

**AUSTRALIA INDONESIA  
GOVERNMENT PARTNERSHIPS FUND**

**PHASE II**

**2010-15**

**DESIGN**



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## Glossary

This Design Document uses the following terms in reference to the Government Partnerships Fund (GPF):

- **GPF Agencies** – Indonesian and Australian agencies participating in the GPF.
- **Initiative** – the broader Government Partnerships Fund.
- **Program** – a series of events designed to bring about a desired change, agreed by Indonesian and Australian partner agencies.
- **Activity** – an event or input, such as a study tour or workshop, conducted in partnership between Indonesian and Australian agencies.

Note that the term “program” is also used in a generic sense, such as “the Ministry’s reform program”.



## Background

1. The Government Partnerships Fund (GPF) is a whole-of-government program that facilitates and strengthens government-to-government partnerships and policy dialogue between Australia and Indonesia, in the pursuit of economic and public sector development. It is an initiative under the Australia Indonesia Partnership Country Strategy 2008-2013 - Pillar 1 Sustainable growth and economic management.
2. In response to the tsunami of December 2004, Australia's Prime Minister and Indonesia's President agreed to establish the Australia Indonesia Partnership for Reconstruction and Development (AIPRD). As a part of the AIPRD, AusAID has managed the implementation of the GPF, a five-year, \$50 million initiative that facilitates government-to-government partnerships, supporting capacity building and policy dialogue.
3. This design document provides the rationale for an ongoing partnerships program to support economic and public sector reform in Indonesia; the governance structure and management framework to develop and deliver programs that target priority reforms; and the monitoring and evaluation system to ensure program effectiveness and continuous improvement. Logistics processes will be provided in a separate Operations Manual.

## Features, Principles and Purpose of the GPF

4. The GPF provides Indonesian and Australian economic and public sector reform agencies with access to a pool of unallocated funds, and establishes the systems necessary to allocate those funds to priority reform programs and ensure their effectiveness. It brings together a set of programs that are linked by their approach and their sector of activity, but whose impacts it would not be possible to aggregate to assess progress towards a single outcome or set of outcomes.
5. It operates essentially in a decentralised mode, in which decisions about areas of activity and the objectives to be pursued are decided in partnership between Indonesian and Australian agencies. As such, it requires dedicated governance structures and management resources to give it internal coherence, improve resource allocation and ensure complementarity with other forms of Australian cooperation with Indonesia.
6. The hypothesis behind the GPF is:  
**Facilitating partnerships between Australian and Indonesian public sector agencies engaged in similar business will result in types of support that Indonesia values and a range of positive outcomes within Indonesian organisations, provided that the reform environment remains strong.**
7. The decentralised and exploratory nature of the GPF is essential to this hypothesis. The GPF is intended to give Indonesian agencies leadership and allow them to make use of the initiative's comparative advantages: the ability to discuss reform challenges with peers; mutual problem solving; the current technical and practical skills of serving officials; and access to an institution rather than a single adviser.

8. The goal of the GPF is:

**Indonesian government agencies implementing effective economic and public sector management policies.**

The purpose of the GPF is:

**To apply Australian public service skills and experience to the implementation of priority Indonesian economic and public sector reforms.**

This statement describes a process rather than an objective. However, implicit in the statement is the judgement that Australia has something to offer from its own reform experience and that this is valued by Indonesian agencies. The objective will be achieved if the answers to the following questions are positive:

- *Are Australian public service skills and experience relevant to the Indonesian context and valued by Indonesian counterparts?*
  - *Are they being effectively applied?*
  - *Are they addressing the right Indonesian priorities?*
9. Objectives are also defined at the agency-to-agency level. At this level it should be possible to make a clear statement as to changes that have occurred in a given Indonesian agency over the period of the partnership, and the contribution that the GPF partnership has made to these changes. Critical to the success of such an initiative is that participating Australian and Indonesian agencies are supported to develop appropriate objectives and programs of activity, and to evaluate these programs to ensure their effectiveness.
10. The trust developed between Australian and Indonesian agencies through the first phase of the GPF has led to stronger partnerships and opportunities to collaborate in important policy areas, such as Indonesia's response to the global recession and climate change policy. The second phase of the GPF will ensure that Australian officials are well positioned to respond to direct requests from Indonesian Ministers for assistance in important policy areas.
11. Part of setting realistic ambitions is recognising the limitations of agency-to-agency partnerships compared to contracted technical assistance. Australian agencies are often constrained in the types of assistance they are able to provide to their Indonesian counterparts, by such factors as their own domestic workload and a lack of in-house resources to support a particular reform.
12. The constraint on the supply of skills available through the GPF and the relatively modest size of the programs means that the initiative should not be expected to support the highest priority reforms for all the Indonesian agencies involved. The GPF partnerships should, however, support the highest priority needs that participating Australian agencies are practically able to meet.
13. In practice Australian cooperation with Indonesia has other instruments which can respond more flexibly to priorities, and the relative contribution of all forms of assistance will need to be addressed as a whole. To this end, the GPF will share its Jakarta-based governance arrangements with the Australian Indonesia Partnership for Economic Governance (AIPEG), which provides complementary support for Indonesian economic reform. This arrangement will maximise the opportunities for collaboration between the two initiatives.

