Management Project Sub-project 2	Rural Livelihoods	18/Feb/1997	01/Jan/2000	01/Jan/2000	4,921,121	Medium Risk	Complete	17/May/2001	PCR	4	3
150502009	Multistakeholder Forestry Programme	Rural Livelihoods	01/Sep/2000	01/Dec/2007	01/Dec/2007	21,639,524	Low Risk	Operational	18/Jul/2006	Annual	2	2
150508001	Sustainable Livelihood Wshops	Rural Livelihoods	19/Jun/2000	01/Nov/2000	01/Nov/2000	85,392	Not Stated	Complete				
150680010	Community Conservation And Development In Nusa Tenggara	Rural Livelihoods	01/Aug/1997	01/Mar/2002	01/Mar/2002	335,000	Not Stated	Complete				
150542011	Support for Conflict Prevention and Recovery Unit (CPRU)	Humanitarian	22/Oct/2001	30/Jun/2005	30/Jun/2005	4,200,000	Medium Risk	Complete	10/Aug/2005	PCR	2	2
150542019	Crisis Prevention and Recovery Unit Phase II	Humanitarian	16/Feb/2006	01/Sep/2008	01/Sep/2008	2,000,000	Medium Risk	Operational		?		
150570001	ICRC 2002 – 2005	Humanitarian	25/Feb/2003	31/Dec/2005	31/Dec/2005	2,200,000	Medium Risk	Complete	31/Oct/2006	PCR Deferred		
150570002	DFID/Office Cooperation of Humanitarian Assistance Fund	Humanitarian	26/Mar/2003	01/Aug/2006	01/Aug/2006	1,080,000	Medium Risk	Complete	31/Oct/2006	PCR Deferred		
136615060	Emergency Response and Transitional Recovery Programme	Humanitarian	01-Sep-05	01/06/2007	01/06/2007	10,000,000	Medium Risk	Operational			1	1
136615069	Aceh SPADA Post Conflict Reintegration	Humanitarian	01-Sep-06	01/12/2009	01/12/2009	6,000,000	Medium Risk	Operational				
136615059	Indonesia Tsunami: Multi Donor Trust Fund	Humanitarian	25-Aug-05	01/05/2006	01/05/2006	5,511,571	Medium Risk	Operational	24/08/2006	Annual	1	1
136615026	ADB & DFID: Community Water Services & Health Project - ACEH	Humanitarian	01-Mar-05	01/03/2009	01/03/2009	4,013,500	Medium Risk	Complete	31/12/2005		x	x
136615035	Immediate Relief and Reconstruction through KDP	Humanitarian	01-Mar-05	01/03/2006	01/03/2006	4,000,000	Low Risk	Complete	31/12/2005	Annual	4	4
136615033	United Nations Development Programme Aceh Emergency Response	Humanitarian	01-Mar-05	01/03/2006	01/03/2006	4,000,000	Medium Risk	Complete				
150615025	IOI Indonesia Earthquake R1516	Humanitarian	19-Jul-06	01/12/2006	01/12/2006	1,200,000	Medium Risk	Operational				
150615018	Emergency Malaria and Dengue Fever Control	Humanitarian	01-Jan-05	01/04/2005	01/04/2005	1,119,000	Medium Risk	Complete	08/08/2006	PCR	2	2
150615022	IFRC Indonesia Earthquake 2006	Humanitarian	07-Jun-06	01/01/2007	01/01/2007	1,000,000	Medium Risk	Operational				
150615019	International Organisation for Migration Emergency Appeal	Humanitarian	01-Jan-05	01/07/2005	01/07/2005	1,000,000	Medium Risk	Complete	15/08/2006	PCR	3	3
150615024	UNICEF INDONESIA EARTHQUAKE R1516	Humanitarian	31-Jul-06	01/12/2006	01/12/2006	700,000	Medium Risk	Operational				
150615027	WHO Indonesia Earthquake 2006	Humanitarian	24-Jul-06	01/12/2006	01/12/2006	600,000	Medium Risk	Operational				
136615150	World Health Organisation Health	Humanitarian	01-Jan-05	01/06/2005	01/06/2005	600,000	Low Risk	Complete				





