



Australian Government
AusAID

**Quality at Entry Report and
Next Steps to Complete Design for
Australia Indonesia Partnership for Decentralisation – Rural Economic
Development Program
(AIPD-Rural)**

A: AidWorks details *completed by Activity Manager*

Initiative Name:	AIP Rural Economic Development Program		
AidWorks ID:	INJ498	Total Amount:	AUD95 million
Start Date:	10 July 2011	End Date:	30 June 2020

B: Appraisal Peer Review meeting details *completed by Activity Manager*

Initial ratings prepared by:	Rani Noerhadhie
Meeting date:	10 May 2011
Chair:	Rod Brazier, ADG, IET Branch
Peer reviewer providing formal comment & ratings:	– Gillian Brown, Gender Principal Adviser
Independent Appraisers:	– Alan Gibson, Independent Appraiser – John Fargher, Independent Appraiser – Ronnie Natawidjaja, Independent Appraiser

B: Appraisal Peer Review meeting details *completed by Activity Manager*

Other peer review participants:	<p>Canberra</p> <ul style="list-style-type: none"> - Alwyn Chilver, Rural Principal Adviser - 'Alopi Latukefu, Director, Food Security and Rural Development Section - Mat Kimberley, Director, INS - Luke Arnold, Manager, INS - Paul Zeccola, Policy officer, INS - Brian Hearn, Procurement and Agreement Section - Glenn Killiman, PAS - Nicholas Wolf, Policy officer, Food Security and Rural Development Section - Robert Tulip, Manager, Food Security and Rural Development Section - Fiona Kotvojs, Co-Team Leader, AIPD-Rural design team - Sofia Ericsson, Performance Manager <p>Jakarta</p> <ul style="list-style-type: none"> - Sam Zappia, Chief Operation Officer - Petrarca Karetji, Director, DPRR Section - Ben Power, Counsellor, Infrastructure and Economic Governance Section - Jeremy Stringer, Unit Manager, Rural Development Unit - Rani Noerhadhie, Senior Program Manager, Rural Development Unit - Dan Hunt, AIPD Deputy Program Director & AusAID Regional Representative - Joel Tukan, Program Manager, Rural Development Unit - Ria Houriyah, Program Officer, Rural Development Unit - Peter Bissegger, Team Leader, AIPD-Rural Design team - Frances Barns, Country Representative, ACIAR - Jackie Pomeroy, Rural Economic Development specialist. - Esnawan Budisantoso, Agriculture specialist, AIPD-Rural Design team
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C: Safeguards and Commitments *(new!) completed by Activity Manager*

<i>Answer the following questions relevant to potential impacts of the activity.</i>		
1. Environment	Have the environmental marker questions been answered and adequately addressed by the design document in line with legal requirements under the Environmental Protection and Biodiversity Conservation Act?	Yes
2. Child Protection	Does the design meet the requirements of AusAID's Child Protection Policy?	N/a
3. Imprest Account	Does the business case and risk assessment support the use of an imprest account as the most efficient, effective and ethical use of Commonwealth funds in accordance with the Commonwealth Financial Framework and AusAID policy?	N/a

D: Initiative/Activity description *completed by Activity Manager (no more than 300 words per cell)*

4. Description	The goal of the AIPD Rural Program is: Increased net income for poor rural female and male farmers. AIPD-Rural aims to contribute to this goal by addressing constraints to competitiveness of poor farmers in an equitable and sustainable way. This will be through improving policies that affect the business enabling environment for farmers; changing the way key agricultural players respond to demands for public and private services from farmers; and supporting adoption of techniques that improve agricultural productivity
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5. Objectives Summary	The objective of the program is: Increased competitiveness of poor female and male farmers. This reflects the program approach of addressing the availability and effectiveness of public and private services used by farmers and related economic actors to increase competitiveness. This objective is to be achieved through three outcome areas: (1) Adoption of improved farm practices by farmers; (2) use of improved input and output markets by farmers; and (3) improved enabling environment for farmers at sub-national levels.
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E: Quality Assessment and Rating <i>(no more than 300 words per cell)</i> <i>completed by Activity Manager after agreement at the Appraisal Peer Review meeting</i>			
Criteria	Assessment	Rating (1-6) *	Required Action (if needed)
6. Relevance	Design quality is good and coherent. The goal, objective, and outcomes of AIPD-Rural are relevant to GOI efforts to reduce poverty through rural economic development and AusAID Country Strategy 2008-2013. The peer review recommended that, during implementation, the program seeks identify opportunities for scale-up in other eastern Indonesia provinces not included as target provinces.	5	Further analysis during implementation phase of opportunities to scale-up in other eastern Indonesia provinces.
7. Analysis and Learning	Appraisers agreed that the document has adequate analysis and taking into account lessons learned from other similar programs (e.g. SADI, ACCESS, ANTARA, PUAP, PNPM) although could benefit more by including lessons learned of other donors' program.	4	Further analytical work to be undertaken in development of provincial, district and sector strategies.
8. Effectiveness	<p>Appraisers agreed that the current design will work. It is closely consistent with the M4P approach, however it still needs improvements by explaining, in language that could be understood by non-practitioner, how the system proposed by the program is efficient and will provide maximum benefit to farmers. The design team has now revised the program logic to better clarify linkages between AIPD-Rural and AIPD-Governance and roles and responsibilities of each program team at all levels.</p> <p>Concerns were expressed at the peer review over the planned timeframe of implementation in Papua and West Papua, given that the two provinces are relatively new for AusAID's rural development portfolio and have different agricultural and poverty characteristics from the other three provinces.</p> <p>Responding to concerns expressed in the peer review, the design has now been framed as a nine-year program to allow greater analysis and relationship development to inform roll-out and scale-up.</p>	5	<p>More work on shared outcome indicators needed through Common Result Framework process.</p> <p>Close and ongoing coordination with DFAT on the roll-out in Papua and West Papua.</p>
9. Efficiency	The proposed model is generally impressive, but appraisers expressed some concerns over management and governance of AIPD-Rural, in particular on how it will seamlessly work together with AIPD-Governance. The main concern was over the delineation and demarcation of work as well as delivery and accountability mechanism between two separate managing contractors. This has been clarified to some extent through revisions to the design document, and will be addressed comprehensively through the Scope of Services and Basis of Payment.	5	Scope of Services and Basis of Payment to be drafted as soon as possible to allow possible demarcation risks to be addressed as soon as possible.