14. As a balance to this limitation, the initiative will need to be able to show that the creation of long term partnerships between Indonesian and Australian agencies has compensating advantages. This will mean incorporating in the vision of success for individual partnerships an assessment agreed by both sides of what they expect from the broader partnership, and following this up in monitoring and evaluation. There is a good deal of experience of effective partnering in the first phase of the GPF which can be drawn on to inform these expectations.
15. The above features, principles and purpose show that the GPF is a unique development cooperation initiative, which has special requirements to ensure that the funding available is directed to the best possible programs and that it is effective in meeting the needs of Indonesia. Key to the success of the initiative will be good governance arrangements and good management information to inform its direction and ensure its effectiveness.

## **Lessons from the First Phase**

16. Despite some success stories at the partnership level, and the high degree of support shown by Indonesian officials for the program, the Independent Completion Report for the first phase of the GPF identified key structural weaknesses, which this design aims to address:
  - The need for greater strategic intent for the GPF, built up from a stronger rationale for the program and clarity of objectives at the partnership level;
  - The lack of a governance structure which makes resource allocation decisions consistent with the rationale;
  - Derived from this gap, a lack of a clear set of accountabilities within the GPF, and consequent lack of clarity over management arrangements; and
  - The lack of monitoring and evaluation arrangements at the program level and the concentration of monitoring at partnership level on outputs.

## **Governance and Management**

17. In the first phase of GPF, decisions about new partnerships and the initial allocation of resources were made by a committee of senior Australian officials. The absence of Indonesian representation in the governance committee to articulate the Indonesian Government's economic and public sector reform agenda, together with the absence of an agreed framework for prioritising applications, made it difficult to ensure that the partnerships being supported and the level of resources being allocated corresponded to the broader priorities of the Government of Indonesia.
18. Just as agency-to-agency negotiation of programs helps ensure that activities target appropriate priorities for the Indonesian agency, so Indonesian representation in the governance arrangements of the second phase of the GPF will help ensure that the highest possible priority reforms for the Government are supported and that the limited resources available are effectively utilised.
19. A model for a successful joint Australian-Indonesian governance body can be found in the long running Technical Assistance Management Facility (TAMF) and its successor program, the Australia Indonesia Partnership for Economic Governance (AIPEG). Through the participation of senior Indonesian officials with access to key policymakers, the governance bodies of these programs

have ensured that they have supported the priorities of the Government of Indonesia.

20. As AIPEG and the GPF target similar reform agenda, a shared governance structure will help ensure that the programs complement each other. Under such a structure AIPEG will be positioned to support GPF partnerships with, for example, technical assistance in human resource management and information technology. It will also minimise duplication of effort for both Indonesian and Australian senior officials.

## **Governance**

21. The composition, roles and responsibilities of the elements of the GPF governance structure are described below, followed by a narrative describing how these institutions will function.

### **GPF Steering Committee**

22. The AusAID Minister Counsellor, Jakarta, and a senior official from the Government of Indonesia will co-chair the GPF Steering Committee, comprised of senior representatives of the Governments of Indonesia and Australia. This Committee will have a dual role as the Advisory Board for the AIPEG facility and as the Steering Committee for the GPF. It will meet six-monthly, considering program proposals at the mid-year meeting and formal agency reporting at the end-of-year meeting.
23. Committee members participate by invitation of the Co-Chairs, and should have a very good understanding of the Indonesian economic and public sector reform context. Positions on the Steering Committee will not necessarily be allocated on a representational basis, with positions filled by participating agencies. Rather, members will be invited based on their knowledge, networks and influence. Members should be able to reflect on the priorities of the Indonesian Government within economic and public sector reform as a whole and have sufficient influence to be able to make credible funding allocation recommendations<sup>1</sup>.
24. The Co-chairs of the Steering Committee may invite other senior Indonesian officials to participate, as required.
25. The GPF Steering Committee is responsible for:
- Providing ongoing advice to the Core Group and Australian agencies on the reform priorities of the Government of Indonesia, through the GPF Secretariat;
  - Assessing proposed programs submitted by Australian and Indonesian agencies against an agreed set of Design Principles (see below) and the broader priorities of the Government of Indonesia;
  - Agreeing GPF programs and allocating funding;
  - Monitoring the progress of programs including their effectiveness and efficiency, providing feedback to agencies on their programs (through the Secretariat) and determining ongoing funding; and