## Annex F. Policy Timeline & Key Events

	2000	2001	2002	2003	2004	2005	2006
<b>International Environment</b>	United Nations MDGs EFA Dakar PRSPs strategy Better World for All Statistics	OECD DAC Peer Review. Doha Round Global Health Fund	Monterrey. WSSD G8 African Action Plan for NEPAD.	Rome Declaration on Harmonisation Int'l Financing Facility.		Paris Declaration on Aid Effectiveness	
<b>UK Environment</b>	2nd Spending Review, Emphasis on PSA.	NAO Performance Review	Case for Aid Spending Review, £1bn for Africa by 06, 0.4% ODA/GNI by 06. Int'l Dev. Act.	Int'l Financing Facility			
<b>DFID policy/ strategy</b>	White Paper 2 (globalisation). Uniting Aid. Decision to support PRSP process.	DFID core values. PSA/SDA 2001-04. Decision on aid to LIC.	Decision that CAPs replace CSPs.	PSA/SDA 2003-2006		PSA 2005-2008	White Paper 3 (governance) CSR Zero Base Reviews (ZBRs)
<b>DFID structures</b>	More devolved offices.	Restructuring of Management Board Sub-committees. Regional Divisions.	New Permanent Secretary. Palace Street. Restructuring of Policy Division.	New Secretary of State.			Asia Division restructured. (new South Asia Division)
<b>DFID systems</b>	APPR. 8 ISPs. 7 TSPs. PRISM on Intranet.	GBS procedures. 8 ISPs 2 TSPs Evd status. InSight.	DDP introduced. Development Effectiveness Report. Risk Management Policy. 3 ISPs	DDPs approved. Office Instructions Review. Risk Reg.			Performance Framework & Delivery Plan (PFDP) introduced.
<b>Asia Division (PS)</b>			Asia Regional Strategy Paper 2002	DDP 2003-06. Asia Directorate Business Plan 2003-04.		DDP 2005-08	DFID-Indonesia moved under EMAAD.
<b>DFID-SEA (Bangkok)</b>			DFID-SEA PARP 2002-05				Decision to close DFID-SEA in 2007/08.
<b>DFID-Indonesia</b>	CSP 2000-03	<b>Annual Portfolio Performance Review (APPR) 2001.</b>		CAP Prep Meeting. <b>CAP Annual Review 2004-05.</b>	CAP Approach Paper 2005-2008. Vision Paper 2004-11. Suma's visit. Devolved office est. (Jakarta).	<b>Deliverables Table: Progress (Sept 05).</b>	<b>Deliverables Table: Progress (Jan 06).</b> PFDP 2006/07.





## Annex G. Staffing timeline

		Start date	End date	1999	2000	2001	2002	2003	2004	2005	2006	2007	Notes:
<b>DFID Indonesia</b>													
Head of Office	Shan Mitra	Jan-06	On-going								J J J J J		
Head of Office	Sarah Sanyahumbi	Jan-04	Jan-06					J J J J J	J J J J J	J J J J J			On maternity leave (DFID-Bangladesh)
Deputy Head	Jim Carpy	???	???										
Programme Manager/Deputy Head	Martin Dawson		Dec-06	B B B B B	B B B B B	J J J J J	J J J J J	J J J J J	J J J J J	J J J J J	J J J J J		
HR (Office Manager)	Tji Mie Mie	1999	On-going	J J J J J	J J J J J	J J J J J	J J J J J	J J J J J	J J J J J	J J J J J	J J J J J		Left for Afghanistan (MFP until 2005)
Deputy Programme Manager	David Lloyd-Davies	Oct-06	On-going								J J		
Deputy Programme Manager/DFO	Wong Mey Lan	May-06	On-going								J J J J		
Programme Officer	Lanny Jauhani	Sep-06	On-going								J J J		
Programme Assistant/DISO	Nita Herita	???	On-going			J J J J J	J J J J J	J J J J J	J J J J J	J J J J J	J J J J J		
Programme Assistant	Fenni Rum	Nov-05	On-going								J J J J J		
Programme Assistant	Andre Huikom	???	On-going										
Deputy Programme Manager/CSP	Ben Dickenson	???	???	???	???	???	???	???	???	???			
Deputy Programme Manager/CSP	Elizabeth Carriere	???	???	???	???	???	???	???	???	???			
<i>Decentralisation Support Facility (DSF)</i>													
Governance Advisor	Aruna Bagchee	Jan-06	On-going								J J J J J		
Governance Advisor	Smita Notosusanto	Oct-06	On-going								J J		
Social development	Shalini Bahuguna	Jan-05	On-going							J J J J J	J J J J J		
Governance Advisor	Bill Baker	???	Jan-06				???	???	???	???	J J J J J		Now retired
<i>Multi-stakeholder Forestry Programme (MFP)</i>													
Livelihoods Advisor/MFP Director	Ivan Biot	2000	Aug-04		J J J J J	J J J J J	J J J J J	J J J J J	J J				In Asia Directorate now
Senior Forestry Advisor	Penny Davies	1998	2000	J J J J J	J J J J J								In DFID-Bangladesh now
UK Co-Director (MFP)	Mike Harrison	Aug-04	On-going						J J J J J	J J J J J	J J J J J		
Programme Manager/Deputy Head	Gus McKay	2005	On-going							J J J J J	J J J J J	J J J J J	Leaving in April 07 (Bosnia)