E: Quality Assessment and Rating <i>(no more than 300 words per cell)</i> <i>completed by Activity Manager after agreement at the Appraisal Peer Review meeting</i>			
Criteria	Assessment	Rating (1-6) *	Required Action (if needed)
10. Monitoring and Evaluation	Monitoring and evaluation framework of the design is of good quality. To better measure performance, during the implementation the M&E framework should also include examples of specific, high-level indicators and additional performance indicators such as output-to-purpose reviews as well as program management indicators.	5	Comprehensive M&E Framework to be developed and implemented during the design phase.
11. Sustainability	Peer reviewers agreed that program benefits are likely to be sustainable. It was suggested that further work be made to address environmental sustainability as well as more analysis of theory of change from subsistence farming to prosperity and capacity development. More analysis on how the program could influence government's extension service behavioural change would inform path to sustainability.	4	Further analysis to be conducted as part of provincial, district and sectoral analytical work.
12. Gender Equality	Appraisers agreed that the design document has a very good gender and social inclusion paper and a practical strategy to address these issues during implementation. The approach of both mainstreaming gender and including a stand-alone outcome area relating to gender is a good one. The gender strategy to be developed by the contractor should include a note on how gender objectives can be mainstreamed within the program and should also look for synergies between the different AusAID-funded programs (including PNPM, ACCESS, the proposed Women's Leadership Program) to maximise impact.	5	Contractor to develop comprehensive gender strategy, building on the analysis conducted during the design phase and also looking at other AusAID programs.

* Definitions of the Rating Scale:

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

E: Next Steps <i>completed by Activity Manager after agreement at the Appraisal Peer Review meeting</i>		
Provide information on all steps required to finalise the design based on <i>Required Actions</i> in "C" above, and additional actions identified in the peer review meeting	Who is responsible	Date to be done
<p>Specifically noted during the Peer Review were requirements to:</p> <ol style="list-style-type: none"> 1. Better describe the benefits of integrating the Rural program under AIPD 2. Clarify governance and management arrangements 3. Clarify program logic linking AIPD and AIPD-Rural 4. Identify strategies to mitigate risks of: <ol style="list-style-type: none"> a) government capture of program resources, and b) the potential hesitancy of businesses to engage with AIPD-Rural due to a perceived association with government 5. Demarcate delivery and accountability responsibilities for separate Managing Contractors, and provide a Scope of Services 6. Clarify a roll out strategy for Papua, including stop-go points and reference to bilateral sensitivities 7. Reference 'poverty' in describing how districts are selected 	Jeremy Stringer	10 June 2011
Draft scope of services	Rani Noerhadhie	Final draft - August 2011

F: Other comments or issues <i>completed by Activity Manager after agreement at the APR meeting</i>
<ul style="list-style-type: none"> • Since the appraisal peer review, improvements to the design documents has been made, as outlined in the Response to Peer Review minute and attachment, submitted to the ADG IET, dated 8 June 2011. There was only one suggested change to ratings, with Efficiency lifted from 4 to 5. Effectiveness to remain at 4 pending further analytical work to be conducted prior to implementation (as previously outlined in the design document), and the identification of shared outcome indicators with AIPD-Governance using the Decentralisation program's Common Results Framework. • Since the appraisal peer review, the development of draft Scope of Services has started. The SOS will take some time to finalise, and Post will continue to discuss the development of SOS with the Procurement Unit in Jakarta and PAS Canberra as well as Indonesia Section and Food Security and Rural Development thematic group.

F: Approval <i>completed by ADG or Minister-Counsellor who chaired the peer review meeting</i>		
<p>On the basis of the final agreed Quality Rating assessment (C) and Next Steps (D) above:</p> <p><input checked="" type="checkbox"/> QAE REPORT IS APPROVED, and authorization given to proceed to:</p> <p style="margin-left: 40px;"><input checked="" type="radio"/> FINALISE the design incorporating actions above, and proceed to implementation</p> <p>or: <input type="radio"/> REDESIGN and resubmit for appraisal peer review</p> <p><input type="checkbox"/> NOT APPROVED for the following reason(s):</p> <p>_____</p> <p>_____</p> <p>_____</p>		
Rod Brazier	signed: 	28/6/11

When complete:

- Copy and paste the approved ratings, narrative assessment and required actions (if any) (table D) into AidWorks
- The original signed report must be placed on a registered file