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<sup>1</sup> In the first instance, the AusAID Minister Counsellor will invite senior officials from the Australian Core Group departments who meet the above criteria to join the Steering Committee. The final composition will ensure a balance between Indonesian and Australian participants and will not exceed eight members. Representatives will recuse themselves from any discussion which might represent a conflict of interest.



- Monitoring the effectiveness of the GPF initiative as a whole.

## **Government of Australia Core Group**

26. The GPF Core Group comprises of representatives of central and international policy agencies of the Government of Australia, including the Department of Prime Minister and Cabinet, the Treasury, the Department of Finance and Deregulation, the Department of Foreign Affairs and Trade and AusAID. The AusAID Assistant Director General responsible for the aid program in Indonesia, will chair Core Group meetings. The Core Group will provide advice to the Steering Committee prior to Committee meetings. The Steering Committee will provide feedback to the Core Group on decisions taken and GPF progress.

27. The Core Group is responsible for:

- Agreeing all GPF program proposals prior to their submission to the Steering Committee;
- Providing advice to the Steering Committee on the Australian strategic priorities and perspectives with respect to aid policy and global, regional and bilateral engagement and may provide comments on proposals; and
- Monitoring whole of initiative performance.

The Core Group may also provide the Steering Committee with comments on the proposals it will consider or on the program more generally. To assist the Core Group in its advisory role, the GPF Secretariat will provide it with regular updates on AIPEG activities.

## **GPF Inter-Departmental Committee**

28. The second phase of GPF includes the introduction of quarterly information sharing Inter-Departmental Committee meetings which the GPF Core Group and all Australian Government agencies engaged in GPF will be invited to attend. These meetings will give agencies an opportunity to share information on lessons and analysis of each agency's activities, good practice in capacity development, and Indonesia's reform environment.

29. One of the four meetings held each year will take place before the annual Core Group meeting. At this IDC meeting, agencies will be given an opportunity to present on their main activities proposed for the following calendar year. This information provides

- An opportunity for the Core Group to receive an informal briefing on proposed activities.
- An opportunity for GPF agencies to amend their draft work plans to, for example, exploit opportunities for joint activities, avoid duplication or to adjust the sequencing of activities.

## **Economic Governance Adviser meetings**

30. GPF and AIPEG Advisers in Jakarta will meet monthly to share information.

## **GPF Secretariat**

31. The GPF Secretariat is managed by the AusAID Jakarta Economic Governance Unit Manager, and comprises AusAID staff and representatives from the Government of Indonesia. The Secretariat has dual roles: to support the Steering Committee with its governance and oversight functions, and to support agencies to prepare and deliver effective programs.
32. The GPF Secretariat is responsible for:
- Supporting Australian and Indonesian agencies to develop, deliver, monitor and evaluate partnership programs, including providing resources for program design, monitoring and evaluation, capacity building and gender sensitive programming;
  - Coordinating information sharing across the GPF partnerships, the economic governance program and the broader Australia Indonesia Partnership, and ensuring that opportunities for complementary activities are exploited;
  - Administration of the initiative, including financial management, coordinating logistical support, and quality reporting;
  - Providing advice to the Steering Committee, and feedback to agencies, on:
    - how well proposed programs address the Design Principles; and
    - the progress of programs; and
  - Managing the initiative-wide monitoring and evaluation process and providing advice to the Steering Committee and agencies on the findings.
33. The advice provided by the Secretariat to the Steering Committee will not supersede the advice provided by the Core Group.

## **Australian and Indonesian Government Agencies**

34. The Australian and Indonesian agencies are responsible for:
- Maintaining good partnerships and mutual commitment to their program;
  - Negotiating appropriate and clear objectives and designing programs of activity in line with the GPF Design Principles;
  - Implementing programs, monitoring progress and reporting on progress and outcomes to the Steering Committee, through the Secretariat; and
  - Participating in monitoring and evaluation processes critically and constructively.
35. Additionally, Australian agencies are responsible for the appropriate use of public money and financial reporting.