## Alignment

2. Aligned to national priorities?	<p><b>Low:</b> At present alignment is still being established through Focal Area programme planning and annual workplans.</p>	<p><b>High:</b> in terms of governance reform.</p>	<p><b>High:</b> follows BRR blueprint</p>	<p><b>High:</b> designed-in thorough wide consultation and appraisal of partners' mandates and congruence with MoH policy.</p>	<p><b>High:</b> NAC and all implementing IPF partners in line with national AIDS Strategy.</p>	<p><b>High:</b> by linking forest to the poor living within and in the edge of forest – about 10 million people; use of forest governance for poverty reduction strategy</p>
3. Encourages the adoption of appropriate (pro-poor) policies?	<p><b>Low:</b> Pro poor policies are not necessarily the main target. The assumption of most of the focal areas is that through better decentralization (policies, systems etc) service delivery will improve, including delivery to the poor.</p>	<p><b>Low:</b> Main objective of the Partnership is to promote governance; the poor are not an explicit target group</p>	<p><b>Substantial:</b> devolved authority to MDF, but pro-poor criteria for project selection. DFID has influence through the steering committee.</p>	<p><b>Modest:</b> Some evidence that MoH has adopted a sharper poverty focus and higher profile for neonatal health following DFID advocacy with partners, who made similar shifts.</p>	<p><b>Modest:</b> Tackling stigma &amp; discrimination does not share the same emphasis that DFID global policy does.</p>	<p><b>High:</b> Regulation 6/2007 will adopt a pro-poor agenda (empowerment, and land access). Other changes to local regulation will be included.</p>
4. Makes use of country systems?	<p><b>Low:</b> Parallel system to government; i.e. DSF primarily set-up to harmonise donor approaches. There is another harmonization mechanism which is recognized by Gol: Joint donor working group in decentralization. This could potentially conflict with DSF.</p>	<p><b>Substantial:</b> Indonesia institution, using separate systems (strategy, management, workplans, M&amp;E, etc). It uses LGs, CSOs, local and national Parliaments to reach its objectives.</p>	<p><b>Modest:</b> prioritization established by BRR, though this is a special para-statal agency.</p>	<p><b>Substantial:</b> district level planning, budgeting and M&amp;E systems being strengthened.</p>	<p><b>High:</b> Use of National AIDS Strategy &amp; workplans to set prioritisation of scaling up implementation through partners.</p>	<p><b>Modest:</b> Bilateral programme, with parallel structures, but close interaction with local government.</p>
5. Greater aid predictability (for govt.)?	<p><b>Modest:</b> Only 3 years commitment to funding (&amp; only by DFID to-date).</p>	<p><b>Modest:</b> Only 3 years 2007- 2011</p>	<p><b>Modest:</b> 10% of total tsunami aid through MDF. all now committed.</p>	<p><b>Low:</b> No discussion of what may/may not follow 3-year cut-off. MoH and partners all confirm that further funding support will be necessary to achieve off-track MDGs.</p>	<p><b>Low:</b> No discussion of what may/may not follow 3-year cut-off. No other partners have firmly committed to contribute to IPF. All stakeholders underline need to continue to build NAC – especially at Province and District and continue to scale up at this stage in the epidemic.</p>	<p><b>Modest:</b> Not fully mainstreamed into govt. programmes, though potential for Multi-donor fund.</p>

