

Management Response:

Independent Review of the Australia-Indonesia Partnership for Rural Economic Development (AIP-Rural) Program End of Program Evaluation

The Department of Foreign Affairs and Trade (DFAT) commissioned an end of program review for the AIP-Rural program in November 2018. This independent review was conducted by the Strategic Review Panel (SRP), an independent advisory group comprising two senior experts in the fields of market systems development, rural development, agriculture, and performance management. Its function is to provide strategic advice to the program on how to maximise impact. The SRP conducts reviews on AIP Rural every six months. This review was conducted as the ninth and final SRP input during November 4-14, 2018. It took place in the context of the transition between completion of AIP-Rural and inception of PRISMA-2. The review assessed the following:

- PRISMA progress towards achieving end of program outcomes and identifying lessons learned
- Proof of Concept for the other three programs within the AIP Rural portfolio
 - Tertiary Irrigation Technical Assistance (TIRTA)
 - Strengthening Agriculture Finance in Rural Areas (SAFIRA)
 - Applied Research and Innovation Systems in Agriculture (ARISA)
- Progress against the transition plan and in planning for inception of PRISMA-2

Out of the six recommendations provided by the review team, DFAT fully agrees with four and agrees in part with two. DFAT will work closely with Palladium, Commonwealth Scientific and Industrial Research Organisation (CSIRO) and the Government of Indonesia (GoI) to implement the recommendations.

DFAT's Management Response to the Recommendations

Recommendation	Response (agree, agree in part, disagree)	Explanation (especially if response is not agree)	Action Plan	Timeframe
<p>Select and peer review criteria for selection and prioritisation of initial PRISMA-2 portfolio of interventions; and include no-go lessons from Phase 1. (e.g. no organisational change [banks, irrigation associations (HIPAs), village owned enterprise (BUMDes), agriculture extension workers (PPLs)] and no co-facilitators or GoI-led interventions).</p>	<p>Agree in part</p>	<p>The primary intention and mechanism of MSD is organisational change, including this as a no go lesson directly contravenes the fundamental mechanism.</p> <p>PRISMA-2 should have space to support organisational change and co-facilitators based on rigorous analysis and as part of a balanced portfolio.</p> <p>PRISMA-2 should be cautious of generalizing lessons from AIP-R about certain institutions and modalities (e.g. HIPAs). Their performance is not uniform.</p> <p>Similarly with co-facilitators the learning is not clear cut. PRISMA-2 will apply learning to determine whether co-facilitators are appropriate for an intervention, and which ones are best.</p>	<p>PRISMA2 will review selection criteria for its opening portfolio and continue to refine these as the programme progresses. Key to this will be a Partnership Review to incorporate relationship management into the Quality Monitoring Tool process.</p> <p>In order to retain flexibility and attain the ambitions of PRISMA-2, nothing should be “off the table”. The programme should determine who to partner with, and the means of partnering for each intervention.</p> <p>E.g. if co-facilitators are appropriate for a given intervention (e.g. based on Phase 1 successes), they will be considered alongside alternatives.</p> <p>Modalities such as co-housing co-facilitator staff to aide better information flow, management</p>	<p>Selection and peer review criteria for selection and prioritisation of initial PRISMA-2 portfolio of interventions is planned for Quarter 1.</p> <p>The Partnership Review (to review current partnering modalities) will be conducted in April 2019.</p> <p>Consideration of no-go lessons will be ongoing</p>

			and knowledge transfer will also be considered.	
Review functions and organisation to include financial, ICT and irrigation innovations in the PRISMA-2 portfolio so that they are treated consistently with other sectors and best use is made of resources in the Mentoring Hub.	Agree		PRISMA-2 will re-visit structure in Semester 1 – possible re-shuffle as needed.	30 June 2019
Capture and communicate final AIP-Rural resources (e.g. the MSD training curriculum developed for government partners), as well as lessons from case studies, MIS and completion report.	Agree		PRISMA-2 has developed a completion report and lessons learned document that will be published and distributed to relevant private sector and public sector stakeholders.	31 December 2019
Manage risk of loss of momentum – partners, staff, interventions, including maintaining the HOP capacity and an active Mentoring Hub.	Agree		Palladium has developed a transition plan and key messages for partners and staff to ensure smooth transition. However, some factors are beyond Palladium/DFAT's control (e.g GOI approvals, visas) and the risk of staff not wanting to continue to Phase 2 is still high. Palladium will recruit staff to replace people as needed.	Ongoing
Manage new budget constraint context with better financial planning, forecasting and reporting.	Agree		PRISMA-2 will provide ongoing program management and budgeting training for senior staff.	Start 1 January 2019

			<p>PRISMA-2 will continue to improve both systems and the people who run them – as making improvements involves finance/budgeting <i>and</i> management.</p> <p>For example, PRISMA-2 will incentivize good performance and display KPIs in prominent places and will review budgeting systems to explore options for improvement.</p>	
Measure outreach from all AIP-Rural interventions (direct and systemic) for 2 years from their completion.	Agree in part	Subject to resources PRISMA-2 will select the larger interventions that have had an impact worth measuring.	<p>PRISMA-2 will report on systemic change and indirect outreach.</p> <p>DFAT will work with Palladium to implement this recommendation and ensure that sufficient resources are allocated for selected interventions.</p>	31 December 2019