## **GPF Governance in Practice**

36. The operations of the revised GPF governance arrangements will acknowledge that, at the inception of the initiative, there will already be established GPF relationships and ongoing programs of work that represent significant investments in Indonesian reforms. The governance arrangements will also balance the work of existing partnerships with the flexibility to support new reform priorities in Indonesia.

37. In practice, the governance bodies will have a different role at the initiative's inception than in subsequent years, as most agencies are likely to submit multi-year programs. A governance model for the cycle of planning, approval and reporting of GPF programs follows:

### First Year

- **Initial Planning:** Australian and Indonesian agencies with extant partnerships discuss the reform priorities which could be addressed through a GPF program. This is the 'concept' stage, and a detailed plan of activities need not yet be finalised. The outcome of these discussions should be the broad objectives of the program and the design logic that describes how the program will achieve those objectives.
- **Australian Consultations:** At an interdepartmental committee meeting in Canberra, Australian agencies share their program concepts and look for ways in which they might complement each other. This is also an early opportunity to analyse the likely cost of the programs and balance them against the overall funding available.
- **Proposal Design and Submission:** Australian and Indonesian agencies design their program proposals and submit them to the GPF Core Group, through the GPF Secretariat. The Secretariat will ensure that agencies are provided with appropriate assistance to develop sound proposals through, for example, access to design and M&E expertise.
- **Core Group:** Core Group meets in Canberra to consider the proposals. This meeting will assess the proposals against the design principles outlined below and also ensure that the aggregated cost of the programs does not exceed the available resources. Agencies may be asked to revise their proposals prior to submission to the Steering Committee. The Core Group may also provide advice to the Steering Committee on Australian strategic priorities and make recommendations on proposals.
- **Steering Committee:** Program proposals are submitted, through the Secretariat, to the GPF Steering Committee for agreement. The Steering Committee assesses the proposals against the design principles, agrees programs and allocates funding. Funding is secured on an annual basis with in-principle agreement to forward year funding.

### Subsequent Years

- **Monitoring and Evaluation:** Australian and Indonesian agencies deliver agreed programs, undertake M&E and provide annual reports to Core Group and the Steering Committee, through the Secretariat. The Core Group and the Steering Committee monitor the progress of programs against the expected progress outlined in the agencies' plans.
- **Strategic Direction Setting:** Both the Core Group and the Steering Committee have a role in setting the strategic direction of the initiative. The Steering Committee will advise the Core Group and Australian agencies on the reform priorities of the Government of Indonesia, which may present opportunities for new partnerships. The Core Group may provide advice to the Steering Committee on Australian strategic priorities and make recommendations on programs.
- The Steering Committee will hold formal meetings every six months, however informal discussions are likely to also take place. Although the Core Group and the Steering Committee will only consider formal M&E reports once a year, advice on the strategic direction of the program, for

example on emerging priorities or opportunities for new partnerships, may be provided at any time through the GPF Secretariat.

- **Resource Allocation:** Any changes in priorities may also impact the resources allocated to partnerships in forward years and consequently the timing of program delivery. Core Group and the Steering Committee have a shared role in ensuring that funding allocation corresponds to the priorities of the Indonesian Government and the progress of programs.

## **Management**

### **Design Principles**

38. The Design Principles will be used by the GPF Steering Committee to assess proposed programs from Australian and Indonesian agencies. While programs should seek to address all the principles, doing so will not guarantee that proposals will be supported or the funding will be allocated.

- **Priority:** Does the proposed program support a reform priority of the Governments of Indonesia and Australia for which there is momentum and for which the Indonesian agency has responsibility?
  - Indicators could include evidence of high level support for the reforms, such as Ministerial statements, and a track record of reform achievement in the Indonesian partner agency.
  - Another indicator would be alignment of the proposed program to the broader Australia Indonesia Partnership Country Strategy.
- **Ownership and Commitment:** Does the Indonesian agency have ownership of the proposed program and commitment to its implementation? Does the Australian agency have the appropriate expertise to support the program?
  - Indicators could include the sign off on the program by the respective agency heads; evidence that the Australian agency has experience with similar reforms; and contributions from Indonesian agencies to the activities, such as office space or support staff.
- **Alignment:** Is the program aligned to the broader Indonesian government and agency reform agenda, including the work of other donors?
  - Indicators could include evidence that the agency has a clear reform agenda, such as an operational strategic plan, and that the Australian agency has consulted with other donors and has support for the program.
- **Approach:** Is the approach to delivering the program logical and appropriate for the types of changes the partners are seeking to make?
  - For example: a project approach for a small-scale technical program, or a more flexible action-reflection approach for a complex policy reform.
- **Appropriateness and Clarity of Objectives:** Does the program set out clearly the change that both sides will contribute to by working together?
  - Indicators that objectives are appropriate may include that they go beyond outputs; that good progress is possible in the time proposed; and that they encourage adaptation and exploration along the way.