## Harmonisation

6. Minimises transactions costs?	<b>Low:</b> High transaction costs to donor harmonisation (setting-up DSF, vested interests, etc) in the short to medium term. <b>Modest:</b> There are limitations (legal, institutional, procedural (such as procurement and audit) to harmonization – one set of procedures (operational manual) , but as yet limited financial contributions from other donors.	<b>Low:</b> Partnership is now in a position to run the trust funds themselves. <b>Substantial:</b> There are common arrangements for disbursement of funds	<b>Substantial:</b> admin. Costs of MDF below 2%; lowest in the world.	<b>High:</b> Much appreciated low transaction costs for UNICEF, GTZ and MoH.	<b>High:</b> due to flexibility of funding mechanism and procedure; less spending for salary (19%)
7. Use of common arrangements or procedures?	<b>Modest:</b> There are limitations (legal, institutional, procedural (such as procurement and audit) to harmonization – one set of procedures (operational manual) , but as yet limited financial contributions from other donors.	<b>Substantial:</b> There are common arrangements for disbursement of funds	<b>High:</b> Use of agreed inter-agency procedures for all funds channelled through MDF.	<b>High:</b> Common M&E system, joint planning and implementation with MoH.	<b>Low:</b> Bilateral arrangement (project office); does not share common procedures with other donors.
8. Encourages shared analysis (joint reviews, analytical work)?	<b>Substantial:</b> Particular goal in the focal areas is to come to joint strategic programming. This implies that donors agree on, for example, log frames.	<b>N/A:</b> There are many stakeholders in the environment of governance and one of the objectives is to facilitate public debate which gives participants the opportunity to voice their opinions and concerns	<b>Modest:</b> Increased use of joint M&E for overall quality, but individual projects subject to implementing agency procedures.	<b>Modest:</b> Joint mapping and analysis (incl. poverty) with MoH. Joint M&E (but MoH presently not fully engaged in this). Separate reporting, (including cumbersome GTZ-BMZ-DFID London – DFIDSEA – DFID-I.	<b>Modest:</b> Many reviews & impact assessments are for the bilateral programme, rather than across donors or Government.

## Managing for results

9. Stronger incentives & capacity to implement?	<b>Modest:</b> Incentives are very problematic: DFID provides the resources but through the Trust fund many donors think that the WB is financing its own activities (CAS) which some donors do not support. Moreover, the WB and DFID have the only seats on the Trust Fund. Capacity is sufficient.	<b>Substantial:</b> Partnership pays international salaries to their staff and many claim that this is part of its success.	<b>Substantial:</b> Capacity of implementing agency taken into account. Reporting through inter-agency mechanism increases incentive.	<b>Substantial:</b> Clear capacity to implement (through accurate selection of partners). MoH enthusiastic about coordination and strategic planning role.	<b>High:</b> Effective scaling up through experienced partners and their contractors. Other contributors (incl. GoI) and longer term funding would strengthen incentives.	<b>Modest:</b> depend on exit strategy and leverage plan for sustainability
10. Achieving results (& impact)?	<b>Low:</b> Too early to see achievement of results.	<b>Modest:</b> Results are scattered and difficult to measure	<b>Modest:</b> Initial delays in disbursements affected results in the short term. Impact indicators now under development, but	<b>Modest:</b> Too early to say other than strong foundation built and quality baseline work completed.	<b>High:</b> Impact studies show tangible results and impact on policy and local governance arrangements	

			still too-high on output data only.			at a scale that is likely to significantly reduce transmission within these groups.	
11. Measuring & attributing results?	<p><b>Low:</b> Attribution and measurement of results highly problematic. There is a serious problem with the process of creating DSF which as such does not address a development objective. In DSF 2 there is a serious attempt through the focal areas to come to 'products' in order to show that DSF has an impact on poverty reduction.</p>	<p><b>Modest:</b> Attribution and measurement of results is problematic but the facility fund (financed by DFID) has proven to be successful due to its flexibility. Partnership can set up activities and intervene in the governance arena at opportunistic moments</p>	<p><b>Low:</b> all projects used pooled donor &amp; government resources. 80% on-budget. But results measuring may improve.</p>	<p><b>Modest:</b> M&amp;E system being developed, attribution to DFID not possible.</p>	<p><b>Substantial:</b> M&amp;E system being developed, attribution to DFID not paradoxically very high as no other contributors have contributed to the IPF</p>		
<b>Mutual accountability</b>							
12. Improved voice & accountability?	<p><b>Low:</b> Too early to tell</p>	<p><b>Modest:</b> Indonesian organisation claims to have access and voice on governance issues.</p>	<p><b>Modest:</b> Civil society not fully represented on MDF steering committee, but high on some projects. Because increasingly on-budget, MDF is not an ideal instrument for this.</p>	<p><b>Modest:</b> UNICEF and GTZ strong involvement with civil society. Less evidence of voice being amplified back to MoH.</p>	<p><b>Modest:</b> NGO accountability and capacity being built, and vulnerable groups' voice clearly informs targeted interventions.</p>	<p><b>High:</b> Champions multi-stakeholder approach with CSOs; some evidence that CSO voice has helped change national policy.</p>	
13. Acceptable risk (for donors)?	<p><b>Substantial:</b> DSF at a critical juncture where in the next 2-3 years, it needs to realise govt. ownership, donor commitments &amp; produce deliverables.</p>	<p><b>Modest:</b> PCR states medium to high. Donors could withdraw; Partnership fails to have an impact; Partnership cannot retain Indonesians to be part of the Governing Board; P. could become corrupt itself; P. has too many scattered small projects.</p>	<p><b>Substantial:</b> corruption minimised, joint planning and alignment optimal. Aceh violence subsided, and increasing linkage to conflict amelioration.</p>	<p><b>Substantial:</b> Experienced, partners with reliable track record. MoH leadership. Independent M&amp;E system being developed.</p>	<p><b>Low:</b> Sustainability a serious risk if no other partners contribute to IPF and if DFID to not continue to fund after 3 years.</p>	<p><b>Substantial:</b> The period 2000-03 is characterised by a substantial civil society challenge to govt. See ATW page 12-13 for details</p>	

- Sources:
- "Figure 1. Aid Spending: which formal exchange to use with Development Partners?" (see Blue Book B.9)
  - "Figure 6. Strengths and weaknesses of different instruments in relation to development objectives" (see DFID Guidance on Aid Instruments)
- Notes:
- Rating scale (1- High; 2- Substantial; 3- Modest; 4- Low)
  - Justification: comment explaining the justification for the score

**How DFID classifies aid instruments**

<b>Is DFID giving money to?</b>		Partner Govt MOU
Partner Governments	PRBS payment	Partner Govt MOU
	Non Budget Financial Aid	
International Organisations	Trust Funds Contributions	Multilateral MOU <i>Statutory Order through Parliament</i>
	Voluntary Contributions	
	Core Contributions	
	Replenishment of Concessional Funds	
Other Bilateral Donors	Pooled / Basket funding	Nordic+ Joint Financing Arrangement Lead/Silent MOU
	Joint programme contribution	
Civil Society / NGOs	Challenge Fund Payments	Accountable Grant letter <i>(variations of)</i>
	Development Awareness Fund contribution	
	Accountable Grant payments	
	Strategic Grant Arrangement Payments	
Emergency / Humanitarian Assistance Payments	Disaster Relief Payments	Multilateral MOU or Accountable Grant letter
	Refugee Relief Payments	
	Food Aid Payments	
Working with Others including the Private sector	Non grant financial contributions	Non-grant financial instruments ( <i>consult PGG</i> )
<b>Is DFID purchasing goods and services?</b>		
Consultants, Training, Research, Goods		Partner Govt MOU