- Indicators that objectives are clear might be that it is self-evident (or can be explained) what will constitute success; and that the means of monitoring and evaluating progress can be explained.
  - **Value for Money:** Does the plan represent value for money?
    - Indicators could include a cost-benefit comparison with other, similar GPF plans, consideration of other options for meeting objectives and clear justification for the use of long term advisers.
  - **Gender:** Does the plan incorporate gender equity principles?
    - Indicators could include participation targets based on gender equity or efforts to promote awareness of gender equity principles.
39. Available funding will be allocated to deliver support where the APS can make a difference to the achievement of timely and high-quality outcomes by Indonesian counterparts. The focus should be on delivering results in a manageable range of areas, rather than aiming to respond to all requests for support, and on building enduring institutional relationships where these have been established.

## Implementation

40. GPF agencies are responsible for agreeing on program objectives and designing programs of activities to bring about desired changes. For agencies with established GPF partnerships, programs and budgets of up to three years duration may be developed for the Steering Committee's consideration, with annual reporting on progress. Planning will be based on the Indonesian financial year, which runs from January to December.
41. The first meeting of the Steering Committee will take place in mid-2010 to consider proposed programs which will commence in January 2011. The period July-December 2010 will be managed on a "business as usual" basis, with agencies implementing interim programs consistent with current (January-June 2010) objectives and resourcing. Future meetings of the Steering Committee will take place biannually, at times to be coordinated by the Secretariat.
42. While there is in-principle agreement that the second phase of the GPF should be of similar scope to the initial phase, \$50 million over five years, the flexibility of funding will be determined by the nature of the budget allocation. Depending on the level of flexibility, there may be scope for the Steering Committee and the Core Group to agree to a revised funding envelope.
43. The types of partnership activities that the GPF can support include: the placement of long-term advisers in Indonesian agencies; the secondment of Indonesian officials to Australian agencies; study tours; workshops and seminars; and training courses. Logistical support for these activities will be coordinated through the GPF Secretariat, which is also responsible for developing templates for activity design, budgeting and reporting.
44. The GPF Secretariat will also support agencies to develop objectives and design programs through the provision of training and ongoing assistance through a help desk service. Similarly, the Secretariat will provide access to monitoring and evaluation, gender and capacity building specialists to assist agencies to reflect on progress and continually improve their programs.
45. Australian GPF agencies will be responsible for managing funds allocated by the Steering Committee. As many programs will be drawing upon a single pool of funds, accurate budgeting and timely invoicing and financial acquittals are

essential to enable annual initiative allocation to be fully disbursed. The processes outlined above are presented in the GPF Operations Manual.

46. Once programs are established the Steering Committee will also make an assessment of progress in addition to the Design Principles to inform the ongoing allocation of resources. If a program has not delivered the expected outcomes or inputs in a given year, the Steering Committee will assess the reasons for the delay, review the forward funding allocation and may reallocate funding to partnerships with better prospects.

## Gender

47. The GPF is required by Indonesian and Australian commitments to address gender equality. The Australia Indonesia Partnership agreement between the Government of Indonesia and the Government of Australia requires all bilateral aid to address gender equality. Similarly, Indonesian *Presidential Instruction (9/2000)* states that donors must mainstream gender into all development initiatives.
48. Making gender an explicit Design Principle of the GPF will encourage Australian and Indonesian agencies to reflect on the issue and incorporate practical measures into their programs which promote gender equality. Resources including specialist advice on gender-sensitive programming will be available to agencies through the GPF Secretariat.

## Monitoring and Evaluation

49. The purposes of monitoring and evaluation (M&E) for the GPF are:

### ***At the program and partnership level:***

- To promote structured, regular and documented reflection and planning within partnerships, including reflection on key partnership principles;
- To provide for activity tracking against periodic plans;
- To provide information to the Steering Committee on progress against objectives; and
- To discharge the internal and external accountability of Australian agencies for the resources allocated to the partnership.