## Annex I. Assessment of progress towards PSA Targets

PSA OBJECTIVE II: PSA Target 2: Reduce poverty in Asia (2005-08)	Progress for Region	Progress in Indonesia (CPE assessment) [Ahead → On course → Slippage] <sup>1</sup>	DFID contribution (CPE assessment) [High → Medium → Low contribution]
<p>1) A reduction in the proportion of people living in poverty of 5 percentage points in East Asia and the Pacific against the 1999 baseline.</p> <p><i>Baseline 18.6% est. (1999)</i></p>	<p><b>Ahead.</b> Data for 2002 shows that poverty in East Asia and the Pacific is at 14.9%, down from 18.6% in 1999. The region has made excellent progress since 1990 and is expected to continue to reduce poverty, albeit at a slower rate. The World Bank estimates that poverty in East Asia and the Pacific will have fallen to 0.9% by 2015. Based on current progress, the sub-target for 2005-08 is ahead.</p>	<p><b>Ahead</b> though actual numbers of poor people, malnutrition and vulnerability remain high. There are also significant regional differences.</p> <p>1996: Population below \$1 (PPP) per day consumption, 13.9% 2000: 7.2% 2002: 7.5%</p>	<p><b>Low.</b> Indonesia is not an aid dependent country, and DFID is a relatively small donor. Given this, and that much of DFID's portfolio addresses poverty indirectly, a rating higher than 'low' would not be expected. This is not the same as saying that DFID does not make a contribution to poverty reduction – only that given the indirect approach, attribution is low.</p>
<p>2(a) An increase in net primary school enrolment by 8 percentage points against the 2000 baseline.</p> <p><i>Baseline 81% (2000)</i></p>	<p><b>Slippage.</b> The net enrolment rate is currently estimated at 85% using latest data, from 2002 to 2006. Three countries have net primary enrolment rates above 90%: Vietnam, Cambodia and Indonesia (China was also in this group last year but data has not been included this year). While Pakistan, Cambodia and India have made notable progress on this measure since 2000, Nepal and Bangladesh have seen less change.</p>	<p><b>Ahead.</b> 2000: Net enrolment ratio in primary education (both sexes), 93.9% 2001: 95.0% 2002: 95.3% 2003: 94.6% 2004: 94.3%</p>	<p><b>N/A.</b> MDG targets in education are ahead, and DFID does not specifically address Education.</p>
<p>2(b) An increase in the ratio of girls to boys by 5 percentage points.</p> <p><i>Baseline 84% (2000)</i></p>	<p><b>Ahead.</b> The latest outturn figure is 89%, using 2004 data, up from a baseline of 84% in 2000. The figures show that gender equity in primary school has been reached in China, Bangladesh and Indonesia, and that it is furthest from being met in Afghanistan and Pakistan (with five and just over seven girls to every ten boys in primary school respectively). The figures show a dramatic improvement in the ratio in 2003 and 2004 for India, and relatively high levels of improvement for Nepal and Pakistan since 2000. Based on current trends an increase to 93% is predicted by 2008, a nine-percentage point increase meaning that the target will be exceeded.</p>	<p><b>Ahead.</b> 2000: Gender Parity Index in primary level enrolment, 0.97 2001: 0.98 2002: 0.98 2003: 0.98 2004: 0.98</p>	<p><b>N/A.</b> MDG targets in education are ahead, and DFID does not specifically address Education.</p>

<sup>1</sup> Criteria based on that used for DFID's Autumn Performance Report 2006.