### ***At the initiative level:***

- To underpin reflection by the Steering Committee on the assumptions behind the GPF and on the functioning of governance structures;
- To provide information which explains the rationale and progress of the GPF for an audience of decision makers in Indonesia and Australia and in other development partners;
- To promote learning across the GPF;
- To meet the requirements of the Government of Australia's development effectiveness reporting; and
- To allow structured feedback to the Secretariat and AusAID on program management.

## ***M&E Principles***

50. The principles that need to be observed in establishing monitoring and evaluation arrangements for GPF are:

- ***Simplicity and clear expectations:*** An M&E system that works for different Australian agencies, and is relevant to Indonesian counterparts, should set very clear expectations of what is important, how it will be covered, and what the specific responsibilities of agencies will be. Ideally it should cover monitoring by agencies and the Secretariat of a small number of variables, and provide professional support.
- ***Consistency:*** M&E should cover the same broad issues across each partnership and address the changes in those issues over time.
- ***Proportionality:*** The intensity of monitoring, and expectations from those managing partnerships, should be proportional to expenditure.
- ***Connection to AIPEG:*** The issues that are important to AIPEG and GPF overlap but are not identical. The M&E systems will be kept separate at least for the first year, however there is scope for consistency of approach, notably in the way that counterparts are involved in M&E and in looking for opportunities to use results in Indonesian agencies' own reporting. Moreover, AIPEG can, through the GPF Secretariat, provide access to support for design and may be able facilitate selected M&E activities.
- ***Participation by Indonesian counterparts:*** In some partnerships the Indonesian side already has a role in shaping reporting. Joint responsibility will be built up and out to all partnerships. At a minimum this should mean participation in documented yearly annual reflection and planning processes and joint sign off on periodic reporting. An Indonesian government counterpart to the M&E specialist should be identified in the course of the first year.

## ***Responsibilities***

51. The responsibility for monitoring and evaluation of partnership programs rests with the participating ***Australian and Indonesian agencies***. Their proposed approach to the M&E questions set out below should be agreed with the Secretariat at the beginning of each new funding agreement and the proposals will be proportionate to planned expenditure. M&E approaches will be considered based on their ability to provide in a simple way information which is valid and able to be verified through more than one information source. Program proposals will specify the role of the GPF M&E specialist in facilitating evaluation.

52. The ***Secretariat*** will be responsible for monitoring the initiative as a whole. It will employ a part time M&E specialist as part of the Secretariat to cover the facility-wide M&E questions set out below, and to provide support for individual partnerships, and will identify a counterpart from the Indonesian government within the first year. It will also be responsible for:

- ensuring compliance with agreed reporting requirements from each partnership, and synthesising results for the Steering Committee;
- the requirements of Australia's development effectiveness reporting system;
- using the results of M&E to promote learning across the GPF; and

- producing or commissioning information products based on the results of M&E.
53. The **Steering Committee** will consider the proposed M&E arrangements as part of its decisions on funding of proposals, on advice from the Secretariat; and consider the results reported by partnerships as part of its overall review of the functioning of the GPF.

## ***Monitoring, Evaluation and Program Design***

54. For monitoring and evaluation of partnerships to be effective, each program proposal, or design, needs to contain:
- **A measurable objective(s)**: The type of objectives expected are discussed in the main design document
  - **A baseline statement for the objective**: This does not need to be more than a paragraph, but should summarise the agreed state of the Indonesian agency in the areas covered by the objective. It is inherent in the partnership approach that there will be neither perfect knowledge nor perfect agreement; more will be learned during the partnership, and both progress against the baseline and changing understanding of the situation will be tracked in the M&E system
  - **A statement of partnership expectations (beyond progress towards the objective)**: This will not be the same for all partnerships and will in general contain the expression of what each agency values about the partnership. It will form the basis of reflection over time about how the partnership is developing and how it relates to the achievement of objectives.

## ***Monitoring and Evaluation System***

55. The M&E system will work on an annual cycle corresponding to the Indonesian financial (calendar) year, and will be incorporated into current GPF planning cycles. The attachments to this document outline the how monitoring and evaluation will be conducted in the GPF at the program, partnership and initiative levels, including the questions that will need to be addressed.
- Attachment A: Monitoring at the Program Level
  - Attachment B: Evaluation at the Partnership Level
  - Attachment C: Monitoring and Evaluation at the Initiative Level

## **Integration with Indonesian Systems**

56. Under international aid effectiveness commitments, Australia is looking for ways to integrate monitoring and evaluation of its aid financed activities with Indonesian M&E arrangements. Although there are emerging systems for checking progress on Presidential priorities it is not clear that reforms supported by the GPF at present have the profile to figure in these systems. Integration in the case of the GPF is likely to mean a two stage process:
- Substantive involvement by Indonesian counterparts in monitoring and evaluation practice in the GPF, preferably including staff with formal M&E



or reporting responsibilities (there is scope to align with AIPEG practice here)

- Looking for opportunities to use M&E products from partnerships, or parts of them, as contributions to common donor reporting on the effectiveness of aid where more than one donor is active, or to Indonesian agencies' reporting obligations (e.g. to Parliament in respect of financial management reform).

57. It will be part of the M&E specialist's role to ask questions about the extent to which integration is occurring and to benchmark it against practice in the remainder of the Australian aid program in Indonesia.

## Audiences for Monitoring and Evaluation Information

58. Monitoring and evaluation helps managers of an activity make sense of progress as they go along. Most managers do this intuitively; the benefit of a structured system is that it encourages the use of consistent questions and standards through the life of a program, especially if personnel change, and provides a way into discussion with counterparts that might not easily arise in the course of business. Reporting the results of M&E is a different process and will normally be of benefit to those outside the day to day running of the partnership. Potential users of reporting in the GPF are:

Who	Want to know
<b>Top management in participating agencies</b>	<p>Progress against partnership objectives</p> <p>Outputs implemented to plan and quality</p> <p>Investment in partnership activities is justified</p> <p>Incentives for continuing to work together</p>
<b>Australian Core Group</b>	<p>Progress against partnership objectives</p> <p>Progress and areas of concentration are consistent with common Australian and Indonesian national interests</p>
<b>Secretariat</b>	<p>Progress against partnership objectives</p> <p>How progress towards objectives is being adapted and reviewed (i.e. how the partnership is working)</p> <p>Financial and input data</p> <p>How governance and selection arrangements are working</p>
<b>Steering Committee</b>	<p>Whether partnerships are living up to the ambitions of the funding proposal</p> <p>Whether partnerships are still addressing top priorities</p> <p>How governance and selection arrangements are working</p>

<b>AusAID</b>	<p>For the facility - information defined in quality processes and for program assessment</p> <p>How governance and selection arrangements are working</p> <p>For partnerships – progress towards objectives to inform wider policy dialogue with Indonesia</p> <p>Financial and input data</p>
<b>Ministers and senior officials in Indonesia and Australia not directly involved in the partnership</b>	Summary progress, mainly related to Australian and Indonesian joint interests.

59. Reporting from the individual partnerships and the facility to the Steering Committee, if pitched at the right level of outcomes, are likely to serve most of these purposes except the last, which will require periodic summaries and occasional special products. It is impossible to prevent other demands on partnerships and the Secretariat, especially in such a high profile activity but the aim should be to use the standard products above and their corollaries, such as quality at implementation reporting, to answer most questions.

## Independent Evaluation

60. An independent evaluation (mid-term review) will undertaken in year three or year four. Timing will be decided in the light of circumstances at the time, but should allow evidence to build up from three annual cycles and minimise M&E demands on Indonesian partners. Options to consider will include a joint evaluation with the World Bank of all external support for economic reform.
61. As a program contributing a small but strategic amount to wider reforms, the GPF would be suitable for contribution analysis as part of the independent evaluation. There would be no need to do this for every program, but perhaps for two or three case studies. Contribution analysis takes a high level change on which most stakeholders agree and traces plausible contributions to the change from the program being evaluated. It has the advantage that it obliges evaluators to consider contextual change as a factor in bringing about alterations in policy and practice as well as the more intentional contributions of designed programs. Case studies would need to be identified several months before the evaluation and steps taken to gather evidence of change and of contributory factors as an input into the evaluation.