<p>3(a) A reduction in under-5 mortality rates for girls and boys by 24 per 1000 live births.</p> <p><i>Revised baseline: 81.3 deaths per 1,000 (2000)</i></p>	<p><b>On course.</b> The projected under-5 mortality rate for 2008 is 46.8 and so the target is expected to be met. The countries with the lowest rates of under-5 mortality are Vietnam, China and Indonesia. Cambodia, India and Pakistan have the highest infant mortality rates, though Cambodia in particular has made considerable progress since 2000, helping to put progress towards this target on track. Vietnam, Nepal and Bangladesh have also made good progress. Afghanistan has been excluded due to insufficient data.</p>	<p><b>Ahead.</b></p> <p>2000: Children under five mortality rate per 1,000 live births, 48</p> <p>2004: 38</p> <p><i>(This is the most up to date figure, with the next DHS in 2007/2008).</i></p>	<p><b>Low.</b></p> <p>This is an on-target MDG, and not specifically addressed by DFID. DFID's work on polio does not significantly affect child mortality.</p>
<p>3(b) An increase of 15 percentage points in the proportion of births assisted by skilled birth attendants.</p> <p><i>Baseline 41%(2000)</i></p>	<p><b>Ahead.</b> The latest outturn is 52%, using data from 2002 to 2005, compared to a baseline of 41% in 2000. Afghanistan and India are excluded due to a lack of data. Data for India has not been available since the baseline year, 2000. This may have contributed to an improved position overall, as Afghanistan previously lowered the average figure for the region. Vietnam, China and Indonesia have the highest rates of births assisted by a skilled practitioner and these three countries have also seen the most notable rises in assisted births since 2000. Pakistan and Cambodia have also seen recent improvements. If the current rate of progress continues it is projected that by 2008 the target will be met.</p>	<p><b>Slippage</b>, but data unreliable.</p> <p>2004: Births attended by skilled health personnel, 71.5%</p> <p>2006: 66.3 %</p> <p><i>(Although MoH measured this in a slightly different way. The next comparable figures will be the 2007/08 DHS (UNICEF).</i></p>	<p><b>Medium.</b></p> <p>The attribution of DFID's contribution to increasing the proportion of births assisted by skilled birth attendants is highly problematic. However, through Low Intensity Partnerships (LIPs) with UNICEF and GTZ, DFID is helping to improve services in 33 districts.</p>
<p>4(a) Prevalence rates of HIV infection in vulnerable groups being below 5%</p>	<p><b>Slippage.</b> Robust statistical analysis is difficult for this target as data remains so incomplete. However, available evidence suggests slippage, with existing data showing average prevalence in vulnerable groups often above 5%, and rates as high as 65% at some measurement sites. Figures vary significantly between sites, but available data indicates particularly high rates in some vulnerable groups in Indonesia, Nepal, Vietnam, Cambodia and Pakistan. Rates in Bangladesh, China and India appear relatively lower. No data is available for Afghanistan.</p>	<p><b>Potential slippage</b>, but too early in epidemic to predict accurately.</p> <p>2001: People living with HIV, 15-49 years old, 0.1%</p> <p>2003: 0.1% (male-female ratio 4.7:1)</p> <p>2005: 0.1%<sup>2</sup></p> <p>2006: 0.17% (1.03% for Papua-IJB)<sup>3</sup></p>	<p><b>Medium.</b></p> <p>DFID has made an important contribution to strengthening the institutional capacity of the National Aids Council (NAC). This is generally accepted as an important step in addressing the HIV/AIDS epidemic. Prevalence rates are currently low, but Indonesia is potentially on the brink of a generalised epidemic and the potential for the MDG to remain off-track remains high.</p>

<sup>2</sup> This figure has been questioned ("Concept Paper: Support to Indonesia for HIV/AIDS 2007-2012", AusAID, Feb 2007).

<sup>3</sup> Figures from AusAID survey.