***Monitoring at the Program Level*** (Primary responsibility – participating Australian and Indonesian agencies).

Monitoring is likely to include attention to some or all of following questions:

Question	Means of verification
Is learning from the Australian public service being sought by Indonesian institutions and leaders?	Numbers and type of new requests (whether responded to positively or not)  Examples of political and senior public service leadership endorsement of GPF concept or activities
Did we carry out the set of activities we planned? If not, why not? Were the ones we carried out successful? Did both sides provide what they said they would?	Australian agency records, Indonesian agency feedback
Have we had consistency in the principal participants in the partnership?	Australian agency records  Evidence of succession planning and handover  Numbers of key Indonesian personnel who have moved on
What have been the <u>processes</u> for determining what has worked and what the program for the next period should be?	Periodic plans including documented process for arriving at them
Is the ability of the Australian agency to support the partnership undiminished?	Evidence of senior leadership support  Assessment of quality of response for support from home agency  (If applicable) Assessment of quality of field of applicants for deployee positions
What changes have there been in agency policy and practice?	Evidence of learning from partnership applied to policy and practice

The methods used to collect data will vary with each program. It will be important that methods give attention to rigor and validity and can be verified through more than one source of data.

The output from monitoring should be a draft report of no more than three pages which will be the first step in partnership reporting. It should be endorsed and co-signed by the Indonesian agency.

In principle M&E should follow the annual cycle of reflection and planning, and the changes being captured in the above questions, other than those which deal with inputs, are unlikely to be meaningful over periods of less than a year. However, as a mechanism for alerting the Secretariat and the Steering Committee to potential problems in mid-cycle, agencies should provide ***exception reporting***.

This would be a short note describing any impediments to the delivery of the agreed activities or any changes in the context which significantly undermine assumptions or activate risks or which have a bearing on the likely progress during the year. Exception reporting may also be undertaken in instances where an Australian or Indonesian agency chooses to supplement their standard joint reporting with an annex of sensitive material; this may take place if there is a lack of consensus between the partners on the level of success achieved or on the inhibitions of success.

***Evaluation at the Partnership Level*** (Primary responsibility – participating Australian and Indonesian agencies with support from M&E specialist)

Evaluation involves making sense of the information formally and informally collected during the period under review. In order to be of use to both partners, it needs to take place as part of, perhaps at the end of, the review and planning process, and involve some participatory and open ended reflection. Precisely who is involved will depend on the nature and maturity of the partnership, and the need to make sure that different voices are heard, not just senior ones.

The evaluation questions that might be considered at this time include:

Question	Issues for reflection
What value have Australian public service skills added to reform in this agency?	Which skills of trainers, deployees, etc have been valued? What learning from Australia has been valued?
Is this partnership still part of a wider reform program in the agency? Have any changes taken place to undermine the assumption that policy in this agency is stable?	Links to wider reform programs, including those supported by other donors Breadth of ownership of objectives towards which partnership is working Changes in leadership or mandate Staff rotation
What have we learned about what it will take to get to our objectives? Do we need to change our approach or the objectives?	Progress towards objectives
How have our priorities changed over time and why? Do we understand each other better?	Quality of participation in reflection and planning processes Changes in composition of work programs
What changes have there been in individual and institutional capacity?	Examples of changed individual or institutional ability to get things done or do things differently
Are both sides demonstrating good partnership behaviors?	Responsiveness, transparency, articulation of mutual interest, mutual respect
How good has this reflection and planning process been? Do we need to improve it next time?	

These questions will need to be adapted for different situations. The depth of enquiry implied by the whole suite may not be appropriate for small partnerships, and the ability to ask searching questions about capacity or good partnership behaviours is likely to be a feature only of the most well developed partnerships.

The format will also need to be adapted. Again the key will be to ensure the data collection is rigorous and valid and promotes the participation of various people.

The outputs from evaluation should be

- Next year's plan [mostly] finalised
- A report of no more than ten pages which the M&E specialist can help to write incorporating the results of the evaluative process and the monitoring information previously prepared.

***Monitoring and Evaluation at the Initiative Level (Primary responsibility – Secretariat)***

Monitoring and evaluation of the facility will cover the following questions:

<b>Question</b>	<b>Means of verification</b>
Are Australian public service skills relevant and valued in Indonesia?	Synthesis of evidence from partnership monitoring Demand for partnerships Attendance at and discussions in the Steering Committee
Are partnerships being applied effectively to Indonesian reforms? Is strategic guidance being developed to improve the likelihood of effective outcomes?	Synthesis of evidence from partnership evaluation Guidance flowing from Steering Committee discussions
Are the reforms being supported priorities for Indonesia and for the partnership approach?	Discussions in the Steering Committee Application of selection criteria
<i>Place holder for gender monitoring</i>	<i>TBA</i>

The output of this stage will be a report of no more than ten pages by the Secretariat to the Steering Committee. This should also include basic management information (e.g. on expenditure) and the results of reflection on the performance of the Secretariat and overall program management efficiency (perhaps gathered through a questionnaire to partnership managers).