<p>4(b) A tuberculosis case detection rate above 70%. <i>Baseline 32% (2000)</i></p>	<p><b>Slippage.</b> Latest figures from WHO show an average case detection rate of 58%, and only one Asian PSA country with a case detection rate above 70% (Vietnam at 89% in 2004). Cambodia and India are very close to the target at 70% and 69% respectively, with the lowest rates found in Afghanistan (19%) and Pakistan (37%), both advancing from very low baselines. India, Indonesia, Pakistan and China have seen the most rapid progress over the period since 2000. Although not currently quite on track to reach 70% by 2008, with slightly faster rates of progress over the next few years it is possible that the target will be achieved.</p>	<p><b>On course.</b> 2000: Tuberculosis detection rate under DOTS, 20% 2001: 21.5% 2002: 30.7% 2003: 37.7% 2004: 53.2% 2005: 66% (to be published in the WHO Global TB report 2007, to be released on World TB day 24/3/07).</p>	<p><b>Low.</b> DFID contributes around £2 million to three niche areas of research and technical inputs. These are considered to be important, and will help measure progress in 5-10 years time. It is impossible to disaggregate DFID's contribution but Indonesia has surpassed treatment success targets for the past 5 years &amp; the detection rate target was only a near miss in 2005. The 2006 data is not yet finalised but may cross 70% target.</p>
<p>4(c) A tuberculosis cure treatment rate greater than 85%. <i>Baseline 86% (2000)</i></p>	<p><b>On course.</b> Data from 2003/04 show TB cure rates to have reached 87%, up from a baseline of 86% in 2000. China and Vietnam have the highest treatment success rates of 94% and 92% respectively, while Pakistan (75%) is the only country not to have met the target. The cure rate in Afghanistan is estimated to be 86%. There was notable progress between 1995 and 2000, but since 2000 rates of progress have been slow in all countries and a few have even slipped. This is not surprising as coverage of Directly Observed Therapy Short-course (DOTS) systems has dramatically increased detection rates in many countries. The challenge of retaining high cure rates while covering a wider population will remain throughout the PSA period.</p>	<p><b>Ahead.</b> 2000: Tuberculosis treatment success rate under DOTS, 87.4% 2001: 85.7% 2002: 86.2% 2003: 86.7% 2004: 90% (to be published in the WHO Global TB report 2007, to be released on World TB day 24/3/07).</p>	<p><b>Low.</b> See above.</p>

Sources: PSA Targets 2005-2008; DFID's 2006 Autumn Performance Report; Source: MDG Indicators, United Nations Statistics Division



## **Annex J. Comments on SPADA**

The SPADA is an on-going, recently started DFID programme. As such, there is not much for the CPE to assess, but from the interviews with stakeholders the following issues were flagged. These are principally relevant for DFID-Indonesia:

DFID's contribution to the SPADA programme (£6 million over 4 years; September 2006 to August 2010) builds on an existing larger World Bank SPADA programme (\$14 million) begun in 2005 and funded through MDF. The DFID funds will be channelled through the "Aceh Window" of DSF. DFID's contribution allows SPADA to extend from 5 to 19 districts of Aceh and Nias, to accommodate conflict-affected communities and to strengthen governance and conflict prevention as well as basic services. The MDF is not able to include conflict-related projects, so this was a timely and appropriate response by DFID to a request backed by the government.

SPADA builds on the well-established KDP programme of the World Bank, with its emphasis on community-initiated projects. It is demand-driven and includes access to justice, procurement and M&E. Since the project is only at the inception stage, with no actual disbursements yet, the evaluation was only able to examine initial technical assistance offered through the Crown Agents. Some problems have occurred here. The in-kind contribution entailed a 2-week deployment of a UK consultant, plus Javanese consultants who presented a 'module' and curriculum approach to procurement to local government. Unlike the IRFF intervention, there has not been consistent follow-up, and frustrations from both the World Bank and Government were expressed. The evaluation was not able to judge the merits of these objections, but they may point to the need for a greater engagement from DFID-Indonesia at a political level, and perhaps (like the IRFF) a longer-term deployment of Crown Agents to gain trust.





## DEPARTMENT FOR INTERNATIONAL DEVELOPMENT

DFID, the Department for International Development: leading the British Government's fight against world poverty.

One in five people in the world today, over 1 billion people, live in poverty on less than one dollar a day. In an increasingly interdependent world, many problems – like conflict, crime, pollution and diseases such as HIV and AIDS – are caused or made worse by poverty.

DFID supports long-term programmes to help tackle the underlying causes of poverty. DFID also responds to emergencies, both natural and man-made.

DFID's work forms part of a global promise to

- halve the number of people living in extreme poverty and hunger
- ensure that all children receive primary education
- promote sexual equality and give women a stronger voice
- reduce child death rates
- improve the health of mothers
- combat HIV & AIDS, malaria and other diseases
- make sure the environment is protected
- build a global partnership for those working in development.

Together, these form the United Nations' eight 'Millennium Development Goals', with a 2015 deadline. Each of these Goals has its own, measurable, targets.

DFID works in partnership with governments, civil society, the private sector and others. It also works with multilateral institutions, including the World Bank, United Nations agencies and the European Commission.

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